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

FORM 8-K

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

Date of Report (Date of earliest event reported): June 28, 2007

PARKER DRILLING COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**1-7573**	**73-0618660**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1401 Enclave Parkway, Suite 600 **Houston, Texas 77077**	**77077**
(Address of principal executive offices)	(Zip Code)

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01. Entry into a Material Definitive Agreement

Offering of Convertible Senior Notes

On July 5, 2007, Parker Drilling Company (the "Company") completed its public offering of $125 million aggregate principal amount of its 2.125% Convertible Senior Notes due 2012 (the "Notes"), pursuant to the Company's Registration Statement on Form S-3 (Registration No. 333-144111) and the related prospectus dated June 28, 2007 filed with the SEC under Rule 424(b) of the Securities Act of 1933. The Notes sold in the offering included $10 million aggregate principal amount of Notes subject to the Underwriters' over-allotment option, which was exercised in full on June 29, 2007. The Notes were offered and sold pursuant to an Underwriting Agreement with the guarantors named therein (the "Guarantors") and the several underwriters named therein, for whom Banc of America Securities LLC acted as the representative (collectively, the "Underwriters"). The Notes were issued pursuant to an Indenture dated July 5, 2007 among the Company, the Guarantors and The Bank of New York Trust Company, N.A., as Trustee (the "Indenture"). The offering closed on July 5, 2007.

A copy of the Indenture is attached hereto as Exhibit 4.1 and is incorporated herein by reference. A copy of the Underwriting Agreement is attached hereto as Exhibit 1.1 and is incorporated herein by reference. The summaries of the Underwriting Agreement and the Indenture are qualified in their entirety by reference to the text of such agreements in such exhibits.

Convertible Note Hedge and Warrant Transactions

On June 28, 2007, in connection with the offering of the Notes, the Company also entered into separate convertible note hedge transactions (collectively, the "convertible hedge transactions") with respect to the Company's common stock, par value 0.16^{2}/_{3}$ per share (the "Common Stock"), with each of Bank of America, N.A., Deutsche Bank AG, London Branch and Lehman Brothers OTC Derivatives Inc. (collectively, the "Hedge Participants"). The convertible hedge transactions cover, subject to customary anti-dilution adjustments, approximately 9.0 million shares of the Company's Common Stock. Separately and concurrently with entering into the convertible hedge transactions, the Company also entered into warrant transactions (collectively, the "warrant transactions") with the Hedge Participants whereby the Company sold to the Hedge Participants warrants to acquire, subject to customary anti-dilution adjustments, up to approximately 9.0 million shares of the Company's common stock. On June 29, 2007, the underwriters exercised their over-allotment option to purchase additional Notes pursuant to the Underwriting Agreement and accordingly, the Company used a portion of the net proceeds from the sale of the additional Notes to enter into additional convertible hedge transactions and, on the same date, entered into additional warrant transactions with the Hedge Participants pursuant to amendments to the Confirmations with the Hedge Participants relating to the warrant transactions (the "Amendments").

The convertible hedge and issuer warrant transactions are separate transactions entered into by the Company with the Hedge Participants, are not part of the terms of the Notes and will not affect the holders' rights under the Notes. Holders of the Notes will not have any rights with respect to the convertible hedge and warrant transactions.

Copies of the Confirmations relating to the convertible hedge transactions are attached hereto as Exhibit 10.1, 10.2 and 10.3 and are incorporated herein by reference. In addition, copies of the Confirmations relating to the warrant transactions and the Amendments to such Confirmations are attached hereto as Exhibits 10.4, 10.5, 10.6, 10.7, 10.8 and 10.9 and are incorporated herein by reference. The summaries of the terms of the Confirmations and the Amendments in this Item 1.01 are qualified in their entirety by reference to the text of such agreements in such exhibits.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information included in Item 1.01 above regarding the Indenture is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities

The information included in Item 1.01 above regarding the warrant transactions is incorporated by reference into this Item 3.02.

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Item 9.01 Financial Statements and Exhibits.

(c) Exhibits. The following exhibits are filed herewith:

Exhibit No.	Description
1.1	Underwriting Agreement, dated June 28, 2007, among Parker Drilling Company, the guarantors named therein and Banc of America Securities LLC, as representative of the several underwriters named therein.
4.1	Indenture, dated as of July 5, 2007, among Parker Drilling Company, the guarantors from time to time party thereto, and The Bank of New York Trust Company, N.A.
4.2	Form of Note (included in Exhibit 4.1).
10.1	Confirmation of Convertible Bond Hedge Transaction, dated as of June 28, 2007, by and between Parker Drilling Company and Bank of America, N.A.
10.2	Confirmation of Convertible Bond Hedge Transaction, dated as of June 28, 2007, by and between Parker Drilling Company and Deutsche Bank AG, London Branch.
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10.6	Confirmation of Issuer Warrant Transaction dated as of June 28, 2007, by and between Parker Drilling Company and Lehman Brothers OTC Derivatives Inc.
10.7	Amendment to Confirmation of Issuer Warrant Transaction dated as of June 29, 2007, by and between Parker Drilling Company and Bank of America, N.A.
10.8	Amendment to Confirmation of Issuer Warrant Transaction, dated as of June 29, 2007, by and between Parker Drilling Company and Deutsche Bank AG, London Branch.

Exhibit No.	Description
10.9	Amendment to Confirmation of Issuer Warrant Transaction, dated as of June 29, 2007, by and between Parker Drilling Company and Lehman Brothers OTC Derivatives Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PARKER DRILLING COMPANY

Dated: July 5, 2007

By: /s/ Ronald C. Potter
Ronald C. Potter
Vice President and General Counsel

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Exhibit 1.1

$115,000,000 AGGREGATE PRINCIPAL AMOUNT

PARKER DRILLING COMPANY

2.125% CONVERTIBLE SENIOR NOTES

DUE 2012

UNDERWRITING AGREEMENT

dated June 28, 2007

BANC OF AMERICA SECURITIES LLC

As Representative of the several Underwriters

Underwriting Agreement

June 28, 2007

BANC OF AMERICA SECURITIES LLC
As Representative of the several Underwriters named in Schedule A
9 West 57th Street
New York, NY 10019

Ladies and Gentlemen:

Parker Drilling Company, a Delaware corporation (the "Company"), proposes to issue and sell to the several underwriters named in Schedule A (the "Underwriters") $115,000,000 in aggregate principal amount of its 2.125% Convertible Senior Notes due 2012 (the "Firm Notes"). In addition, the Company has granted to the Underwriters an option to purchase up to an additional $10,000,000 in aggregate principal amount of its 2.125% Convertible Senior Notes due 2012 (the "Optional Notes" and, together with the Firm Notes, the "Notes"). Banc of America Securities LLC ("BAS") has agreed to act as representative of the several Underwriters (in such capacity, the "Representative") in connection with the offering and sale of the Notes. The Notes will be unconditionally guaranteed on a senior basis (the "Subsidiary Guarantees") by substantially all of the Company's existing and future domestic subsidiaries as set forth in the Registration Statement and the Prospectus (each as defined below). The term Underwriters shall mean either the singular or plural as the context requires.

The Notes will be convertible on the terms, and subject to the conditions, set forth in the indenture to be entered into among the Company, the subsidiary guarantors from time to time parties thereto (the "Guarantors") and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), on the Closing Date (as defined herein) (the "Indenture"). As used herein, (i) "Conversion Shares" means the shares of common stock, par value 0.16^{2}/_{3}$ per share, of the Company (the "Common Stock") to be received by the holders of the Notes upon the conversion of the Notes pursuant to the terms of the Notes and the Indenture, and (ii) "Operative Documents" means this Agreement, the Indenture (including the Subsidiary Guarantees therein) and the Notes.

The Company hereby confirms its agreements with the Underwriters as follows:

Section 1. Representations, Warranties and Covenants of the Company.

A. The Company hereby represents and warrants to, and covenants with, each Underwriter as follows:

(a) A registration statement on Form S-3 (File No. 333-144111) relating to the Notes and the Conversion Shares (i) has been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended, and the rules and regulations (collectively, the "Securities Act") of the Securities and Exchange Commission (the "Commission") thereunder; (ii) has been filed with the Commission under the Securities Act; and (iii) is effective under the Securities Act. Copies of such registration statement and any amendment thereto have been delivered by the Company to you. As used in this Agreement:

(i) "Applicable Time" means 7:00 a.m. (New York City time) on June 29, 2007;

(ii) "Disclosure Package" means (i) the Preliminary Prospectus, as amended or supplemented, (ii) each Issuer Free Writing Prospectus, which are identified in Schedule B hereto, and (iii) any other writings that the parties expressly agree in writing to treat as part of the Disclosure Package;

(iii) "Effective Date" means any date as of which any part of such registration statement relating to the Notes became, or is deemed to have become, effective under the Securities Act;

(iv) "Issuer Free Writing Prospectus" means each "issuer free writing prospectus" (as defined in Rule 433 of the Securities Act);

(v) "Preliminary Prospectus" means any preliminary prospectus included in the Registration Statement;

(vi) "Prospectus" means the final prospectus relating to the Notes that is first filed pursuant to Rule 424(b) of the Securities Act after the date and time that this Agreement is executed and delivered by the parties hereto; and

(vii) "Registration Statement" means such registration statement, as amended, including the financial statements, exhibits and schedules thereto, at each time of effectiveness under the Securities Act, including any required information deemed to be a part thereof at the time of effectiveness pursuant to Rule 430A or Rule 430B under the Securities Act or the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the "Exchange Act").

Any reference herein to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Form S-3 under the Securities Act; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Exchange Act, and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement.

The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding or examination for such purpose has been instituted or threatened by the Commission. The Commission has not notified the Company of any objection to the use of the form of the Registration Statement.

(b) The Company has been since the time of initial filing of the Registration Statement and continues to be a "well-known seasoned issuer" (as defined in Rule 405) eligible to use Form S-3 for the offering of the Notes, including not having been an "ineligible issuer" (as defined in Rule 405) at any such time or date.

(c) The Registration Statement conformed and will conform in all material respects on the Effective Date and on the applicable Closing Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act. The Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) and on the applicable Closing Date to the requirements of the Securities Act. The documents incorporated by reference in any Preliminary Prospectus or the Prospectus conformed, and any further documents so incorporated will conform, when filed with the Commission, in all material respects to the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the Commission thereunder.

(d) The Registration Statement did not, as of the Effective Date, and does not, as of the date hereof, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Underwriters through the Representative specifically for inclusion therein, which information is specified in Section 7(b).

(e) The Prospectus did not and will not, as of its date and on the applicable Closing Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Underwriters through the Representative specifically for inclusion therein, which information is specified in Section 7(b).

(f) The documents incorporated by reference in any Preliminary Prospectus or the Prospectus did not, and any further documents filed and incorporated by reference therein will not, when filed with the Commission, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) The Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no representation or warranty is made as to information contained in or omitted from the Disclosure Package in reliance upon and in conformity with

written information furnished to the Company by or on behalf of the Underwriters through the Representative specifically for inclusion therein, which information is specified in Section 7(b).

(h) Each Issuer Free Writing Prospectus (including, without limitation, any road show that is a free writing prospectus under Rule 433), when considered together with the Disclosure Package as of the Applicable Time, did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act on the date of first use, and the Company has complied with any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the rules and regulations of the Commission under the Securities Act and Exchange Act. The Company has not made any offer relating to the Notes that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Underwriter. The Company has retained in accordance with the rules and regulations of the Commission under the Securities Act and Exchange Act all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Securities Act.

(j) Each of the Company and its Significant Subsidiaries as defined by Rule 1-02 of Regulation S-X (the "Significant Subsidiaries") has been duly incorporated, formed or organized, as the case may be, and is validly existing as a corporation or other applicable legal entity, as the case may be, in good standing under the laws of its jurisdiction of incorporation, formation or organization, is duly qualified to do business and is in good standing (to the extent such qualification exists) under the laws of each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, and has full power and authority necessary to own, lease or hold its properties and to conduct the businesses in which it is engaged except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a material adverse effect on the financial condition, results of operations, business, properties or operations of the Company and its subsidiaries, taken as a whole, or the authority or the ability of the Company to perform its obligations under this Agreement (a "Material Adverse Effect"). The entities listed on Schedule C attached hereto are the only Significant Subsidiaries of the Company.

(k) All of the issued shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; and all of the issued shares of capital stock, ownership interests or partnership interests, as the case may be, of each Significant Subsidiary have been duly authorized and validly issued and, in the case of capital stock, are fully paid and non-assessable and (except for director's qualifying shares, if any, or as otherwise disclosed or contemplated in the most recent Preliminary Prospectus and the Prospectus and for pledges in favor of the lenders under the credit agreement, dated as of December 20, 2004, among the Company, the several lenders from time to time parties thereto, Lehman Brothers Inc. as sole advisor, sole lead arranger and sole bookrunner, Bank of America, N.A. as syndication agent and Lehman Commercial Paper Inc., as administrative agent) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities, claims or adverse interests.

(l) The Company has full corporate power and authority to enter into the Operative Documents and perform its obligations hereunder and thereunder. This Agreement has been

duly authorized, executed and delivered by the Company. Each of the Guarantors has full corporate, limited liability or partnership power and authority to enter into the Operative Documents and perform its obligations hereunder and thereunder. This Agreement has been duly authorized, executed and delivered by the Guarantors.

(m) The Indenture has been duly authorized by the Company and each of the Guarantors and will be qualified under the Trust Indenture Act of 1939, as amended, and the rules and regulations promulgated thereunder (the "Trust Indenture Act"); on the Closing Date, the Indenture will have been duly executed and delivered by the Company and each of the Guarantors and, assuming due authorization, execution and delivery thereof by the Trustee, will constitute a legally valid and binding agreement of the Company and each of the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles; and the Indenture will conform in all material respects to the description thereof contained in the Disclosure Package and the Prospectus.

(n) The Notes have been duly authorized by the Company; when the Notes are executed, authenticated and issued in accordance with the terms of the Indenture and delivered to and paid for by the Underwriters pursuant to this Agreement on the Closing Date or any Subsequent Closing Date, as the case may be (assuming due authentication of the Notes by the Trustee), such Notes will constitute legally valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles; and the Notes will conform in all material respects to the description thereof contained in the Disclosure Package and the Prospectus.

(o) The Subsidiary Guarantees have been duly authorized by the Guarantors; the Subsidiary Guarantees will constitute legally valid and binding obligations of the Guarantors, entitled to the benefits of the Indenture and enforceable against the Guarantors in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles; and the Guarantees will conform in all material respects to the description thereof contained in the Disclosure Package and the Prospectus.

(p) The Conversion Shares have been duly authorized and reserved and, when issued upon conversion of the Notes in accordance with the terms of the Notes and the Indenture, will be validly issued, fully paid and non-assessable, and the issuance of such shares will not be subject to any preemptive or similar rights.

(q) The execution, delivery and performance of the Operative Documents by the Company, the consummation of the transactions contemplated hereby and thereby and the application of the proceeds from the sale of the Notes as described under "Use of Proceeds" in each of the most recent Preliminary Prospectus and the Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its

subsidiaries is subject, (ii) violate the charter, by-laws or other constitutive documents of the Company or any of its subsidiaries, (iii) violate any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets, (iv) result in the imposition or creation of (or the obligation to create or impose) a material lien, encumbrance, equity, claim or adverse interest under any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties or assets is bound, or (v) result in the suspension, termination or revocation of any Material Authorization (as defined below) of the Company or any of its subsidiaries or any other impairment of the rights of the holder of any such Material Authorization, other than for such conflicts, breaches, violations, defaults, suspensions, terminations, revocations or impairments that would not have a Material Adverse Effect.

(r) No consent, approval, authorization, order, filing, registration or qualification of or with, any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or assets is required for the execution, delivery and performance of the Operative Documents by the Company, the consummation of the transactions contemplated hereby and thereby, the application of the proceeds from the sale of the Notes as described under "Use of Proceeds" in each of the most recent Preliminary Prospectus and the Prospectus, except for such consents, approvals, authorizations, orders, filings, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and sale of the Notes by the Underwriters.

(s) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person and to require the Company to include such securities in the securities registered pursuant to the Registration Statement.

(t) (i) The financial statements (including the related notes) included or incorporated by reference in the most recent Preliminary Prospectus and the Prospectus present fairly the financial condition, results of operations, changes in financial position and cash flows of the Company and its subsidiaries on the basis stated therein at the respective dates or for the respective periods to which they apply, (ii) such statements and related notes have been prepared in accordance with generally accepted accounting principles in the United States consistently applied throughout the periods involved (except as otherwise stated in the most recent Preliminary Prospectus and the Prospectus) and (iii) the other financial information and data set forth or incorporated by reference in the most recent Preliminary Prospectus and the Prospectus are, in all material respects, accurately presented and prepared on a basis consistent with such financial statements (including the related notes) and the books and records of the Company.

(u) KPMG LLP, who have delivered the initial letter referred to in Section 5(a) hereof, is an independent registered public accounting firm with respect to the Company as required by the Securities Act and the rules and regulations of the Commission under the Securities Act and Exchange Act and were independent accountants as required by the Securities Act and the rules and regulations of the Commission under the Securities Act and Exchange Act since January 1, 2007.

(v) PricewaterhouseCoopers LLP, who have audited certain financial statements of the Company, whose reports appear or are incorporated by reference in the most recent Preliminary Prospectus and the Prospectus and who have delivered the initial letter referred to in Section 5(b) hereof, is an independent registered public accounting firm with respect to the Company as required by the Securities Act and the rules and regulations of the Commission under the Securities Act and Exchange Act and were independent accountants as required by the Securities Act and the rules and regulations of the Commission under the Securities Act and Exchange Act during the periods covered by the financial statements on which they reported contained or incorporated by reference in the most recent Preliminary Prospectus and the Prospectus.

(w) Each of the Company and its subsidiaries (i) makes and keeps accurate books and records and (ii) maintains internal accounting controls which provide reasonable assurance that (A) transactions are executed in accordance with management's authorization, (B) transactions are recorded as necessary to permit preparation of its financial statements and to maintain accountability for its assets, (C) access to its assets is permitted only in accordance with management's authorization and (D) the reported accountability for its assets is compared with existing assets at reasonable intervals.

(x) Since the date as of which information is given in the most recent Preliminary Prospectus and except as may otherwise be disclosed or contemplated in the most recent Preliminary Prospectus and the Prospectus, neither the Company nor any of its Significant Subsidiaries has (i) issued or granted any securities (except for grants of options to purchase common stock pursuant to employee benefit plans and for issuances of common stock pursuant to employee benefit plans or upon exercise of options or convertible securities outstanding on such date), (ii) incurred any liability or obligation, indirect, direct or contingent, other than liabilities and obligations which were incurred in the ordinary course of business, (iii) entered into any transaction or agreement not in the ordinary course of business or (iv) declared or paid any dividend on its capital stock (except for dividends or distributions paid or made to the Company or any of its subsidiaries by their respective subsidiaries).

(y) Neither the Company nor any of its subsidiaries has sustained, since the date of the latest audited financial statements included or incorporated by reference in the most recent Preliminary Prospectus, any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, in any case otherwise than (i) as set forth or contemplated in the most recent Preliminary Prospectus or (ii) that would not, individually or in the aggregate, result in a Material Adverse Effect; and, since the respective dates as of which information is given in the most recent Preliminary Prospectus, there has not been any change in the capital stock (except for issuances of common stock pursuant to employee benefit plans or upon exercise of options or convertible securities outstanding on such date) or material increase in the long-term debt of the Company or any of its subsidiaries considered as a whole or any material adverse change, or any development that could reasonably be expected to result in a material adverse change, in or affecting the general affairs, management, financial condition, properties, operations, stockholders' equity, results of operations or business of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the most recent Preliminary Prospectus and the Prospectus.

(z) None of the Company or any of its subsidiaries (i) is in violation of its charter, by-laws or other constitutive documents, (ii) is in default, and, no event has occurred which, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation of any law, ordinance, governmental rule, regulation or court decree to which it or its property or assets may be subject or has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except for such violations, defaults and failures which would not have a Material Adverse Effect.

(aa) The Company and its subsidiaries have good title to all real property and personal property owned by them, in each case free and clear of all liens, encumbrances, equities or claims except such as are described or contemplated in the most recent Preliminary Prospectus or would not, individually or in the aggregate, have a Material Adverse Effect and do not materially interfere with the use made or to be made of such property by the Company and its subsidiaries; and all real property and buildings held under lease by the Company and its subsidiaries are held by them under valid and enforceable leases, with no exceptions that would materially interfere with the use made or to be made of such property and buildings by the Company and its subsidiaries.

(bb) Except as set forth or contemplated in the most recent Preliminary Prospectus and the Prospectus, each of the Company and the subsidiaries has such permits, licenses, consents, exemptions, franchises, authorizations and other approvals (each, an "Authorization") of, and has made all filings with and notices to, all governmental or regulatory authorities (whether domestic or foreign) and self regulatory organizations and all courts and other tribunals, including, without limitation, under any applicable environmental law, ordinance, rule, regulation, order, judgment, decree or permit, as are necessary to own, lease, license and operate its respective properties and to conduct its business, except where the failure to have any such Authorization or to make any such filing or notice would not, individually or in the aggregate, have a Material Adverse Effect (each such Authorization, a "Material Authorization"); each Material Authorization is valid and in full force and effect and each of the Company and the subsidiaries is in compliance with all the terms and conditions thereof and with the rules and regulations of the authorities and governing bodies having jurisdiction with respect thereto; and no event has occurred (including, without limitation, the receipt of any notice from any authority or governing body) which allows or, after notice or lapse of time or both, would allow, revocation, suspension or termination of any such Material Authorization or results or, after notice or lapse of time or both, would result in any other impairment of the rights of the holder of any such Material Authorization; and such Authorizations contain no restrictions that are burdensome to the Company or any of its subsidiaries, except where such failure to be valid and in full force and effect or to be in compliance, the occurrence of any such event or the presence of any such restriction would not, individually or in the aggregate, have a Material Adverse Effect.

(cc) Except as described in the most recent Preliminary Prospectus and the Prospectus, the Company and its subsidiaries carry or are covered by insurance by recognized, financially sound and reputable institutions in such amounts and covering such risks as is customary for companies engaged in similar businesses, including, but not limited to, policies covering real and

personal property owned or leased by the Company and its subsidiaries against theft, damage, destruction, acts of vandalism, wind and earthquakes. In the Company's judgment, such insurance insures against such losses and risks as are adequate to protect the Company and its subsidiaries and their respective businesses. The Company and its subsidiaries are in compliance with the term of such policies and instruments in all material respects. Neither the Company nor any of its subsidiaries has received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance. The Company has no reason to believe that it or any subsidiary will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not have a Material Adverse Effect.

(dd) The Company and its subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, inventions, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and licenses necessary for the conduct of their respective businesses and have no reason to believe that the conduct of their respective businesses will conflict with, and have not received any notice of infringement of or conflict with asserted rights of others with respect to, any of such intellectual property that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect.

(ee) Except as set forth in the most recent Preliminary Prospectus and the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that if determined adversely to the Company and its subsidiaries would, individually or in the aggregate, have a Material Adverse Effect; and to the best of the Company's knowledge, no such proceedings are threatened by governmental authorities or others.

(ff) No labor disturbance by the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent that would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(gg) Neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977 and the rules and regulations thereunder; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(hh) Each "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"), as to which the Company or any of its subsidiaries is the plan sponsor, is in compliance in all material respects with all applicable provisions of ERISA and the U.S. Internal Revenue Code of 1986, as amended, including the regulations and

published interpretations thereunder (the "Code"), each such "employee benefit plan" has been established and administered in all material respects in accordance with its terms and each of the Company and its subsidiaries is in compliance in all material respects with its obligations under ERISA and the Code with respect to each such "employee benefit plan;" no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred with respect to any "employee benefit plan" for which the Company or any of its subsidiaries is the plan sponsor, except as would not, individually or in the aggregate, result in a Material Adverse Effect; each of the Company and its subsidiaries has not incurred and does not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or complete or partial withdrawal from, any "employee benefit plan" or (ii) Section 412, 4971 or 4975 of the Code; and each "employee benefit plan" for which the Company or any of its subsidiaries is the plan sponsor that is intended to be qualified under Section 401(a) of the Code is so qualified in all respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification, except as would not, individually or in the aggregate, result in a Material Adverse Effect.

(ii) Each of the Company and its subsidiaries has filed all federal, state, local and foreign income and franchise tax returns required to be filed through the date hereof other than such returns for which the failure to file would not, individually or in the aggregate, result in a Material Adverse Effect and has paid all taxes shown to be due thereon, except those (i) currently payable without penalty or interest or (ii) being contested in good faith and by appropriate proceedings and for which, in the case of both (i) and (ii), adequate reserves have been established on the books and records of the Company or its subsidiaries in accordance with generally accepted accounting principles. Except as disclosed or contemplated in the most recent Preliminary Prospectus and the Prospectus, no tax deficiency has been determined adversely to the Company or any of its subsidiaries that has had (nor does the Company have any knowledge of any tax deficiency which, if determined adversely to the Company or any of its subsidiaries, would reasonably be expected to have), individually or in the aggregate, a Material Adverse Effect.

(jj) Except as disclosed or contemplated in the most recent Preliminary Prospectus and the Prospectus, there has been no violation by the Company or any of its subsidiaries of any applicable law, ordinance, rule, regulation, order, judgment, decree or permit relating to the protection of natural resources, human health or the environment ("Environmental Law") or storage, disposal, generation, manufacture, refinement, transportation, handling or treatment of toxic wastes, medical wastes, hazardous wastes, hazardous substances or any other material that is regulated under, or that could result in the imposition of liability under, any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls, petroleum and petroleum products (collectively, "Hazardous Substances"), by the Company or any of its subsidiaries (or, to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned, leased or operated by the Company or its subsidiaries in violation of any Environmental Law or which would require remedial action under any Environmental Law or which would otherwise result in liability under any Environmental Law, except for any violation, remedial action or liability which would not have, individually or in the aggregate with all such violations, remedial actions and liabilities, a Material Adverse Effect; except as disclosed or contemplated in the most recent Preliminary Prospectus and the Prospectus, there has been no spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding

such property of any Hazardous Substances due to or caused by the Company or any of its subsidiaries or with respect to which the Company has knowledge, except for any such spill, discharge, leak, emission, injection, escape, dumping or release which would not have, individually or in the aggregate with all such spills, discharges, leaks, emissions, injections, escapes, dumping and releases, a Material Adverse Effect; except as disclosed in the most recent Preliminary Prospectus and the Prospectus, there is no claim by any governmental agency or body against the Company or any of its subsidiaries under any Environmental Law that the Company believes may result in a fine or other monetary sanction of $100,000 or more; and except as disclosed in the most recent Preliminary Prospectus and the Prospectus, no material expenditures by the Company or any of its subsidiaries are anticipated in order to maintain compliance with any Environmental Law.

(kk) In the ordinary course of its business, the Company conducts a periodic review of the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which it identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review and the amount of its established reserves, the Company has reasonably concluded that such associated costs and liabilities would not, individually or in the aggregate, have a Material Adverse Effect.

(ll) There are no material contracts that would be required to be described in the Registration Statement or Prospectus or to be filed as exhibits to the Registration Statement or incorporated by reference that that have not been so described therein.

(mm) Except as disclosed in the most recent Preliminary Prospectus and the Prospectus, no material relationship, direct or indirect, exists between or among the Company and its subsidiaries, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company and its subsidiaries, on the other hand, which would be required to be described in the most recent Preliminary Prospectus or the Prospectus which is not so described therein.

(nn) The industry data and estimates included in the most recent Preliminary Prospectus are based on or derived from sources that the Company believes to be reliable or represent the Company's good faith estimates based on data derived from such sources.

(oo) No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Registration Statement or the most recent Preliminary Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(pp) (i) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act), which (A) are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and principal financial officer, or persons performing similar functions, by others within those entities; (B) have been evaluated for effectiveness as of the end of the Company's most recent fiscal quarter; and (C) are effective in all material respects to perform the functions for which they were established.

(ii) Based on the evaluation of its disclosure controls and procedures, the Company is not aware of (A) any significant deficiency or material weakness in the design or operation of internal controls which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

(iii) Since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(iv) There is and has been no failure on the part of the Company and, to the knowledge of the Company, any of the Company's directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (collectively, the "Sarbanes-Oxley Act").

(v) The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of consolidated financial statements in conformity with United States generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(qq) Except as disclosed or contemplated in the most recent Preliminary Prospectus and the Prospectus and except with respect to AralParker CJSC (Kazakhstan), ParkerSMNG Drilling Limited Liability Company and SaiPar Drilling Company B.V., none of the Company's subsidiaries is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(rr) The Company has not taken and will not take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Notes.

(ss) The Company has not sold or issued any securities that would be integrated with the offering of the Notes contemplated by this Agreement pursuant to the Securities Act or the interpretations thereof by the Commission.

(tt) Neither the Company nor any subsidiary is, and as of the applicable Closing Date and, after giving effect to the offer and sale of the Notes and the application of the proceeds therefrom as described under "Use of Proceeds" in the most recent Preliminary Prospectus and

the Prospectus, none of them will be, an "investment company" or a company "controlled" by an "investment company" within the meaning of the U.S. Investment Company Act of 1940, as amended (the "1940 Act").

(uu) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

(vv) Neither the Company nor any of its subsidiaries nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(ww) The Company has not distributed and, prior to the later to occur of any Closing Date and completion of the distribution of the Notes, will not distribute any offering material in connection with the offering and sale of the Notes other than any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus to which the Representative has consented in accordance with Section 1(i).

(xx) There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance by the Company or sale by the Company of the Notes that have not been paid.

(yy) The statements in the Disclosure Package and the Prospectus under the heading, "Business—Environmental Considerations," "Description of Notes," "Description of the Convertible Bond Hedge and Warrant Transactions," "Description of Our Capital Stock," "Certain U.S. Federal Income Tax Considerations" and "Underwriting," insofar as such statements summarize legal matters, agreements, documents or proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings in all material respects.

(zz) The Company's ratios of earnings to fixed charges set forth in the most recent Preliminary Prospectus and the Prospectus and in Exhibit 12 to the Registration Statement have been calculated in compliance with Item 503(d) of Regulation S-K under the Securities Act.

(aaa) The authorized, issued and outstanding capital stock of the Company is as set forth in the Disclosure Package and the Prospectus under the caption "Capitalization" (other than for subsequent issuances, if any, pursuant to employee benefit plans described in the Disclosure

Package and the Prospectus or upon exercise of outstanding options, warrants, or rights described in the Disclosure Package and the Prospectus, as the case may be). The Common Stock (including the Conversion Shares) conforms in all material respects to the description thereof contained in the Disclosure Package and the Prospectus. None of the outstanding shares of Common Stock were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its Significant Subsidiaries other than those described in the Disclosure Package and the Prospectus. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Disclosure Package and the Prospectus accurately and fairly presents and summarizes such plans, arrangements, options and rights.

(bbb) Except as disclosed or contemplated in the most recent Preliminary Prospectus and the Prospectus, with respect to the stock options (the "Stock Options") granted pursuant to the stock-based compensation plans of the Company and its subsidiaries (the "Company Stock Plans"), (i) each Stock Option designated by the Company at the time of grant as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), so qualifies, (ii) each grant of a Stock Option was duly authorized no later than the date on which the grant of such Stock Option was by its terms to be effective (the "Grant Date") by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (iii) each such grant was made in accordance with the terms of the Company Stock Plans, the Exchange Act and all other applicable laws and regulatory rules or requirements, including the rules of the New York Stock Exchange and any other exchange on which Company securities are traded, (iv) the per share exercise price of each Stock Option was equal to or greater than the fair market value of a share of Common Stock on the applicable Grant Date and (v) each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company and disclosed in the Company's filings with the Commission in accordance with the Exchange Act and all other applicable laws. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company of granting, Stock Options prior to, or otherwise coordinating the grant of Stock Options with, the release or other public announcement of material information regarding the Company or its subsidiaries or their results of operations or prospects.

Any certificate signed by any officer of the Company and delivered to the Underwriters or counsel for the Underwriters in connection with the offering of the Notes shall be deemed a representation and warranty by the Company, as to matters covered thereby, to the Underwriters.

Section 2. Purchase, Sale and Delivery of the Notes

(a) *The Firm Notes*. The Company agrees to issue and sell to the several Underwriters the Firm Notes upon the terms herein set forth. On the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions

herein set forth, the Underwriters agree, severally and not jointly, to purchase from the Company the respective principal amount of Firm Notes set forth opposite their names on Schedule A at a purchase price of 97.5% of the aggregate principal amount thereof.

(b) *The Closing Date.* Delivery of the Firm Notes to be purchased by the Underwriters and payment therefor shall be made at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036 (or such other place as may be agreed to by the Company and the Representative) at 10:00 a.m., New York City time, on July 5, 2007, or such other time and date as the Representative shall designate by notice to the Company (the time and date of such closing are called the "Closing Date").

(c) *The Optional Notes; any Subsequent Closing Date.* In addition, on the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to $10,000,000 aggregate principal amount of Optional Notes from the Company at the same price as the purchase price to be paid by the Underwriters for the Firm Notes. The option granted hereunder may be exercised at any time and from time to time upon notice by the Representative to the Company, which notice may be given at any time within 30 days from the date of this Agreement. Such notice shall set forth (i) the amount (which shall be an integral multiple of $1,000 in aggregate principal amount) of Optional Notes as to which the Underwriters are exercising the option, (ii) the names and denominations in which the Optional Notes are to be registered and (iii) the time, date and place at which such Notes will be delivered (which time and date may be simultaneous with, but not earlier than, the Closing Date; and in such case the term "Closing Date" shall refer to the time and date of delivery of the Firm Notes and the Optional Notes). Such time and date of delivery, if subsequent to the Closing Date, is called a "Subsequent Closing Date" and shall be determined by the Representative. Such date may be the same as the Closing Date but not earlier than the Closing Date nor later than 10 business days after the date of such notice. If any Optional Notes are to be purchased, each Underwriter agrees, severally and not jointly, to purchase the principal amount of Optional Notes (subject to such adjustments to eliminate fractional amount as the Representative may determine) that bears the same proportion to the total principal amount of Optional Notes to be purchased as the principal amount of Firm Notes set forth on Schedule A opposite the name of such Underwriter bears to the total principal amount of Firm Notes.

(d) *Payment for the Notes*. Payment for the Notes shall be made at the Closing Date (and, if applicable, at any Subsequent Closing Date) by wire transfer of immediately available funds to the order of the Company. It is understood that the Representative has been authorized, for its own account and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Notes the Underwriters have agreed to purchase. BAS, individually and not as the Representative of the Underwriters, may (but shall not be obligated to) make payment for any Notes to be purchased by any Underwriter whose funds shall not have been received by the Representative by the Closing Date or the Subsequent Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

(e) *Delivery of the Notes.* The Company shall deliver, or cause to be delivered, to the Representative for the accounts of the several Underwriters the Firm Notes at the Closing Date, against the irrevocable release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Company shall also deliver, or cause to be delivered, to the

Representative for the accounts of the several Underwriters, the Optional Notes the Underwriters have agreed to purchase at the Closing Date or any Subsequent Closing Date, as the case may be, against the irrevocable release of a wire transfer of immediately available funds for the amount of the purchase price therefor. Delivery of the Notes shall be made through the facilities of The Depository Trust Company unless the Representative shall otherwise instruct. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriters.

Section 3. Covenants of the Company

The Company covenants and agrees with each Underwriter as follows:

(a) *Representative's Review of Proposed Amendments and Supplements*. During the period beginning on the Applicable Time and ending on the later of the Closing Date or such date, as in the opinion of counsel for the Underwriters, the Prospectus is no longer required by law to be delivered in connection with sales by an Underwriter or dealer, including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act (the "Prospectus Delivery Period"), prior to amending or supplementing the Registration Statement, the Disclosure Package or the Prospectus, subject to Section 3(e) hereof, the Company shall furnish to the Representative for review a copy of each such proposed amendment or supplement, and the Company shall not file or use any such proposed amendment or supplement to which the Representative reasonably objects.

(b) *Securities Act Compliance*. After the date of this Agreement, the Company shall promptly advise the Representative in writing (i) when the Registration Statement, if not effective at the date and time that this Agreement is executed and delivered by the parties hereto, shall have become effective, (ii) of the receipt of any comments of, or requests for additional or supplemental information from, the Commission, (iii) of the time and date of any filing of any post-effective amendment to the Registration Statement or any amendment or supplement to any Preliminary Prospectus or the Prospectus, (iv) of the time and date that any post-effective amendment to the Registration Statement becomes effective, and (v) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order or notice preventing or suspending the use of the Registration Statement, any Preliminary Prospectus or the Prospectus, or of any proceedings to remove, suspend or terminate from listing or quotation the Common Stock from any securities exchange upon which it is listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. The Company shall use its reasonable best efforts to prevent the issuance of any such stop order or notice of prevention or suspension of such use. If the Commission shall enter any such stop order or issue any such notice at any time, the Company will use its reasonable best efforts to obtain the lifting or reversal of such order or notice at the earliest possible moment, or, subject to Section 3(a), will file an amendment to the Registration Statement or will file a new registration statement and use its best efforts to have such amendment or new registration statement declared effective as soon as practicable. Additionally, the Company agrees that it shall (i) comply with the provisions of Rules 424(b) and 430A, as applicable, under the Securities Act, including with respect to the timely filing of documents thereunder and (ii) use its reasonable efforts to confirm that any filings made by the Company under such Rule 424(b) were received in a timely manner by the Commission.

(c) *Exchange Act Compliance*. During the Prospectus Delivery Period, the Company will file all documents required to be filed with the Commission pursuant to Section 13, 14 or 15 of the Exchange Act in the manner and within the time periods required by the Exchange Act.

(d) *Amendments and Supplements to the Registration Statement, Disclosure Package and Prospectus and Other Securities Act Matters.* If, during the Prospectus Delivery Period, any event or development shall occur or condition exist as a result of which the Disclosure Package or the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein in the light of the circumstances under which they were made or then prevailing, as the case may be, not misleading, or if it shall be necessary to amend or supplement the Disclosure Package or the Prospectus, or to file under the Exchange Act any document incorporated by reference in the Disclosure Package or the Prospectus, in order to make the statements therein, in the light of the circumstances under which they were made or then prevailing, as the case may be, not misleading, or if in the opinion of the Representative it is otherwise necessary or advisable to amend or supplement the Registration Statement, the Disclosure Package or the Prospectus, or to file under the Exchange Act any document incorporated by reference in the Disclosure Package or the Prospectus, or to file a new registration statement containing the Prospectus, in order to comply with law, including in connection with the delivery of the Prospectus, the Company agrees to (i) notify the Representative of any such event or condition and (ii) promptly prepare (subject to Section 3(a) and 3(e) hereof), file with the Commission (and use its best efforts to have any amendment to the Registration Statement or any new registration statement to be declared effective) and furnish at its own expense to the Underwriters and to dealers, amendments or supplements to the Registration Statement, the Disclosure Package or the Prospectus, or any new registration statement, necessary in order to make the statements in the Disclosure Package or the Prospectus as so amended or supplemented, in the light of the circumstances under which they were made or then prevailing, as the case may be, not misleading or so that the Registration Statement, the Disclosure Package or the Prospectus, as amended or supplemented, will comply with law.

(e) *Permitted Free Writing Prospectuses*. The Company represents that unless it obtains the prior written consent of the Representative, it will not make any offer relating to the Notes that constitutes or would constitute an Issuer Free Writing Prospectus or that otherwise constitutes or would constitute a "free writing prospectus" (as defined in Rule 405 under the Securities Act) or a portion thereof required to be filed by the Company with the Commission or retained by the Company under Rule 433 under the Securities Act; provided that the prior written consent of the Representative hereto shall be deemed to have been given in respect of the Free Writing Prospectuses included in Schedule B hereto. Any such free writing prospectus consented to by the Representative is hereinafter referred to as a "Permitted Free Writing Prospectus". The Company agrees that (i) it has treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, and (ii) it has complied and will comply, as the case may be, with the requirements of Rules 164 and 433 under the Securities Act applicable to any Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(f) *Copies of the Registration Statement, the Prospectus and Any Amendments and Supplements to the Prospectus.* The Company will furnish to the Representative and counsel for the Underwriters, without charge, signed copies of the Registration Statement (including exhibits

thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Securities Act, as many copies of each Preliminary Prospectus, the Prospectus and any amendment and supplement thereto (including any documents incorporated or deemed incorporated by reference therein) and the Disclosure Package as the Representative may reasonably request.

(g) *Blue Sky Compliance*. The Company shall cooperate with the Representative and counsel for the Underwriters to qualify or register the Notes for sale under (or obtain exemptions from the application of) the state securities or blue sky laws or Canadian provincial securities laws or other foreign laws of those jurisdictions designated by the Representative, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Notes. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Representative promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Notes for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(h) *Use of Proceeds*. The Company shall apply the net proceeds from the sale of the Notes sold by it in the manner described under the caption "Use of Proceeds" in the Disclosure Package and the Prospectus.

(i) *Transfer Agent*. The Company shall engage and maintain, at its expense, a registrar and transfer agent for the Common Stock.

(j) *Earnings Statement.* As soon as practicable, the Company will make generally available to its security holders and to the Representative an earnings statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 under the Securities Act.

(k) *DTC*. The Company will cooperate with the Representative and use its best efforts to permit the Notes to be eligible for clearance and settlement through The Depository Trust Company.

(l) *Periodic Reporting Obligations.* During the Prospectus Delivery Period, the Company shall file, on a timely basis, with the Commission and, as applicable, the New York Stock Exchange all reports and documents required to be filed under the Exchange Act.

(m) *Available Conversion Shares*. The Company will reserve and keep available at all times, free of pre-emptive rights, the full number of Conversion Shares.

(n) *Conversion Price*. Between the date hereof and the Closing Date, the Company will not do or authorize any act or thing that would result in an adjustment of the conversion price.

(o) *Listing of Conversion Shares.* The Company will use its best efforts to list, subject to notice of issuance, the Conversion Shares on the New York Stock Exchange.

(p) *Agreement Not to Offer or Sell Additional Securities.* During the period commencing on the date hereof and ending on the 90th day following the date of the Prospectus,

the Company will not, without the prior written consent of BAS (which consent may be withheld at the sole discretion of BAS), directly or indirectly, sell, offer, contract or grant any option to sell, pledge, transfer or establish an open "put equivalent position" or liquidate or decrease a "call equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act, or otherwise dispose of or transfer (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of), or announce the offering of, or file any registration statement under the Securities Act in respect of, any shares of Common Stock, options or warrants to acquire shares of the Common Stock or securities exchangeable or exercisable for or convertible into shares of Common Stock (other than as contemplated by this Agreement with respect to the Notes); *provided, however,* that the Company may issue shares of its Common Stock or options to purchase its Common Stock, or Common Stock upon exercise of options, pursuant to any stock option, stock bonus or other stock plan or arrangement described in the Disclosure Package and the Prospectus, but only if the holders of such shares, options, or shares issued upon exercise of such options, agree in writing not to sell, offer, dispose of or otherwise transfer any such shares or options during such 90-day period without the prior written consent of BAS (which consent may be withheld at the sole discretion of the BAS).

(q) *Compliance with Applicable Law*. The Company will comply with all applicable securities and other laws, rules and regulations, including, without limitation, the Sarbanes-Oxley Act, and use its best efforts to cause the Company's directors and officers, in their capacities as such, to comply with such laws, rules and regulations, including, without limitation, the provisions of the Sarbanes-Oxley Act.

(r) *Future Reports to Stockholders*. To furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail.

(s) *Future Reports to the Representative*. During the period of five years after the Closing Date the Company will furnish to the Representative at 9 West 57th Street, New York, NY 10022, Attention: Equity-Linked Capital Markets (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of such fiscal year and statements of income, stockholders' equity and cash flows for the year then ended and the opinion thereon of the Company's independent public or certified public accountants; (ii) as soon as practicable after the filing thereof, copies of each proxy statement, Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other report filed by the Company with the Commission, the NASD or any securities exchange; and (iii) as soon as available, copies of any report or communication of the Company mailed generally to holders of its capital stock, in each case to the extent not filed and available on EDGAR.

(t) *Investment Limitation*. The Company shall not invest or otherwise use the proceeds received by the Company from its sale of the Notes in such a manner as would require the Company or any of its subsidiaries to register as an investment company under the Investment Company Act.

(u) *No Manipulation of Price.* The Company will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or might reasonably be expected to constitute, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any securities of the Company to facilitate the sale or resale of the Notes.

(v) *Written Information Concerning the Offering*. Without the prior written consent of the Representative, the Company will not give to any prospective purchaser of the Notes or any other person not in its employ any written information concerning the offering of the Notes other than the Disclosure Package, the Prospectus or any other offering materials prepared by or with the prior consent of the Representative.

(w) *Company to Provide Interim Financial Statements and Other Information*. Prior to the Closing Date, the Company will furnish the Underwriters, as soon as they have been prepared by or are available to the Company, a copy of any unaudited interim financial statements of the Company for any period subsequent to the period covered by the most recent financial statements appearing in the Disclosure Package and the Prospectus.

(x) *Lock-Up Agreements*. The Company will enforce all agreements between the Company and any of its security holders to be entered into pursuant to this agreement that prohibit the sale, transfer, assignment, pledge or hypothecation of any of the Company's securities. In addition, the Company will direct the transfer agent to place stop transfer restrictions upon any such securities of the Company that are bound by such "lock-up" agreements for the duration of the periods contemplated in such agreements.

(y) *Final Term Sheet*. The Company will prepare a final term sheet, containing solely a description of the Notes and the offering thereof, in the form approved by you and attached as Schedule B hereto.

Section 4. Payment of Expenses

(a) The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation (i) all expenses incident to the issuance and delivery of the Notes (including all printing and engraving costs), (ii) all fees and expenses of the Trustee under the Indenture and all fees and expenses of the registrar and transfer agent of the Common Stock, (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Notes to the Underwriters, (iv) all fees and expenses of the Company's counsel, independent public or certified public accountants and other advisors, (v) all costs and expenses incurred in connection with the preparation, printing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), each Issuer Free Writing Prospectus, each Preliminary Prospectus and the Prospectus, and all amendments and supplements thereto, and this Agreement (but excluding legal fees and disbursements of Underwriters' counsel incurred in connection with any of the foregoing that are covered by the last sentence of this Section 4), (vi) all filing fees, attorneys' fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Notes for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Representative, preparing and printing a "Blue Sky Survey" or memorandum, and any supplements thereto, advising the Underwriters of such

qualifications, registrations and exemptions, (vii) the filing fees incident to, and the reasonable fees and expenses of counsel for the Underwriters in connection with, the NASD's review and approval of the Underwriters' participation in the offering and distribution of the Notes, if applicable, (viii) the fees and expenses associated with listing the Conversion Shares on the New York Stock Exchange, (ix) the expenses of the Company and the Underwriters in connection with the marketing and offering of the Notes, including all transportation and other expenses incurred in connection with presentations to prospective purchasers of the Notes and (x) all other fees, costs and expenses referred to in Item 14 of Part II of the Registration Statement. Except as provided in this Section 4, Section 6, Section 9 and Section 10 hereof, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel.

Section 5. Conditions of the Obligations of the Underwriters

The obligations of the several Underwriters to purchase and pay for the Notes as provided herein on the Closing Date and, with respect to the Optional Notes, any Subsequent Closing Date, shall be subject to the accuracy of the representations, warranties and agreements on the part of the Company set forth in Section 1 hereof as of the date hereof and as of the Closing Date as though then made and, with respect to the Optional Notes, as of any Subsequent Closing Date as though then made, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the timely performance by the Company of its covenants and other obligations hereunder, and to each of the following additional conditions:

(a) *KPMG Comfort Letter*. On the date hereof, the Representative shall have received from KPMG LLP, an independent registered public accounting firm with respect to the Company, a letter dated the date hereof addressed to the Underwriters, the form of which is attached as Exhibit A-1.

(b) *PricewaterhouseCoopers Comfort Letter*. On the date hereof, the Representative shall have received from PricewaterhouseCoopers LLP, an independent registered public accounting firm with respect to the Company, a letter dated the date hereof addressed to the Underwriters, the form of which is attached as Exhibit A-2.

(c) *Compliance with Registration Requirements; No Stop Order; No Objection from NASD*. For the period from and after effectiveness of this Agreement and prior to the Closing Date and, with respect to the Optional Notes, any Subsequent Closing Date.

(i) the Company shall have filed the Prospectus with the Commission (including the information required by Rule 430A under the Securities Act) in the manner and within the time period required by Rule 424(b) under the Securities Act; or the Company shall have filed a post-effective amendment to the Registration Statement containing the information required by such Rule 430A under the Securities Act, and such post-effective amendment shall have become effective;

(ii) all material required to be filed by the Company pursuant to Rule 433(d) under the Securities Act shall have been filed with the Commission within the applicable time periods prescribed for such filings under such Rule 433 under the Securities Act;

(iii) no stop order suspending the effectiveness of the Registration Statement, or any post-effective amendment to the Registration Statement, shall be in effect and no proceedings for such purpose shall have been instituted or threatened by the Commission; and

(iv) the NASD shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(d) *No Material Adverse Change*. For the period from and after the date of this Agreement and prior to the Closing Date and, with respect to the Optional Notes, any Subsequent Closing Date:

(i) in the judgment of the Representative there shall not have occurred any Material Adverse Change;

(ii) there shall not have been any change or decrease specified in the letter or letters referred to in paragraph (a) of this Section 5 which is, in the sole judgment of the Representative, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Notes as contemplated by the Disclosure Package and the Prospectus; and

(iii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Securities Act.

(e) *Opinions of Counsel for the Company*. On each of the Closing Date and any Subsequent Closing Date, the Representative shall have received the favorable opinion of Bracewell & Giuliani LLP, counsel for the Company, dated as of such Closing Date, the form of which is attached as Exhibit B, the favorable opinion of Ronald C. Potter, general counsel for the Company, dated as of such Closing Date, the form of which is attached as Exhibit C, the favorable opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., special Louisiana counsel for the Company, dated as of such Closing Date, the form of which is attached as Exhibit D, and the favorable opinion of Kummer Kaempfer Bonner Renshaw & Ferrario, special Nevada counsel for the Company, dated as of such Closing Date, the form of which is attached as Exhibit E.

(f) *Opinion of Counsel for the Underwriters*. On each of the Closing Date and any Subsequent Closing Date, the Representative shall have received the favorable opinion of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Underwriters, dated as of such Closing Date, in form and substance satisfactory to, and addressed to, the Representative, with respect to the issuance and sale of the Notes, the Registration Statement, the Disclosure Package, the Preliminary Prospectus, the Prospectus and other related matters as the Representative may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) *Officers' Certificate*. On each of the Closing Date and any Subsequent Closing Date, the Representative shall have received a written certificate executed by the Chairman of the Board, Chief Executive Officer or President of the Company and the Chief Financial Officer or Chief Accounting Officer of the Company, dated as of such Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Disclosure Package, including the Preliminary Prospectus, the Prospectus, any amendments or supplements thereto, any Issuer Free Writing Prospectus and any amendment or supplement thereto and this Agreement, to the effect set forth in subsection (c) and (d)(iii) of this Section 5, and further to the effect that:

(i) for the period from and after the date of this Agreement and prior to such Closing Date or Subsequent Closing Date, as the case may be, there has not occurred any Material Adverse Change;

(ii) the representations, warranties and covenants of the Company set forth in Section 1 of this Agreement are true and correct on and as of the Closing Date or Subsequent Closing Date, as the case may be, with the same force and effect as though expressly made on and as of such Closing Date or Subsequent Closing Date, as the case may be; and

(iii) the Company has complied with all the agreements hereunder and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date or Subsequent Closing Date.

(h) *KPMG Bring-down Comfort Letter*. On each of the Closing Date and any Subsequent Closing Date, the Representative shall have received from KPMG LLP, an independent registered public accounting firm with respect to the Company, a letter dated such date, in form and substance satisfactory to the Representative, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to subsection (a) of this Section 5, except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the Closing Date or Subsequent Closing Date, as the case may be.

(i) *PricewaterhouseCoopers Bring-down Comfort Letter*. On each of the Closing Date and any Subsequent Closing Date, the Representative shall have received from PricewaterhouseCoopers LLP, an independent registered public accounting firm with respect to the Company, a letter dated such date, in form and substance satisfactory to the Representative, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to subsection (b) of this Section 5, except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the Closing Date or Subsequent Closing Date, as the case may be.

(j) *Lock-Up Agreements from Officers and Directors of the Company*. On or prior to the date hereof, the Company shall have furnished to the Representative an agreement in the form of Schedule D hereto from each officer and director set forth in Schedule E hereto, and such agreement shall be in full force and effect on each of the Closing Date and any Subsequent Closing Date.

(k) *Listing Approval*. The Company shall have caused the Conversion Shares to be approved for listing, subject to issuance, on the New York Stock Exchange.

(l) *Indenture*. The Company and the Trustee shall have executed and delivered the Indenture (in form and substance satisfactory to the Underwriters), and the Indenture shall be in full force and effect.

(m) *Additional Documents*. On or before each of the Closing Date and any Subsequent Closing Date, the Representative and counsel for the Underwriters shall have received such information, documents and opinions as they may reasonably require for the purposes of enabling them to pass upon the issuance and sale of the Notes as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained.

If any condition specified in this Section 5 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Representative by notice to the Company at any time on or prior to the Closing Date and, with respect to the Optional Notes, at any time prior to the applicable Subsequent Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 4, Section 6, Section 7, Section 8 and Section 12 shall at all times be effective and shall survive such termination.

Section 6. Reimbursement of Underwriters' Expenses

If this Agreement is terminated by the Representative pursuant to Section 5, Section 9 or Section 10, or if the sale to the Underwriters of the Notes on the Closing Date or any Subsequent Closing Date is not consummated because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Representative and the other Underwriters (or such Underwriters as have terminated this Agreement with respect to themselves), severally, upon demand for all out-of-pocket expenses that shall have been reasonably incurred by the Representative and the Underwriters in connection with the proposed purchase and the offering and sale of the Notes, including but not limited to fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges.

Section 7. Indemnification

(a) *Indemnification of the Underwriters*. The Company agrees to indemnify and hold harmless each Underwriter, its directors, officers, employees and agents, and each person, if any, who controls any Underwriter within the meaning of the Securities Act and the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter, director, officer, employee, agent or controlling person may become subject, insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based (i) upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, including any information deemed to be a part thereof pursuant to Rule 430A, Rule 430B or Rule 430C under the Securities Act, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) upon any untrue statement or alleged untrue statement of a material fact contained in any Issuer Free Writing Prospectus, any

Preliminary Prospectus or the Prospectus (or any amendment or supplement thereto) or any "road show" (as defined in Rule 433 under the Securities Act) not constituting an Issuer Free Writing Prospectus (a "Non-IFWP Road Show"), or the omission or alleged omission therefrom of a material fact, in each case, necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and to reimburse each Underwriter, its officers, directors, employees, agents and each such controlling person for any and all expenses (including the fees and disbursements of counsel chosen by BAS) as such expenses are reasonably incurred by such Underwriter, or its officers, directors, employees, agents or such controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; *provided, however,* that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission based upon and in conformity with written information furnished to the Company by any Underwriter through the Representative expressly for use in the Registration Statement, any Issuer Free Writing Prospectus, any Preliminary Prospectus or the Prospectus (or any amendment or supplement thereto) or any Non-IFWP Road Show, it being understood and agreed that the only such information furnished by any Underwriter through the Representative consists of the information described as such in Section 7(b) hereof. The indemnity agreement set forth in this Section 7(a) shall be in addition to any liabilities that the Company may otherwise have to any Underwriter or to any director, officer, employee, agent or controlling person of such Underwriter.

(b) *Indemnification of the Company, its Directors and Officers*. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, or any such director, officer or controlling person may become subject, insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any Issuer Free Writing Prospectus, any Preliminary Prospectus, the Prospectus (or any amendment or supplement thereto) or any Non-IFWP Road Show, or arises out of or is based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, and only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Issuer Free Writing Prospectus, any Preliminary Prospectus, the Prospectus (or any amendment or supplement thereto) or any Non-IFWP Road Show, in reliance upon and in conformity with written information furnished to the Company by the Underwriters through the Representative expressly for use therein; and to reimburse the Company, or any such director, officer or controlling person for any legal and other expense reasonably incurred by the Company, or any such director, officer or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. The Company hereby acknowledges that the only information that the Representative, no behalf of the Underwriters, has furnished to the Company expressly for use in the Registration Statement, any Issuer Free Writing Prospectus, any Preliminary Prospectus or the Prospectus (or any amendment or supplement thereto) or any Non-IFWP Road Show are the statements set forth (i) in the third paragraph under the caption

"Underwriting" relating to selling concessions, (ii) in the first and second paragraphs under the caption "Underwriting—Stabilization" and (iii) in the paragraph under the caption "Underwriting—Online Offering" in the Prospectus. The indemnity agreement set forth in this Section 7(b) shall be in addition to any liabilities that each Underwriter may otherwise have.

(c) *Notifications and Other Indemnification Procedures*. Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof, but the failure to so notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (other than local counsel), reasonably approved by the indemnifying party (or by BAS in the case of Section 7(b)), representing the indemnified parties who are parties to such action) or (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party.

(d) *Settlements*. The indemnifying party under this Section 7 shall not be liable for any settlement of any proceeding effected without its written consent, which shall not be withheld unreasonably, but if settled with such consent or if there is a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by

Section 7(c) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent (x) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding and (y) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

Section 8. Contribution

If the indemnification provided for in Section 7 is for any reason unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, from the offering of the Notes pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions or inaccuracies in the representations and warranties herein which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Notes pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Notes pursuant to this Agreement (before deducting expenses) received by the Company, and the total underwriting discount received by the Underwriters, in each case as set forth on the front cover page of the Prospectus bear to the aggregate initial public offering price of the Notes as set forth on such cover. The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact or any such inaccurate or alleged inaccurate representation or warranty relates to information supplied by the Company, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 7(c), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 8.

Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Notes underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 8 are several, and not joint, in proportion to their respective underwriting commitments as set forth opposite their names in Schedule A. For purposes of this Section 8, each director, officer, employee and agent of an Underwriter and each person, if any, who controls an Underwriter within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

Section 9. Default of One or More of the Several Underwriters

If, on the Closing Date or a Subsequent Closing Date, as the case may be, any one or more of the several Underwriters shall fail or refuse to purchase Notes that it or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Notes which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase does not exceed 10% of the aggregate principal amount of Notes to be purchased on such date, the other Underwriters shall be obligated, severally, in the proportions that the number of Firm Notes set forth opposite their respective names on Schedule A bears to the aggregate number of Firm Notes set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as may be specified by BAS with the consent of the non-defaulting Underwriters, to purchase the Notes which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the Closing Date or a Subsequent Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Notes and the aggregate principal amount of Notes with respect to which such default occurs exceeds 10% of the aggregate principal amount of Notes to be purchased on such date, and arrangements satisfactory to BAS and the Company for the purchase of such Notes are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other party except that the provisions of Section 4, Section 6, Section 7 and Section 8 shall at all times be effective and shall survive such termination. In any such case either BAS or the Company shall have the right to postpone the Closing Date or a Subsequent Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

As used in this Agreement, the term "Underwriter" shall be deemed to include any person substituted for a defaulting Underwriter under this Section 9. Any action taken under this

Section 9 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

Section 10. Termination of this Agreement

On or prior to the Closing Date and, with respect to the Optional Notes, any Subsequent Closing Date, this Agreement may be terminated by the Representative by notice given to the Company if at any time (i) trading or quotation in any of the Company's securities shall have been suspended or limited by the Commission or by the New York Stock Exchange, or trading in securities generally on the New York Stock Exchange or the Nasdaq Stock Market shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock exchanges by the Commission or the NASD; (ii) a general banking moratorium shall have been declared by federal or New York authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States has occurred; or (iii) there shall have occurred any outbreak or escalation of national or international hostilities or declaration of a national emergency or war by the United States or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States' or international political, financial or economic conditions, as in the judgment of the Representative is material and adverse and makes it impracticable or inadvisable to market the Notes in the manner and on the terms described in the Prospectus or to enforce contracts for the sale of securities. Any termination pursuant to this Section 10 shall be without liability on the part of (a) the Company to any Underwriter, except that the Company shall be obligated to reimburse the expenses of the Representative and the Underwriters pursuant to Sections 4 and 6 hereof or (b) any Underwriter to the Company.

Section 11. No Advisory or Fiduciary Responsibility

The Company and the Guarantors acknowledge and agree that: (i) the purchase and sale of the Notes pursuant to this Agreement, including the determination of the offering price of the Notes and any related discounts and commissions, is an arm's-length commercial transaction between the Company and the Guarantors, on the one hand, and the several Underwriters, on the other hand, and each of the Company and the Guarantors is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (ii) in connection with each transaction contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary of the Company, the Guarantors or their respective affiliates, stockholders, creditors or employees or any other party; (iii) no Underwriter has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Company or the Guarantors with respect to any of the transactions contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or the Guarantors on other matters) and no Underwriter has any obligation to the Company and the Guarantors with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement; (iv) the several Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and the Guarantors and that the several Underwriters have no obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary

relationship; and (v) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby and the Company and the Guarantors have consulted their own legal, accounting, regulatory and tax advisors to the extent they deemed appropriate.

This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Guarantors and the several Underwriters, or any of them, with respect to the subject matter hereof. The Company and the Guarantors hereby waive and release, to the fullest extent permitted by law, any claims that the Company or the Guarantors may have against the several Underwriters with respect to any breach or alleged breach of agency or fiduciary duty.

Section 12. Research Analyst Independence

The Company and the Guarantors acknowledge that the Underwriters' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company, the Guarantors and/or the offering that differ from the views of their respective investment banking divisions. The Company and the Guarantors hereby waive and release, to the fullest extent permitted by law, any claims that the Company or the Guarantors may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company or the Guarantors by such Underwriters' investment banking divisions. The Company and the Guarantors acknowledge that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

Section 13. Representations and Indemnities to Survive Delivery

The respective indemnities, contribution, agreements, representations, warranties and other statements of the Company, of its officers, of the Guarantors, of their officers and of the several Underwriters set forth in or made pursuant to this Agreement (i) will remain operative and in full force and effect, regardless of (A) any investigation, or statement as to the result hereof, made by or on behalf of any Underwriter, the officers or employees of any Underwriter, or any person controlling any Underwriter, the Company, the officers or employees of the Company, or any person controlling the Company, the Guarantors, the officers or employees of the Guarantors, or any person controlling the Guarantors, as the case may be, or (B) acceptance of the Notes and payment for them hereunder and (ii) will survive delivery of and payment for the Notes sold hereunder and any termination of this Agreement.

Section 14. Notices

All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Representative:

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019
Facsimile: (212) 933-2217
Attention: Syndicate Department

with a copy to:

Banc of America Securities LLC
9 West 57th Street
New York, New York 10019
Facsimile: (212) 457-3745
Attention: ECM Legal

If to the Company or any Guarantor:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Facsimile: (281) 406-2331
Attention: Chief Financial Officer

with a copy to (which copy shall not constitute notice):

Bracewell & Giuliani LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002
Facsimile: (713) 437-5370
Attention: William S. Anderson, Esq.

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 15. Successors and Assigns

This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 9 hereof, and to the benefit of (i) the Company, its directors, any person who controls the Company within the meaning of the Securities Act or the Exchange Act and any officer of the Company who signs the Registration Statement, (ii) the Guarantors, their directors, any person who controls the Guarantors within the

meaning of the Securities Act or the Exchange Act and any officer of the Guarantors who signs the Registration Statement, (iii) the Underwriters, the officers, directors, employees and agents of the Underwriters, and each person, if any, who controls any Underwriter within the meaning of the Securities Act or the Exchange Act and (iv) the respective successors and assigns of any of the above, all as and to the extent provided in this Agreement, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include a purchaser of any of the Notes from any of the several Underwriters merely because of such purchase.

Section 16. Partial Unenforceability

The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 17. Governing Law Provisions

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 18. General Provisions

This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto. The Section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

Each of the parties hereto acknowledges that it is a sophisticated business person who was adequately represented by counsel during negotiations regarding the provisions hereof, including, without limitation, the indemnification provisions of Section 7 and the contribution provisions of Section 8, and is fully informed regarding said provisions. Each of the parties hereto further acknowledges that the provisions of Sections 7 and 8 hereto fairly allocate the risks in light of the ability of the parties to investigate the Company, its affairs and its business in order to assure that adequate disclosure has been made in the Registration Statement, any Preliminary Prospectus and the Prospectus (and any amendments and supplements thereto), as required by the Securities Act and the Exchange Act.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

PARKER DRILLING COMPANY

By: /s/ W. Kirk Brassfield
Name: W. Kirk Brassfield
Title: Senior Vice President and Chief Financial Officer

ANACHORETA, INC
CANADIAN RIG LEASING, INC.
CHOCTAW INTERNATIONAL RIG CORP.
CREEK INTERNATIONAL RIG CORP.
DGH, INC.
INDOCORP OF OKLAHOMA, INC.
PARDRIL, INC.
PARKER AVIATION, INC.
PARKER DRILLEX, LLC
PARKER DRILLING COMPANY EASTERN HEMISPHERE, LTD.
PARKER DRILLING COMPANY INTERNATIONAL LIMITED
PARKER DRILLING COMPANY LIMITED LLC
PARKER DRILLING COMPANY NORTH AMERICA, INC.
PARKER DRILLING COMPANY OF ARGENTINA, INC.
PARKER DRILLING COMPANY OF BOLIVIA, INC.
PARKER DRILLING COMPANY OF MEXICO, LLC
PARKER DRILLING COMPANY OF NIGER
PARKER DRILLING COMPANY OF OKLAHOMA, INCORPORATED
PARKER DRILLING COMPANY OF SOUTH AMERICA, INC.
PARKER DRILLING COMPANY EURASIA, INC.

PARKER DRILLING OFFSHORE CORPORATION
PARKER DRILLING OFFSHORE USA, L.L.C.
PARKER DRILLING PACIFIC RIM, INC.
PARKER NORTH AMERICA OPERATIONS, INC.
PARKER TECHNOLOGY, INC.
PARKER TECHNOLOGY, L.L.C.
PARKER TOOLS, LLC
PARKER USA DRILLING COMPANY
PARKER USA RESOURCES, LLC
PARKER-VSE, INC.
QUAIL USA, LLC
SELECTIVE DRILLING CORPORATION
UNIVERSAL RIG SERVICE LLC

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING (KAZAKSTAN), LLC

By: PD Dutch Holdings C.V., its sole member
By: Parker 5272, LLC, its sole member
By: PD International Holdings C.V., its sole member
By: Parker Rigsource, LLC, its managing general partner
By: Parker Drilling Pacific Rim, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING COMPANY INTERNATIONAL, LLC

By: PD Dutch Holdings C.V., its sole member
By: Parker 5272, LLC, its sole member
By: PD International Holdings C.V., its sole member
By: Parker Rigsource, LLC, its managing general partner
By: Parker Drilling Pacific Rim, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING COMPANY OF NEW GUINEA, LLC

By: PD Selective Holdings C.V., its sole member
By: Parker 3source, LLC, its general partner
By: PD Offshore Holdings C.V., its sole member
By: Parker Drillserv, LLC, its managing general partner
By: Parker Drilling Eurasia, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING COMPANY OF SINGAPORE, LLC

By: PD Selective Holdings C.V., its sole member
By: Parker 3source, LLC, its general partner
By: PD Offshore Holdings C.V., its sole member
By: Parker Drillserv, LLC, its managing general partner
By: Parker Drilling Eurasia, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING MANAGEMENT SERVICES, INC.

By: /s/ David W. Tucker
Name: David W. Tucker
Title: President

PARKER DRILLSERV, LLC
PARKER DRILLTECH, LLC
PARKER RIGSOURCE, LLC

By: /s/ Steven L. Carmichael
Name: Steven L. Carmichael
Title: Vice President and Secretary

PARKER INTEX, LLC

By: /s/ Steven P. Granger
Name: Steven P. Granger
Title: Vice President and Treasurer

PARKER OFFSHORE RESOURCES, L.P.

By: Parker Drilling Management Services, Inc., its general partner

By: /s/ David W. Tucker
Name: David W. Tucker
Title: President

PD MANAGEMENT RESOURCES, L.P.

By: Parker Drilling Management Services, Inc., its general partner

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

QUAIL TOOLS, L.P.

By: Quail USA, LLC, its general partner

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representative as of the date first above written.

BANC OF AMERICA SECURITIES LLC

Acting as Representative of the
several Underwriters named in
the attached Schedule A.

By: /s/ Thomas Morrison
Name: Thomas Morrison
Title: Managing Director – Head of Equity Syndicate

SCHEDULE A

Underwriters	Aggregate Principal Amount of Firm Notes to be Purchased
Banc of America Securities LLC	$ 69,000,000
Deutsche Bank Securities Inc.	34,500,000
Lehman Brothers Inc.	11,500,000
Total	$ 115,000,000

SCHEDULE B

ISSUER FREE WRITING PROSPECTUS
SUPPLEMENTING PRELIMINARY PROSPECTUS DATED JUNE 28, 2007
Filed pursuant to Rule 433
Registration Number: 333-144111
Dated June 28, 2007

Issuer:	Parker Drilling Company (NYSE symbol: PKD)
Title of securities:	2.125% Convertible Senior Notes due 2012
Issue price:	100%
Aggregate principal amount offered:	$115,000,000
Option to purchase additional notes:	$10,000,000
Maturity:	July 15, 2012, unless earlier converted, redeemed or repurchased
Annual interest rate:	2.125% per annum, accruing from settlement date
Interest payment dates:	January 15 and July 15 of each year, beginning January 15, 2008
NYSE closing price on June 28, 2007:	$10.45
Conversion rights:	Holders may elect to convert the notes subject to the terms and upon satisfaction of one or more of the conditions described in the preliminary prospectus, including at any time on or after April 15, 2012 until the close of business on the second business day immediately preceding the maturity date
Initial conversion price:	Approximately $13.85 per share of common stock, subject to adjustment
Initial conversion rate:	72.2217 shares of common stock per $1,000 principal amount of notes, subject to adjustment
Use of proceeds:	The Company intends to apply the net proceeds from the offering for the following uses: (i) approximately $10.3 million (and additional proceeds if the underwriters exercise their over-

allotment option to purchase additional notes) to pay the net cost of the convertible note hedge and warrant transactions; (ii) approximately $101.0 million, together with available cash, as necessary, to redeem all of the outstanding $100.0 million aggregate principal amount of the Company's senior floating rate notes due 2010 at a redemption price of 101% of the principal amount thereof in September 2007; and (iii) any remaining proceeds for general corporate purposes.

Pending these uses, the Company intends to invest the net proceeds in short-term, investment grade, interest-bearing securities.

Trade date: June 28, 2007

Settlement date: July 5, 2007

CUSIP: 701081AR2

Adjustment to conversion rate upon a fundamental change: If a fundamental change occurs prior to the maturity date and a holder elects to convert its notes in connection with such transaction, and unless the Company elects to adjust the applicable conversion rate and related conversion obligation so that the notes are convertible into shares of the acquiring or surviving entity, as described under "Description of Notes—Conversion After a Public Acquirer Fundamental Change," the Company will deliver a number of additional shares for the notes surrendered for conversion in connection with the fundamental change as described in the prospectus.

The following table sets forth the stock price, effective date and number of additional shares per $1,000 principal amount of notes as described more fully under "Description of Notes—Additional Shares":

	Stock Price											
Effective Date												
	$10.45	**$12.00**	**$13.85**	**$15.00**	**$17.50**	**$20.00**	**$25.00**	**$30.00**	**$35.00**	**$40.00**	**$50.00**	**$60.00**
June 28, 2007	23.4720	17.6450	12.9696	10.8916	7.7269	5.6833	3.3863	2.1966	1.5069	1.0708	0.5703	0.3050
July 15, 2008	23.4720	17.0366	12.1754	10.0383	6.8583	4.9033	2.7743	1.7460	1.1754	0.8258	0.4337	0.2278
July 15, 2009	23.4720	16.2991	11.1631	8.9583	5.7932	3.9368	2.0783	1.2540	0.8326	0.5823	0.3049	0.1566
July 15, 2010	23.4720	15.1866	9.7061	7.4250	4.3486	2.6948	1.2503	0.7216	0.4783	0.3408	0.1837	0.0936
July 15, 2011	23.4720	13.4433	7.3090	4.9850	2.2012	1.0383	0.3447	0.1970	0.1412	0.1073	0.0609	0.0300
July 15, 2012	23.4720	11.1116	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Notwithstanding the foregoing, in no event will the maximum conversion rate exceed 95.6937 per $1,000 principal amount of notes, subject to adjustment in the same manner as the conversion rate as set forth under "Description of Notes—Conversion Rate Adjustments."

The exact stock prices and effective dates may not be set forth in the table above, in which case:

- if the stock price is between two stock price amounts in the table or the effective date is between two effective dates in the table, the number of additional shares will be determined by straight-line interpolation between the number of additional shares set forth for the higher and lower stock price amounts and the two dates, as applicable, based on a 365-day year;

- if the stock price is in excess of $60.00 per share (subject to adjustment), no additional shares will be added to the conversion rate; and

- if the stock price is less than $10.45 per share (subject to adjustment), no additional shares will be added to the conversion rate.

Adjustment to conversion rate upon a specified accounting change:	If the Company chooses to redeem the notes upon a specified accounting change, as described under "Description of Notes—Optional Redemption upon a Specified Accounting Change," and a holder chooses to convert such holder's notes as described under "Description of Notes—Conversion in Connection with a Redemption upon a Specified Accounting Change," the Company will pay, to the extent described below, a make whole premium in the form of an increase in applicable conversion rate, if the holder converts its notes between the date the Company gives notice of the redemption and the day prior to the redemption date. Any make whole premium will have the effect of increasing the amount of cash or shares otherwise due to holders of notes upon conversion as described under "Description of Notes—Conversion Rights—General." The increase in the applicable conversion rate will be equal to the sum of (A) the number of shares indicated in the table above where the applicable "effective date" is the proposed redemption date and the applicable "stock price" is the average of the closing prices of the Company's common stock for each of the ten trading days ending the third trading day prior to the redemption date, referred to as the Average Price, and (B) an additional number of shares of common stock equal to $20 per $1,000 principal of notes divided by the Average Price. Notwithstanding the foregoing, in no event will the maximum conversion rate exceed 95.6937 per $1,000 principal amount of notes, subject to adjustments in the same manner as the conversion rate as set forth under "Description of Notes—Conversion Rate Adjustments." To the extent the Average Price is not one of the stock prices and/or the proposed redemption date is not one of the effective dates set forth on the table under "Description of Notes—Additional Shares," relevant adjustments shall be made in the same manner as indicated in the paragraphs beneath the table under "Description of Notes—Additional Shares."

This communication is intended for the sole use of the person to whom it is provided by the sender.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send to you the prospectus if you request it by calling toll-free 1-800-294-1322 or you may e-mail a request to dg.prospectus_distribution@bofasecurities.com.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER EMAIL SYSTEM.

SCHEDULE C

List of Significant Subsidiaries

Parker Drilling Company of Oklahoma, Incorporated
Parker-VSE, Inc
Parker Drilling Company International Limited
Parker North America Operations, Inc.
Universal Rig Service LLC
Parker Drilling Offshore Corporation

SCHEDULE D

June 28, 2007

Banc of America Securities LLC
As Representative of the several Underwriters
9 West 57th Street
New York, NY 10019

Re: Parker Drilling Company (the "Company")

Ladies and Gentlemen:

The Company proposes to carry out a public offering (the "Offering") of Convertible Senior Notes due 2012 (the "Notes") for which you will act as the representative of the underwriters. The Notes will be convertible into the Company's common stock, par value 0.16^{2}/_{3}$ per share (the "Common Stock"). The undersigned recognizes that the Offering will be of benefit to the undersigned and will benefit the Company. The undersigned acknowledges that you and the other underwriters are relying on the representations and agreements of the undersigned contained in this letter in carrying out the Offering and in entering into underwriting arrangements with the Company with respect to the Offering.

In consideration of the foregoing, the undersigned hereby agrees that the undersigned will not, and will cause any spouse or immediate family member of the spouse or the undersigned living in the undersigned's household not to, without the prior written consent of Banc of America Securities LLC ("BAS") (which consent may be withheld in its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale), pledge, transfer, establish an open "put equivalent position" or liquidate or decrease a "call equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, or otherwise dispose of or transfer (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of) including the filing (or participation in the filing of) of a registration statement with the Securities and Exchange Commission in respect of, any shares of Common Stock, options or warrants to acquire shares of Common Stock, or securities exchangeable or exercisable for or convertible into shares of Common Stock currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) by the undersigned (or such spouse or family member), or publicly announce an intention to do any of the foregoing, for a period commencing on the date hereof and continuing through the close of trading on the date 45 days after the date of the Prospectus (the "Lock-Up Period"). In addition, the undersigned agrees that, without the prior written consent of BAS, it will not, during the Lock-Up Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock. Notwithstanding the foregoing, the restrictions in this paragraph will not

prohibit sales of or offers to sell Common Stock made pursuant to a 10b5-1 plan of the undersigned in existence as of the date hereof.

With respect to the Offering only, the undersigned waives any registration rights relating to registration under the Securities Act of any Common Stock owned either of record or beneficially by the undersigned, including any rights to receive notice of the Offering.

This agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned.

Very truly yours,

_____

(Signature)

_____

(Printed Name)

_____

(Address)

SCHEDULE E

PERSONS DELIVERING LOCK-UP AGREEMENTS

Directors
Robert L. Parker Jr.
George T. Donnelly
John W. Gibson, Jr.
Robert W. Goldman
Robert E. McKee III
Roger B. Plank
R. Rudolph Reinfrank
James W. Whalen

Officers
Robert L. Parker Jr.
W. Kirk Brassfield
Lynn G. Cullom
Michael D. Drennon
Denis Graham
David C. Mannon
Ronald C. Potter
David W. Tucker

EXHIBIT A-1

[Form of Comfort Letter of KPMG LLP]

EXHIBIT A-2

[Form of Comfort Letter of PricewaterhouseCoopers LLP]

EXHIBIT B

[Form of Opinion of Bracewell & Guiliani LLP]

Exhibit B-1

EXHIBIT C

[Form of Opinion of Ronald C. Potter]

Exhibit C-1

EXHIBIT D

[Form of Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.]

Exhibit D-1

EXHIBIT E

[Form of Opinion of Kummer Kaempfer Bonner Renshaw & Ferrario]

Exhibit E-1

Exhibit 4.1

PARKER DRILLING COMPANY

and

THE GUARANTORS FROM TIME TO TIME PARTY HERETO

2.125% Convertible Senior Notes Due 2012

INDENTURE

Dated as of July 5, 2007

THE BANK OF NEW YORK TRUST COMPANY, N.A.

TRUSTEE

Cross-Reference Table [1]

Trust Indenture Act Section		Indenture Section
310	(a)(1)	7.10
	(a)(2)	7.10
	(a)(3)	N.A.
	(a)(4)	N.A.
	(a)(5)	N.A.
	(b)	7.08,7.10
	(c)	N.A.
311	(a)	7.11
	(b)	7.11
	(c)	N.A.
312	(a)	2.05
	(b)	11.03
	(c)	11.03
313	(a)	7.06
	(b)(1)	7.06
	(b)(2)	7.06
	(c)	7.06,11.02
	(d)	7.06
314	(a)	4.02
	(b)	N.A.
	(c)(1)	11.04
	(c)(2)	11.04
	(c)(3)	N.A.
	(d)	N.A.
	(e)	11.05
	(f)	4.04
315	(a)	7.01(b)
	(b)	7.05
	(c)	7.01(a)
	(d)	7.01(c)
	(e)	6.11
316	(a)(1)(A)	6.05
	(a)(1)(B)	6.04
	(a)(2)	N.A.
	(b)	6.07
	(c)	1.05(e)
317	(a)(1)	6.08
	(a)(2)	6.09
	(b)	2.04
318	(a)	11.01

N.A. means not applicable.

1 This Cross-Reference Table is not part of the Indenture.

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SCHEDULE I Number of Additional Shares

INDENTURE dated as of July 5, 2007 among PARKER DRILLING COMPANY, a Delaware corporation ("**Company**"), the subsidiary guarantors from time to time parties hereto (collectively, the "**Guarantors**") and THE BANK OF NEW YORK TRUST COMPANY, N.A., a national banking association ("**Trustee**").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the Holders of the Company's 2.125% Convertible Senior Notes Due 2012:

ARTICLE 1
Definitions and Incorporation by Reference

Section 1.01 *Definitions.*

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Applicable Conversion Price**" means, at any given time, $1,000 divided by the Applicable Conversion Rate at such time.

"**Applicable Procedures**" means, with respect to any transfer or transaction involving a Global Security or beneficial interest therein, the rules and procedures of the Depositary for such Security, in each case to the extent applicable to such transaction and as in effect from time to time.

"**Bid Solicitation Agent**" means the agent of the Company appointed to obtain quotations for the Securities as set forth under the definition of Trading Price, which agent shall initially be the Trustee. The Company may, from time to time, change the Bid Solicitation Agent.

"**Board of Directors**" means either the board of directors of the Company or any duly authorized committee of such board.

"**Board Resolution**" means a resolution of the Board of Directors.

"**Business Day**" means, with respect to any Security, any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in the City of New York.

"**Capital Stock**" for any corporation means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) stock issued by that corporation.

"**cash**" means U.S. legal tender.

"**Cash Settlement Averaging Period**" with respect to any Security means the 20 consecutive Trading Days beginning on the third Trading Day after the Conversion Date for such Security, except that (i) with respect to any Security with a Conversion Date occurring on or after June 1, 2012, the Cash Settlement Averaging Period means the 20 consecutive Trading Days beginning on, and including, the 22nd Scheduled Trading Day before Stated Maturity and (ii) with respect to any Security converted in connection with an optional redemption upon a Specified Accounting Change, the 20 consecutive Trading Days beginning on the Trading Day following the Redemption Date.

"**Certificated Securities**" means Securities that are in the form of the Securities attached hereto as Exhibit B.

"**close of business**" means 5:00 p.m. (New York City time).

"**Closing Sale Price**" of the Common Stock on any date means the closing sale price per share (or, if no closing sale price is reported, the average of the bid and asked prices or, if more than one in either case, the average of the average bid and the average asked prices) on such date as reported by the New York Stock Exchange or, if the Common Stock is not reported by the New York Stock Exchange, in composite transactions for the principal U.S. national or regional securities exchange on which the Common Stock is traded. If the Common Stock is not listed for trading on a U.S. national or regional securities exchange, the closing sale price will be the last quoted bid price for the Common Stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau Incorporated or similar organization. If the Common Stock is not so quoted, the closing sale price will be the average of the mid-point of the last bid and asked prices for the Common Stock on the relevant date from each of at least three independent nationally recognized investment banking firms selected by the Company for this purpose.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

"**Common Stock**" means the common stock, par value $0.16 2/3 per share, of the Company existing on the date of this Indenture or any other shares of Capital Stock of the Company into which such Common Stock shall be reclassified or changed, including, subject to Section 10.06 below, in the event of a merger, consolidation or other similar transaction involving the Company that is otherwise permitted hereunder in which the Company is not the surviving Person, the common stock of such surviving corporation.

"**Company**" means the party named as the "**Company**" in the preamble of this Indenture until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor. The foregoing sentence shall likewise apply to any subsequent such successor or successors.

"**Company Notice**" means a notice to Holders delivered pursuant to Section 3.02.

"**Company Request**" or "**Company Order**" means a written request or order signed in the name of the Company by any Officer.

"**Continuing Director**" means a director who either was a member of the Board of Directors on the date of original issuance of the Securities or who becomes a member of the Board of Directors subsequent to that date and whose appointment, election or nomination for election by the Company's stockholders is duly approved by a majority of the Continuing Directors on the Board of Directors at the time of such approval, either by specific vote or by approval of the proxy statement issued by the Company on behalf of the Board of Directors in which such individual is named as nominee for director, it being understood that any director appointed or nominated to fill a vacancy on the Board of Directors (without regard to the cause of such vacancy) by any Continuing Director shall be deemed a Continuing Director until the next annual meeting of the Company's stockholders at which directors are elected.

"**Conversion Settlement Date**" means (A) in the event the Company has not validly made a Physical Settlement Election, with respect to the Settlement Amount owing by the Company as set forth in Section 10.03(a), the third Business Day immediately following the date that the Settlement Amount is determined and (B) with respect to Settlement Shares owing by the Company in the event the Company has validly made a Physical Settlement Election as set forth in Section 10.03(b), the third Business Day immediately following the Conversion Date for such Securities, except that (i) in respect of Securities with a Conversion Date on or after June 1, 2012, the Conversion Settlement Date shall be on Stated Maturity and (ii) in respect of Securities as to which Additional Shares will be added to the Applicable Conversion Rate pursuant to Section 10.01(c) with a Conversion Date prior to June 1, 2012, the Conversion Settlement Date for the Settlement Shares (other than the Additional Shares) shall be the third Business Day following the Conversion Date, and the Conversion Settlement Date for the Additional Shares shall be the later of (x) the third Business Day following the Conversion Date and (y) the relevant effective date described in Section 10.01(c) on which the number of Additional Shares is determined.

"**Corporate Trust Office**" means the designated office of the Trustee at which at any time its corporate trust business shall be principally administered, which office at the date hereof is located at 601 Travis, 18th Floor, Houston, Texas 77022, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company, or the principal corporate trust office of any successor Trustee (or such other address as a successor Trustee may designate from time to time by notice to the Holders and the Company).

"**Daily Conversion Value**" on each of the 20 consecutive Trading Days during the Cash Settlement Averaging Period, one-twentieth (1/20) of the product of (1) the Applicable Conversion Rate on such Trading Day and (2) the Daily VWAP on such day.

"**Daily VWAP**" means, for each of the 20 consecutive Trading Days during the Cash Settlement Averaging Period, the per share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page "PKD.N <equity> AQR" (or its equivalent successor if such page is not available) in respect of the period from scheduled open of trading until the scheduled close of trading of the primary trading session on that Trading Day (or if such volume-weighted average price is unavailable, the market value of one share of the Common Stock on that Trading Day determined, using a volume-weighted average method, by a nationally recognized independent investment banking firm retained for this purpose by the Company). The Daily VWAP will be determined without regard to after hours trading or any other trading outside of the regular trading session trading hours.

"**Default**" means any event that is, or after notice or passage of time, would be, an Event of Default.

"**Depositary**" means, with respect to the Securities issuable or issued in whole or in part in global form, DTC and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"**DTC**" means The Depository Trust Company.

"**Ex-Dividend Date**" means the first date upon which a sale of the Common Stock, regular way on the relevant exchange or in the relevant market for the Common Stock, does not automatically transfer the right to receive the relevant distribution from the seller of the Common Stock to its buyer.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Fair Market Value**" or "**fair market value**" means the amount which a willing buyer would pay a willing seller in an arm's-length transaction.

"**Fundamental Change**" means the occurrence at such time after the original issuance of the Securities when any of the following has occurred:

(1) a "Person" or "group" within the meaning of Section 13(d)(3) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such Person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of shares of Common Stock representing more than 50% of the Voting Stock; or

(2) the first day on which a majority of the members of the Board of Directors does not consist of Continuing Directors; or

(3) a consolidation, merger or binding share exchange, or any conveyance, transfer, sale, lease or other disposition of all or substantially all of the Company's properties and assets to another Person, or any other transaction pursuant to which all or substantially all of the Common Stock is exchanged for or converted into cash, securities or other property, in each case other than:

(a) any transaction (i) that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of the Company's Capital Stock or (ii) pursuant to which holders of the Company's Capital Stock immediately prior to such transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total Voting Stock of the continuing or surviving or successor Person immediately after giving effect to such issuance; or

(b) any merger, share exchange, transfer of assets or similar transaction solely for the purpose of changing the Company's jurisdiction of incorporation and resulting in a reclassification, conversion or exchange of outstanding shares of Common Stock, if at all, solely into shares of common stock, or ordinary shares or common equity interests of the surviving entity or a direct or indirect parent of the surviving corporation; or

(c) any consolidation, merger, conveyance, transfer, sale, lease or other disposition with or into or among any Subsidiary, so long as such merger, consolidation, conveyance, transfer, sale, lease or other disposition is not part of a plan or a series of transactions designed to or having the effect of merging or consolidating with any other Person(other than one or more of Subsidiary); or

(4) a Termination of Trading.

The term "Person" as used in this definition includes any syndicate or group that would be deemed to be a "Person" under Section 13(d)(3) of the Exchange Act.

"**Global Securities**" means Securities that are in the form of the Securities attached hereto as Exhibit A, and that are registered in the register of Securities in the name of a Depositary or a nominee thereof.

"**Guarantors**" means each of the Subsidiaries of the Company that guarantees the Company's $9\frac{5}{8}\%$ senior notes due 2013.

"**Holder**" or "**Securityholder**" means a Person in whose name a Security is registered on the Registrar's books.

"**Indenture**" means this Indenture, as amended or supplemented from time to time in accordance with the terms hereof, including the provisions of the TIA that are deemed to be a part hereof.

"**Interest**" means interest payable on each Security pursuant to Section 1 of the Securities.

"**Interest Payment Date**" means January 15 and July 15 of each year, commencing January 15, 2008.

"**Interest Record Date**" means January 1 and July 1 of each year.

"**Issue Date**" of any Security means the date on which the Security was originally issued or deemed issued as set forth on the face of the Security.

"**Market Disruption Event**" means, for the purposes of determining the Settlement Amount, (i) a failure by New York Stock Exchange or, if the Common Stock is not then listed on New York Stock Exchange, by the principal other U.S. national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, by the principal other market on which the Common Stock is then traded, to open for trading during its regular trading session, or (ii) the occurrence or existence before 1:00 p.m., New York City time, on any Trading Day for the Common Stock for an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Common Stock or in any options, contracts or future contracts relating to the Common Stock.

"**Officer**" means the Chairman of the Board, the President, any Executive Vice President, Senior Vice President or Vice President, the Chief Financial Officer, the Treasurer, the principal accounting officer, the Controller, or the Secretary of the Company.

"**Officer's Certificate**" means a written certificate containing the information specified in Sections 12.04 and 12.05, signed in the name of the Company by any Officer (solely in his or her capacity as such), and delivered to the Trustee. An Officer's Certificate given pursuant to Section 4.03 shall be signed by the principal executive officer, principal financial officer or principal accounting officer of the Company but need not contain the information specified in Sections 12.04 and 12.05.

"**opening of business**" means 9:00 a.m. (New York City time).

"**Opinion of Counsel**" means a written opinion containing the information specified in Sections 11.04 and 11.05, from legal counsel. The counsel may be an employee of, or counsel to, the Company who is reasonably acceptable to the Trustee.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**Physical Settlement Election**" means the irrevocable election by the Company prior to April 15, 2012, to satisfy its Conversion Obligation in respect of conversions of Securities with a Conversion Date after the Physical Settlement Election Date solely in shares of Common Stock (plus cash in lieu of fractional shares) in accordance with Section 10.03(b) hereof.

"**Physical Settlement Election Date**" means the date on which a Physical Settlement Election Notice is delivered to the Trustee and Holders.

"**Physical Settlement Election Notice**" means a written notice of a Physical Settlement Election provided by the Company to the Trustee and each Holder of Securities.

"**Prospectus**" means the prospectus of the Company dated June 28, 2007 relating to the offering of the Securities.

"**Public Acquirer Change in Control**" means a Fundamental Change in which the acquirer has a class of common stock traded on the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market or which will be so traded or quoted when issued or exchanged in connection with such Fundamental Change ("**Public Acquirer Common Stock**"). If an acquirer does not itself have a class of common stock satisfying the foregoing requirement, it will be deemed to have Public Acquirer Common Stock if a company that directly or indirectly owns at least a majority of the acquirer has a class of common stock satisfying the foregoing requirement, in such case, all references to Public Acquirer Common Stock shall refer to such class of common stock. Majority owned for these purposes means having "beneficial ownership" (as determined in accordance with Rule 13d-3

under the Exchange Act) of more than 50% of the total voting power of all shares of the respective entity's capital stock that are entitled to vote generally in the election of directors.

"**Public Acquirer Common Stock**" has the meaning specified in the definition of Public Acquirer Change in Control.

"**Record Date**" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Common Stock have the right to receive any cash, securities or other property or in which the Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

"**Responsible Officer**" means, when used with respect to the Trustee, any officer of the Trustee within the Corporate Trust Office of the Trustee who has direct responsibility for the administration of this Indenture and, for the purposes of Section 7.01(c)(2) and 7.05 shall also mean any other officer of the Trustee to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject matter.

"**Scheduled Trading Day**" means a day that is scheduled to be a Trading Day on the primary U.S. national or regional securities exchange or market on which the Common Stock is listed or admitted to trading.

"**SEC**" means the Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Security**" means any of the Company's 2.125% Convertible Senior Notes Due 2012, as amended or supplemented from time to time, issued under this Indenture.

"**Securityholder**" or "**Holder**" means a Person in whose name a Security is registered on the Registrar's books.

"**Significant Subsidiary**" means any Subsidiary of the Company that is a significant subsidiary at any determination date pursuant to Regulation S-X, Rule 1-02(w).

"**Specified Accounting Change**" means any changes in generally accepted accounting principles applicable to any net share settled Securities that require the Company to separately

account for the liability and equity components of the Securities, cause the Securities to be re-measured at fair value with changes reported in earnings as they occur, cause Securities to be treated under the if-converted method for earnings per share or otherwise cause an adverse accounting impact on the Company's results of operations solely as a result of having issued the Securities; provided that the Company's Board of Directors determines, in its sole discretion, that such impact is material.

"**Stated Maturity**", when used with respect to any Security, means July 15, 2012.

"**Stock Price**" means the price per share of Common Stock paid in connection with a Fundamental Change transaction pursuant to which Additional Shares will be added to the Applicable Conversion Rate as set forth in Section 10.01(c) hereof, which shall be equal to (i) if Holders of Common Stock receive only cash in such Fundamental Change transaction, the cash amount paid per share of Common Stock and (ii) in all other cases, the average of the Closing Sale Prices of the Common Stock on the five Trading Days immediately before, but not including, the effective date of such Fundamental Change transaction.

"**Subsidiary**" means any Person of which at least a majority of the outstanding Voting Stock shall at the time directly or indirectly be owned or controlled by the Company or by one or more Subsidiaries or by the Company and one or more Subsidiaries.

"**Subsidiary Guarantee**" means any guarantee by a Guarantor of the Company's payment obligations under this Indenture and on the Securities, executed pursuant to the provisions of this Indenture.

"**Termination of Trading**" means the occurrence, at any time, of the Common Stock of the Company (or other common stock into which the Securities are then convertible) not being listed for trading on a U.S. national or regional securities exchange.

"**TIA**" means the Trust Indenture Act of 1939 as in effect on the date of this Indenture, *provided*, *however*, that in the event the TIA is amended after such date, TIA means, to the extent required by any such amendment, the TIA as so amended.

"**Trading Day**" means a day on which (i) trading in securities generally occurs on the New York Stock Exchange or, if the Common Stock is not then listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, in the principal other market on which the Common Stock is then traded and (ii) a Closing Sale Price for the Common Stock is available on such securities exchange or market; *provided* that for the purposes of determining the amount of payment upon conversion only, "Trading Day" means a day on which (i) there is no Market Disruption Event

and (ii) trading generally in the Common Stock occurs on the New York Stock Exchange or, if the Common Stock is not then listed on the New York Stock Exchange, on the principal other U.S. national or regional securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed on a U.S. national or regional securities exchange, in the principal other market on which the Common Stock is then traded. If the Common Stock (or other security for which a Closing Sale Price or Daily VWAP, as applicable, must be determined) is not so traded, "Trading Day" means a Business Day.

"**Trading Price**" of the Securities on any date of determination means the average of the secondary market bid quotations obtained by the Bid Solicitation Agent for $5,000,000 aggregate principal amount of the notes at approximately 3:30 p.m., New York City time, on the determination date from three independent nationally recognized securities dealers the Company selects, *provided* that if three such bids cannot reasonably be obtained by the Bid Solicitation Agent, but two such bids are obtained, then the average of the two bids will be used; and only one such bid can reasonably be obtained by the Bid Solicitation Agent, that one bid will be used; *provided further*, that if no bids can reasonably be obtained with respect to any date, then for purposes of determining whether the trading price condition has been met, the trading price per $1,000 principal amount of the Securities will be deemed to be less than 98% of the product of the Closing Sale Price of the Common Stock and the applicable conversion rate of the Securities on that day.

"**Trustee**" means the party named as the "Trustee" in the preamble of this Indenture unless and until a successor replaces it pursuant to the applicable provisions of this Indenture and, thereafter, shall mean such successor. The foregoing sentence shall likewise apply to any subsequent such successor or successors.

"**Underwriting Agreement**" means the Underwriting Agreement, dated as of June 28, 2007, between the Company and Banc of America Securities LLC, as representative of the several underwriters, relating to the Securities."

Voting Stock" of a Person means Capital Stock of such Person of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such Person (irrespective of whether or not at the time Capital Stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

Section 1.02 *Other Definitions.*

Terms:	**Defined in Section:**
"Act"	1.05(a)
"Additional Interest"	6.01(k)
"Additional Shares"	10.01(c)
"Applicable Conversion Rate"	10.02(a)

Terms:	Defined in Section:
"Average Price"	3.01(e)
"Bankruptcy Law"	6.01(h)
"Conversion Agent"	2.03
"Conversion Date"	10.02(d)
"Conversion Notice"	10.02(c)
"Conversion Obligation"	10.03(a)
"Daily Excess Amount"	10.03(a)(i)(B)
"Daily Settlement Amount"	10.03(a)(i)
"effective date"	10.01(c)
"Event of Default"	6.01
"Exchange Property"	10.06(a)
"Fiscal Quarter"	10.01(a)(1)
"Fundamental Change Repurchase Date"	3.02(a)
"Fundamental Change Repurchase Notice"	3.02(c)
"Fundamental Change Repurchase Price"	3.02(a)
"Indemnitees"	7.07(c)
"legal holiday"	12.08
"Losses"	7.07(c)
"Measurement Period"	10.01(a)(2)
"Notice of Default"	6.01
"Paying Agent"	2.03
"Registrar"	2.03
"Settlement Amount"	10.03(a)
"Settlement Shares"	10.03(b)
"Specified Accounting Change Redemption Date"	3.01(b)
"Specified Accounting Change Redemption Notice"	3.01(b)
"Specified Accounting Change Redemption Price"	3.01(a)
"Spin Off"	10.04(c)
"successor company"	5.01(a)
"Trigger Event"	10.04(c)

Section 1.03 *Incorporation by Reference of Trust Indenture Act.* Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture. The following TIA terms used in this Indenture have the following meanings:

"**Commission**" means the SEC.

"**indenture securities**" means the Securities.

"**indenture security holder**" means a Securityholder.

"**indenture to be qualified**" means this Indenture.

"**indenture trustee**" or "**institutional trustee**" means the Trustee.

"**obligor**" on the indenture securities means the Company.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rules have the meanings assigned to them by such definitions.

Section 1.04 *Rules of Construction*. Unless the context otherwise requires:

(1) a term has the meaning assigned to it;

(2) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles as in effect from time to time;

(3) "or" is not exclusive;

(4) "including" means including, without limitation;

(5) words in the singular include the plural, and words in the plural include the singular; and

(6) references to Sections and Articles are to references to Sections and Articles of this Indenture.

Section 1.05 *Acts of Holders*. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in Person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company, as described in Section 12.02. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "**Act**" of Holders signing such instrument or instruments. Proof of execution of any such instrument or of

a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such officer the execution thereof. Where such execution is by a signer acting in a capacity other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The principal amount and serial number of any Security and the ownership of Securities shall be proved by the register for the Securities.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the outstanding Securities shall be computed as of such record date; *provided* that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

ARTICLE 2
The Securities

Section 2.01 *Form and Dating*. (a) The Securities and the Trustee's certificate of authentication shall be substantially in the form of Exhibits A and B, which are a part of this Indenture. The Securities may have notations, legends or endorsements required by law, stock exchange rule or usage (provided that any such notation, legend or endorsement required by usage is in a form acceptable to the Company). The Company shall provide any such notations, legends or endorsements to the Trustee in writing. Each Security shall be dated the date of its authentication. The Securities may, but need not, have the corporate seal of the Company or a facsimile thereof affixed thereto or imprinted thereon.

(b) Global Securities in General. Each Global Security shall represent such of the outstanding Securities as shall be specified therein and each shall provide that it shall represent the aggregate amount of outstanding Securities from time to time endorsed in the Schedule of Increases and Decreases of Global Security attached thereto and that the aggregate amount of outstanding Securities represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, repurchases and conversions.

Any adjustment of the aggregate principal amount of a Global Security to reflect the amount of any increase or decrease in the amount of outstanding Securities represented thereby shall be made by the Trustee in accordance with instructions given by the Holder thereof, and shall be made on the records of the Trustee and the Depositary.

(c) Book-Entry Provisions. This Section 2.01(c) shall apply only to Global Securities deposited with or on behalf of the Depositary.

The Company shall execute and the Trustee shall, in accordance with this Section 2.01(d), authenticate and deliver initially one or more Global Securities that (a) shall be registered in the name of the Depositary or a nominee thereof, (b) shall be delivered by the Trustee to the Depositary or held by the Trustee pursuant to the Depositary's instructions and (c) shall be substantially in the form of Exhibit A attached hereto.

(d) Certificated Securities. Securities not issued as interests in the Global Securities shall be registered in the name of the Holder and issued in certificated form substantially in the form of Exhibit B attached hereto.

Section 2.02 *Execution and Authentication*. The Securities shall be executed on behalf of the Company by one Officer. The signature of such Officer on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signature of an individual who was, at the time of the execution of the Securities, an Officer shall bind the Company, notwithstanding that such individual has ceased to hold such office prior to the authentication and delivery of such Securities or did not hold such office at the date of authentication of such Securities.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized signatory, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

The Trustee shall authenticate and deliver the Securities for original issue in an aggregate principal amount of up to $125,000,000 upon one or more Company Orders without any further action by the Company. The aggregate principal amount of the Securities due at the Stated Maturity thereof outstanding at any time may not exceed the amount set forth in the foregoing sentence.

The Securities shall be issued only in registered form without coupons and only in denominations of $1,000 of principal amount and any integral multiple of $1,000.

Section 2.03 *Registrar, Paying Agent, Bid Solicitation Agent and Conversion Agent*. The Company shall maintain an office or agency where Securities may be presented for registration of transfer or for exchange ("**Registrar**"), an office or agency where Securities may be presented for purchase or payment ("**Paying Agent**") and an office or agency where Securities may be presented for conversion ("**Conversion Agent**"). The Registrar shall keep a register of the Securities and of their transfer and exchange. The Company may have one or more co-registrars, one or more additional paying agents, one or more additional Bid Solicitation Agents and one or more additional conversion agents. The term Paying Agent includes any additional paying agent, including any named pursuant to Section 4.05. The term Conversion Agent includes any additional conversion agent, including any named pursuant to Section 4.05.

The Company shall enter into an appropriate agency agreement with any Registrar, Paying Agent, Conversion Agent, Bid Solicitation Agent or co-registrar (in each case, if such Registrar, agent or co-registrar is a Person other than the Trustee). The agreement shall implement the provisions of this Indenture that relate to such agent. The Company shall promptly notify the Trustee of the name and address of any such agent. If the Company fails to maintain a Registrar, Paying Agent, Conversion Agent or Bid Solicitation Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Company or any Subsidiary or an Affiliate of either of them may act as Paying Agent, Registrar, Conversion Agent or co-registrar.

The Company initially appoints the Trustee as Registrar, Conversion Agent, Bid Solicitation Agent and Paying Agent in connection with the Securities.

Section 2.04 *Paying Agent to Hold Money and Securities in Trust.* Except as otherwise provided herein, on or prior to each due date of payments in respect of any Security, the Company shall deposit with the Paying Agent a sum of money (in immediately available funds if deposited on the due date) or shares of Common Stock sufficient to make such payments when so becoming due. The Company shall require each Paying Agent (other than the Trustee) to agree in writing that the Paying Agent shall hold in trust for the benefit of Securityholders or the Trustee all money and shares of Common Stock held by the Paying Agent for the making of payments in respect of the Securities and shall promptly notify the Trustee of any Default by the Company in making any such payment. At any time during the continuance of any such Default, the Paying Agent shall, upon the written request of the Trustee, forthwith pay to the Trustee all money and shares of Common Stock so held in trust. If the Company, a Subsidiary or an Affiliate of either of them acts as Paying Agent, it shall segregate the money and shares of Common Stock held by it as Paying Agent and hold it as a separate trust fund. The Company at any time may require a Paying Agent to pay all money and shares of Common Stock held by it to the Trustee and to account for any funds and Common Stock disbursed by it. Upon doing so, the Paying Agent shall have no further liability for the money or shares of Common Stock.

Section 2.05 *Securityholder Lists*. The Trustee shall preserve the most recent list available to it of the names and addresses of Securityholders. If the Trustee is not the Registrar, the Company shall cause to be furnished to the Trustee at least semiannually on January 1 and July 1 a listing of Securityholders dated within 15 days of the date on which the list is furnished and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Securityholders.

Section 2.06 *Transfer and Exchange.* (a) Upon surrender for registration of transfer of any Security, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Securityholder or such Securityholder's attorney duly authorized in writing, at the office or agency of the Company designated as Registrar or co-registrar pursuant to Section 2.03, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations, of a like aggregate principal amount. The Company shall not charge a service charge for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges that may be imposed in connection with the transfer or exchange of the Securities from the Securityholder requesting such transfer or exchange.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations, of a like aggregate principal amount upon surrender of the Securities to be exchanged, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Securityholder or such Securityholder's attorney duly authorized in writing, at such office or agency. Whenever any Securities are so surrendered for

exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

The Company shall not be required to make, and the Registrar need not register, transfers or exchanges of Securities in respect of which a Fundamental Change Repurchase Notice has been given and not withdrawn by the Holder thereof in accordance with the terms of this Indenture (except, in the case of Securities to be purchased in part, the portion thereof not to be purchased).

(b) Successive registrations and registrations of transfers and exchanges as aforesaid may be made from time to time as desired, and each such registration shall be noted on the register for the Securities.

(c) Except as otherwise set forth in this Indenture, any such action taken by a Holder shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Securities issued in exchange or substitution therefor, irrespective of whether any notation in regard thereto is made upon such Security or any Security issued in exchange or substitution therefor.

(d) Any Registrar appointed pursuant to Section 2.03 hereof shall provide to the Trustee such information as the Trustee may reasonably require in connection with the delivery by such Registrar of Securities upon transfer or exchange of Securities.

(e) No Registrar shall be required to make registrations of transfer or exchange of Securities during any periods designated in the text of the Securities or in this Indenture as periods during which such registration of transfers and exchanges need not be made.

Section 2.07 *Replacement Securities*. If (a) any mutilated Security is surrendered to the Trustee, or (b) the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and there is delivered to the Company and the Trustee such security and/or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its written request the Trustee shall authenticate and deliver, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or stolen Security, a new Security of like tenor and principal amount, bearing a certificate number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, or is about to be purchased by the Company pursuant to Article 3 hereof, the Company in its discretion may, instead of issuing a new Security, pay or purchase such Security, as the case may be.

Upon the issuance of any new Securities under this Section 2.07, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security issued pursuant to this Section 2.07 in lieu of any mutilated, destroyed, lost or stolen Security shall constitute an additional obligation of the Company and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section 2.07 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 2.08 *Outstanding Securities; Determinations of Holders' Action*. Securities outstanding at any time are all the Securities authenticated by the Trustee except for those cancelled by it, those purchased pursuant to Section 2.07, those delivered to it for cancellation and those described in this Section 2.08 as not outstanding. A Security does not cease to be outstanding because the Company or an Affiliate thereof holds the Security; *provided*, *however*, that in determining whether the Holders of the requisite principal amount of Securities have given or concurred in any request, demand, authorization, direction, notice, consent, waiver, or other Act hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor shall be disregarded and deemed not to be outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other act, only Securities which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Subject to the foregoing, only Securities outstanding at the time of such determination shall be considered in any such determination (including, without limitation, determinations pursuant to Article 6 and Article 9).

If a Security is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Security is held by a bona fide purchaser.

If the Paying Agent holds, in accordance with this Indenture, on the Business Day immediately following a Fundamental Change Repurchase Date, or on Stated Maturity, money or securities, if permitted hereunder, sufficient to pay Securities payable on that date, then from and after such Fundamental Change Repurchase Date or Stated Maturity, as the case may be, such Securities shall cease to be outstanding and Interest on such Securities shall cease to accrue.

If a Security is converted in accordance with Article 10, then from and after the date of conversion, such Security shall cease to be outstanding, and Interest shall cease to accrue and the

rights of the Holders therein shall terminate (other than the right to receive the Settlement Amount).

Section 2.09 *Temporary Securities.* Pending the preparation of Certificated Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the Certificated Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the Officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities.

If temporary Securities are issued, the Company shall cause Certificated Securities to be prepared without unreasonable delay. After the preparation of Certificated Securities, the temporary Securities shall be exchangeable for Certificated Securities upon surrender of the temporary Securities at the office or agency of the Company designated for such purpose pursuant to Section 2.03, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of Certificated Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as Certificated Securities.

Section 2.10 *Cancellation*. All Securities surrendered for payment, purchase by the Company pursuant to Article 3, conversion or registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. The Company may not issue new Securities to replace Securities it has paid or delivered to the Trustee for cancellation other than in connection with registrations of transfer or exchange or that any Holder has converted pursuant to Article 10. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of by the Trustee in accordance with the Trustee's customary procedure.

Section 2.11 *Persons Deemed Owners*. Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of the principal amount of the Security or any portion thereof, or the payment of any Fundamental Change Repurchase Price in respect thereof, and Interest, for the purpose of conversion and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

Section 2.12 *CUSIP Numbers*. The Company may issue the Securities with one or more "CUSIP," "ISIN" or other similar numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP," "ISIN" or other similar numbers in notices as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a purchase and that reliance may be placed only on the other identification numbers printed on the Securities. The Company shall promptly notify the Trustee of any change in the CUSIP, ISIN or other similar numbers.

Section 2.13 *Payment*. If any Interest Payment Date, Stated Maturity, Fundamental Change Repurchase Date, Conversion Settlement Date or other date when payment is required to be made under this Indenture falls on a day that is not a Business Day, then the required payment will be made on the next succeeding Business Day with the same force and effect as if made on the date that the payment was due, and no additional Interest will accrue on that payment for the period from and after the Interest Payment Date, Stated Maturity, Fundamental Change Repurchase Date, Conversion Settlement Date or other payment date, as the case may be, to that next succeeding Business Day.

ARTICLE 3
Redemption and Repurchases

Section 3.01 *Optional Redemption upon a Specified Accounting Change; Make Whole Premium upon a Specified Accounting Change*. (a) Upon the occurrence of a Specified Accounting Change, the Company may redeem the Securities in whole for cash from the date a Specified Accounting Change has become effective until 90 days after the date such change became effective. The redemption price for any such redemption will be equal to 102% of the principal amount of the Securities plus accrued and unpaid interest to, but not including, the Specified Accounting Change Redemption Date (as defined below) (the "**Specified Accounting Change Redemption Price**"). For purposes of this paragraph, the effective date of the Specified Accounting Change shall mean the date the standards with respect to such Specified Accounting Change under generally accepted accounting principles have been issued. The Securities shall not otherwise be redeemable at the option of the Company prior to their Stated Maturity.

(b) If the Company chooses to redeem the Securities upon a Specified Accounting Change, as described in this Section 3.01, the Company will give written notice (the "**Specified Accounting Change Redemption Notice**") of redemption not less than 30 nor more than 60 days before the specified date for redemption (the "**Specified Accounting Change Redemption Date**") by mail to the Trustee at the Trustee's address and to each Securityholder at such Securityholder's address as it appears on the registration books of the Registrar.

The Specified Accounting Change Redemption Notice shall identify the Securities (including CUSIP numbers) to be redeemed and shall state:

(1) the Specified Accounting Change Redemption Date;

(2) the Specified Accounting Change Redemption Price;

(3) the then effective Applicable Conversion Rate;

(4) the name and address of each Paying Agent and Conversion Agent;

(5) that Securityholders may surrender their Securities for conversion at any time beginning on the date of the Specified Accounting Change Redemption Notice until the Trading Day immediately prior to the Specified Accounting Change Redemption Date;

(6) that Securities called for redemption must be presented and surrendered to a Paying Agent to collect the Specified Accounting Change Redemption Price;

(7) that, unless the Company fails to make payment of such Specified Accounting Change Redemption Price, Securities called for redemption will cease to be outstanding and interest and additional Interest, if any, will cease to accrue on and after the Specified Accounting Change Redemption Date; and

(8) the procedures that the Holder must follow to exercise rights under Article 10 and that Securities as to which a Specified Accounting Change Redemption Notice has been given may be converted into Common Stock pursuant to the applicable provisions of Article 10 of this Indenture.

At the Company's request, the Trustee shall give such Specified Accounting Change Redemption Notice in the Company's name and at the Company's expense; *provided*, that, in all cases, the text of such Specified Accounting Change Redemption Notice shall be prepared by the Company. If any of the Securities is in the form of a Global Security, then the Company shall modify such notice to the extent necessary to accord with the Applicable Procedures relating to the purchase of Global Securities.

(c) Once the Specified Accounting Change Redemption Notice is mailed, Securities called for redemption become due and payable on the Specified Accounting Change Redemption Date and at the Specified Accounting Change Redemption Price stated in the notice, together with accrued and unpaid interest, if any, except for Securities that are converted in accordance with the provisions of Article 10. On or after the Specified Accounting Change Redemption Date and upon presentation and surrender to a Paying Agent, Securities called for redemption will be paid at the Specified Accounting Change Redemption Price, plus any accrued and unpaid interest to, but not including, the Specified Accounting Change Redemption Date;

provided that if the Specified Accounting Change Redemption Date falls after a Record Date and on or before the related Interest Payment Date, then interest on the Securities payable on such Interest Payment Date will be payable to the Holders in whose names the Securities are registered at the close of business on such Record Date.

(d) On or before 12:00 p.m. (noon), New York City time, on the Specified Accounting Change Redemption Date, the Company shall deposit with the Trustee or a Paying Agent (or, if the Company, a Subsidiary or an Affiliate of either of them or an affiliate is acting as Paying Agent, shall segregate and hold in trust as provided in Section 2.04) an amount of money (in immediately available funds) sufficient to pay the Specified Accounting Change Redemption Price of and any accrued and unpaid interest on, all Securities to be redeemed on that date, other than Securities or portions thereof called for redemption on that date which have been delivered by the Company to the Trustee for cancellation or have been converted. The Paying Agent shall as promptly as practicable return to the Company any money not required for that purpose because of the conversion of Securities pursuant to Article 10 or, if such money is then held by the Company in trust and is not required for such purpose, it shall be discharged from the trust.

(e) If a Holder chooses to convert pursuant to Section 3.01, the Company will pay a make whole premium in the form of an increase in Applicable Conversion Rate, if the Holder converts its Securities between the date the Company gives notice of the redemption and the day prior to the Specified Accounting Change Redemption Date. Any make whole premium will have the effect of increasing the amount of cash or shares otherwise due to Holders of Securities upon conversion. The increase in the Applicable Conversion Rate will be equal to the sum of (A) the number of shares indicated in the table attached as Schedule I hereto where the applicable "effective date" is the proposed Specified Accounting Change Redemption Date and the applicable "stock price" is the average of the closing prices of the Common Stock for each of the ten Trading Days ending the third Trading Day prior to the Specified Accounting Change Redemption Date (the "**Average Price**") and (B) an additional number of shares of common stock equal to $20 per $1,000 principal of Securities divided by the Average Price. To the extent the Average Price is not one of the stock prices and/or the proposed Specified Accounting Change Redemption Date is not one of the effective dates set forth on the in the table attached as Schedule I hereto, relevant adjustments shall be made in the same manner as described in Section 10.01(c).

Section 3.02 *Repurchase of Securities at Option of the Holder upon a Fundamental Change.* (a) If a Fundamental Change occurs, each Holder will have the right, at such Holder's option, to require the Company to repurchase for cash all of such Holder's Securities, or any portion thereof that is equal to or an integral multiple of $1,000 principal amount, at a repurchase price equal to 100% of the principal amount of the Securities repurchased, plus accrued and unpaid Interest on those Securities (the "**Fundamental Change Repurchase Price**") to, but not including, the date that is 30 calendar days following the date of the notice of a Fundamental Change mailed by the Company pursuant to Section 3.02(b) (the "**Fundamental Change Repurchase Date**"), subject to satisfaction by or on behalf of the Holder of the requirements set

forth in Section 3.02(c). If the Fundamental Change Repurchase Date is on a date that is after an Interest Record Date and on or prior to the corresponding Interest Payment Date, the Company will pay such interest to the Person to whom principal is payable.

(b) No later than 15 calendar days after the occurrence of a Fundamental Change, the Company will mail a Company Notice of the Fundamental Change (substantially in the form of Exhibit C) by mail to the Trustee and to each Holder (and to beneficial owners if required by applicable law). In addition to providing such notice, the Company will issue a press release. The Company Notice shall include a form of Fundamental Change Repurchase Notice to be completed by the Holder and shall state:

(i) briefly, the events causing a Fundamental Change and the date of such Fundamental Change;

(ii) whether such Fundamental Change will also constitute a Public Acquirer Change in Control and the conversion rights available to the Holders in connection with such Public Acquirer Change in Control, including the period of conversion and any adjustments to the applicable Conversion Rate;

(iii) the date by which the Fundamental Change Repurchase Notice pursuant to this Section 3.02 must be delivered to the Paying Agent in order for a Holder to exercise the repurchase rights;

(iv) the Fundamental Change Repurchase Date;

(v) the Fundamental Change Repurchase Price;

(vi) the name and address of the Paying Agent and the Conversion Agent;

(vii) the Applicable Conversion Rate;

(viii) that the Securities as to which a Fundamental Change Repurchase Notice has been given may be converted if they are otherwise convertible pursuant to Article 10 hereof only if the Fundamental Change Repurchase Notice has been withdrawn in accordance with the terms of this Indenture;

(ix) that the Securities must be surrendered to the Paying Agent (by effecting book entry transfer of the Securities or delivering Certificated Securities, together with necessary endorsements, as the case may be) to collect payment;

(x) that the Fundamental Change Repurchase Price for any Security as to which a Fundamental Change Repurchase Notice has been duly given and not withdrawn shall be paid promptly following the later of the Business Day immediately following the Fundamental Change Repurchase Date and the time of surrender of such Security as described in clause (ix);

(xi) briefly, the procedures the Holder must follow to exercise rights under this Section 3.02;

(xii) briefly, the conversion rights, if any, that exist on the Securities at the date of the Company Notice and as a result of such Fundamental Change;

(xiii) the procedures for withdrawing a Fundamental Change Repurchase Notice;

(xiv) that, unless the Company defaults in making payment of such Fundamental Change Repurchase Price on Securities for which a Fundamental Change Repurchase Notice is submitted, Interest on Securities surrendered for purchase by the Company shall cease to accrue from and after the Fundamental Change Repurchase Date; and

(xv) the CUSIP, ISIN or other similar number(s), as the case may be, of the Securities.

At the Company's request, the Trustee shall give such Company Notice to each Holder in the Company's name and at the Company's expense; *provided*, *however*, that, in all cases, the text of such Company Notice shall be prepared by the Company.

(c) A Holder may exercise its rights specified in this Section 3.02 upon delivery of a written notice of repurchase (a "**Fundamental Change Repurchase Notice**") to the Paying Agent at any time on or prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date, stating:

(i) if Certificated Securities have been issued, the certificate number(s) of the Securities which the Holder shall deliver to be repurchased or, if Certificated Securities have not been issued, the Fundamental Change Repurchase Notice shall comply with the appropriate Depositary procedures for book-entry transfer;

(ii) the portion of the principal amount of the Security which the Holder shall deliver to be repurchased, which portion must be $1,000 or an integral multiple of $1,000; and

(iii) that such Security shall be repurchased pursuant to the terms and conditions specified in Section 4 of the Securities and in this Indenture.

The delivery of such Security (together with all necessary endorsements) and the Fundamental Change Repurchase Notice to the Paying Agent at the offices of the Paying Agent shall be a condition to the receipt by the Holder of the Fundamental Change Repurchase Price therefor; *provided*, *however*, that such Fundamental Change Repurchase Price shall be so paid pursuant to this Section 3.02 only if the Security (together with all necessary endorsements) so delivered to the Paying Agent shall conform in all respects to the description thereof set forth in the related Fundamental Change Repurchase Notice.

The Company shall repurchase from the Holder thereof, pursuant to this Section 3.02, a portion of a Security if the principal amount of such portion is $1,000 or an integral multiple of $1,000. Provisions of this Indenture that apply to the repurchase of all of a Security also apply to the repurchase of such portion of such Security.

Any repurchase by the Company contemplated pursuant to the provisions of this Section 3.02 shall be consummated by the delivery of the Fundamental Change Repurchase Price promptly following the later of the Business Day following the Fundamental Change Repurchase Date or the time of delivery of such Security (together with all necessary endorsements or notifications of book-entry transfer).

Notwithstanding the foregoing, Holders shall not have the right to require the Company to repurchase the Securities upon a Fundamental Change described in clause (3) of the definition thereof if (i) more than 90% of the consideration in the transaction or transactions constituting such Fundamental Change consists of shares of common stock traded or to be traded immediately following such Fundamental Change on the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or another U.S. national securities exchange and, as a result of such transaction or transactions, the Securities become convertible into such common stock (and any rights attached thereto) subject to the settlement provisions of Section 10.03.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Fundamental Change Repurchase Notice contemplated by this Section 3.02(c) shall have the right to withdraw such Fundamental Change Repurchase Notice by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 3.03(b) at any time prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date.

The Paying Agent shall promptly notify the Company of the receipt by it of any Fundamental Change Repurchase Notice or written withdrawal thereof.

Section 3.03 *Effect of Fundamental Change Repurchase Notice.* (a) Upon receipt by the Paying Agent of the Fundamental Change Repurchase Notice specified in Section 3.02, the Holder of the Security in respect of which such Fundamental Change Repurchase Notice was given shall (unless such Fundamental Change Repurchase Notice is withdrawn as specified in Section 3.03(b)) thereafter be entitled solely to receive the Fundamental Change Repurchase Price with respect to such Security whether or not the Security is, in fact, properly delivered. Such Fundamental Change Repurchase Price shall be paid to such Holder, subject to receipt of funds and/or securities by the Paying Agent, promptly following the later of (x) the Business Day following the Fundamental Change Repurchase Date with respect to such Security (provided the conditions in Section 3.02 have been satisfied) and (y) the time of delivery of such Security to the Paying Agent by the Holder thereof in the manner required by Section 3.02. Securities in respect of which a Fundamental Change Repurchase Notice has been given by the Holder thereof may not be converted pursuant to and to the extent permitted by Article 10 hereof on or after the date of the delivery of such Fundamental Change Repurchase Notice unless such Fundamental Change Repurchase Notice has first been validly withdrawn as specified in Section 3.03(b).

(b) A Fundamental Change Repurchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent at any time, if received by the Paying Agent prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date specifying:

(1) the principal amount, if any, of such Security which remains subject to the original Fundamental Change Repurchase Notice and which has been or shall be delivered for purchase by the Company,

(2) if Certificated Securities have been issued, the certificate number, if any, of the Security in respect of which such notice of withdrawal is being submitted (or, if Certificated Securities have not been issued, that such withdrawal notice shall comply with the appropriate Depositary procedures), and

(3) the principal amount of the Security with respect to which such notice of withdrawal is being submitted.

Section 3.04 *Deposit of Fundamental Change Repurchase Price.* Prior to 11:00 a.m. (local time in the City of New York) on the Business Day next following the Fundamental Change Repurchase Date the Company shall deposit with the Paying Agent (or, if the Company or a Subsidiary or an Affiliate of either of them is acting as the Paying Agent, shall segregate and hold in trust as provided in Section 2.04) an amount of cash in immediately available funds

sufficient to pay the aggregate Fundamental Change Repurchase Price of all the Securities or portions thereof which are to be purchased as of the Fundamental Change Repurchase Date.

Section 3.05 *Securities Purchased in Part.* Any Certificated Security which is to be purchased only in part (but any such partial purchase shall be in minimum principal amounts equal to $1,000 or an integral multiple of $1,000) shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered which is not purchased.

Section 3.06 *Covenant to Comply with Securities Laws upon Purchase of Securities.* When complying with the provisions of Section 3.02 hereof (provided that such offer or purchase constitutes an "issuer tender offer" for purposes of Rule 13e-4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or purchase), and subject to any exemptions available under applicable law, the Company shall, if then applicable, (i) comply with Rule 13e-4 and Rule 14e-1 (or any successor provision) and any other applicable tender offer rules under the Exchange Act, (ii) file the related Schedule TO (or any successor schedule, form or report) under the Exchange Act, and (iii) otherwise comply with all Federal and state securities laws so as to permit the rights and obligations under Section 3.02 to be exercised in the time and in the manner specified in Section 3.02.

Section 3.07 *Repayment to the Company*. The Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed as provided in Section 12 of the Securities, together with interest, if any, thereon (subject to the provisions of Section 7.01(f)), held by them for the payment of the Fundamental Change Repurchase Price.

ARTICLE 4
Covenants

Section 4.01 *Payment of Securities.* The Company shall make all payments in respect of the Securities on the dates and in the manner provided in the Securities or pursuant to this Indenture. Any amounts of cash in immediately available funds or shares of Common Stock to be given to the Trustee or Paying Agent shall be deposited with the Trustee or Paying Agent by 11:00 a.m., New York City time, by the Company on the applicable payment date. The principal amount of, and Interest on the Securities, and the Fundamental Change Repurchase Price and amounts payable on conversion shall be considered paid on the applicable date due if on such date (which, in the case of a Fundamental Change Repurchase Price, shall be on the Business Day immediately following the applicable Fundamental Change Repurchase Date) the Trustee or

the Paying Agent holds, in accordance with this Indenture, cash or securities, if permitted hereunder, sufficient to pay all such amounts then due.

Section 4.02 *SEC and Other Reports.* The Company shall deliver to the Trustee, within 15 days after it files such annual and quarterly reports, information, documents and other reports with the SEC, copies of its annual report and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act; *provided*, *however*, that, to the extent permitted by law, any such document, information and other reports filed and publicly available through the SEC's EDGAR filing system shall be deemed to have been received by the Trustee. The Company shall also comply with the other provisions of TIA Section 314(a). Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Section 4.03 *Compliance Certificate*. The Company shall deliver to the Trustee within 120 days after the end of each fiscal year of the Company (beginning with the fiscal year ending December 31, 2007) an Officer's Certificate, stating whether or not to the knowledge of the signer thereof, the Company is in default in the performance and observance of any of the terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and if the Company shall be in default, specifying all such defaults and the nature and status thereof of which such Officer may have knowledge and otherwise comply with Section 314(a)(4) of the TIA.

The Company shall, so long as any of the Securities are outstanding, deliver to the Trustee, within 30 days of any executive officer of the Company becoming aware of any Default or Event of Default, an Officer's Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.04 *Further Instruments and Acts*. The Company shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purposes of this Indenture.

Section 4.05 *Maintenance of Office or Agency*. The Company will maintain an office or agency of the Trustee, Registrar, Paying Agent and Conversion Agent where Securities may be presented or surrendered for payment, where Securities may be surrendered for registration of transfer, exchange, purchase or conversion and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The office of the Trustee, located at 601 Travis, 18th Floor, Houston, Texas 77002 shall initially be such office or agency for all of the aforesaid purposes. Such office or agency need not be the principal securities clearance or processing office of the Trustee. The Company shall give prompt written notice to the Trustee of the location, and of any change in the location, of any such office or agency (other

than a change in the location of the office of the Trustee). If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the address of the Trustee set forth in Section 12.02.

The Company may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency for such purposes.

ARTICLE 5
Successor Company

Section 5.01 *When Company May Merge or Transfer Assets.* The Company shall not consolidate with or merge with or into any other Person or convey, transfer or lease all or substantially all its properties and assets to another Person, unless:

(a) the resulting, surviving transferee or lessee Person (the "**successor company**") will be an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

(b) immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(c) the Company will have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, comply with this Article 5.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise) of the properties and assets of one or more Subsidiaries (other than to the Company or another Subsidiary), which, if such assets were owned by the Company, would constitute all or substantially all of the properties and assets of the Company and its Subsidiaries, taken as a whole, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company.

The successor company formed by such consolidation or into which the Company is merged or the successor company to which such conveyance, transfer, lease or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor had been named as the

Company herein; and thereafter, except in the case of a conveyance, transfer or lease of all or substantially all the Company's assets (in which case the Company will not be discharged from the obligation to pay the principal amount of the Securities and Interest) and except for obligations, if any, that the Company may have under a supplemental indenture, the Company shall be discharged from all obligations and covenants under this Indenture and the Securities. Subject to Section 9.06, the Company, the Trustee and the successor company shall enter into a supplemental indenture to evidence the succession and substitution of such successor company and such discharge and release of the Company.

ARTICLE 6
Defaults and Remedies

Section 6.01 *Events of Default*. So long as any Securities are outstanding, each of the following shall be an "**Event of Default**":

(a) following the exercise by the Holder of the right to convert a Security in accordance with Article 10 hereof, the Company fails to comply with its obligations to deliver the cash or shares of Common Stock, if any, required to be delivered as part of the applicable Settlement Shares or Settlement Amount on the applicable Conversion Settlement Date;

(b) the Company defaults in its obligation to provide timely notice of a Fundamental Change to the Trustee and each Holder as required under Section 3.02(b);

(c) any default in the payment of the principal amount of any Security when due at maturity, upon repurchase, redemption or otherwise (including, without limitation, the Company's failure to repurchase Securities upon the exercise by a Holder of its right to require the Company to repurchase such Securities pursuant to and in accordance with Section 3.02 hereof or on any other repurchase date);

(d) any default in the payment of any Interest, when due and payable, and continuance of such default for a period of 30 days past the applicable due date;

(e) the Company or any Guarantor fails to perform or observe any term, covenant or warranty or agreement in the Securities or this Indenture (other than those referred to in clause (a) through clause (d) above) and such failure continues for 60 days after receipt by the Company of a Notice of Default;

(f) the Company or any of its Significant Subsidiaries fails to make any payment by the end of any applicable grace period after maturity or acceleration of indebtedness for borrowed money of the Company or its Significant Subsidiaries in an amount in excess of $15,000,000 and continuance of such failure;

(g) the Company or any of its Significant Subsidiaries fails to pay final judgments aggregating in excess of $15,000,000, which judgments are not paid, discharged or stayed for a period of 60 days;

(h) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Company or any of its Significant Subsidiaries, in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law (any "**Bankruptcy Law**") or (ii) a decree or order adjudging the Company or any Significant Subsidiary, a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or any Significant Subsidiary, under any applicable Bankruptcy Law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Significant Subsidiary or of any substantial part of any of their property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order described in clause (i) or (ii) above is unstayed and in effect for a period of 60 consecutive days;

(i) (i) the commencement by the Company or any Significant Subsidiary, of a voluntary case or proceeding under any applicable Bankruptcy Law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or (ii) the consent by the Company or any Significant Subsidiary, to the entry of a decree or order for relief in respect of the Company or any Significant Subsidiary, in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company or any Significant Subsidiary, or (iii) the filing by the Company or any Significant Subsidiary, of a petition or answer or consent seeking reorganization or relief under any applicable Bankruptcy Law, or (iv) the consent by the Company or any Significant Subsidiary to the filing of such petition or to the appointment of or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Significant Subsidiary or of any substantial part of any of their property, or (v) the making by the Company or any Significant Subsidiary, of a general assignment for the benefit of creditors, or the admission by the Company or any Significant Subsidiary, in writing of its inability to pay its debts generally as they become due; and

(j) except as permitted by this Indenture, any Subsidiary Guarantee is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason (other than in accordance with the terms of that Subsidiary Guarantee and this Indenture) to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, denies or disaffirms its obligations under its Subsidiary Guarantee.

The foregoing shall constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

For the avoidance of doubt, clause (e) above shall not constitute an Event of Default until the Trustee notifies in writing the Company, or the Holders of at least 25% in aggregate principal amount of the Securities at the time outstanding notify in writing the Company and the Trustee, of such default and the Company does not cure such default (and such default is not waived) within the time specified in clause (e) above after actual receipt of such notice. Any such notice must specify the default, demand that it be remedied and state that such notice is a "**Notice of Default**."

(k) Notwithstanding anything to the contrary in this Indenture, to the extent elected by the Company in its sole discretion, the sole remedy for an Event of Default described in clause (e) above relating to the failure to comply with Section 4.02 hereof or the failure to comply with Section 314(a)(1) of the TIA, if applicable, will for the first 120 days after the occurrence of such an Event of Default consist exclusively of the right to receive Additional Interest on the Securities at an annual rate equal to 0.25% of the principal amount of the Securities (the "**Additional Interest**") and will be payable on the same dates and in the same manner as Interest accruing on the Securities. The Additional Interest will accrue on all outstanding Securities from and including the date on which an Event of Default relating to the failure to comply with Section 4.02 hereof or the failure to comply with Section 314(a)(1) of the TIA first occurs to, but not including, the 120th day thereafter (or such earlier date on which the Event of Default relating to the failure to comply with Section 4.02 or the failure to comply with Section 314(a)(1) of the TIA shall have been cured or waived). On such 120th day (or earlier, if the Event of Default relating to the failure to comply with Section 4.02 or the failure to comply with Section 314(a)(1) of the TIA is cured or waived prior to such 120th day), such Additional Interest will cease to accrue and, if the Event of Default relating to the failure to comply with Section 4.02 or the failure to comply with Section 314(a)(1) of the TIA has not been cured or waived prior to such 120th day, the Securities will be subject to acceleration as provided in Section 6.02 hereof. The provisions of this paragraph will not affect the rights of Holders of Securities in the event of the occurrence of any other Event of Default. In the event the Company does not timely elect to pay the Additional Interest upon an Event of Default relating to the failure to comply with Section 4.02 or the failure to comply with Section 314(a)(1) of the TIA in accordance with this paragraph, the Securities will be subject to acceleration as provided in Section 6.02 hereof. To make such election, the Company must notify the Holders, the Trustee and the Paying Agent of such election on or prior to the date such failure to comply with Section 4.02 or the failure to comply with Section 314(a)(1) of the TIA becomes an Event of Default.

Section 6.02 *Acceleration*. Subject to Section 6.01(k), if an Event of Default (other than an Event of Default specified in Section 6.01(h) or Section 6.01(i) with respect to the Company) occurs and is continuing (the Event of Default not having been cured or waived), the Trustee by notice to the Company, or the Holders of at least 25% in aggregate principal amount of the Securities at the time outstanding by notice to the Company and the Trustee, may declare the principal amount of the Securities and any accrued and unpaid Interest on all the Securities to be immediately due and payable. Upon such a declaration, such accelerated amount shall be due and payable immediately. If an Event of Default specified in Section 6.01(h)or Section 6.01(i) with respect to the Company occurs and is continuing, the principal amount of the Securities and any accrued and unpaid Interest on all the Securities shall become and be immediately due and

payable without any declaration or other act on the part of the Trustee or any Securityholders. The Holders of a majority in aggregate principal amount of the Securities at the time outstanding, by notice to the Trustee and the Company (and without notice to any other Securityholder) may rescind an acceleration and its consequences, and thereby waive the Events of Default giving rise to such acceleration, if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of the principal amount of the Securities and any accrued and unpaid Interest that have become due solely as a result of acceleration, which amounts, if such rescission is effective, shall no longer be payable as a result of acceleration. No such rescission shall affect any subsequent Event of Default or impair any right consequent thereto.

Section 6.03 *Other Remedies*. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of the principal amount of the Securities and any accrued and unpaid Interest on the Securities or to enforce the performance of any provision of the Securities or this Indenture.

The Trustee may maintain a proceeding even if the Trustee does not possess any of the Securities or does not produce any of the Securities in the proceeding. A delay or omission by the Trustee or any Securityholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of, or acquiescence in, the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Section 6.04 *Waiver of Past Defaults*. The Holders of a majority in aggregate principal amount of the Securities at the time outstanding, by notice to the Trustee (and without notice to any other Securityholder), may waive any existing or past Default and its consequences except (1) an Event of Default described in clauses (a), (b), (c) and (d) of Section 6.01 or (2) an Event of Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Securityholder affected, which, in each case may be waived only upon the written consent of each affected Holder. When a Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or impair any consequent right. This Section 6.04 shall be in lieu of Section 316(a)(1)(B) of the TIA and such Section 316(a)(1)(B) is hereby expressly excluded from this Indenture, as permitted by the TIA.

Section 6.05 *Control by Majority.* The Holders of a majority in aggregate principal amount of the Securities at the time outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines is unduly prejudicial to the rights of other Securityholders or would involve the Trustee in personal liability; *provided*, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction or this Indenture. Prior to taking any action under this Indenture, the Trustee may require indemnity satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

Section 6.06 *Limitation on Suits*. A Securityholder may not pursue any remedy with respect to this Indenture or the Securities, except in the case of a Default due to the non-payment of the principal amount of the Securities, any accrued and unpaid Interest or any unpaid Settlement Amounts or Settlement Shares, unless:

(1) the Holder gives to the Trustee written notice stating that a Default is continuing;

(2) the Holders of at least 25% in aggregate principal amount of the Securities at the time outstanding make a written request to the Trustee to pursue the remedy;

(3) the Trustee does not comply with the request within 60 days after receipt of such notice, of security or indemnity; and

(4) the Holders of a majority in aggregate principal amount of the Securities at the time outstanding do not give the Trustee a direction that, in the opinion of the Trustee, is inconsistent with the request within a 60-day period.

A Securityholder may not use this Indenture to prejudice the rights of any other Securityholder or to obtain a preference or priority over any other Securityholder.

Section 6.07 *Rights of Holders to Receive Payment*. Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of the principal amount of the Securities and any accrued and unpaid Interest in respect of the Securities held by such Holder, on or after the respective due dates expressed in the Securities or any Fundamental Change Repurchase Date, and to convert the Securities in accordance with Article 10, or to bring suit for the enforcement of any such payment or the right to convert on or after such respective dates, shall not be impaired or affected adversely without the consent of such Holder.

Section 6.08 *Collection Suit by Trustee*. If an Event of Default described in Section 6.01 clauses (a) through (d) (other than (b)) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company for the whole amount owing with respect to the Securities and the amounts provided for in Section 7.07.

Section 6.09 *Trustee May File Proofs of Claim.* In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal amount of the Securities and any accrued and unpaid Interest in respect of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on

the Company for the payment of any such amount) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole principal amount of the Securities and any accrued and unpaid Interest and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel or any other amounts due the Trustee under Section 7.07 and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

The Company agrees not to object to the Trustee participating as a member of any official committee of creditors of the Company as it deems necessary or advisable.

Section 6.10 *Priorities*. Any money collected by the Trustee pursuant to this Article 6 and, after an Event of Default, any money or other property distributable in respect of the Company's obligations under this Indenture, shall be paid out in the following order:

FIRST: to the Trustee (including any predecessor Trustee) for amounts due under Section 7.07;

SECOND: to Securityholders for amounts due and unpaid on the Securities for the principal amount of the Securities and any accrued and unpaid Interest, ratably, without preference or priority of any kind, according to such amounts due and payable on the Securities; and

THIRD: the balance, if any, to the Company.

The Trustee may fix a record date and payment date for any payment to Securityholders pursuant to this Section 6.10. At least 15 days before such record date, the Trustee shall mail to

each Securityholder and the Company a notice that states the record date, the payment date and the amount to be paid.

Section 6.11 *Undertaking for Costs*. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant (other than the Trustee) in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 or a suit by Holders of more than 10% in aggregate principal amount of the Securities at the time outstanding. This Section 6.11 shall be in lieu of Section 315(e) of the TIA and such Section 315(e) is hereby expressly excluded from this Indenture, as permitted by the TIA.

Section 6.12 *Waiver of Stay, Extension or Usury Laws*. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other law wherever enacted, now or at any time hereafter in force, which would prohibit or forgive the Company from paying all or any portion of the principal amount of the Securities and any accrued and unpaid Interest on Securities, as contemplated herein, or which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7
Trustee

Section 7.01 *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied duties shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture, but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine such certificates and opinions to determine whether or not they conform to the requirements of this Indenture, but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein. This Section 7.01(b) shall be in lieu of Section 315(a) of the TIA and such Section 315(a) is hereby expressly excluded from this Indenture, as permitted by the TIA.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) this Section 7.01(c) does not limit the effect of Sections 7.01(b) and 7.01(g);

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

Subparagraphs (c)(1), (2) and (3) shall be in lieu of Sections 315(d)(1), 315(d)(2) and 315(d)(3) of the TIA and such Sections 315(d)(1), 315(d)(2) and 315(d)(3) are hereby expressly excluded from this Indenture, as permitted by the TIA.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to this Section 7.01.

(e) The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee (acting in any capacity hereunder) shall be under no liability for interest on any money received by it hereunder unless otherwise

agreed in writing with the Company (provided that any interest earned on money held by the Trustee in trust hereunder shall be the property of the Company).

(g) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 7.02 *Rights of Trustee*. Subject to the provisions of Section 7.01:

(a) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document (whether in original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate;

(c) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(d) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith which it believes to be authorized or within its rights or powers conferred under this Indenture;

(e) the Trustee may consult with counsel selected by it and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(f) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Holders, pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby;

(g) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(h) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to, during regular business hours, examine the books, records and premises of the Company, Personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation;

(i) Except with respect to Section 4.01 and subject to Section 7.05, the Trustee shall have no duty to inquire as to the performance of the Company with respect to the covenants contained in Article 4;

(j) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder;

(k) the Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded; and

(l) the permissive rights of the Trustee to take certain actions under this Indenture shall not be construed as a duty unless so specified herein.

Section 7.03 *Individual Rights of Trustee*. The Trustee in its individual or any other capacity may become the owner or pledgee of Securities and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent, Registrar, Conversion Agent, Bid Solicitation Agent or co-registrar may do the same with like rights. However, the Trustee must comply with Section 7.10 and Section 7.11.

Section 7.04 *Trustee's Disclaimer*. The Trustee makes no representation as to, and shall have no responsibility for, the validity or adequacy of this Indenture or the Securities, it shall not be accountable for the Company's use or application by the Company of the Securities or of the proceeds from the Securities, it shall not be responsible for the correctness of any statement in the registration statement for the Securities under the Securities Act or in any offering document for the Securities, the Indenture or the Securities (other than its certificate of authentication), or the determination as to which beneficial owners are entitled to receive any notices hereunder.

Section 7.05 *Notice of Defaults*. If a Default or an Event of Default occurs and if it is known to the Trustee, the Trustee shall give to each Securityholder notice of the Default or Event of Default within 90 days after it occurs, unless such Default or Event of Default shall have been cured or waived before the giving of such notice. Notwithstanding the preceding sentence, except in the case of a Default or Event of Default described in clauses (c) and (d) of Section 6.01, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interest of the Securityholders. The preceding sentence shall be in lieu of the proviso to Section 315(b) of the TIA and such proviso is hereby expressly excluded from this Indenture, as permitted by the TIA. The Trustee shall not be deemed to have knowledge of a Default or an Event of Default except (i) any Default or Event of Default occurring pursuant to Section 6.01(a), 6.01(c) or 6.01(d) or (ii) any Default or Event of Default of which the Trustee shall have received written notice from the Company or the Holders of at least 25% in aggregate principal amount of the Securities, which notice specifically references this Indenture and the Securities, or obtained actual knowledge

Section 7.06 *Reports by Trustee to Holders.* Within 60 days after each December 31 beginning with December 31, 2007, the Trustee shall mail to each Securityholder a brief report dated as of such December 31 that complies with TIA Section 313(a), if required by such Section 313(a). The Trustee also shall comply with TIA Section 313(b). Any reports required by this Section 7.06 shall be transmitted by mail to Securityholders pursuant to TIA Section 313(c).

A copy of each report at the time of its mailing to Securityholders shall be filed with the SEC and each securities exchange, if any, on which the Securities are listed. The Company agrees to notify the Trustee promptly whenever the Securities become listed on any securities exchange and of any delisting thereof.

Section 7.07 *Compensation and Indemnity*. The Company agrees:

(a) to pay to the Trustee from time to time such compensation as the Company and the Trustee shall from time to time agree in writing for all services rendered by it hereunder (which compensation shall not be limited (to the extent permitted by law) by any provision of law in regard to the compensation of a trustee of an express trust);

(b) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses, advances and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its own negligence, willful misconduct or bad faith; and

(c) to indemnify and hold the Trustee and its directors, officers, agents and employees (collectively, the "**Indemnitees**") harmless from and against any and all claims, liabilities, losses, damages, fines, penalties and expenses, including out-of-pocket, incidental expenses, legal fees and expenses and the allocated costs and expenses of in-house counsel and legal staff ("**Losses**") that may be imposed on, incurred by or asserted against the Indemnitees or any of them for following any instruction or other direction upon which the Trustee is authorized to rely pursuant to the terms of this Indenture. In addition to and not in limitation of the immediately preceding sentence, the Company also agrees to indemnify and hold the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by or asserted against the Indemnitees or any of them in connection with or arising out of the Trustee's performance under this Indenture, *provided* the Trustee has not acted with negligence, acted in bad faith or engaged in willful misconduct.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Securities on all money or property held or collected by the Trustee, except that held in trust to pay the principal amount of, or the Fundamental Change Repurchase Price or Interest on, particular Securities.

The Company's payment, reimbursement and indemnity obligations pursuant to this Section 7.07 shall survive the satisfaction and discharge of this Indenture, the resignation or removal of the Trustee and the termination of this Indenture for any reason. In addition to and without prejudice to its rights hereunder, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 6.01(h) or Section 6.01(i), the expenses, including the reasonable charges and expenses of its counsel and the compensation for services payable pursuant to Section 7.07(a), are intended to constitute expenses of administration under any applicable federal or state bankruptcy, insolvency or similar laws.

For the purposes of this Section 7.07, the "Trustee" shall include any predecessor Trustee; provided, however, that except as may be otherwise agreed among the parties, the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

Section 7.08 *Replacement of Trustee*. The Trustee may resign at any time by so notifying the Company; *provided*, *however*, that no such resignation shall be effective until a successor Trustee has accepted its appointment pursuant to this Section 7.08. The Holders of a majority in aggregate principal amount of the Securities at the time outstanding may remove the

Trustee by so notifying the Trustee and the Company in writing. The Company shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.10;

(2) the Trustee is adjudged bankrupt or insolvent;

(3) a receiver or public officer takes charge of the Trustee or its property; or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint, by resolution of its Board of Directors, a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company satisfactory in form and substance to the retiring Trustee and the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Securityholders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of a majority in aggregate principal amount of the Securities at the time outstanding may petition any court of competent jurisdiction at the expense of the Company for the appointment of a successor Trustee.

If the Trustee fails to comply with Section 7.10, any Securityholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

So long as no Default or Event of Default shall have occurred and be continuing, if the Company shall have delivered to the Trustee (i) a Board Resolution appointing a successor Trustee, effective as of a date at least 30 days after delivery of such Resolution to the Trustee, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with this Indenture, the Trustee shall be deemed to have resigned as contemplated in this Section 7.08, the successor Trustee shall be deemed to have been accepted as contemplated in this Indenture, all as of such date, and all other provisions of this Indenture shall be applicable to such resignation, appointment and acceptance.

Section 7.09 *Successor Trustee by Merger*. Any corporation or association into which the Trustee in its individual capacity may be merged or converted or with which it may be consolidated or to which it transfers all or substantially all of its corporate trust business or assets, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee in its individual capacity may be sold or otherwise transferred, shall be the Trustee hereunder without further act.

Section 7.10 *Eligibility; Disqualification*. The Trustee shall at all times satisfy the requirements of TIA Sections 310(a)(1) and 310(b). The Trustee (or any parent holding company) shall have a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. Nothing herein contained shall prevent the Trustee from filing with the Commission the application referred to in the penultimate paragraph of TIA Section 310(b).

Section 7.11 *Preferential Collection of Claims Against Company*. The Trustee shall comply with TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE 8
Discharge of Indenture

Section 8.01 *Discharge of Liability on Securities*. When (i) the Company causes to be delivered to the Trustee all outstanding Securities (other than Securities replaced or repaid pursuant to Section 2.07) for cancellation or (ii) all outstanding Securities have become due and payable (whether on conversion, maturity, repurchase or otherwise) and the Company deposits with the Trustee cash and, if applicable, shares of Common Stock sufficient to pay all amounts due and owing on all outstanding Securities (other than Securities replaced pursuant to Section 2.07), and if in either case the Company pays all other sums payable hereunder by the Company, then this Indenture shall, subject to Section 7.07, cease to be of further effect. The Trustee shall join in the execution of a document prepared by the Company acknowledging satisfaction and discharge of this Indenture on demand of the Company accompanied by an Officer's Certificate and Opinion of Counsel and at the cost and expense of the Company.

Section 8.02 *Repayment to the Company*. The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the Securities that remains unclaimed for one year, subject to applicable abandoned property law.

After return to the Company, Holders entitled to the money or securities must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person and the Trustee and the Paying Agent shall have no further liability to

the Securityholders with respect to such money or securities for that period commencing after the return thereof.

Section 8.03 *Application of Trust Money*. The Trustee shall hold in trust all money and other consideration deposited with it pursuant to Section 8.01 and shall apply such deposited money and other consideration through the Paying Agent and in accordance with this Indenture to the payment of amounts due on the Securities. Money and other consideration so held in trust is subject to the Trustee's rights under Section 7.07.

ARTICLE 9
Amendments

Section 9.01 *Without Consent of Holders*. The Company, the Guarantors and the Trustee may modify or amend this Indenture or the Securities without the consent of any Securityholder to:

(a) add guarantees with respect to the Securities or secure the Securities, including without limitation to add any Subsidiary as an additional Guarantor as provided in Section 11.05 hereof or to evidence the succession of another Person to any Guarantor pursuant to Section 11.03 hereof and the assumption by any such successor of the covenants and agreements of such Guarantor contained herein and in the Subsidiary Guarantee of such Guarantor;

(b) conform this Indenture and the Securities to the "Description of Notes" as set forth in the Prospectus;

(c) add to the covenants of the Company or Events of Default for the benefit of the Holders of Securities;

(d) surrender any right or power herein conferred upon the Company;

(e) eliminate the right of the Company to make a Physical Settlement Election in order to satisfy its Conversion Obligations pursuant to Section 10.03(b) hereof;

(f) provide for the assumption by a successor company of the Company's obligations to the Holders of Securities in the case of a merger, consolidation, conveyance, transfer, sale or lease pursuant to Article 5 or Section 10.06 hereof;

(g) comply with the requirements of the SEC in order to effect or maintain the qualification of this Indenture or any supplemental indenture under the TIA;

(h) cure any ambiguity, manifest error or defect;

(i) cure any omission or correct any inconsistency in the Indenture, *provided* that the rights of the Securityholders are not adversely affected in any material respect;

(j) make other changes to this Indenture or forms or terms of the Securities so long as no such change individually or in the aggregate with all other such changes has or will have a material adverse effect on the interests of the Holders of the Securities;

(k) establish the form of Securities (substantially in the form of Exhibit B);

(l) evidence and provide for the acceptance of the appointment under this Indenture of a successor Trustee in accordance with the terms of this Indenture;

(m) provide for uncertificated Securities in addition to or in place of Certificated Securities; *provided*, *however*, that the uncertificated Securities are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Securities are described in Section 163(f)(2)(B) of the Code; or

(n) release any Guarantor from any of its obligations under its Subsidiary Guarantee or this Indenture as provided in the Indenture.

Section 9.02 *With Consent of Holders*. Except as provided below in this Section 9.02 and in Section 9.01, this Indenture or the Securities may be amended, modified or supplemented, and noncompliance in any particular instance with any provision of this Indenture or the Securities may be waived, in each case with the written consent of the Holders of at least a majority of the principal amount of the Securities at the time outstanding.

Without the written consent or the affirmative vote of each Holder of Securities affected thereby, an amendment, supplement or waiver under this Section 9.02 may not:

(a) reduce the principal amount of or change the Stated Maturity of any Security;

(b) reduce the Fundamental Change Repurchase Price or change the time at which or circumstances under which the Securities may or shall be repurchased;

(c) change the currency in which any Security or Interest thereon or the Fundamental Change Repurchase Price thereof is payable;

(d) reduce the rate of accrual for, or extend the time for payment of Interest, on any Security;

(e) impair the right of any Holder to institute suit for the enforcement of any payment on or with respect to any Security;

(f) impair the right of the Holders of the Securities to convert any Security as provided in Article 10 or reduce the number of shares or other consideration due upon conversion, except as otherwise permitted pursuant to Article 5 or Section 10.06 hereof;

(g) change the Company's obligation to maintain an office or agency in the places and for the purposes specified in this Indenture;

(h) amend or modify any of the provisions of this Section, or reduce the percentage of the aggregate principal amount of outstanding Securities required to amend, modify, supplement or waive a provision of the Indenture or the Securities, except to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Security affected thereby; or

(i) reduce the percentage of the aggregate principal amount of the outstanding Securities the consent of whose Holders is required for any such supplemental indenture entered into in accordance with this Section 9.02 or the consent of whose Holders is required for any waiver provided for in this Indenture.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section 9.02 becomes effective, the Company shall mail to each Holder a notice briefly describing the amendment.

Section 9.03 *Compliance With Trust Indenture Act*. Every supplemental indenture executed pursuant to this Article shall comply with the TIA as then in effect.

Section 9.04 *Revocation and Effect of Consents, Waivers and Actions*. Until an amendment, waiver or other action by Holders becomes effective, a consent thereto by a Holder of a Security hereunder is a continuing consent by the Holder and every subsequent Holder of that Security or portion of the Security that evidences the same obligation as the consenting Holder's Security, even if notation of the consent, waiver or action is not made on the Security. However, any such Holder or subsequent Holder may revoke the consent, waiver or action as to such Holder's Security or portion of the Security if the Trustee receives the notice of revocation before the date the amendment, waiver or action becomes effective. After an amendment, waiver or action becomes effective, it shall bind every Securityholder.

Section 9.05 *Notice of Amendments, Notation on or Exchange of Securities.* Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article 9 may, and shall if required by the Company, bear a notation in form approved by the Company as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for outstanding Securities.

Section 9.06 *Trustee to Sign Supplemental Indentures.* The Trustee shall sign any supplemental indenture authorized pursuant to this Article 9 if the amendment contained therein does not affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign such supplemental indenture. In signing such supplemental indenture the Trustee shall receive, and (subject to the provisions of Section 7.01) shall be fully protected in relying upon, an Officer's Certificate and an Opinion of Counsel stating that such amendment is authorized or permitted by this Indenture.

Section 9.07 *Effect of Supplemental Indentures.* Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

ARTICLE 10
Conversions

Section 10.01 *Conversion Privilege.* (a) Subject to and upon compliance with the provisions of this Article 10, a Holder of a Security shall have the right, at such Holder's option, to convert all or any portion (if the portion to be converted is $1,000 principal amount or an integral multiple thereof) of such Security prior to the close of business on the second Business Day immediately preceding Stated Maturity into cash and shares of Common Stock, if applicable, based on the Applicable Conversion Rate only as follows:

(1) before April 15, 2012, during any fiscal quarter of the Company (a "**Fiscal Quarter**") (and only during such Fiscal Quarter) commencing after the Fiscal Quarter ending September 30, 2007, if the Closing Sale Price of the Common Stock for at least 20 Trading Days during the period of 30 consecutive Trading Days ending on the last Trading Day of the immediately preceding Fiscal Quarter is more than 130% of the Applicable Conversion Price in effect on such last Trading Day;

(2) during the five Business Days immediately following any five consecutive Trading Day period (the " **Measurement Period**") in which the Trading Price per $1,000 original principal amount of the Securities (as determined following a request by a Holder of the Securities in accordance with the procedures described below) for each day of such Measurement Period was less than 98% of the product of the Closing Sale Price of the Common Stock and the Applicable Conversion Rate on each such day. The Trustee or another party appointed by the Trustee will, on the Company's behalf, determine if the Securities are convertible as a result of the Trading Price of the Securities and notify the Company and the Trustee if the Trustee has appointed another party to determine if the Securities are convertible pursuant to this clause (2); *provided*, that the Trustee or such other Person appointed by the Trustee shall have no obligation to determine the Trading Price of the Securities unless the Company has requested such determination and the Company shall have no obligation to make such request unless requested to do so in writing by a Holder of the Security. Upon making any such request, any such requesting Holder shall provide reasonable evidence that (A) such requesting Holder is a Holder of the Security as of the date of such notice, and (B) the Trading Price per $1,000 principal amount of Securities would be less than 98% of the product of the Closing Sale Price of the Common Stock and the Applicable Conversion Rate on that day. At such time, the Company shall instruct the Trustee to determine the Trading Price of the Securities beginning on the next Trading Day and on each successive Trading Day until the Trading Price per $1,000 original principal amount of the Securities is greater than or equal to 98% of the product of the Closing Sale Price of the Common Stock and the Applicable Conversion Rate;

(3) any time on or after April 15, 2012 and prior to the close of business on the second Business Day immediately preceding Stated Maturity;

(4) as provided in clause (b) of this Section 10.01; and

(5) upon a redemption in connection with a Specified Accounting Change pursuant to Section 3.01, at any time beginning on the date of the notice of redemption until the Trading Day prior to the Redemption Date.

The Company or, if applicable, the Conversion Agent (in the case of a conversion pursuant to clause (1) above) or the Trustee (in the case of a conversion pursuant to clause (2) above) on behalf of the Company, shall determine on a daily basis during the time periods specified in Section 10.01(a)(1) or, following a request by a Holder of Securities in accordance

with the procedures specified in Section 10.01(a)(2), whether the Securities shall be convertible as a result of the occurrence of an event specified in such Sections and, if the Securities shall be so convertible, the Company, the Conversion Agent or the Trustee, as applicable, shall promptly deliver to the Conversion Agent, the Trustee or the Company, as applicable, written notice thereof. Whenever the Securities shall become convertible pursuant to this Section 10.01 (as determined in accordance with this Section 10.01), the Company or, at the Company's request, the Trustee in the name and at the expense of the Company, shall promptly notify the Holders of the event triggering such convertibility in the manner provided in Section 12.02, or the Company shall promptly disseminate a press release and use its reasonable efforts to post the information on its website or otherwise publicly disclose the information. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice.

(b) In the event that:

(1) (A) the Company distributes to all or substantially all holders of Common Stock rights or warrants entitling them to purchase, for a period expiring within 60 days after the date of such distribution, Common Stock at less than the average of the Closing Sale Prices of the Common Stock for the five consecutive Trading Days ending on the Trading Day immediately preceding the public announcement date for such distribution; or (B) the Company distributes to all or substantially all holders of Common Stock cash, debt securities, rights or warrants to purchase the Company's securities, or other assets (excluding dividends or distributions described in Section 10.04(a)), which distribution has a per share value as determined by the Board of Directors exceeding 10% of the average of the Closing Sale Prices of the Common Stock for the five consecutive Trading Days ending on the Trading Day immediately preceding the public announcement date of such distribution, then, in either case, the Securities may be surrendered for conversion at any time on and after the date that the Company gives notice to the Holders of such distribution, which shall be not less than 30 calendar days prior to the Ex-Dividend Date for such distribution, until the earlier of the close of business on the Business Day immediately preceding the Ex-Dividend Date for such distribution or the date on which the Company announces that such distribution shall not take place, even if the Securities are not otherwise convertible at such time; *provided* that no Holder of a Security shall have the right to convert its Securities if the Holder is entitled to participate in such distribution (based on the Applicable Conversion Rate) without conversion; or

(2) a Fundamental Change occurs prior to Stated Maturity (regardless of whether Holders have a right to require the Company to repurchase the Securities upon such Fundamental Change as set forth in Article 3), then the Securities may be surrendered for conversion at any time from and after the date that is 30 calendar days prior to the anticipated effective date of such transaction until and including the date that is 30 calendar days after the actual effective date of such transaction (or, if such transaction also constitutes a Fundamental Change pursuant to which Holders have a right to require the Company to repurchase the Securities pursuant to Section 3.02, until the close of business on the Business Day immediately preceding the applicable Fundamental Change Repurchase Date). The Company shall notify Holders and the Trustee as promptly as practicable following the date that it publicly announces

the Fundamental Change transaction giving rise to the above conversion right (but in no event less than 30 calendar days prior to the anticipated effective date of such transaction).

(c) If a Fundamental Change occurs prior to Stated Maturity and a Holder elects to convert its Securities in connection with such Fundamental Change (regardless of whether such Holder has the right to require the Company to repurchase its Securities as set forth in Article 3), the Applicable Conversion Rate shall be increased by an additional number of shares of Common Stock (the "**Additional Shares**") as described below; provided, however that no increase will be made in the case of a Fundamental Change if (i) at least 90% of the consideration paid for the Company's Common Stock (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in such Fundamental Change transaction consists of shares of capital stock traded on the New York Stock Exchange or a U.S. national securities exchange or quoted on another established automated over-the-counter trading market in the United States (or that will be so traded or quoted immediately following the transaction) and as a result of such transaction or transactions the Securities become convertible into such shares of such capital stock or (ii) the Company elects to adjust the Conversion Rate and the related Conversion Obligation in connection with a Public Acquirer Change in Control pursuant to subsection (d) of this Section. The Company shall notify each of the Holders and the Trustee of the Fundamental Change no later than 30 Scheduled Trading Days prior to the anticipated effective date of the Fundamental Change. Such notice shall also state whether such Fundamental Change will also constitute a Public Acquirer Change in Control and whether the Company will elect to adjust the Conversion Rate and the related Conversion Obligation pursuant to subsection (d) of this Section. A conversion of the Securities will be deemed for these purposes to be "in connection with" a Fundamental Change if the Conversion Notice is received by the Conversion Agent from and including the date that is 30 calendar days prior to the anticipated effective date of the Fundamental Change to the close of business on the date that is the later to occur of (i) 30 calendar days after the actual effective date of the Fundamental Change and (ii) the Fundamental Change Repurchase Date.

The number of Additional Shares to be added to the Applicable Conversion Rate as described in the immediately preceding paragraph shall be determined by reference to the table attached as Schedule I hereto, based on the effective date of such Fundamental Change transaction and the Stock Price paid in connection with such transaction; *provided* that if the Stock Price is between two Stock Price amounts in the table or such effective date is between two effective dates in the table, the number of Additional Shares shall be determined by a straight-line interpolation between the number of Additional Shares set forth for the higher and lower Stock Price amounts and the two dates, as applicable, based on a 365-day year. The "**effective date**" with respect to a Fundamental Change transaction means the date that a Fundamental Change becomes effective.

The Stock Prices set forth in the first row of the table in Schedule I hereto shall be adjusted as of any date on which the Applicable Conversion Rate of the Securities is adjusted pursuant to Section 10.04. The adjusted Stock Prices shall equal the Stock Prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the

Applicable Conversion Rate immediately prior to the adjustment giving rise to the Stock Price adjustment and the denominator of which is the Applicable Conversion Rate as so adjusted. The number of Additional Shares shall be adjusted in the same manner as the Applicable Conversion Rate as set forth in Section 10.04.

Notwithstanding the foregoing, in no event will the maximum conversion rate exceed 95.6937 per $1,000 principal amount of notes, subject to adjustments in the same manner as the Applicable Conversion Rate as set forth in Section 10.04.

(d) In the event of a Fundamental Change constituting a Public Acquirer Change in Control, the Company may, in lieu of adjusting the applicable Conversion Rate as provided in subsection (c), elect, by giving notice in writing to all Holders and the Trustee of such election in accordance with subsection (c) of this Section, to adjust the Conversion Rate and the related Conversion Obligation such that from and after the effective date of such Public Acquirer Change in Control, Holders shall be entitled to convert their Securities into a number of shares of Public Acquirer Common Stock at a Conversion Rate equal to the Conversion Rate in effect immediately prior to the Public Acquirer Change in Control multiplied by a fraction the numerator of which shall be (i) in the case of a share exchange, merger or binding share exchange pursuant to which Common Stock is converted into cash, securities or other property, the average value of all cash and any other consideration paid or payable per share of Common Stock or (ii) in the case of any other Public Acquirer Change in Control, the average of the Closing Sale Prices of Common Stock for the ten (10) consecutive Trading Days prior to but excluding the effective date of such Public Acquirer Change in Control, and the denominator of which shall be the average of the Closing Sale Prices of the Public Acquirer Common Stock for the ten (10) consecutive Trading Days commencing on the Trading Day next succeeding the effective date of such Public Acquirer Change in Control.

Section 10.02 *Conversion Procedure; Applicable Conversion Rate; Fractional Shares*. (a) Subject to the Company's rights under Section 10.01 and Section 10.03, each Security shall be convertible at the office of the Conversion Agent into a combination of cash and fully paid and nonassessable shares (calculated to the nearest 1/10,000th of a share) of Common Stock, if any, at a rate (the "**Applicable Conversion Rate**") equal to, initially, 72.2217 shares of Common Stock for each $1,000 principal amount of Securities. The Applicable Conversion Rate shall be adjusted in certain instances as provided in Section 10.04 hereof, but shall not be adjusted for any accrued and unpaid Interest. Upon conversion, no payment shall be made by the Company with respect to any accrued and unpaid Interest, unless, as described below, such conversion occurs between an Interest Record Date and the Interest Payment Date to which such Interest Record Date relates, in which case the Holders of the Securities on the Interest Record Date shall receive accrued and unpaid Interest payable on the Securities on the applicable Interest Payment Date. Instead, such amount shall be deemed paid by the applicable Settlement Amount or Settlement Shares, as applicable, delivered upon conversion of any Security. In addition, no payment shall be made in respect of dividends on the Common Stock with a record date prior to the Conversion Date. The Company shall not issue any fraction of a share of Common Stock in connection with any conversion of Securities, but instead shall, subject to Section 10.03 hereof,

make a cash payment (calculated to the nearest cent) equal to such fraction multiplied by the Daily VWAP on the final Trading Day of the Cash Settlement Averaging Period or, if the Company has made a valid Physical Settlement Election, on the third Scheduled Trading Day before the Conversion Settlement Date.

(b) At any time on or before April 15, 2012, the Company may irrevocably make a Physical Settlement Election as set forth in Section 10.03(b).

(c) Before any Holder of a Security shall be entitled to convert the same, such Holder shall (1) in the case of Global Securities, comply with the procedures of the Depositary in effect at that time for converting a beneficial interest in a Global Security, and in the case of Certificated Securities, surrender such Securities, duly endorsed to the Company or in blank, at the office of the Conversion Agent, and (2) give written notice to the Company in the form on the reverse of such Certificated Security (the "**Conversion Notice**") at said office or place that such Holder elects to convert the same and shall state in writing therein the principal amount of Securities to be converted (which shall be equal to or an integral multiple of $1,000 principal amount) and the name or names (with addresses) in which such Holder wishes the certificate or certificates for Common Stock included in the Settlement Amount, if any, or Settlement Shares, as applicable, to be registered.

Before any such conversion, a Holder also shall pay all taxes or duties, if any, as provided in Section 10.07 and any amount payable pursuant to Section 10.02(h).

If more than one Security shall be surrendered for conversion at one time by the same Holder, the number of full shares of Common Stock, if any, that shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of the Securities (or specified portions thereof to the extent permitted thereby) so surrendered.

(d) A Security shall be deemed to have been converted as of the close of business on the date (the "**Conversion Date**") that the Holder has complied with Section 10.02(c).

(e) The Company shall, on the Conversion Settlement Date, to the extent applicable as set forth in Section 10.03, (i) pay the cash component (including cash in lieu of any fraction of a share to which such Holder would otherwise be entitled) of the Conversion Obligation determined pursuant to Section 10.03 to the Holder of a Security surrendered for conversion, or such Holder's nominee or nominees, and (ii) issue, or cause to be issued, and deliver to the Conversion Agent or to such Holder, or such Holder's nominee or nominees, certificates for the number of full shares of Common Stock, if any, to which such Holder shall be entitled as part of such Conversion Obligation. The Company shall not be required to deliver certificates for shares of Common Stock while the stock transfer books for such stock or the security register are duly closed for any purpose, but certificates for shares of Common Stock

shall be issued and delivered as soon as practicable after the opening of such books or security register, and the Person or Persons entitled to receive the Common Stock as part of the applicable Settlement Amount or Settlement Shares, as applicable, upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock, as of the close of business on the applicable Conversion Settlement Date.

(f) In case any Security shall be surrendered for partial conversion, the Company shall execute and the Trustee shall authenticate and deliver to or upon the written order of the Holder of the Security so surrendered, without charge to such Holder (subject to the provisions of Section 10.07 hereof), a new Security or Securities in authorized denominations in an aggregate principal amount equal to the unconverted portion of the surrendered Securities.

(g) By delivering the combination of cash and shares of Common Stock, if any, together with a cash payment in lieu of any fractional shares to the Conversion Agent or to the Holder or such Holder's nominee or nominees, the Company shall have satisfied in full its Conversion Obligation with respect to such Security, and upon such delivery, accrued and unpaid Interest, if any, with respect to such Security shall be deemed to be paid in full rather than canceled, extinguished or forfeited, and such amounts shall no longer accrue.

(h) If a Securityholder delivers a Conversion Notice after the Interest Record Date for a payment of Interest but prior to the corresponding Interest Payment Date, such Securityholder must pay to the Company, at the time such Securityholder surrenders Securities for conversion, an amount equal to the Interest that has accrued and shall be paid on the related Interest Payment Date. The preceding sentence shall not apply if (1) the Company has specified a Fundamental Change Repurchase Date that is after the close of business on an Interest Record Date but on or prior to the opening of business on the corresponding Interest Payment Date, (2) to the extent of overdue Interest, if any overdue Interest exists at the time of conversion with respect to the Securities converted, (3) if a Holder converts its Securities after the close of business on or after April 15, 2012 or (4) the Company has specified a redemption date pursuant to Article III.

Section 10.03 *Payment upon Conversion*. (a) In the event that the Company has not made a Physical Settlement Election as set forth in clause (b) below, upon conversion of Securities, the Company shall satisfy its obligation to convert the Securities (the "**Conversion Obligation**") by delivering to Holders surrendering Securities for conversion, for each $1,000 principal amount of Securities, a settlement amount (the "**Settlement Amount**") equal to the sum of the Daily Settlement Amounts for each of the 20 consecutive Trading days of the related Cash Settlement Averaging Period.

(i) The "**Daily Settlement Amount**" for each of the 20 consecutive Trading Days of the related Cash Settlement Averaging Period, shall consist of:

(A) cash equal to the lesser of $50 and the Daily Conversion Value on such Trading Day; and

(B) to the extent the Daily Conversion Value on such Trading Day exceeds $50, a number of shares of Common Stock equal to (x) the difference between such Daily Conversion Value and $50 (such difference being referred to as the "**Daily Excess Amount**"), divided by (y) the Daily VWAP for such day (or the consideration into which the Common Stock has been converted as described in Section 10.06); *provided* that no fractional shares shall be issued, and in lieu thereof, the Company shall pay an amount in cash as set forth in Section 10.02 above.

(ii) The Settlement Amount will be delivered on the Conversion Settlement Date.

(b) At any time on or before April 15, 2012, the Company may irrevocably make a Physical Settlement Election, in its sole discretion and without the consent of the Holders, by valid delivery of a Physical Settlement Notice, to satisfy all Conversion Obligations arising out of conversions of Securities after the Physical Settlement Election Date. In addition to the giving of such Physical Settlement Election Notice, the Company shall disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News or PR Newswire 02 or another newswire service announcing such Physical Settlement Election or publish such information in The Wall Street Journal or another newspaper of general circulation in the City of New York or on the Company's website. Upon any such conversion following a valid Physical Settlement Election and the related Physical Settlement Date, the Company shall, subject to the provisions of this Article 10, satisfy its Conversion Obligation by delivering to converting Holders on the Conversion Settlement Date a number of shares of Common Stock (the "**Settlement Shares**") equal to the aggregate principal amount of Securities to be converted divided by $1,000 and multiplied by the Applicable Conversion Rate on the Conversion Date (which may include increases to reflect any Additional Shares as described under Section 10.01(c) above); *provided* that no fractional shares shall be issued, and in lieu thereof, the Company shall pay an amount in cash as set forth in Section 10.02 above.

Section 10.04 *Adjustment of Applicable Conversion Rate.* The Applicable Conversion Rate shall be adjusted, without duplication, from time to time by the Company in accordance with this Section 10.04, except that the Company will not make any adjustment if Holders of Securities are entitled to participate on the relevant distribution or payment date, as a result of holding the Securities, in the transactions described below without having to convert their Securities (based on the Applicable Conversion Rate in effect immediately before the relevant Record Date):

(a) If the Company, at any time or from time to time while any of the Securities are outstanding, issues shares of Common Stock as a dividend or distribution on

shares of Common Stock as a dividend or distribution on shares of Common Stock, or if the Company effects a share split or share combination, then the Applicable Conversion Rate will be adjusted based on the following formula:

$$CR^1 = \frac{CR_0 x OS^1}{OS_0}$$

where

CR_0	=	the Applicable Conversion Rate in effect immediately prior to the Record Date of such dividend or distribution, or the effective date of such share split or share combination, as applicable;
CR_1	=	the Applicable Conversion Rate in effect immediately after such Record Date or effective date of such share split or combination, as applicable;
OS_0	=	the number of shares of Common Stock outstanding immediately before such Record Date or effective date; and
OS_1	=	the number of shares of Common Stock outstanding immediately before such Record Date or effective date, but after giving effect to such dividend, distribution, share split or combination, as applicable.

Such adjustment will become effective immediately after the Record Date for such dividend or distribution, or the effective date for such share split or share combination. If any dividend or distribution of the type described in this Section 10.04(a) is declared but not so paid or made, the Applicable Conversion Rate shall again be adjusted, as of the date that is the earlier of (i) the public announcement of the non-payment of the dividend or distribution and (ii) the date that the dividend or distribution was to be paid or made, to the Applicable Conversion Rate which would then be in effect if such dividend or distribution had not been declared.

(b) If the Company, at any time or from time to time while any of the Securities are outstanding, issues to all holders of Common Stock any rights, warrants or options (other than pursuant to any dividend reinvestment or share purchase plan) entitling them for a period of not more than 60 calendar days from the date of issuance of such rights, warrants or options to subscribe for or purchase shares of Common Stock at an exercise price per share less than the average of the Closing Sales Prices of Common Stock for the 10 consecutive Trading Day period ending on the Business Day immediately preceding the date of announcement of such issuance, the Applicable Conversion Rate shall be adjusted based on the following formula:

$$CR^1 = CR_0 x \frac{OS_0 + X}{OS_0 + Y}$$

where

CR_0	=	the Applicable Conversion Rate in effect immediately prior to the Record Date for such issuance;
CR_1	=	the Applicable Conversion Rate in effect immediately after such Record Date;
OS_0	=	the number of shares of Common Stock outstanding immediately before such Record Date for such issuance;
X	=	the total number of shares of Common Stock issuable pursuant to such rights, warrants or options; and
Y	=	the number of shares of Common Stock equal to the quotient of (A) the aggregate price payable to exercise such rights, warrants or options divided by (B) the average of the Closing Sale Prices of Common Stock for the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the "ex-date" of announcement of the issuance of such rights, warrants or options.

To the extent such rights, warrants or options are not exercised or converted prior to the expiration of the exercisability or convertability thereof, the Applicable Conversion Rate will be readjusted, as of such expiration date, to the Applicable Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights, warrants or options been made on the basis of the delivery of only the number of shares of Common Stock actually delivered. In the event that such rights, warrants or options are not so issued, the Conversion Rate shall again be adjusted to be the Applicable Conversion Rate which would then be in effect if such rights, warrants or options had not been issued. In determining whether any rights, warrants or options entitle the Holders to subscribe for or purchase shares of Common Stock at less than the average of the Closing Sale Prices of Common Stock for the 10 consecutive Trading Day period ending on the Business Day immediately preceding the date of announcement of such issuance, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received for such rights or warrants and the value of such consideration, if other than cash, as shall be determined in good faith by the Board of Directors of the Company.

(c) If the Company, at any time or from time to time while the Securities are outstanding, distributes shares of any class of Capital Stock of the Company, evidences of indebtedness or other assets or property of the Company to all, or substantially all, holders of its Common Stock, excluding:

(i) dividends or distributions referred to in Section 10.04(a);

(ii) rights, warrants or options referred to in Section 10.04(b);

(iii) dividends or distributions paid exclusively in cash; and

(iv) Spin-Offs (as defined below) to which the provisions set forth below in this Section 10.04(c) shall apply;

then the Conversion Rate will be adjusted based on the following formula:

$$CR^1 = CR_0 x \frac{SP_0}{SP_0 - FMV}$$

where

CR_0	=	the Applicable Conversion Rate in effect immediately prior to the Record Date for such distribution;
CR_1	=	the Applicable Conversion Rate in effect immediately after such Record Date for such distribution;
SP_0	=	the average of the Closing Sale Prices of the Common Stock over the 10 consecutive Trading Day period ending on the Trading Day immediately preceding the Ex-Dividend Date for such distribution; and
FMV	=	the Fair Market Value (as determined by the Board of Directors of the Company) of the shares of Capital Stock, evidences of indebtedness, assets or property distributed with respect to each outstanding share of the Common Stock on the earlier of the Record Date or the Ex-Dividend Date for such distribution.

Such adjustment shall become effective immediately prior to the opening of business on the day following the Ex-Dividend Date for such distribution.

Where there has been a payment of a dividend or other distribution on the Common Stock of shares of Capital Stock of any class or series, or similar equity interest, of or relating to a Subsidiary or other business unit (a "**Spin-Off**"), the Applicable Conversion Rate in effect immediately before 5:00 p.m., New York City time, on the 10th Trading Day immediately following the effective date of the Spin-Off shall be increased based on the following formula:

$$CR^1 = CR_0 x \frac{FMV_0 + MP_0}{MP_0}$$

where

CR_0	=	the Applicable Conversion Rate in effect on the 10th Trading Day immediately following, and including, the effective date of the Spin-Off;
CR_1	=	the Applicable Conversion Rate in effect immediately after the 10th Trading Day immediately following, and including, the effective date of the Spin-Off;

FMV_0	=	the average of the Closing Sale Prices of the Capital Stock or similar equity interest distributed to holders of Common Stock applicable to one share of Common Stock over the first 10 consecutive Trading Day period after, and including, the effective date of the Spin-Off; and
MP_0	=	the average of the Closing Sale Prices of Common Stock over the first 10 consecutive Trading Day period after, and including the effective date of the Spin-Off.

The adjustment to the Applicable Conversion Rate under the preceding paragraph will occur on the 10th Trading Day from, and including, the effective date of the Spin-Off; *provided* that in respect of any conversion within the 10 Trading Days following the effective date of any Spin-Off, references within this Section 10.04(c) to "10 Trading Days" shall be deemed replaced with such lesser number of Trading Days as have elapsed between the effective date of such Spin-Off and the Conversion Date in determining the Applicable Conversion Rate.

If any dividend or distribution described in this Section 10.04(c) is declared but not paid or made, the Applicable Conversion Rate shall be readjusted, as of the date that is the earlier of (i) the public announcement of the non-payment of the dividend or distribution and (ii) the date on which the dividend or distribution was to have been paid, in which case, the Applicable Conversion Rate will be the Applicable Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

For the purposes of this Section 10.04(c), rights, warrants or options distributed by the Company to all holders of Common Stock entitling them to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights, warrants or options until the occurrence of a specified event or events (a "**Trigger Event**"): (1) are deemed to be transferred with such shares of Common Stock; (2) are not exercisable; and (3) are also issued in respect of future issuances of Common Stock, shall be deemed not to have been distributed for purposes of this Section 10.04(c), (and no adjustment to the Conversion Rate under this Section 10.04(c) will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this Section 10.04(c). If any such right, warrant or option, including any such existing rights, warrants or options distributed prior to the date of this Indenture, are subject to events, upon the occurrence of which such rights, warrants or options become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and record date with respect to new rights, warrants or options with such rights (and a termination or expiration of the existing rights, warrants or options without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights, warrants or options or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Applicable Conversion Rate under this Section 10.04(c) was made, (1) in the case of any such rights,

warrants or options which shall all have been redeemed or purchased without exercise by any Holders thereof, the Applicable Conversion Rate shall be readjusted upon such final purchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or purchase price received by a holder of Common Stock with respect to such rights, warrants or options (assuming such holder had retained such rights, warrants or options), made to all applicable holders of Common Stock as of the date of such redemption or purchase, and (2) in the case of such rights, warrants or options which shall have expired or been terminated without exercise by any holders thereof, the Applicable Conversion Rate shall be readjusted as if such rights, warrants or options had not been issued.

(d) If any cash dividend or other distribution is made to all, or substantially all, holders of Common Stock (excluding any dividend or distribution in connection with the Company's liquidation, dissolution, or winding up), the Applicable Conversion Rate shall be adjusted based on the following formula:

$$CR^{1} = CR_{0} x \frac{SP_{0}}{SP_{0} - C}$$

where

CR_0	=	the Applicable Conversion Rate in effect immediately prior to the Record Date for such distribution;
CR_1	=	the Applicable Conversion Rate in effect immediately after the Record Date for such distribution;
SP_0	=	the Closing Sale Price of a share of Common Stock on the Trading Day immediately preceding the earlier of the Record Date and the day immediately preceding the Ex-Dividend Date for such distribution; and
C	=	the amount in cash per share the Company distributes to holders of Common Stock.

If any dividend or distribution described in this Section 10.04(d) is declared but not so paid or made, the new Applicable Conversion Rate shall be adjusted, as of the date that is the earlier of (i) the public announcement of the non-payment of the dividend or distribution and (ii) the date that the dividend or distribution was to be paid, to the Applicable Conversion Rate that would then be in effect if such dividend or distribution had not been declared.

(e) If the Company or any Subsidiary makes a payment in respect of a tender offer or exchange offer for Common Stock, to the extent that the cash and value (which will be, except for the value of traded securities, determined by the Board of Directors) of any other consideration included in the payment per share of Common Stock exceeds the Closing Sale Price per share of Common Stock on the Trading Day next succeeding the last date on which

tenders or exchanges may be made pursuant to such tender or exchange offer, the Applicable Conversion Rate shall be adjusted as of the 10th Trading Day following the date the tender or exchange offer expires based on the following formula:

$$CR^1 = CR_0 x \frac{AC + (SP^1 x OS^1)}{OS_0 x SP^1}$$

where

CR_0	=	the Applicable Conversion Rate in effect on the 10th day immediately following, and including, the date such tender or exchange offer expires;
CR^1	=	the Applicable Conversion Rate in effect immediately after the 10th Trading Day immediately following, and including, the date the tender or exchange offer expires;
AC	=	the aggregate value of all cash and any other consideration (as determined by the Board of Directors) paid or payable for shares purchased in such tender or exchange offer;
OS_0	=	the number of shares of Common Stock outstanding on the Trading Day immediately prior to the date such tender or exchange offer expires;
OS^1	=	the number of shares of Common Stock outstanding on the Trading Day immediately after the date such tender or exchange offer expires (after giving effect to the purchase or exchange of shares pursuant to such tender or exchange offer); and
SP^1	=	the average of the Closing Sale Prices of Common Stock over the 10 consecutive Trading Day period commencing on the Trading Day immediately after the date such tender or exchange offer expires.

The adjustment to the Applicable Conversion Rate under this Section 10.04(e) shall occur on the 10th Trading Day from, and including, the Trading Day next succeeding the date such tender or exchange offer expires; provided that in respect of any conversion within the 10 Trading Days immediately following, and including, the expiration date of any tender or exchange offer, references within this Section 10.04(e) to "10 Trading Days" shall be deemed replaced with such lesser number of Trading Days as have elapsed between the expiration date of such tender or exchange offer and the Conversion Date in determining the Applicable Conversion Rate.

If the Company is obligated to purchase shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Applicable Conversion Rate shall again be adjusted to be the Applicable Conversion Rate that would then be in effect if such tender or exchange had not been made.

(f) No adjustment to the Applicable Conversion Rate will be required unless the adjustment would require an increase or decrease of at least 1% of the Applicable Conversion Rate. If the adjustment is not made because the adjustment does not change the Applicable Conversion Rate by at least 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustments. In addition, the Company will make any carry forward adjustments not otherwise effected upon required purchases of the Securities in connection with a Fundamental Change, upon any conversion of the Securities, on every one year anniversary from the original issue date and on the Record Date immediately prior to Stated Maturity of the Securities. Adjustments to the Applicable Conversion Rate will be rounded to the nearest ten-thousandth, with five one-hundred-thousandths rounded upward (*e.g.*, 0.76545 would be rounded up to 0.7655).

(g) The Company from time to time may, to the extent permitted by applicable law, increase the Applicable Conversion Rate by any amount for a period of at least 20 days if the Board of Directors shall have made a determination that such increase would be in the best interests of the Company, which determination shall be conclusive. Whenever the Applicable Conversion Rate is increased pursuant to this Section 10.04(g) or Section 10.04(h) below, the Company shall mail to Holders of record of the Securities a notice of the increase at least 15 days prior to the date the increased Applicable Conversion Rate takes effect, and such notice shall state the increased Applicable Conversion Rate and the period during which it will be in effect.

(h) The Company may (but is not required to) make such increases in the Applicable Conversion Rate, in addition to any adjustments required by Section 10.04(a), Section 10.04(b), Section 10.04(c), Section 10.04(d), Section 10.04(e) or Section 10.04(g), as the Board of Directors considers to be advisable to avoid or diminish income tax to Holders resulting from any dividend or distribution of Capital Stock issuable on conversion of the Securities (or rights to acquire shares) or from any event treated as such for income tax purposes.

(i) Except as otherwise provided in this Indenture, all calculations under this Article 10 shall be made by the Company. No adjustment shall be made for the Company's issuance of Common Stock or securities convertible into or exchangeable for shares of Common Stock or rights to purchase Common Stock or convertible or exchangeable securities, other than as provided in this Section 10.04. The Company shall make such calculations in good faith and, absent manifest error, such calculations shall be binding on the Holders.

(j) Whenever the Applicable Conversion Rate is adjusted as herein provided, the Company shall promptly file with the Trustee and any Conversion Agent an Officer's Certificate setting forth the Applicable Conversion Rate after such adjustment and setting forth a brief statement of the facts requiring such adjustment. Unless and until a Responsible Officer of the Trustee shall have received such Officer's Certificate, the Trustee shall not be deemed to have knowledge of any adjustment of the Applicable Conversion Rate and may assume without inquiry that the last Applicable Conversion Rate of which it has knowledge is still in effect. Promptly after delivery of such certificate, the Company shall prepare a notice of such

adjustment of the Applicable Conversion Rate setting forth the adjusted Applicable Conversion Rate, a brief statement of the facts requiring such adjustment and the date on which each adjustment becomes effective and shall mail such notice of such adjustment of the Applicable Conversion Rate to each Securityholder at such Holder's last address appearing on the list of Securityholders provided for in Section 2.05, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of any such adjustment.

(k) For purposes of this Section 10.04, the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company so long as the Company does not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company, but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

(l) Notwithstanding anything to the contrary in this Article 10, no adjustment to the Applicable Conversion Rate shall be made:

(i) upon the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or Interest payable on the Company's Securities and the investment of additional optional amounts in shares of Common Stock under any plan;

(ii) upon the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any Subsidiary;

(iii) upon the issuance of any shares of Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security not described in (ii) above outstanding as of the date the Securities were first issued;

(iv) for a change in the par value of the Common Stock;

(v) for accrued and unpaid Interest; or

(vi) for the avoidance of doubt, for the issuance of Common Stock by the Company (other than to all or substantially all holders of Common Stock) or the payment of cash by the Company upon conversion or repurchase of Securities.

Section 10.05 *Reserved.*

Section 10.06 *Effect of Reclassification, Consolidation, Merger or Sale*. (a) If any of the following events occur, namely (i) any reclassification of the outstanding shares of Common Stock (other than a subdivision or combination to which Section 10.04(c) applies or a change in par value) as a result of which holders of Common Stock shall be entitled to receive cash, securities or other property (such property, the "**Exchange Property**") with respect to or in exchange for such Common Stock, (ii) any consolidation, merger, binding share exchange or combination of the Company with another Person as a result of which holders of Common Stock shall be entitled to receive Exchange Property with respect to or in exchange for such Common Stock, (iii) any sale or conveyance of all or substantially all the properties and assets of the Company to any other Person as a result of which holders of Common Stock shall be entitled to receive Exchange Property with respect to or in exchange for such Common Stock, or (iv) any Public Acquirer Change in Control whereby the Company elects to adjust the Conversion Rate and the related Conversion Obligation pursuant to Section 10.01(d), then the Company or the successor or purchasing Person, as the case may be, shall execute with the Trustee a supplemental indenture (which shall comply with the TIA as in force at the date of execution of such supplemental indenture) providing for the conversion and settlement of the Securities as set forth in this Indenture. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 10. If, in the case of any such reclassification, change, consolidation, merger, binding share exchange, combination, sale or conveyance, the Exchange Property receivable thereupon by a holder of Common Stock includes shares of stock or other securities and assets of a corporation other than the successor or purchasing corporation, as the case may be, in such reclassification, change, consolidation, merger, binding share exchange, combination, sale or conveyance, then such supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the Holders of the Securities as the Board of Directors shall reasonably consider necessary by reason of the foregoing.

(b) The Conversion Obligation with respect to each $1,000 principal amount of Securities converted following the effective date of any such transaction, shall be calculated (as provided in clause (c) below) based on the Exchange Property. In the event holders of the Common Stock have the opportunity to elect the form of consideration to be received in such transaction, the Company shall make adequate provision whereby the Holders of the Securities shall have a reasonable opportunity to determine the form of consideration, consistent with the election rights and restrictions applicable to holders of Common Stock, into which all of the Securities, treated as a single class, shall be convertible from and after the effective date of such transaction. Such determination shall be made pursuant to Section 1.05 and shall be subject to any limitations to which all of the holders of the Common Stock are subject, such as pro-rata reductions applicable to any portion of the consideration payable in such event and shall be conducted in such a manner as to be completed by the date which is the earliest of (a) the deadline for elections to be made by holders of the Common Stock in connection with such transaction, and (b) two Trading Days prior to the anticipated effective date of such event. The Company shall provide notice of the opportunity to determine the form of such consideration, as well as notice of the determination made by Holders of the Securities by issuing a press release and providing a copy of such notice to the Trustee. The Company shall not become a party to any such transaction unless its terms are consistent with the preceding.

(c) The Conversion Obligation in respect of any Securities converted following the effective date of any such transaction shall be computed in the same manner as set forth in Section 10.03(a) except that (1) if the Securities become convertible into Exchange Property, the Daily VWAP of the Common Stock shall be deemed to equal the sum of (A) 100% of the value of any Exchange Property consisting of cash received per share of Common Stock, (B) the Daily VWAP of any Exchange Property received per share of Common Stock consisting of securities that are traded on a U.S. national securities exchange and (2) the Fair Market Value of any other Exchange Property received per share, as determined by an independent nationally recognized investment bank selected by the Company for this purpose. Settlement (in cash and/or shares) shall occur on the Conversion Settlement Date, *provided*, that any amount of the Settlement Amount or Settlement Shares, as applicable, to be delivered in shares of Common Stock shall be paid in Exchange Property rather than shares of Common Stock. If the Exchange Property includes more than one kind of property, the amount of Exchange Property of each kind to be delivered shall be in the proportion that the value of the Exchange Property (as calculated pursuant to Section 10.03) of such kind bears to the value of all such Exchange Property. If the foregoing calculations would require the Company to deliver a fractional share or unit of Exchange Property to a Holder of Securities being converted, the Company shall deliver cash in lieu of such fractional share or unit based on the value of the Exchange Property.

(d) The Company shall cause notice of the execution of such supplemental indenture to be mailed to each Holder of Securities, at its address appearing on the Security register provided for in Section 2.05 of this Indenture, within 20 days after execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture.

(e) The above provisions of this Section shall similarly apply to successive reclassifications, changes, consolidations, mergers, statutory share exchanges, combinations, sales and conveyances.

(f) If this Section 10.06 applies to any event or occurrence, Section 10.04 shall not apply to such event or occurrence.

Section 10.07 *Taxes on Shares Issued*. The issue of stock certificates on conversions of Securities shall be made without charge to the converting Holder for any tax in respect of the issue thereof, except for applicable withholding, if any. The Company shall not, however, be required to pay any tax or duty which may be payable in respect of any transfer involved in the issue and delivery of stock in any name other than that of the Holder or beneficial owner of any Securities converted, and the Company shall not be required to issue or deliver any such stock certificate unless and until the Person or Persons requesting the issue thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or that none is due.

Section 10.08 *Reservation of Shares, Shares to Be Fully Paid; Compliance with Governmental Requirements*. (a) The Company shall provide, free from preemptive rights, out of its authorized but unissued shares or shares held in treasury, sufficient shares of Common Stock for the conversion of the Securities from time to time as such Securities are presented for conversion.

(b) Before taking any action which would cause an adjustment increasing the Applicable Conversion Rate to an amount that would cause the Applicable Conversion Price to be reduced below the then par value, if any, of the shares of Common Stock issuable upon conversion of the Securities, the Company shall take all corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue shares of such Common Stock at such adjusted Applicable Conversion Rate.

(c) (i) The Company covenants that all shares of Common Stock which may be issued upon conversion of Securities shall upon issue be fully paid and non-assessable by the Company and free from all taxes, liens and charges with respect to the issue thereof.

(ii) The Company covenants that, if any shares of Common Stock to be provided for the purpose of conversion of Securities hereunder require registration with or approval of any governmental authority under any federal or state law before such shares may be validly issued upon conversion, the Company shall in good faith and as expeditiously as possible, to the extent then permitted by the rules and interpretations of the SEC (or any successor thereto), endeavor to secure such registration or approval, as the case may be.

Section 10.09 *Responsibility of Trustee*. The Trustee and any other Conversion Agent shall not at any time be under any duty or responsibility to any Holder of Securities to determine the Applicable Conversion Rate or whether any facts exist which may require any adjustment of the Applicable Conversion Rate, or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental indenture provided to be employed, in making the same. The Trustee and any other Conversion Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock, or of any securities or property, which may at any time be issued or delivered upon the conversion of any Security; and the Trustee and any other Conversion Agent make no representations with respect thereto. Neither the Trustee nor any Conversion Agent shall be responsible for any failure of the Company to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or cash upon the surrender of any Security for the purpose of conversion or to comply with any of the duties, responsibilities or covenants of the Company contained in this Article 10. Without limiting the generality of the foregoing, neither the Trustee nor any Conversion Agent shall be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture entered into pursuant to Section 10.06 relating either to the kind or amount of shares of stock or securities or property (including cash) receivable by Holders upon the conversion of their Securities after any event referred to in such Section 10.06 or to any

adjustment to be made with respect thereto, but, subject to the provisions of Section 7.01, may accept as conclusive evidence of the correctness of any such provisions, and shall be protected in relying upon the Officer's Certificate (which the Company shall be obligated to file with the Trustee prior to the execution of any such supplemental indenture) with respect thereto.

ARTICLE 11

Subsidiary Guarantees

Section 11.01 *Subsidiary Guarantee.* Subject to this Article 11, each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably guarantee to each Holder of a Security authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Securities or the obligations of the Company hereunder or thereunder, that: (a) the principal of and premium and interest on the Securities will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and Interest on the overdue principal of, premium, and Interest on the Securities, if any, if lawful, and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof and (b) in case of any extension of time of payment or renewal of any Securities or any of such other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this Subsidiary Guarantee is a general unsecured obligation of such Guarantor and it is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Securities or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Securities with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Subsidiary Guarantee shall not be discharged except by complete performance of the obligations contained in the Securities and this Indenture.

If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Company or the Guarantors, any amount paid by the Company or a Guarantor either to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Subsidiary Guarantee. The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Subsidiary Guarantee.

Section 11.02 *Subordination on Guarantor Liability*. Each Guarantor, and by its acceptance of Securities, each Holder, hereby confirms that it is the intention of all such parties that the Subsidiary Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law or federal and state laws relating to fraudulent conveyances or transfers or the insolvency of debtors the extent applicable to any Subsidiary Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to such maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 11, result in the obligations of such Guarantor under its Subsidiary Guarantee not constituting a fraudulent transfer or conveyance.

Section 11.03 *Guarantors May Consolidate, etc., on Certain Terms*. Except as otherwise provided in Section 11.05, a Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor, unless:

(a) immediately after giving effect to that transaction, no Default exists; and

(b) either:

(i) subject to Section 11.05 hereof, the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than a Guarantor or the Company) assumes all the obligations of that Guarantor under the Securities and this Indenture (including its Subsidiary Guarantee) on the terms set forth herein or therein pursuant to a supplemental indenture; or

(ii) the net proceeds of such sale or other disposition are applied in accordance with the applicable provisions of this Indenture.

In case of any such consolidation, merger, sale or other disposition and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee, of the Subsidiary Guarantee and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. All the Subsidiary Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Subsidiary Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Subsidiary Guarantees had been issued at the date of the execution hereof.

Except as set forth in Article 5 hereof, and notwithstanding clauses (a) and (b) above, any Guarantor may merge with another Subsidiary that has no significant assets or liabilities and was incorporated solely for the purposes of reincorporating that Guarantor in another jurisdiction so long as the amount of our indebtedness and the indebtedness of the Guarantors is not increased as a result of the merger.

Section 11.04 *Releases of Subsidiary Guarantee.* The Subsidiary Guarantee of a Guarantor shall be automatically released and terminated upon the release and termination of such Guarantor's guarantee of the Company's 9$^{5}/_{8}$% senior notes due 2013.

Upon delivery by the Company to the Trustee of an Officer's Certificate and an Opinion of Counsel together to the effect that all conditions precedent set forth in this Section 11.04 to the release of the Subsidiary Guarantee of a Guarantor have been satisfied, to the extent such conditions can be satisfied as of such date, the Trustee shall execute any documents reasonably required in order to evidence the release of any Guarantor from its obligations under its Subsidiary Guarantee.

Any Guarantor not released from its obligations under its Subsidiary Guarantee shall remain liable for the full amount of principal of and interest on the Securities and for the other obligations of any Guarantor under this Indenture as provided in this Article 11.

Section 11.05 *Additional Subsidiary Guarantees*. If any Subsidiary of the Company that is not a Guarantor (the "**New Guarantor**") becomes a guarantor of the Company's 9$^{5}/_{8}$% senior notes due 2013, then the New Guarantor shall, within ten Business Days, execute and deliver to the Trustee a supplemental indenture pursuant to which the New Guarantor shall become a Guarantor and guarantee the obligations of the Company under this Indenture and the Securities. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such New Guarantor, and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent

conveyance or transfer or other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, and other customary exceptions, such New Guarantor's Subsidiary Guarantee is a legal, valid and binding obligation of such New Guarantor. Upon the release, termination or satisfaction of the New Guarantor's Subsidiary Guarantee, the New Guarantor's Subsidiary Guarantee shall automatically be released and terminated. Upon request of the New Guarantor, the Trustee will provide written evidence of such release and termination.

ARTICLE 12
Miscellaneous

Section 12.01 *Trust Indenture Act Controls*. If any provision of this Indenture limits, qualifies, or conflicts with another provision which is required to be included in this Indenture by the TIA, the required provision shall control.

Section 12.02 *Notices*. Any request, demand, authorization, notice, waiver, consent or communication by the Company or the Trustee to the other is duly given if in writing and delivered in Person or mailed by first-class mail, postage prepaid, addressed as follows or transmitted by facsimile transmission to the following facsimile numbers:

if to the Company:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, TX 77077
Attn: Chief Financial Officer
Facsimile: (281) 406-2331

With a copy to (which shall not constitute notice):

Bracewell & Guiliani LLP
711 Louisiana Street, Suite 2300
Houston, TX 77002
Attn: William S. Anderson, Esq.
Facsimile: (713) 437-5370

if to the Trustee:

The Bank of New York Trust Company, N.A.
601 Travis, 18th Floor
Houston, Texas 77022
Attn: Mauri Cowen
Facsimile: (713) 483-7038

The Company or the Trustee by notice given to the other in the manner provided above may designate additional or different addresses for subsequent notices or communications.

Any notice or communication given to a Securityholder shall be delivered to the Securityholder, in accordance with the procedures of the Registrar or by first-class mail, postage prepaid, at the Securityholder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

Failure to mail a notice or communication to a Securityholder or any defect in it shall not affect its sufficiency with respect to other Securityholders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not received by the addressee; *provided*, *however*, that no notice to the Trustee shall be deemed to be duly given unless and until the Trustee actually receives same at the address given above.

If the Company mails a notice or communication to the Securityholders, it shall mail a copy to the Trustee and each Registrar, Paying Agent, Conversion Agent or co-registrar.

Section 12.03 *Communication by Holders with Other Holders*. Securityholders may communicate pursuant to TIA Section 312(b) with other Securityholders with respect to their rights under this Indenture or the Securities. The Company, the Trustee, the Registrar, the Paying Agent, the Conversion Agent and anyone else shall have the protection of TIA Section 312(c).

Section 12.04 *Certificate and Opinion as to Conditions Precedent*. Upon any request or application by the Company to the Trustee to take any action under this Indenture (other than to authenticate the Securities under Section 2.02), the Company shall furnish to the Trustee:

(1) an Officer's Certificate stating that, in the opinion of the signer, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(2) an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with.

Section 12.05 *Statements Required in Certificate or Opinion.* Each Officer's Certificate or Opinion of Counsel delivered pursuant to Section 12.04 with respect to compliance with a covenant or condition provided for in this Indenture shall include:

(1) a statement that each Person making such Officer's Certificate or Opinion of Counsel has read such covenant or condition;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such Officer's Certificate or Opinion of Counsel are based;

(3) a statement that, in the opinion of each such Person, he has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(4) a statement that, in the opinion of such Person, such covenant or condition has been complied with.

Section 12.06 *Separability Clause*. In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.07 *Rules by Trustee, Paying Agent, Conversion Agent and Registrar*. The Trustee may make reasonable rules for action by or a meeting of Securityholders. The Registrar, the Conversion Agent, the Bid Solicitation Agent and the Paying Agent may make reasonable rules for their functions.

Section 12.08 *Legal Holidays.* A "**legal holiday**" is any day other than a Business Day. If any specified date (including a date for giving notice) is a legal holiday, the action shall be taken on the next succeeding day that is not a legal holiday, and, if the action to be taken on such date is a payment in respect of the Securities, no Interest shall accrue with respect to such payment for the intervening period.

Section 12.09 *Governing Law*. THIS INDENTURE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS RULES THEREOF.

Section 12.10 *No Recourse Against Others*. A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Securities.

Section 12.11 *Successors*. All agreements of the Company in this Indenture and the Securities shall bind its successor. All agreements of the Trustee in this Indenture shall bind its successor.

Section 12.12 *Multiple Originals*. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have executed this Indenture on behalf of the respective parties hereto as of the date first above written.

Very truly yours,

PARKER DRILLING COMPANY

By: /s/ W. Kirk Brassfield
Name: W. Kirk Brassfield
Title: Senior Vice President and Chief Financial Officer

ANACHORETA, INC
CANADIAN RIG LEASING, INC.
CHOCTAW INTERNATIONAL RIG CORP.
CREEK INTERNATIONAL RIG CORP.
DGH, INC.
INDOCORP OF OKLAHOMA, INC.
PARDRIL, INC.
PARKER AVIATION, INC.
PARKER DRILLEX, LLC
PARKER DRILLING COMPANY EASTERN HEMISPHERE, LTD.
PARKER DRILLING COMPANY INTERNATIONAL LIMITED
PARKER DRILLING COMPANY LIMITED LLC
PARKER DRILLING COMPANY NORTH AMERICA, INC.
PARKER DRILLING COMPANY OF ARGENTINA, INC.
PARKER DRILLING COMPANY OF BOLIVIA, INC.
PARKER DRILLING COMPANY OF MEXICO, LLC
PARKER DRILLING COMPANY OF NIGER
PARKER DRILLING COMPANY OF OKLAHOMA, INCORPORATED
PARKER DRILLING COMPANY OF SOUTH AMERICA, INC.

PARKER DRILLING COMPANY
EURASIA, INC.
PARKER DRILLING OFFSHORE CORPORATION
PARKER DRILLING OFFSHORE USA, L.L.C.
PARKER DRILLING PACIFIC RIM, INC.
PARKER NORTH AMERICA OPERATIONS, INC.
PARKER TECHNOLOGY, INC.
PARKER TECHNOLOGY, L.L.C.
PARKER TOOLS, LLC
PARKER USA DRILLING COMPANY
PARKER USA RESOURCES, LLC
PARKER-VSE, INC.
QUAIL USA, LLC
SELECTIVE DRILLING CORPORATION
UNIVERSAL RIG SERVICE LLC

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING (KAZAKSTAN), LLC

By: PD Dutch Holdings C.V., its sole member
By: Parker 5272, LLC, its sole member
By: PD International Holdings C.V., its sole member
By: Parker Rigsource, LLC, its managing general partner
By: Parker Drilling Pacific Rim, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING COMPANY INTERNATIONAL, LLC

By: PD Dutch Holdings C.V., its sole member
By: Parker 5272, LLC, its sole member
By: PD International Holdings C.V., its sole member
By: Parker Rigsource, LLC, its managing general partner
By: Parker Drilling Pacific Rim, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING COMPANY OF NEW GUINEA, LLC

By: PD Selective Holdings C.V., its sole member
By: Parker 3source, LLC, its general partner
By: PD Offshore Holdings C.V., its sole member
By: Parker Drillserv, LLC, its managing general partner
By: Parker Drilling Eurasia, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING COMPANY OF SINGAPORE, LLC

By: PD Selective Holdings C.V., its sole member
By: Parker 3source, LLC, its general partner
By: PD Offshore Holdings C.V., its sole member
By: Parker Drillserv, LLC, its managing general partner
By: Parker Drilling Eurasia, Inc., its sole member

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

PARKER DRILLING MANAGEMENT SERVICES, INC.

By: /s/ David W. Tucker
Name: David W. Tucker
Title: President

PARKER DRILLSERV, LLC
PARKER DRILLTECH, LLC
PARKER RIGSOURCE, LLC

By: /s/ Steven L. Carmichael
Name: Steven L. Carmichael
Title: Vice President and Secretary

PARKER INTEX, LLC

By: /s/ Steven P. Granger
Name: Steven P. Granger
Title: Vice President and Treasurer

PARKER OFFSHORE RESOURCES, L.P.

By: Parker Drilling Management Services, Inc., its general partner

By: /s/ David W. Tucker
Name: David W. Tucker
Title: President

PD MANAGEMENT RESOURCES, L.P.

By: Parker Drilling Management Services, Inc., its general partner

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

QUAIL TOOLS, L.P.

By: Quail USA, LLC, its general partner

By: /s/ David W. Tucker
Name: David W. Tucker
Title: Vice President and Treasurer

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

By: /s/ Mauri Cowen
Name: Mauri Cowen
Title: Vice President

EXHIBIT A

[FORM OF FACE OF GLOBAL SECURITY]

PARKER DRILLING COMPANY

2.125% Convertible Senior Notes Due 2012

CUSIP: 701081AR2
ISSUE DATE: July 5, 2007 Principal Amount: $125,000,000
No.

PARKER DRILLING COMPANY, a Delaware corporation, promises to pay to Cede & Co. or registered assigns, the principal amount of One Hundred Twenty Five Million Dollars, on July 15, 2012.

Interest Rate: 2.125% per year.

Interest Payment Dates: January 15 and July 15 of each year, commencing January 15, 2008.

Interest Record Date: January 1 and July 1 of each year.

Reference is hereby made to the further provisions of this Security set forth on the reverse side of this Security, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: July____, 2007

PARKER DRILLING COMPANY

By: _____

Name: Ronald C. Potter
Title: Vice President, General Counsel and Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee, certifies that this is one of the Securities referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

By: _____

Name:
Title:

Dated July___, 2007

[FORM OF REVERSE OF GLOBAL SECURITY]

2.125% Convertible Senior Notes Due 2012

This Security is one of a duly authorized issue of 2.125% Convertible Senior Notes Due 2012 (the "**Securities**") of Parker Drilling Company, a Delaware corporation (including any successor corporation under the Indenture hereinafter referred to, the "**Company**"), issued under an Indenture, dated as of July 5, 2007 (the "**Indenture**"), among the Company, the subsidiary guarantors from time to time parties thereto (the "**Guarantors**") and The Bank of New York Trust Company, N.A., as trustee (the "**Trustee**"). The terms of the Security include those stated in the Indenture, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended ("**TIA**"), and those set forth in this Security. This Security is subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Security and the terms of the Indenture, the terms of the Indenture shall control. Capitalized terms used but not defined herein have the meanings assigned to them in the Indenture unless otherwise indicated.

1. Interest.

The Securities shall bear Interest on the principal amount thereof at a rate of 2.125% per year.

Interest shall be payable semi-annually in arrears on each Interest Payment Date to Holders at the close of business on the preceding Interest Record Date. Interest shall be computed on the basis of a 360-day year comprised of twelve 30 day months and will accrue from July 5, 2007 or from the most recent date to which Interest has been paid or duly provided for.

The Company shall pay Interest to the Securityholder of record on the Interest Record Date, except that if a Securityholder elects to require the Company to repurchase Securities on a date that is after an Interest Record Date but on or prior to the corresponding Interest Payment Date, the Company shall pay accrued and unpaid Interest on the Securities being repurchased to, but not including, the Fundamental Change Repurchase Date to the Securityholder of record on the Fundamental Change Repurchase Date.

If the principal amount of any Security or any accrued and unpaid Interest is not paid when due (whether upon acceleration pursuant to Section 6.02 of the Indenture, upon the date set for payment of the Fundamental Change Repurchase Price pursuant to Section 4 hereof, upon the Stated Maturity of the Securities, upon the Interest Payment Dates), then in each such case the overdue amount shall, to the extent permitted by law, bear cash interest at the rate of 2.125% per

annum, compounded semi-annually, which interest shall accrue from the date such overdue amount was originally due to the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable in cash on demand but if not so demanded shall be paid quarterly to the Holders on the last day of each quarter.

2. Method of Payment.

Except as provided below, the Company shall pay Interest on (i) Global Securities, to DTC in immediately available funds, (ii) any Certificated Security having an aggregate principal amount of $2,000,000 or less, by check mailed to the Holder of such Security and (iii) any Certificated Security having an aggregate principal amount of more than $2,000,000, by wire transfer in immediately available funds if requested by the Holder of any such Security as least five Business Days prior to the relevant Interest Payment Date.

At Stated Maturity, the Company shall pay Interest on Certificated Securities at the Company's office or agency maintained for that purpose, which initially shall be the office or agency of the Trustee located at 601 Travis, 18th Floor, Houston, Texas 77002.

Subject to the terms and conditions of the Indenture, the Company shall make payments in cash in respect of Fundamental Change Repurchase Prices and at Stated Maturity to Holders who surrender Securities to a Paying Agent to collect such payments in respect of the Securities. The Company shall pay cash amounts in money of the United States that at the time of payment is legal tender for payment of public and private debts. However, the Company may make such cash payments by check payable in such money.

3. Indenture.

The Securities are general unsecured obligations of the Company in an initial aggregate principal amount of $125,000,000 aggregate principal amount. The Company may, without the consent of the Holders, reopen the Indenture and issue additional Securities under the Indenture with the same terms and with the same CUSIP number as the Securities in an unlimited aggregate principal amount, so long as no such additional Securities may be issued with the same CUSIP number unless they are fungible with the Securities issued on the date the Securities were initially issued under the Indenture for U.S. federal income tax purposes.

4. Purchase By the Company at the Option of the Holder.

At the option of any Holder and subject to the terms and conditions of the Indenture, the Company shall become obligated to repurchase the Securities held by such Holder after the occurrence of a Fundamental Change for a Fundamental Change Repurchase Price equal to 100% of the principal amount of those Securities plus accrued and unpaid Interest on those

Securities up to, but not including, the Fundamental Change Repurchase Date. To exercise such right, a Holder shall deliver to the Paying Agent a Fundamental Change Repurchase Notice containing the information set forth in the Indenture at any time on or prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date and shall deliver the Securities to the Paying Agent as set forth in the Indenture.

Holders have the right to withdraw any Fundamental Change Repurchase Notice by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

If cash sufficient to pay the Fundamental Change Repurchase Price of all Securities or portions thereof to be purchased as of the Fundamental Change Repurchase Date is deposited with the Paying Agent, prior to or on the Business Day following the Fundamental Change Repurchase Date, Interest shall cease to accrue on such Securities (or portions thereof) on and following such Fundamental Change Repurchase Date, and the Holder thereof shall have no other rights as such other than the right to receive the Fundamental Change Repurchase Price upon surrender of such Security.

5. Specified Accounting Change.

The Company may redeem the Securities in whole for cash from the date a Specified Accounting Change (as defined in the Indenture) has become effective until 90 days after the date such change became effective. The Company will give notice of redemption not less than 30 nor more than 60 days before the Redemption Date by mail to the Trustee and each Securityholder. For purposes of this paragraph, the effective date of the Specified Accounting Change shall mean the date the standards with respect to such Specified Accounting Change under generally accepted accounting principles have been issued. The redemption price for any such redemption will be equal to 102% of the principal amount of the Securities plus accrued and unpaid Interest to, but not including, the Redemption Date.

If a Holder chooses to convert pursuant to Section 3.01 of the Indenture, the Company will pay, to the extent described in the Indenture, a make whole premium in the form of an increase in Applicable Conversion Rate, if the Holder converts its Securities between the date the Company gives notice of the redemption and the day prior to the Redemption Date. Any make whole premium will have the effect of increasing the amount of cash or shares otherwise due to Holders of Securities upon conversion. The increase in the Applicable Conversion Rate will be as set forth in Section 3.01 of the Indenture.

6. Conversion.

Subject to the occurrence of certain events and in compliance with the provisions of the Indenture (including, without limitation, the conditions to conversion of this Security set forth in Section 10.01 thereof), a Holder is entitled, at such Holder's option, to convert the Holder's Security (or any portion of the principal amount thereof that is $1,000 or an integral multiple of $1,000) at the Applicable Conversion Rate in effect at the time of conversion.

The Company shall notify Holders of any event triggering the right to convert the Securities as specified in the Indenture.

A Security in respect of which a Holder has delivered a Fundamental Change Repurchase Notice exercising the option of such Holder to require the Company to purchase such Security, may be converted only if such Fundamental Change Repurchase Notice is withdrawn in accordance with the terms of the Indenture.

The initial Applicable Conversion Rate is 72.2217 shares of Common Stock per $1,000 principal amount, subject to adjustment in certain events described in the Indenture. The Applicable Conversion Rate shall not be adjusted for any accrued and unpaid Interest. Upon conversion, no payment shall be made by the Company with respect to accrued and unpaid Interest. Instead, such amount shall be deemed paid by the cash and shares of Common Stock, if any, delivered upon conversion of any Security. In addition, no payment or adjustment shall be made in respect of dividends on the Common Stock, except as set forth in the Indenture.

In addition, following certain corporate transactions as set forth in Section 10.01(b) of the Indenture that constitute a Fundamental Change, a Holder who elects to convert its Securities in connection with such corporate transaction shall be entitled to receive Additional Shares of Common Stock upon conversion, subject to the terms and conditions set forth in Section 10.01(c) of the Indenture.

To surrender a Security for conversion, a Holder must (1) complete and manually sign the Conversion Notice attached hereto (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent, (2) surrender the Security to the Conversion Agent, (3) if required, furnish appropriate endorsements and transfer documents, (4) if required by Section 10.02(h)of the Indenture, pay Interest and (5) pay any transfer or similar tax, if required.

No fractional shares of Common Stock shall be issued upon conversion of any Security. Instead of any fractional share of Common Stock that would otherwise be issued upon conversion of such Security, the Company shall pay a cash adjustment as provided in the Indenture.

If the Company engages in any reclassification of the Common Stock (other than a subdivision or combination of its outstanding Common Stock, or a change in par value, or from par value to no par value, or from no par value to par value) or is party to a consolidation, merger, binding share exchange or transfer of all or substantially all of its assets, and as a result of any such event the Holders of Common Stock would be entitled to receive Exchange Property for their Common Stock, upon conversion of the Securities after the effective date of such event, the Conversion Obligation and the Settlement Amount shall be based on the Applicable Conversion Rate and the Exchange Property, in each case in accordance with the Indenture. If the transaction also constitutes a Fundamental Change that would lead to the issuance of Additional Shares as set forth in Section 10.01(c) of the Indenture, if a Holder elects to convert all or a portion of its Securities, such Holder shall receive Additional Shares upon conversion pursuant to Section 10.01(c) of the Indenture, subject to the terms and conditions set forth in such Section.

7. Paying Agent, Conversion Agent, Bid Solicitation Agent and Registrar.

Initially, the Trustee shall act as Paying Agent, Conversion Agent, Bid Solicitation Agent and Registrar. The Company may appoint and change any Paying Agent, Conversion Agent, Bid Solicitation Agent or Registrar without notice, other than notice to the Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, Conversion Agent, Bid Solicitation Agent or Registrar.

8. Denominations; Transfer; Exchange.

The Securities are in fully registered form, without coupons, in denominations of $1,000 of principal amount and integral multiples of $1,000. A Holder may transfer or exchange Securities in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not transfer or exchange any Securities in respect of which a Fundamental Change Repurchase Notice has been given and not withdrawn (except, in the case of a Security to be purchased in part, the portion of the Security not to be purchased).

9. Persons Deemed Owners.

Except as otherwise provided in the Indenture, the registered Holder of this Security will be treated as the owner of this Security for all purposes.

10. Unclaimed Money or Securities.

The Trustee and the Paying Agent shall return to the Company upon written request any money or securities held by them for the payment of any amount with respect to the Securities

that remains unclaimed for one year, subject to applicable abandoned property law. After return to the Company, Holders entitled to the money or securities must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person.

11. Amendment; Waiver.

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Securities may be amended with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Securities and (ii) certain Events of Default may be waived with the written consent of the Holders of a majority in aggregate principal amount of the outstanding Securities. Subject to certain exceptions set forth in the Indenture, without the consent of any Securityholder, the Company and the Trustee may amend the Indenture or the Securities (i) to add guarantees with respect to the Securities or secure the Securities, (ii) to conform as necessary, the Indenture and this Security to the "Description of Notes" as set forth in the Prospectus, (iii) to add to the covenants of the Company or Events of Default for the benefit of the Holders of Securities, (iv) to surrender any right or power conferred upon the Company in the Indenture, (v) to eliminate the right of the Company to make a Physical Settlement Election in order to satisfy its Conversion Obligations pursuant to the Indenture, (vi) to provide for the assumption by a successor company of the Company's obligations to the Holders of Securities in the case of a merger, consolidation, sale conveyance, transfer, sale or lease as provided under the Indenture, (vii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA, (viii) to cure any ambiguity or to correct or supplement any provision in the Indenture which may be inconsistent with any other provision in the Indenture, (ix) to make other changes to the Indenture or forms or terms of the Securities so long as no such change individually or in the aggregate with all other such changes has or will have a material adverse effect on the interests of the Holders of the Securities, (x) to establish the form of Securities substantially in the form of Exhibit B to the Indenture, (xi) to evidence and provide for the acceptance of the appointment under the Indenture of a successor Trustee in accordance with the terms of the Indenture, (xii) to release any Guarantor from any of its obligations under its Subsidiary Guarantee or the Indenture as provided in the Indenture, and (xiii) to provide for uncertificated Securities in addition to or in place of Certificated Securities; provided, however, that the uncertificated Securities are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Securities are described in Section 163(f)(2)(B) of the Code.

12. Defaults and Remedies.

As set forth in the Indenture, subject to certain exceptions, if any Event of Default with respect to Securities shall occur and be continuing, the principal amount of the Securities and any accrued and unpaid Interest on all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

13. Trustee Dealings with the Company.

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with and collect obligations owed to it by the Company or its Affiliates and may otherwise deal with the Company or its Affiliates with the same rights it would have if it were not Trustee.

14. Calculations in Respect of Securities.

Except as otherwise provided in the Indenture, the Company or its agents shall be responsible for making all calculations called for under the Securities including, but not limited to, determination of the market prices for the Securities and of the Common Stock accrued on the Securities. Any calculations made in good faith and without manifest error shall be final and binding on Holders of the Securities. The Company or its agents shall be required to deliver to the Trustee a schedule of its calculations and the Trustee shall be entitled to conclusively rely upon the accuracy of such calculations without independent verification.

15. No Recourse Against Others.

A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or the Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting a Security, each Securityholder waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Securities.

16. Authentication.

This Security shall not be valid until an authorized signatory of the Trustee manually signs the Trustee's Certificate of Authentication on the other side of this Security.

17. Abbreviations.

Customary abbreviations may be used in the name of a Securityholder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with right of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

18. Governing Law.

THE LAWS OF THE STATE OF NEW YORK WILL GOVERN THE INDENTURE AND THIS SECURITY, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS RULES THEREOF.

19. Copy of Indenture.

The Company shall furnish to any Securityholder upon written request and without charge a copy of the Indenture which has in it the text of this Security in larger type. Requests may be made to:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attention: General Counsel
Facsimile: (713) 406-2331

ASSIGNMENT FORM

To assign this Security, fill in the form below:

I or we assign and transfer this Security to

_____
_____

(Insert assignee's soc. sec. or tax ID no.)

_____
_____
_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint

_____ agent to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

_____

(Sign exactly as your name appears on the other side of this Security)

Signature Guaranteed

_____

Participant in a Recognized Signature
Guarantee Medallion Program

By: _____
Authorized Signatory

CONVERSION NOTICE

To convert this Security, check the box ☐

To convert only part of this Security, state the principal amount to be converted (which must be $1,000 or an integral multiple of $1,000):

If you want the stock certificate made out in another Person's name fill in the form below:

_____
_____

(Insert the other Person's soc. sec. tax ID no.)

_____
_____
_____
_____

(Print or type other Person's name, address and zip code)

SCHEDULE OF INCREASES AND DECREASES
OF GLOBAL SECURITY

Initial Principal Amount of Global Security: _____($_____).

Date	Amount of Increase in Principal Amount of Global Security	Amount of Decrease in Principal Amount of Global Security	Principal Amount of Global Security After Increase or Decrease	Notation by Registrar or Security Custodian

[FORM OF FACE OF CERTIFICATED SECURITY]

PARKER DRILLING COMPANY

2.125% Convertible Senior Notes Due 2012

CUSIP: 701081AR2 Principal Amount: $125,000,000
ISSUE DATE: July 5, 2007
No.

PARKER DRILLING COMPANY, a Delaware corporation, promises to pay to _____ or registered assigns, the principal amount of _____, on July 15, 2012.

Interest Rate: 2.125% per year.

Interest Payment Dates: January 15 and July 15 of each year, commencing January 15, 2008.

Interest Record Date: January 1 and July 1 of each year.

Reference is hereby made to the further provisions of this Security set forth on the reverse side of this Security, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: July____, 2007

PARKER DRILLING COMPANY

By: _____

Name: W. Kirk Brassfield
Title: Senior Vice President and
Chief Financial Officer

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee, certifies that this is one of the Securities referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK TRUST COMPANY, N.A., as Trustee

By: _____
Name:
Title:

Dated July____, 2007

[FORM OF REVERSE OF CERTIFICATED SECURITY IS IDENTICAL TO EXHIBIT A]

EXHIBIT C

PARKER DRILLING COMPANY
NOTICE OF OCCURRENCE
OF FUNDAMENTAL CHANGE

[DATE]

To the Holders of the 2.125% Convertible Senior Notes Due 2012

(the "Securities") issued by Parker Drilling Company:

Parker Drilling Company (the "Company") by this written notice hereby notifies you, pursuant to Section 3.02 of that certain Indenture (the "Indenture"), dated as of July 5, 2007, among the Company, the subsidiary guarantors from time to time parties thereto and The Bank of New York Trust Company, N.A., that a Fundamental Change (as such term and other capitalized terms used herein and not otherwise defined herein is defined in the Indenture) as described below has occurred. Included herewith is the form of Fundamental Change Repurchase Notice to be completed by you if you wish to have your Securities repurchased by the Company.

1. Fundamental Change: [Insert brief description of the Fundamental Change and the date of the occurrence thereof].

2. Date by which Fundamental Change Repurchase Notice must be delivered by you to Paying Agent in order to have your Securities repurchased:

3. Fundamental Change Repurchase Date:

4. Fundamental Change Repurchase Price:

5. Paying Agent and Conversion Agent: [NAME] [ADDRESS]

6. Applicable Conversion Rate: To the extent described in Item 7 below, each $1,000 principal amount of the Securities is convertible into [insert number of shares] shares of the Company's common stock, par value 0.16^{2}/_{3}$ per share (the "Common Stock"), subject to adjustment.

7. The Securities as to which you have delivered a Fundamental Change Repurchase Notice to the Paying Agent may be converted if they are otherwise convertible pursuant to Article 10 of the Indenture and the terms of the Securities only if you withdraw such Fundamental Change Repurchase Notice pursuant to the terms of the Indenture. Subject to Section 10.01 of the Indenture, you may be entitled to have your Securities converted into cash and shares of the Common Stock, if any:

(i) during any fiscal quarter of the Company commencing after September 30, 2007 (and only during such fiscal quarter), if the Closing Sale Price (as defined in the Indenture) of the Common Stock for at least 20 Trading Days during the period of 30 consecutive Trading Days ending on the last Trading Day (as defined in the Indenture) of the immediately preceding fiscal quarter was more than 130% of the Applicable Conversion Price (as defined in the Indenture) on such last Trading Day;

(ii) during the five business days immediately following any five consecutive Trading-Day period in which the Trading Price (as defined in the Indenture) per $1,000 principal amount of the Securities for each day of that period was less than 98% of the product of the Closing Sale Price of the Common Stock and the Applicable Conversion Rate (as defined in the Indenture) of the Securities on each such day;

(iii) on or after April 15, 2012;

(iv) upon the occurrence of certain specified corporate transactions described in the Indenture; or

(v) upon a redemption in connection with a Specified Accounting Change (as defined in the Indenture), at any time beginning on the date of the notice of redemption until the Trading Day prior to the Redemption Date.

8. The Securities as to which you have delivered a Fundamental Change Repurchase Notice must be surrendered by you (by effecting book entry transfer of the Securities or delivering Certificated Securities, together with necessary endorsements, as the case may be) to [Name of Paying Agent] at [insert address] in order for you to collect the Fundamental Change Repurchase Price.

9. The Fundamental Change Repurchase Price for the Securities as to which you have delivered a Fundamental Change Repurchase Notice and not withdrawn such Notice shall be paid, subject to receipt of funds and/or securities by the Paying Agent, promptly following the later of the Business Day immediately following such Fundamental Change Repurchase Date and the date you deliver such Securities to [Name of Paying Agent].

10. In order to have the Company repurchase your Securities, you must deliver the Fundamental Change Repurchase Notice, duly completed by you with the information required by such Fundamental Change Repurchase Notice (as specified in Section 3.02 of the Indenture) and deliver such Fundamental Change Repurchase Notice to the Paying Agent at any time until 5:00 p.m. (New York City Time) on the Business Day immediately preceding the Fundamental Change Repurchase Date.

11. In order to withdraw any Fundamental Change Repurchase Notice previously delivered by you to the Paying Agent, you must deliver to the Paying Agent, by 5:00 p.m. (New York City time) on the Business Day immediately preceding the Fundamental Change Repurchase Date, a written notice of withdrawal specifying (i) the certificate number, if any, of the Securities in respect of which such notice of withdrawal is being submitted, (ii) the principal amount of the Securities in respect of which such notice of withdrawal is being submitted, and (iii) if you are not withdrawing your Fundamental Change Repurchase Notice for all of your Securities, the principal amount of the Securities which still remain subject to the original Fundamental Change Repurchase Notice.

12. Unless the Company defaults in making the payment of the Fundamental Change Repurchase Price owed to you, Interest on your Securities as to which you have delivered a Fundamental Change Repurchase Notice shall cease to accrue on and after the Fundamental Change Repurchase Date.

13. CUSIP Number: 701081AR2

PARKER DRILLING COMPANY

Exhibit 4.1

SCHEDULE I

The following table sets forth the Stock Prices and the number of Additional Shares per $1,000 principal amount of Securities.

Stock Price

Effective Date	$10.45	$12.00	$13.85	$15.00	$17.50	$20.00	$25.00	$30.00	$35.00	$40.00	$50.00	$60.00
June 28, 2007	23.4720	17.6450	12.9696	10.8916	7.7269	5.6833	3.3863	2.1966	1.5069	1.0708	0.5703	0.3050
July 15, 2008	23.4720	17.0366	12.1754	10.0383	6.8583	4.9033	2.7743	1.7460	1.1754	0.8258	0.4337	0.2278
July 15, 2009	23.4720	16.2991	11.1631	8.9583	5.7932	3.9368	2.0783	1.2540	0.8326	0.5823	0.3049	0.1566
July 15, 2010	23.4720	15.1866	9.7061	7.4250	4.3486	2.6948	1.2503	0.7216	0.4783	0.3408	0.1837	0.0936
July 15, 2011	23.4720	13.4433	7.3090	4.9850	2.2012	1.0383	0.3447	0.1970	0.1412	0.1073	0.0609	0.0300
July 15, 2012	23.4720	11.1116	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Exhibit 10.1

June 28, 2007

To: Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

From: Bank of America, N.A.
c/o Banc of America Securities LLC
9 West 57th Street
New York, NY 10019
Attn: John Servidio
Telephone: 212-583-8373
Facsimile: 212-230-8610

Re: Convertible Bond Hedge Transaction
(Transaction Reference Number: NY-30235)

Ladies and Gentlemen:

The purpose of this communication (this "**Confirmation**") is to set forth the terms and conditions of the above-referenced transaction entered into on the Trade Date specified below (the "**Transaction**") between Bank of America, N.A. ("**BofA**") and Parker Drilling Company ("**Counterparty**"). This communication constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

1. This Confirmation is subject to, and incorporates, the definitions and provisions of the 2000 ISDA Definitions (including the Annex thereto) (the "**2000 Definitions**") and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions (except to the extent expressly amended by this Confirmation) (the "**Equity Definitions**", and together with the 2000 Definitions, the "**Definitions**"), in each case as published by the International Swaps and Derivatives Association, Inc. and as in effect on the date hereof ("**ISDA**"). In the event of any inconsistency between the 2000 Definitions and the Equity Definitions, the Equity Definitions will govern. Certain defined terms used herein have the meanings assigned to them in an Indenture to be dated as of July 5, 2007 between Counterparty and The Bank of New York Trust Company, N.A. as trustee (the "**Indenture**") relating to the USD 115.0 principal amount of 2.125% Convertible Senior Notes due July 15, 2012 (the "**Convertible Securities**"). In the event of any inconsistency between the terms defined in the Indenture and this Confirmation, this Confirmation shall govern. For the avoidance of doubt, references herein to sections of the Indenture are based on the draft of the Indenture most recently reviewed by the parties at the time of execution of this Confirmation. If any relevant sections of the Indenture are changed, added or renumbered following execution of this Confirmation but prior to the execution of the Indenture, the parties will amend this Confirmation in good faith to preserve the economic intent of the parties.

This Confirmation evidences a complete and binding agreement between BofA and Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement (the "**ISDA Form**") as if BofA and Counterparty had executed an agreement in such form (without any Schedule but with the elections set forth in this Confirmation), except to the extent amended, modified or supplemented by this Confirmation. For the avoidance of doubt, the Transaction shall be the only transaction under the Agreement. The parties acknowledge and agree that Counterparty and BofA have previously entered into an ISDA Master Agreement dated as of December 21, 2001 (as amended, modified or supplemented from time to time (including by any schedule or annex thereto), the "Existing ISDA Master Agreement") and that, notwithstanding any term or provision in the Existing ISDA Master Agreement, the Transaction evidenced by this Confirmation shall not under any circumstances constitute (or be deemed to

constitute) a Transaction or a Specified Transaction (each as defined in the Existing ISDA Master Agreement) under, or otherwise be subject to, the Existing ISDA Master Agreement.

All provisions contained in, or incorporated by reference to, the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and either the Definitions or the Agreement, this Confirmation shall govern.

2. The Transaction constitutes a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	June 28, 2007
Effective Date:	The closing date of the offering of the Convertible Securities.
Option Type:	Call
Seller:	BofA
Buyer:	Counterparty
Shares:	The Common Stock of Counterparty, par value USD 0.16$^{2}/_{3}$ per share (Ticker Symbol: "PKD").
Number of Options:	60% of the number of Convertible Securities in denominations of USD1,000 principal amount issued by Counterparty on the closing date for the initial issuance of the Convertible Securities; *provided* that if the Underwriters, as defined in the Underwriting Agreement dated the date hereof between the Company and Banc of America Securities LLC, as representative of the several underwriters (the "Underwriting Agreement") exercise their option to purchase additional Securities pursuant to Section 2(c) of the Underwriting Agreement, then on the Additional Premium Payment Date, the Number of Options shall be automatically increased by 60% of the number of Convertible Securities in denominations of USD 1,000 principal amount issued pursuant to such exercise (such Convertible Securities, the "Additional Securities").
Number of Shares:	As of any date, the product of the Number of Options and the Conversion Rate in effect on such date.
Conversion Rate:	As defined in the Indenture, but without regard to any adjustments to the Conversion Rate pursuant to Sections 3.01(e), 10.01(c), 10.01(d), 10.04(g) and 10.04(h) of the Indenture.
Strike Price:	USD 13.8463
Premium:	USD 17,374,200 *provided* that if the Number of Options is increased pursuant to the proviso to the definition of Number of Options above, an additional Premium equal to the product of the number of Options by which the Number of Options is so

	increased and USD 251.80 shall be paid on the Additional Premium Payment Date.
Premium Payment Date:	July 5, 2007
Additional Premium Payment Date:	The closing date for the purchase and sale of the Additional Securities.
Exchange:	New York Stock Exchange
Related Exchange:	All Exchanges

Procedures for Exercise:

Potential Exercise Dates:	Each Conversion Date.
Conversion Date:	Each "Conversion Date" as defined in the Indenture.
Required Exercise on Conversion Dates:	On each Conversion Date, a number of Options equal to the number of Convertible Securities in denominations of USD1,000 principal amount submitted for conversion on such Conversion Date in accordance with the terms of the Indenture shall be automatically exercised, subject to "Notice of Exercise" below.
Expiration Date:	July 15, 2012
Automatic Exercise:	As provided above under "Required Exercise on Conversion Dates".
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions, in order to exercise any Options, Counterparty must notify BofA in writing prior to 5:00 PM, New York City time, on the Scheduled Valid Day prior to the scheduled first day of the applicable Settlement Averaging Period relating to the Convertible Securities converted on the Conversion Date occurring on the relevant Exercise Date (such Convertible Securities, the "**Relevant Convertible Securities**") of (i) the number of Options being exercised on such Exercise Date, (ii) the scheduled first day of the applicable Settlement Averaging Period, (iii) the scheduled settlement date under the Indenture for the Relevant Convertible Securities and (iv) whether Counterparty has elected to satisfy its conversion obligations with respect to the Relevant Convertible Securities in Shares only (as described in Section 10.02(b) of the Indenture) ("**Gross Share Settlement**"); *provided* that with respect to Options relating to Relevant Convertible Securities with a Conversion Date occurring on or after April 15, 2012, such Notice of Exercise may be given on or prior to the second Scheduled Valid Day immediately preceding the Expiration Date and need only specify the number of Options being exercised.

Notice of Gross Share Settlement:	If Counterparty has elected Gross Share Settlement for all Convertible Securities with a Conversion Date occurring on or after April 15, 2012, then with respect to Options relating to such Convertible Securities, Counterparty shall notify BofA of such election before 5:00 p.m. (New York City time) on or prior to April 15, 2012.
BofA's Telephone Number and Telex and/or Facsimile Number and Contact Details for purpose of Giving Notice:	To be provided by BofA.

Settlement Terms:

Settlement Method:	Net Share Settlement
Net Share Settlement:	BofA will deliver to Counterparty, on or before the relevant Settlement Date, a number of Shares equal to the Net Shares in respect of any Option exercised or deemed exercised hereunder. In no event will the Net Shares be less than zero.
Net Shares:	In respect of any Option exercised or deemed exercised, a number of Shares equal to (i) the sum of the quotients, for each Valid Day during the Settlement Averaging Period for such exercisable Option, of (A) the product of (x) excess, if any, of the Relevant Price less the Strike Price on such Valid Day and (y) the Conversion Rate on such Valid Day divided by (B) such Relevant Price, divided by (ii) the number of Valid Days in the Settlement Averaging Period; *provided* that if the calculation contained in clause (A) above results in a negative number, such number shall be replaced with the number zero. Notwithstanding the forgoing, if Counterparty has elected Gross Share Settlement and so specified in the Notice of Exercise, or if applicable, the Notice of Gross Share Settlement, then with respect to any Option relating to the Relevant Convertible Securities with a Conversion Date occurring on or following April 15, 2012, the Net Shares shall be equal to the lesser of (i) a number of Shares determined as described above and (ii) a number of Shares equal to the Net Convertible Value for such Option divided by the Obligation Price. BofA will deliver cash in lieu of any fractional Shares to be delivered with respect to any Net Shares valued at the Relevant Price for the last Valid Day of the Settlement Averaging Period.
Net Convertible Value:	With respect to an Option, (i) the Total Convertible Value for such Option minus (ii) USD 1,000.
Total Convertible Value:	With respect to an Option, (i) the aggregate number of Shares, if any, that Counterparty is obligated to deliver to the holder of an

	Convertible Security for the relevant Conversion Date pursuant to Section 10.03(b) of the Indenture, multiplied by (ii) the Obligation Price.
Obligation Price:	The opening price as displayed under the heading Op on Bloomberg page PKD.N <equity> (or any successor thereto) on the Obligation Valuation Date.
Obligation Valuation Date:	Settlement Date
Settlement Averaging Period:	For any Option, (i) with respect to an Option with a Conversion Date occurring prior to April 15, 2012, the twenty (20) consecutive Valid Day period beginning on, and including, the third Valid Day following such Conversion Date (or the forty (40) consecutive Valid Day period commencing on, and including, the third Valid Day following such Conversion Date if Counterparty has elected Gross Share Settlement and specified Gross Share Settlement in the Notice of Exercise) or (ii) with respect to an Option with a Conversion Date occurring on or following April 15, 2012, the twenty (20) consecutive Valid Day period beginning on, and including, the twenty-second (22nd) Scheduled Valid Day immediately prior to the Expiration Date (or the forty (40) consecutive Valid Day period commencing on, and including, the forty second (42nd) Scheduled Valid Day immediately prior to the Expiration Date if Counterparty has delivered a Notice of Gross Share Settlement to BofA on or prior to April 15, 2012).
Settlement Date:	For any Option, the third Valid Day following the final day of the applicable Settlement Averaging Period with respect to such Option.
Settlement Currency:	USD
Valid Day:	A day on which (i) there is no Market Disruption Event and (ii) trading in the Shares generally occurs on the Exchange or, if the Shares are not then listed on the Exchange, on the principal other U.S. national or regional securities exchange on which the Shares are then listed or, if the Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Shares are then traded. If the Shares (or other security for which a Relevant Price must be determined) is not so listed or quoted, a Valid Day means a Business Day.
Scheduled Valid Day:	A day that is scheduled to be a Valid Day on the primary U.S. national securities exchange or market on which the Shares are listed or admitted to trading.
Market Disruption Event:	Section 6.3 of the Equity Definitions is hereby replaced in its entirety by the following: Market Disruption Event means in respect of a Share, (i) a failure by the Exchange or, if the Shares are not then listed on the Exchange, by the principal other U.S. national or regional

	securities exchange on which the Shares are then listed or, if the Shares are not then listed on a U.S. national or regional securities exchange, by the principal other market on which the Shares are then traded, to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any trading day for the Shares for an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Shares or in any options, contracts or future contracts relating to the Shares.
Relevant Price:	On any Valid Day, the per Share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg page PKD.N <equity> AQR (or any equivalent successor if such page is not available) in respect of the period from the scheduled opening time of trading on the Exchange to the Scheduled Closing Time of the Exchange on such Valid Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Valid Day, as determined by the Calculation Agent using a volume-weighted method). The Relevant Price will be determined without regard to after hours trading or any other trading outside of the regular trading session hours.
Other Applicable Provisions:	To the extent BofA is obligated to deliver Shares hereunder, the provisions of Sections 9.1(c), 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws arising as a result of the fact that Counterparty is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Option means that BofA is obligated to deliver Shares hereunder.
Restricted Certificated Shares:	Notwithstanding anything to the contrary in the Equity Definitions, BofA may, in whole or in part, deliver Shares in certificated form representing the Number of Shares to be Delivered to Counterparty in lieu of delivery through the Clearance System. With respect to such certificated Shares, the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by deleting the remainder of the provision after the word "encumbrance" in the fourth line thereof.
Share Adjustments:	
Method of Adjustment:	Notwithstanding Section 11.2 of the Equity Definitions, upon the occurrence of any event or condition set forth in Sections 10.04(a) through (f) of the Indenture, the Calculation Agent

	shall upon prior written notice to Counterparty make a corresponding adjustment, which it reasonably determines in good faith to be necessary, to the terms relevant to the exercise, settlement or payment of the Transaction. Immediately upon the occurrence of any "Adjustment Event", as defined in the Indenture, Counterparty shall notify the Calculation Agent of such Adjustment Event; and once the adjustments to be made to the terms of the Indenture and the Convertible Notes in respect of such Adjustment Event have been determined, Counterparty shall immediately notify the Calculation Agent in writing of the details of such adjustments. Additionally, notwithstanding Section 11.2 of the Equity Definitions, Potential Adjustment Event shall not apply to this Transaction and, if and to the extent that any event or condition occurs during the term of the Transaction with respect to Counterparty and the Shares of the type described in Section 11.2(e), the Calculation Agent shall not make any adjustment to the terms relevant to the exercise, settlement or payment of the Transaction, except to the extent otherwise described in this paragraph, without the prior written consent of Counterparty.
Extraordinary Events:	
Merger Events:	Section 12.1(b) of the Equity Definitions is hereby amended and restated in its entirety for purposes of this Confirmation so that "Merger Event" means the occurrence of any event or condition set forth in Section 10.06 of the Indenture.
Tender Offer:	Section 12.1(d) of the Equity Definitions is hereby amended and restated in its entirety for purposes of this Confirmation so that a "Tender Offer" means the occurrence of any event or condition set forth in Clause (1) of the definition of "Fundamental Change" in Section 1.01 of the Indenture.
Consequences of Merger Events and Tender Offers:	Notwithstanding Sections 12.2 and 12.3 of the Equity Definitions, upon the occurrence of a Merger Event or Tender Offer, the Calculation Agent shall, to the extent that any such Merger Event or Tender Offer results in adjustments to the terms of the exercise, settlement or payment under the Indenture, upon prior written notice to Counterparty, make the corresponding adjustment in respect of any adjustment under the Indenture to any one or more of the nature of the Shares, the Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction; *provided* that such adjustment shall be made without regard to (x) any adjustment to the Conversion Rate pursuant to Sections 10.01(c), 10.04(g), or 10.04(h) of the Indenture and (y) unless and to the extent otherwise agreed by BofA and Counterparty (and provided that BofA may not be required so to agree), the election, if any, by Counterparty to adjust the Conversion Rate and the related conversion obligation pursuant to Section 10.01(d) of the Indenture.

Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall thereafter be deemed to be the Exchange; *provided further* that, in determining any Cancellation Amount, notwithstanding any term or provision in the Agreement or the Equity Definitions, the Calculation Agent shall comply with the terms and provisions set forth in Section 8(n)(iii) of this Confirmation.
Additional Disruption Events:	
(a) Change in Law:	Applicable (provided that clause (y) of this term set forth in Section 12.9(a)(ii) of the Equity Definitions shall not apply)
(b) Insolvency Filing:	Applicable
(c) Hedging Disruption:	Applicable
Hedging Party:	For all applicable Additional Disruption Events, BofA
Determining Party:	For all applicable Additional Disruption Events, BofA
Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable.
Additional Acknowledgments:	Applicable

3. Calculation Agent: BofA; provided that all calculations, determinations and adjustments made by BofA in respect of this Transaction as Calculation Agent shall be made in good faith and in a commercially reasonable manner.

4. Account Details:

BofA Payment Instructions:

Bank of America, N.A.
San Francisco, CA
SWIFT: BOFAUS65
Bank Routing: 121-000-358
Account Name: Bank of America

Account No. : 12333-34172

Counterparty Payment Instructions:

To be provided by Counterparty.

5. Offices:

The Office of BofA for the Transaction is:

Bank of America, N.A.
c/o Banc of America Securities LLC
Equity Financial Products
9 West 57th Street, 40th Floor
New York, NY 10019
Telephone: 212-583-8373
Facsimile: 212-847-5124

The Office of Counterparty for the Transaction is:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel

6. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Counterparty:

To:	Parker Drilling Company 1401 Enclave Parkway, Suite 600 Houston, Texas 77077
Attn:	General Counsel
Telephone:	(281) 406-2000
Facsimile:	(281) 406-2001

(b) Address for notices or communications to BofA:

To:	Bank of America, N.A. c/o Banc of America Securities LLC Equity Financial Products 9 West 57th Street, 40th Floor New York, NY 10019
Attn:	Attn: John Servidio
Telephone:	212-583-8373
Facsimile:	212-230-8610

7. Representations, Warranties and Agreements:

(a) In addition to the representations and warranties in the Agreement and those contained elsewhere herein, Counterparty represents and warrants to and for the benefit of, and agrees with, BofA as follows:

(i) On the Trade Date, (A) none of Counterparty and its officers and directors is aware of any material nonpublic information regarding Counterparty or the Shares and (B) all reports and other documents filed by Counterparty with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(ii) (A) On the Trade Date, the Shares or securities that are convertible into, or exchangeable or exercisable for Shares, are not, and shall not be, subject to a "restricted period," as such term is defined in Regulation M under the Exchange Act ("**Regulation M**") and (B) Counterparty shall not engage in any "distribution," as such term is defined in Regulation M, other than a distribution meeting the requirements of the exceptions set forth in sections 101(b)(10) and 102(b)(7) of Regulation M, until the second Exchange Business Day immediately following the Trade Date.

(iii) On the Trade Date, neither Counterparty nor any "affiliate" or "affiliated purchaser" (each as defined in Rule 10b-18 of the Exchange Act ("**Rule 10b-18**")) shall directly or indirectly (including, without limitation, by means of any cash-settled or other derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable or exercisable for Shares, except through BofA.

(iv) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that BofA is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 133, as amended, or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project.

(v) Without limiting the generality of Section 3(a)(iii) of the Agreement, the Transaction will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(vi) Prior to the Trade Date, Counterparty shall deliver to BofA a resolution of Counterparty's board of directors authorizing the Transaction and such other certificate or certificates as BofA shall reasonably request.

(vii) Counterparty is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) or otherwise in violation of the Exchange Act.

(viii) Counterparty is not, and after giving effect to the transactions contemplated hereby will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(ix) On the Trade Date (A) the assets of Counterparty at their fair valuation exceed the liabilities of Counterparty, including contingent liabilities, (B) the capital of Counterparty is adequate to conduct the business of Counterparty and (C) Counterparty has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(x) On the Trade Date, the representations and warranties of Counterparty set forth in Section 3 of the Agreement and Section 1(A) of the Underwriting Agreement are true and correct.

(xi) Counterparty understands no obligations of BofA to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of BofA or any governmental agency.

(b) Each of BofA and Counterparty agrees and represents that it is an "eligible contract participant" as defined in Section 1a(12) of the U.S. Commodity Exchange Act, as amended.

(c) Each of BofA and Counterparty acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Counterparty represents and warrants to BofA that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof, and (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws.

(d) Each of BofA and Counterparty agrees and acknowledges that BofA is a "financial institution," "swap participant" and "financial participant", and that Counterparty is a "swap participant", in each case within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "**Bankruptcy Code**"). The parties hereto further agree and acknowledge (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that BofA is entitled to the protections afforded by,

among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(e) Counterparty shall deliver to BofA an opinion of counsel, dated as of the Effective Date and reasonably acceptable to BofA in form and substance, with respect to the matters set forth in Section 3(a) of the Agreement.

8. Other Provisions:

(a) *Additional Termination Events.* The occurrence of (i) an event of default with respect to Counterparty under the terms of the Convertible Securities as set forth in Section 6.01 of the Indenture which results in an acceleration of indebtedness evidenced by the outstanding Securities under the Indenture, (ii) an Amendment Event or (iii) a Repayment Event shall be an Additional Termination Event with respect to which the Transaction is the sole Affected Transaction and Counterparty is the sole Affected Party and BofA shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement; *provided* that in the case of a Repayment Event the Transaction shall be subject to termination only in respect of the number of Convertible Securities that cease to be outstanding in connection with or as a result of such Repayment Event.

"**Amendment Event**" means that Counterparty amends, modifies, supplements or waives any term of the Indenture or the Convertible Securities governing the principal amount, coupon, maturity, repurchase obligation of Counterparty, redemption right of Counterparty, any term relating to conversion of the Convertible Securities (including changes to the conversion price, conversion settlement dates or conversion conditions), or any term that would require consent of the holders of not less than 100% of the principal amount of the Convertible Securities to amend.

"**Repayment Event**" means that (A) any Convertible Securities are repurchased (whether in connection with or as a result of a change of control, howsoever defined, or for any other reason) by Counterparty or any of its subsidiaries, (B) any Convertible Securities are delivered to Counterparty in exchange for delivery of any property or assets of Counterparty or any of its subsidiaries (howsoever described), (C) any principal of any of the Convertible Securities is repaid prior to the final maturity date of the Convertible Securities (whether following acceleration of the Convertible Securities or otherwise), or (D) any Convertible Securities are exchanged by or for the benefit of the holders thereof for any other securities of Counterparty or any of its affiliates (or any other property, or any combination thereof) pursuant to any exchange offer or similar transaction; provided that, in the case of clause (B) and clause (D), conversions of the Convertible Securities pursuant to the terms of the Indenture as in effect on the date hereof shall not be Repayment Events.

(b) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, subject to Section 8(k) below, BofA shall owe Counterparty any amount pursuant to Section 12.2 or 12.3 of the Equity Definitions and "Consequences of Merger Events and Tender Offers" above, or Sections 12.6, 12.7 or 12.9 of the Equity Definitions (except in the event of an Insolvency, a Nationalization, a Tender Offer or a Merger Event, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash) or pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Counterparty is the Defaulting Party or a Termination Event in which Counterparty is the Affected Party, that resulted from an event or events within Counterparty's control) (a "**Payment Obligation**"), Counterparty shall have the right, in its sole discretion, to require BofA to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving

irrevocable telephonic notice to BofA, confirmed in writing within one Scheduled Trading Day, between the hours of 9:00 A.M. and 4:00 P.M. New York City time on the Merger Date, Tender Offer Date, Announcement Date or Early Termination Date, as applicable ("**Notice of Share Termination**"). Upon such Notice of Share Termination, the following provisions shall apply on the Scheduled Trading Day immediately following the Merger Date, the Tender Offer Date, Announcement Date or Early Termination Date, as applicable:

Share Termination Alternative:	Applicable and means that BofA shall deliver to Counterparty the Share Termination Delivery Property on the date on which the Payment Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price. For the avoidance of doubt (and notwithstanding anything herein, in the Agreement or otherwise to the contrary), the Share Termination Delivery Property may included shares which are unregistered under the Securities Act.
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to BofA at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of an Insolvency, Nationalization, Merger Event or Tender Offer, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Insolvency, Nationalization, Merger Event or Tender Offer. If such Insolvency, Nationalization, Merger Event or Tender Offer involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Applicable
Other Applicable Provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11(i), (iv) and (v) of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws arising as a result of the fact that Counterparty is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such

provisions to "Physically-Settled" shall be read as references to "settled by Share Termination Alternative" and all references to "Shares" shall be read as references to "Share Termination Delivery Units".

(c) *Disposition of Hedge Shares*. Counterparty hereby agrees that if, in the commercially reasonable judgment of BofA acting in good faith, any Shares (the "**Hedge Shares**") acquired by BofA for the purpose of hedging its obligations pursuant to the Transaction cannot be sold in the public market by BofA without registration under the Securities Act (other than as a result of BofA being an affiliate, as such term is used in the Securities Act and rules and regulations promulgated thereunder, of Counterparty), Counterparty shall, at its election: (i) in order to allow BofA to sell the Hedge Shares in a registered offering, make available to BofA an effective registration statement under the Securities Act to cover the resale of such Hedge Shares and (A) enter into an agreement, in form and substance satisfactory to BofA, substantially in the form of an underwriting agreement for a registered offering, (B) provide accountant's "comfort" letters in customary form for registered offerings of equity securities, (C) provide disclosure opinions of nationally recognized outside counsel to Counterparty reasonably acceptable to BofA, (D) provide other customary opinions, certificates and closing documents customary in form for registered offerings of equity securities and (E) afford BofA a reasonable opportunity to conduct a "due diligence" investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities; provided, however, that if BofA, in its commercially reasonable judgment, is not reasonably satisfied with access to Counterparty's due diligence materials, the results of its due diligence investigation, or the procedures and documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section 8(c) shall apply at the election of Counterparty; (ii) in order to allow BofA to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement underwriting agreements customary for private placements of equity securities, in form and substance reasonably satisfactory to BofA, including customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to BofA, due diligence rights (for BofA or any designated buyer of the Hedge Shares from BofA), opinions and certificates and such other documentation as is customary for private placements agreements, all reasonably acceptable to BofA (in which case, the Calculation Agent shall make any adjustments to the terms of the Transaction that are necessary, in its reasonable judgment, to compensate BofA for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement); or (iii) purchase the Hedge Shares from BofA at the VWAP Price on such Exchange Business Days, and in the amounts, requested by BofA. "**VWAP Price**" means, on any Exchange Business Day, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page PKD.N <equity> VAP (or any successor thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Exchange Business Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Exchange Business Day, as determined by the Calculation Agent using a volume-weighted method).

(d) *Amendment to Equity Definitions*. The following amendment shall be made to the Equity Definitions:

(i) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at BofA's option, the occurrence of any of the events specified in Section 6.01(h) or (i) of the Indenture."

(ii) Section 12.9(b)(i) of the Equity Definitions is hereby amended by (1) replacing "either party may elect" with "BofA may elect" and (2) replacing "notice to the other party "with "notice to Counterparty" in the first sentence of such section.

(e) *Repurchase Notices*. Counterparty shall, on any day on which Counterparty effects any repurchase of Shares, promptly give BofA a written notice of such repurchase (a "**Repurchase Notice**") on such day if, following such repurchase, the Notice Percentage as determined on such day is (i) greater than 6% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater than the Notice Percentage as of the date hereof). The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the Number of Shares and the denominator of which is the number of Shares outstanding on such day. In the event that Counterparty fails to provide BofA with a Repurchase Notice on the day and in the manner specified in this Section 8(e) then Counterparty agrees to indemnify and hold harmless BofA, its affiliates and their respective directors, officers, employees, agents and controlling persons (BofA and each such person being an "**Indemnified Party**") from and against any and all losses, claims, damages and liabilities (or actions in respect thereof), joint or several, to which such Indemnified Party may become subject under applicable securities laws, including without limitation, Section 16 of the Exchange Act, relating to or arising out of such failure. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law, to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. In addition, Counterparty will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) reasonably incurred (after notice to Counterparty in the form of a documented invoice) in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising from such failure, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. This indemnity shall survive the completion of the Transaction contemplated by this Confirmation and any assignment and delegation of the Transaction made pursuant to this Confirmation or the Agreement shall inure to the benefit of any permitted assignee of BofA.

(f) *Transfer and Assignment.* BofA may transfer or assign its rights and obligations hereunder and under the Agreement, in whole or in part, to any of its affiliates, or any entities sponsored or organized by, or on behalf of or for the benefit of, BofA, *provided* that such transferees are not less creditworthy than, or such transferees' payment and performance obligations under this Transaction are guaranteed by, Bank of America Corporation, and for so long as the ratings then assigned to such transferees (or, in the case of any transferee whose payment and performance obligations under this Transaction are guaranteed by Bank of America Corporation, Bank of America Corporation's) long term unsecured debt or deposit obligations (not supported by third party credit enhancement) is not less than "A" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or "A2" by Moody's Investors Service, Inc. If at any time at which the Equity Percentage exceeds 8%, BofA, in its discretion, is unable to effect a transfer or assignment of a portion of its rights and obligations under this Transaction with the prior written consent of Counterparty (such consent not to be unreasonably withheld) covering the number of Shares causing the Equity Percentage to exceed 8% (the "Excess Shares") after its commercially reasonable efforts on pricing terms reasonably acceptable to BofA such that the Equity Percentage is reduced to 8% or less, BofA may designate any Scheduled Trading Day as an Early Termination Date with respect to a such portion (the "**Terminated Portion**") of the Transaction constituting the Excess Shares, such that the Equity Percentage following such partial termination will be equal to or less than 8%. In the event that BofA so designates an Early Termination Date with respect to such a portion of the Transaction, a payment or delivery shall be made pursuant to Section 6 of the

Agreement and Section 8(b) of this Confirmation as if (i) an Early Termination Date had been designated in respect of a Transaction having terms identical to the Terminated Portion of the Transaction, (ii) Counterparty shall be the sole Affected Party with respect to such partial termination and (iii) such portion of the Transaction shall be the only Terminated Transaction. The "**Equity Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the sum of the number of Shares that BofA or any of its affiliates beneficially own (within the meaning of Section 13 of the Exchange Act) on such day, other than any Shares so owned as a hedge of the Transaction, and the Number of Shares and (B) the denominator of which is the number of Shares outstanding on such day.

(g) *Staggered Settlement*. BofA may, by notice to Counterparty prior to any Settlement Date (a "**Nominal Settlement Date**"), elect to deliver the Shares on two or more dates (each, a "**Staggered Settlement Date**") or at two or more times on the Nominal Settlement Date as follows:

(i) in such notice, BofA will specify to Counterparty the related Staggered Settlement Dates (each of which will be on or prior to such Nominal Settlement Date, but not prior to the beginning of the related "Cash Settlement Averaging Period") or delivery times and how it will allocate the Shares it is required to deliver hereunder among the Staggered Settlement Dates or delivery times;

(ii) the aggregate number of Shares that BofA will deliver to Counterparty hereunder on all such Staggered Settlement Dates and delivery times will equal the number of Shares that BofA would otherwise be required to deliver on such Nominal Settlement Date; and

(iii) BofA shall reimburse Counterparty for all reasonable and documented operational expenses related to said staggered settlement.

(h) *Right to Extend.* BofA may postpone any Potential Exercise Date or any other date of valuation or delivery by BofA, with respect to some or all of the relevant Options (in which event the Calculation Agent shall make appropriate adjustments to the Shares it is required to deliver hereunder), if BofA determines, in its reasonable discretion, and with the prior written consent of Counterparty (such consent not to be unreasonably withheld), that such extension is reasonably necessary or appropriate to preserve BofA's hedging or hedge unwind activity hereunder in light of existing liquidity conditions or to enable BofA to effect purchases of Shares in connection with its hedging, hedge unwind or settlement activity hereunder in a manner that would, if BofA were Counterparty or an affiliated purchaser of Counterparty, be in compliance with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to BofA.

(i) *Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.

(j) *Designation by BofA*. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing BofA to purchase, sell, receive or deliver any Shares or other securities to or

from Counterparty, BofA may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform BofA obligations in respect of the Transaction and any such designee may assume such obligations. BofA shall be discharged of its obligations to Counterparty to the extent of any such performance, and shall not be discharged at any time prior thereto.

(k) *No Netting and Set-off*. Multiple Transaction Payment Netting and the provisions of Section 6(f) of the Agreement shall not apply. Each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under the Transaction against any delivery or payment obligation owed to it by the other party, whether arising under the Agreement, under any other agreement between the parties thereto, by operation or law or otherwise.

(l) *Equity Rights*. BofA acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transaction that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy. For the avoidance of doubt, the parties agree that the preceding sentence shall not apply at any time other than during Counterparty's bankruptcy to any claim arising as a result of a breach by Counterparty of any of its obligations under this Confirmation or the Agreement.

(m) *Early Unwind*. In the event the sale by Counterparty of the Convertible Securities is not consummated with the initial purchasers pursuant to the Underwriting Agreement for any reason by the close of business in New York on July 5 (or such later date as agreed upon by the parties, which in no event shall be later than July 10) (July 5 or such later date being the "**Early Unwind Date**"), the Transaction shall automatically terminate (the "**Early Unwind**"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of BofA and Counterparty thereunder shall be cancelled and terminated and (ii) Counterparty shall pay to BofA an amount in cash equal to the aggregate amount of costs and expenses reasonably incurred by BofA relating to the unwinding of BofA's hedging activities in respect of the Transaction (including market losses incurred in reselling any Shares purchased by BofA or its affiliates in connection with such hedging activities). Following such termination, cancellation and payment, each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of either party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date. BofA and Counterparty represent and acknowledge to the other that upon an Early Unwind and following the payment referred to above, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(n) *Amendments to the Agreement.* Notwithstanding any term or provision contained in the Agreement, (i) no Potential Event of Default or Event of Default shall apply with respect to Counterparty as a defaulting party, and no Termination Event shall apply with respect to Counterparty as an Affected Party, in each and any such case, except to the extent any such Event of Default or Termination Event results in the occurrence and continuance of an Additional Termination Event (as specified in this Confirmation) or an Extraordinary Event elected as being applicable in this Confirmation and Counterparty shall have no Specified Entities or Credit Support Providers for purposes of the Agreement and this Transaction; (ii) without limiting the generality of the foregoing, the Events of Default specified in Sections 5(a)(i), (ii) (except to the extent that any violation of any such agreement or obligation described therein or in this Confirmation (x) would reasonably be expected to have a material adverse effect on the ability of BofA to perform its obligations under this Transaction or (y) pertains to the disposition of Hedge Shares pursuant to Section 8(c) of this Confirmation),), (iii), (iv) (except to the extent any

misrepresentation made under this Confirmation or under the Agreement would reasonably be expected to have a material adverse effect on the ability of BofA to perform its obligations under this Transaction), (v), (vi) or (vii) of the Agreement, and the Termination Events specified in the Agreement, shall not apply with respect to Counterparty; and (iii) with respect to any early termination of all or any portion of this Transaction for any reason pursuant to the terms of this Confirmation, the Equity Definitions and/or the Agreement, and additionally notwithstanding any term or provision in the Equity Definitions, (A) any amount payable (or to be payable) by either party hereto to the other party hereto arising as a result of such early termination (including any costs resulting from unwinding hedging transactions) shall be determined in good faith and in a commercially reasonable manner and (B) without limiting the foregoing, the party determining the amount of any such payment (whether BofA, Counterparty or the Calculation Agent) shall (1) utilize commercially reasonable procedures and methodologies so as to produce a commercially reasonable determination of such amount, and (2) disclose in reasonable detail the material information utilized (or to be utilized) by such party in making such determination.

(o) *Waiver of Trial by Jury.* **EACH OF COUNTERPARTY AND BOFA HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF BOFA OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

(p) *Governing Law*. **THIS CONFIRMATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.**

Counterparty hereby agrees (a) to check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by BofA) correctly sets forth the terms of the agreement between BofA and Counterparty with respect to the Transaction, by manually signing this Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to John Servidio, Facsimile No. 212-230-8610.

Yours faithfully,

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

Agreed and Accepted By:

PARKER DRILLING COMPANY

By: _____
Name:
Title:

Exhibit 10.2

Deutsche Bank AG,
London Branch
Winchester house
1 Great Winchester St,
London EC2N 2DB
Tel. 44 20 7545 8000

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Telephone: 212-250-5600

June 28, 2007

To: Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

From: Deutsche Bank AG London
c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Telephone: 212-5600
Facsimile: 212-797-9344

Re: Convertible Bond Hedge Transaction
(Transaction Reference Number: 189652)

Ladies and Gentlemen:

The purpose of this communication (this "**Confirmation**") is to set forth the terms and conditions of the above-referenced transaction entered into on the Trade Date specified below (the "**Transaction**") between Deutsche Bank AG acting through its London branch ("**Deutsche**") and Parker Drilling Company ("**Counterparty**"). This communication constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

DEUTSCHE BANK AG IS NOT REGISTERED AS A BROKER OR DEALER UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. DEUTSCHE BANK SECURITIES INC. ("AGENT") HAS ACTED SOLELY AS AGENT IN

CONNECTION WITH THE TRANSACTION AND HAS NO OBLIGATION, BY WAY OF ISSUANCE, ENDORSEMENT, GUARANTEE OR OTHERWISE WITH RESPECT TO THE PERFORMANCE OF EITHER PARTY UNDER THE TRANSACTION. DEUTSCHE BANK AG LONDON IS NOT A MEMBER OF THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC).

1. This Confirmation is subject to, and incorporates, the definitions and provisions of the 2000 ISDA Definitions (including the Annex thereto) (the "**2000 Definitions**") and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions (except to the extent expressly amended by this Confirmation) (the "**Equity Definitions**", and together with the 2000 Definitions, the "**Definitions**"), in each case as published by the International Swaps and Derivatives Association, Inc. and as in effect on the date hereof ("**ISDA**"). In the event of any inconsistency between the 2000 Definitions and the Equity Definitions, the Equity Definitions will govern. Certain defined terms used herein have the meanings assigned to them in an Indenture to be dated as of July 5, 2007 between Counterparty and The Bank of New York Trust Company, N.A. as trustee (the "**Indenture**") relating to the USD 115.0 principal amount of 2.125% Convertible Senior Notes due July 15, 2012 (the "**Convertible Securities**"). In the event of any inconsistency between the terms defined in the Indenture and this Confirmation, this Confirmation shall govern. For the avoidance of doubt, references herein to sections of the Indenture are based on the draft of the Indenture most recently reviewed by the parties at the time of execution of this Confirmation. If any relevant sections of the Indenture are changed, added or renumbered following execution of this Confirmation but prior to the execution of the Indenture, the parties will amend this Confirmation in good faith to preserve the economic intent of the parties.

This Confirmation evidences a complete and binding agreement between Deutsche and Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement (the "**ISDA Form**") as if Deutsche and Counterparty had executed an agreement in such form (without any Schedule but with the elections set forth in this Confirmation), except to the extent amended, modified or supplemented by this Confirmation. For the avoidance of doubt, the Transaction shall be the only transaction under the Agreement.

All provisions contained in, or incorporated by reference to, the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and either the Definitions or the Agreement, this Confirmation shall govern.

2. The Transaction constitutes a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	June 28, 2007
Effective Date:	The closing date of the offering of the Convertible Securities.
Option Type:	Call
Seller:	Deutsche
Buyer:	Counterparty
Shares:	The Common Stock of Counterparty, par value USD 0.16$^{2}/_{3}$ per share (Ticker Symbol: "PKD").

Number of Options:	30% of the number of Convertible Securities in denominations of USD1,000 principal amount issued by Counterparty on the closing date for the initial issuance of the Convertible Securities; *provided* that if the Underwriters, as defined in the Underwriting Agreement dated the date hereof between the Company and Banc of America Securities LLC, as representative of the several underwriters (the "Underwriting Agreement") exercise their option to purchase additional Securities pursuant to Section 2(c) of the Underwriting Agreement, then on the Additional Premium Payment Date, the Number of Options shall be automatically increased by 30% of the number of Convertible Securities in denominations of USD 1,000 principal amount issued pursuant to such exercise (such Convertible Securities, the "Additional Securities").
Number of Shares:	As of any date, the product of the Number of Options and the Conversion Rate in effect on such date.
Conversion Rate:	As defined in the Indenture, but without regard to any adjustments to the Conversion Rate pursuant to Sections 3.01(e), 10.01(c), 10.01(d), 10.04(g) and 10.04(h) of the Indenture.
Strike Price:	USD 13.8463
Premium:	USD 8,687,100; *provided* that if the Number of Options is increased pursuant to the proviso to the definition of Number of Options above, an additional Premium equal to the product of the number of Options by which the Number of Options is so increased and USD 251.80 shall be paid on the Additional Premium Payment Date.
Premium Payment Date:	July 5, 2007
Additional Premium Payment Date:	The closing date for the purchase and sale of the Additional Securities.
Exchange:	New York Stock Exchange
Related Exchange:	All Exchanges

Procedures for Exercise:

Potential Exercise Dates:	Each Conversion Date.
Conversion Date:	Each "Conversion Date" as defined in the Indenture.
Required Exercise on Conversion Dates:	On each Conversion Date, a number of Options equal to the number of Convertible Securities in denominations of USD1,000 principal amount submitted for conversion on such Conversion Date in accordance with the terms of the Indenture shall be automatically exercised, subject to "Notice of Exercise" below.
Expiration Date:	July 15, 2012

Automatic Exercise:	As provided above under "Required Exercise on Conversion Dates".
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions, in order to exercise any Options, Counterparty must notify Deutsche in writing prior to 5:00 PM, New York City time, on the Scheduled Valid Day prior to the scheduled first day of the applicable Settlement Averaging Period relating to the Convertible Securities converted on the Conversion Date occurring on the relevant Exercise Date (such Convertible Securities, the "**Relevant Convertible Securities**") of (i) the number of Options being exercised on such Exercise Date, (ii) the scheduled first day of the applicable Settlement Averaging Period, (iii) the scheduled settlement date under the Indenture for the Relevant Convertible Securities and (iv) whether Counterparty has elected to satisfy its conversion obligations with respect to the Relevant Convertible Securities in Shares only (as described in Section 10.02(b) of the Indenture) ("**Gross Share Settlement**"); *provided* that with respect to Options relating to Relevant Convertible Securities with a Conversion Date occurring on or after April 15, 2012, such Notice of Exercise may be given on or prior to the second Scheduled Valid Day immediately preceding the Expiration Date and need only specify the number of Options being exercised.
Notice of Gross Share Settlement:	If Counterparty has elected Gross Share Settlement for all Convertible Securities with a Conversion Date occurring on or after April 15, 2012, then with respect to Options relating to such Convertible Securities, Counterparty shall notify Deutsche of such election before 5:00 p.m. (New York City time) on or prior to April 15, 2012.
Deutsche's Telephone Number and Telex and/or Facsimile Number and Contact Details for purpose of Giving Notice:	c/o Deutsche Bank Securities Inc. 60 Wall Street, NYC60-0425 New York, NY 10005-2858 Attention: Equity Capital Markets Telephone: 212-250-5600 Facsimile: 212-797-9344

Settlement Terms:

Settlement Method:	Net Share Settlement
Net Share Settlement:	Deutsche will deliver to Counterparty, on or before the relevant Settlement Date, a number of Shares equal to the Net Shares in

	respect of any Option exercised or deemed exercised hereunder. In no event will the Net Shares be less than zero.
Net Shares:	In respect of any Option exercised or deemed exercised, a number of Shares equal to (i) the sum of the quotients, for each Valid Day during the Settlement Averaging Period for such exercisable Option, of (A) the product of (x) excess, if any, of the Relevant Price less the Strike Price on such Valid Day and (y) the Conversion Rate on such Valid Day divided by (B) such Relevant Price, divided by (ii) the number of Valid Days in the Settlement Averaging Period; *provided* that if the calculation contained in clause (A) above results in a negative number, such number shall be replaced with the number zero. Notwithstanding the forgoing, if Counterparty has elected Gross Share Settlement and so specified in the Notice of Exercise, or if applicable, the Notice of Gross Share Settlement, then with respect to any Option relating to the Relevant Convertible Securities with a Conversion Date occurring on or following April 15, 2012, the Net Shares shall be equal to the lesser of (i) a number of Shares determined as described above and (ii) a number of Shares equal to the Net Convertible Value for such Option divided by the Obligation Price. Deutsche will deliver cash in lieu of any fractional Shares to be delivered with respect to any Net Shares valued at the Relevant Price for the last Valid Day of the Settlement Averaging Period.
Net Convertible Value:	With respect to an Option, (i) the Total Convertible Value for such Option minus (ii) USD 1,000.
Total Convertible Value:	With respect to an Option, (i) the aggregate number of Shares, if any, that Counterparty is obligated to deliver to the holder of an Convertible Security for the relevant Conversion Date pursuant to Section 10.03(b) of the Indenture, multiplied by (ii) the Obligation Price.
Obligation Price:	The opening price as displayed under the heading Op on Bloomberg page PKD.N <equity> (or any successor thereto) on the Obligation Valuation Date.
Obligation Valuation Date:	Settlement Date
Settlement Averaging Period:	For any Option, (i) with respect to an Option with a Conversion Date occurring prior to April 15, 2012, the twenty (20) consecutive Valid Day period beginning on, and including, the third Valid Day following such Conversion Date (or the forty (40) consecutive Valid Day period commencing on, and including, the third Valid Day following such Conversion Date if Counterparty has elected Gross Share Settlement and specified Gross Share Settlement in the Notice of Exercise) or (ii) with respect to an Option with a Conversion Date occurring on or following April 15, 2012, the twenty (20) consecutive Valid Day period beginning on, and including, the twenty-second (22nd) Scheduled Valid Day immediately prior to the Expiration Date (or the forty (40) consecutive Valid Day period commencing on, and including, the forty second (42nd) Scheduled Valid Day immediately prior to the Expiration Date if

	Counterparty has delivered a Notice of Gross Share Settlement to Deutsche on or prior to April 15, 2012).
Settlement Date:	For any Option, the third Valid Day following the final day of the applicable Settlement Averaging Period with respect to such Option.
Settlement Currency:	USD
Valid Day:	A day on which (i) there is no Market Disruption Event and (ii) trading in the Shares generally occurs on the Exchange or, if the Shares are not then listed on the Exchange, on the principal other U.S. national or regional securities exchange on which the Shares are then listed or, if the Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Shares are then traded. If the Shares (or other security for which a Relevant Price must be determined) is not so listed or quoted, a Valid Day means a Business Day.
Scheduled Valid Day:	A day that is scheduled to be a Valid Day on the primary U.S. national securities exchange or market on which the Shares are listed or admitted to trading.
Market Disruption Event:	Section 6.3 of the Equity Definitions is hereby replaced in its entirety by the following: Market Disruption Event means in respect of a Share, (i) a failure by the Exchange or, if the Shares are not then listed on the Exchange, by the principal other U.S. national or regional securities exchange on which the Shares are then listed or, if the Shares are not then listed on a U.S. national or regional securities exchange, by the principal other market on which the Shares are then traded, to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any trading day for the Shares for an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Shares or in any options, contracts or future contracts relating to the Shares.
Relevant Price:	On any Valid Day, the per Share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg page PKD.N <equity> AQR (or any equivalent successor if such page is not available) in respect of the period from the scheduled opening time of trading on the Exchange to the Scheduled Closing Time of the Exchange on such Valid Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Valid Day, as determined by the Calculation Agent using a volume-weighted method). The Relevant Price will be determined without regard to after hours trading or any other trading outside of the regular trading session hours.

Other Applicable Provisions:	To the extent Deutsche is obligated to deliver Shares hereunder, the provisions of Sections 9.1(c), 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws arising as a result of the fact that Counterparty is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Option means that Deutsche is obligated to deliver Shares hereunder.
Restricted Certificated Shares:	Notwithstanding anything to the contrary in the Equity Definitions, Deutsche may, in whole or in part, deliver Shares in certificated form representing the Number of Shares to be Delivered to Counterparty in lieu of delivery through the Clearance System. With respect to such certificated Shares, the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by deleting the remainder of the provision after the word "encumbrance" in the fourth line thereof.

Share Adjustments:

Method of Adjustment:	Notwithstanding Section 11.2 of the Equity Definitions, upon the occurrence of any event or condition set forth in Sections 10.04(a) through (f) of the Indenture, the Calculation Agent shall upon prior written notice to Counterparty make a corresponding adjustment, which it reasonably determines in good faith to be necessary, to the terms relevant to the exercise, settlement or payment of the Transaction. Immediately upon the occurrence of any "Adjustment Event", as defined in the Indenture, Counterparty shall notify the Calculation Agent of such Adjustment Event; and once the adjustments to be made to the terms of the Indenture and the Convertible Notes in respect of such Adjustment Event have been determined, Counterparty shall immediately notify the Calculation Agent in writing of the details of such adjustments. Additionally, notwithstanding Section 11.2 of the Equity Definitions, Potential Adjustment Event shall not apply to this Transaction and, if and to the extent that any event or condition occurs during the term of the Transaction with respect to Counterparty and the Shares of the type described in Section 11.2(e), the Calculation Agent shall not make any adjustment to the terms relevant to the exercise, settlement or payment of the Transaction, except to the extent otherwise described in this paragraph, without the prior written consent of Counterparty.

Extraordinary Events:

Merger Events:	Section 12.1(b) of the Equity Definitions is hereby amended and restated in its entirety for purposes of this Confirmation so that

	"Merger Event" means the occurrence of any event or condition set forth in Section 10.06 of the Indenture.
Tender Offer:	Section 12.1(d) of the Equity Definitions is hereby amended and restated in its entirety for purposes of this Confirmation so that a "Tender Offer" means the occurrence of any event or condition set forth in Clause (1) of the definition of "Fundamental Change" in Section 1.01 of the Indenture.
Consequences of Merger Events and Tender Offers:	Notwithstanding Sections 12.2 and 12.3 of the Equity Definitions, upon the occurrence of a Merger Event or Tender Offer, the Calculation Agent shall, to the extent that any such Merger Event or Tender Offer results in adjustments to the terms of the exercise, settlement or payment under the Indenture, upon prior written notice to Counterparty, make the corresponding adjustment in respect of any adjustment under the Indenture to any one or more of the nature of the Shares, the Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction; *provided* that such adjustment shall be made without regard to (x) any adjustment to the Conversion Rate pursuant to Sections 10.01(c), 10.04(g), or 10.04(h) of the Indenture and (y) unless and to the extent otherwise agreed by Deutsche and Counterparty (and provided that Deutsche may not be required so to agree), the election, if any, by Counterparty to adjust the Conversion Rate and the related conversion obligation pursuant to Section 10.01(d) of the Indenture.
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall thereafter be deemed to be the Exchange; *provided further* that, in determining any Cancellation Amount, notwithstanding any term or provision in the Agreement or the Equity Definitions, the Calculation Agent shall comply with the terms and provisions set forth in Section 8(n)(iii) of this Confirmation.
Additional Disruption Events:	
(a) Change in Law:	Applicable (provided that clause (y) of this term set forth in Section 12.9(a)(ii) of the Equity Definitions shall not apply)
(b) Insolvency Filing:	Applicable
(c) Hedging Disruption:	Applicable

Hedging Party:	For all applicable Additional Disruption Events, Deutsche
Determining Party:	For all applicable Additional Disruption Events, Deutsche
Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable.
Additional Acknowledgments:	Applicable

3. Calculation Agent: Deutsche; provided that all calculations, determinations and adjustments made by Deutsche in respect of this Transaction as Calculation Agent shall be made in good faith and in a commercially reasonable manner.

4. Account Details:

Deutsche Payment Instructions:

Bank of New York
ABA 021-000-018
Deutsche Bank Securities Inc.
A/C 8900327634
FFC: 1459102610

Counterparty Payment Instructions:

To be provided by Counterparty.

5. Offices:

The Office of Deutsche for the Transaction is:

Deutsche Bank AG London
c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Attention: Documentation Department
Telephone: 212-250-5600
Facsimile: 212-797-9344

The Office of Counterparty for the Transaction is:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel

6. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Counterparty:

To:	Parker Drilling Company 1401 Enclave Parkway, Suite 600 Houston, Texas 77077
Attn:	General Counsel
Telephone:	(281) 406-2000
Facsimile:	(281) 406-2001

(b) Address for notices or communications to Deutsche:

c/o Deutsche Bank Securities Inc.
60 Wall Street, NYC60-0425
New York, NY 10005-2858
Attention: Equity Capital Markets

Telephone:	212-250-5600
Facsimile:	212-797-9344

7. Representations, Warranties and Agreements:

(a) In addition to the representations and warranties in the Agreement and those contained elsewhere herein, Counterparty represents and warrants to and for the benefit of, and agrees with, Deutsche as follows:

(i) On the Trade Date, (A) none of Counterparty and its officers and directors is aware of any material nonpublic information regarding Counterparty or the Shares and (B) all reports and other documents filed by Counterparty with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(ii) (A) On the Trade Date, the Shares or securities that are convertible into, or exchangeable or exercisable for Shares, are not, and shall not be, subject to a "restricted period," as such term is defined in Regulation M under the Exchange Act ("**Regulation M**") and (B) Counterparty shall not engage in any "distribution," as such term is defined in Regulation M, other than a distribution meeting the requirements of the exceptions set forth in sections 101(b)(10) and 102(b)(7) of Regulation M, until the second Exchange Business Day immediately following the Trade Date.

(iii) On the Trade Date, neither Counterparty nor any "affiliate" or "affiliated purchaser" (each as defined in Rule 10b-18 of the Exchange Act ("**Rule 10b-18**")) shall directly or indirectly (including, without limitation, by means of any cash-settled or other derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable or exercisable for Shares, except through Deutsche.

(iv) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that Deutsche is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 133, as amended, or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project.

(v) Without limiting the generality of Section 3(a)(iii) of the Agreement, the Transaction will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(vi) Prior to the Trade Date, Counterparty shall deliver to Deutsche a resolution of Counterparty's board of directors authorizing the Transaction and such other certificate or certificates as Deutsche shall reasonably request.

(vii) Counterparty is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) or otherwise in violation of the Exchange Act.

(viii) Counterparty is not, and after giving effect to the transactions contemplated hereby will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(ix) On the Trade Date (A) the assets of Counterparty at their fair valuation exceed the liabilities of Counterparty, including contingent liabilities, (B) the capital of Counterparty is adequate to conduct the business of Counterparty and (C) Counterparty has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(x) On the Trade Date, the representations and warranties of Counterparty set forth in Section 3 of the Agreement and Section 1(A) of the Underwriting Agreement are true and correct.

(xi) Counterparty understands no obligations of Deutsche to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of Deutsche or any governmental agency.

(b) Each of Deutsche and Counterparty agrees and represents that it is an "eligible contract participant" as defined in Section 1a(12) of the U.S. Commodity Exchange Act, as amended.

(c) Each of Deutsche and Counterparty acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Counterparty represents and warrants to Deutsche that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof, and (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws.

(d) Each of Deutsche and Counterparty agrees and acknowledges that Deutsche is a "financial institution," "swap participant" and "financial participant", and that Counterparty is a "swap participant", in each case within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "**Bankruptcy Code**"). The parties hereto further agree and acknowledge (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that Deutsche is entitled to the protections afforded by, among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(e) Counterparty shall deliver to Deutsche an opinion of counsel, dated as of the Effective Date and reasonably acceptable to Deutsche in form and substance, with respect to the matters set forth in Section 3(a) of the Agreement.

8. Other Provisions:

(a) *Additional Termination Events.* The occurrence of (i) an event of default with respect to Counterparty under the terms of the Convertible Securities as set forth in Section 6.01 of the Indenture which results in an acceleration of indebtedness evidenced by the outstanding Securities under the Indenture, (ii) an Amendment Event or (iii) a Repayment Event shall be an Additional Termination Event with respect to which the Transaction is the sole Affected Transaction and Counterparty is the sole Affected Party and Deutsche shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement; *provided* that in the case of a Repayment Event the Transaction shall be subject to termination only in respect of the number of Convertible Securities that cease to be outstanding in connection with or as a result of such Repayment Event.

"**Amendment Event**" means that Counterparty amends, modifies, supplements or waives any term of the Indenture or the Convertible Securities governing the principal amount, coupon, maturity, repurchase obligation of Counterparty, redemption right of Counterparty, any term relating to conversion of the Convertible Securities (including changes to the conversion price, conversion settlement dates or conversion conditions), or any term that would require consent of the holders of not less than 100% of the principal amount of the Convertible Securities to amend.

"**Repayment Event**" means that (A) any Convertible Securities are repurchased (whether in connection with or as a result of a change of control, howsoever defined, or for any other reason) by Counterparty or any of its subsidiaries, (B) any Convertible Securities are delivered to Counterparty in exchange for delivery of any property or assets of Counterparty or any of its subsidiaries (howsoever described), (C) any principal of any of the Convertible Securities is repaid prior to the final maturity date of the Convertible Securities (whether following acceleration of the Convertible Securities or otherwise), or (D) any Convertible Securities are exchanged by or for the benefit of the holders thereof for any other securities of Counterparty or any of its affiliates (or any other property, or any combination thereof) pursuant to any exchange offer or similar transaction; provided that, in the case of clause (B) and clause (D), conversions of the Convertible Securities pursuant to the terms of the Indenture as in effect on the date hereof shall not be Repayment Events.

(b) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, subject to Section 8(k) below, Deutsche shall owe Counterparty any amount pursuant to Section 12.2 or 12.3 of the Equity Definitions and "Consequences of Merger Events and Tender Offers" above, or Sections 12.6, 12.7 or 12.9 of the Equity Definitions (except in the event of an Insolvency, a Nationalization, a Tender Offer or a Merger Event, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash) or pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Counterparty is the Defaulting Party or a Termination Event in which Counterparty is the Affected Party, that resulted from an event or events within Counterparty's control) (a "**Payment Obligation**"), Counterparty shall have the right, in its sole discretion, to require Deutsche to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving irrevocable telephonic notice to Deutsche, confirmed in writing within one Scheduled Trading Day, between the hours of 9:00 A.M. and 4:00 P.M. New York City time on the Merger Date, Tender Offer Date, Announcement Date or Early Termination Date, as applicable ("**Notice of Share Termination**"). Upon such Notice of Share Termination, the following provisions shall apply on the Scheduled Trading Day immediately following the Merger Date, the Tender Offer Date, Announcement Date or Early Termination Date, as applicable:

Share Termination Alternative:	Applicable and means that Deutsche shall deliver to Counterparty the Share Termination Delivery Property on the date on which the Payment Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price. For the avoidance of doubt (and notwithstanding anything herein, in the Agreement or otherwise to the contrary), the Share Termination Delivery Property may included shares which are unregistered under the Securities Act.
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Deutsche at the time of notification of the Payment Obligation.

Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of an Insolvency, Nationalization, Merger Event or Tender Offer, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Insolvency, Nationalization, Merger Event or Tender Offer. If such Insolvency, Nationalization, Merger Event or Tender Offer involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Applicable
Other Applicable Provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11(i), (iv) and (v) of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws arising as a result of the fact that Counterparty is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "settled by Share Termination Alternative" and all references to "Shares" shall be read as references to "Share Termination Delivery Units".

(c) *Disposition of Hedge Shares*. Counterparty hereby agrees that if, in the commercially reasonable judgment of Deutsche acting in good faith, any Shares (the "**Hedge Shares**") acquired by Deutsche for the purpose of hedging its obligations pursuant to the Transaction cannot be sold in the public market by Deutsche without registration under the Securities Act (other than as a result of Deutsche being an affiliate, as such term is used in the Securities Act and rules and regulations promulgated thereunder, of Counterparty), Counterparty shall, at its election: (i) in order to allow Deutsche to sell the Hedge Shares in a registered offering, make available to Deutsche an effective registration statement under the Securities Act to cover the resale of such Hedge Shares and (A) enter into an agreement, in form and substance satisfactory to Deutsche, substantially in the form of an underwriting agreement for a registered offering, (B) provide accountant's "comfort" letters in customary form for registered offerings of equity securities, (C) provide disclosure opinions of nationally recognized outside counsel to Counterparty reasonably acceptable to Deutsche, (D) provide other customary opinions, certificates and closing documents customary in form for registered offerings of equity securities and (E) afford Deutsche a reasonable opportunity to conduct a "due diligence" investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities; provided, however, that if Deutsche, in its commercially reasonable judgment, is not reasonably satisfied with access to Counterparty's due diligence materials, the results of its due diligence investigation, or the procedures and documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section 8(c) shall apply at the election of Counterparty; (ii) in order to allow Deutsche to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement underwriting agreements customary for private placements of equity securities, in form and substance reasonably satisfactory to Deutsche, including customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to Deutsche, due diligence rights (for Deutsche or any designated buyer of the Hedge Shares from Deutsche), opinions and certificates and such other documentation as is customary for private placements agreements, all reasonably acceptable to Deutsche (in which case, the Calculation Agent shall make any adjustments to the terms of the Transaction that are necessary, in its reasonable judgment, to compensate Deutsche for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement); or (iii) purchase the

Hedge Shares from Deutsche at the VWAP Price on such Exchange Business Days, and in the amounts, requested by Deutsche. "**VWAP Price**" means, on any Exchange Business Day, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page PKD.N <equity> VAP (or any successor thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Exchange Business Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Exchange Business Day, as determined by the Calculation Agent using a volume-weighted method).

(d) *Amendment to Equity Definitions.* The following amendment shall be made to the Equity Definitions:

(i) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at Deutsche's option, the occurrence of any of the events specified in Section 6.01(h) or (i) of the Indenture."

(ii) Section 12.9(b)(i) of the Equity Definitions is hereby amended by (1) replacing "either party may elect" with "Deutsche may elect" and (2) replacing "notice to the other party "with "notice to Counterparty" in the first sentence of such section.

(e) *Repurchase Notices*. Counterparty shall, on any day on which Counterparty effects any repurchase of Shares, promptly give Deutsche a written notice of such repurchase (a "**Repurchase Notice**") on such day if, following such repurchase, the Notice Percentage as determined on such day is (i) greater than 6% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater than the Notice Percentage as of the date hereof). The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the Number of Shares and the denominator of which is the number of Shares outstanding on such day. In the event that Counterparty fails to provide Deutsche with a Repurchase Notice on the day and in the manner specified in this Section 8(e) then Counterparty agrees to indemnify and hold harmless Deutsche, its affiliates and their respective directors, officers, employees, agents and controlling persons (Deutsche and each such person being an "**Indemnified Party**") from and against any and all losses, claims, damages and liabilities (or actions in respect thereof), joint or several, to which such Indemnified Party may become subject under applicable securities laws, including without limitation, Section 16 of the Exchange Act, relating to or arising out of such failure. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law, to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. In addition, Counterparty will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) reasonably incurred (after notice to Counterparty in the form of a documented invoice) in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising from such failure, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. This indemnity shall survive the completion of the Transaction contemplated by this Confirmation and any assignment and delegation of the Transaction made pursuant to this Confirmation or the Agreement shall inure to the benefit of any permitted assignee of Deutsche.

(f) *Transfer and Assignment.* Deutsche may not transfer or assign its rights and obligations hereunder and under the Agreement, in whole or in part, without the Issuer's prior written consent. If at any time at which the Equity Percentage exceeds 8%, Deutsche, in its discretion, is unable to

effect a transfer or assignment of a portion of its rights and obligations under this Transaction with the prior written consent of Counterparty (such consent not to be unreasonably withheld) covering the number of Shares causing the Equity Percentage to exceed 8% (the "Excess Shares") after its commercially reasonable efforts on pricing terms reasonably acceptable to Deutsche such that the Equity Percentage is reduced to 8% or less, Deutsche may designate any Scheduled Trading Day as an Early Termination Date with respect to a such portion (the "**Terminated Portion**") of the Transaction constituting the Excess Shares, such that the Equity Percentage following such partial termination will be equal to or less than 8%. In the event that Deutsche so designates an Early Termination Date with respect to such a portion of the Transaction, a payment or delivery shall be made pursuant to Section 6 of the Agreement and Section 8(b) of this Confirmation as if (i) an Early Termination Date had been designated in respect of a Transaction having terms identical to the Terminated Portion of the Transaction, (ii) Counterparty shall be the sole Affected Party with respect to such partial termination and (iii) such portion of the Transaction shall be the only Terminated Transaction. The "**Equity Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the sum of the number of Shares that Deutsche or any of its affiliates beneficially own (within the meaning of Section 13 of the Exchange Act) on such day, other than any Shares so owned as a hedge of the Transaction, and the Number of Shares and (B) the denominator of which is the number of Shares outstanding on such day.

(g) *Staggered Settlement*. Deutsche may, by notice to Counterparty prior to any Settlement Date (a "**Nominal Settlement Date**"), elect to deliver the Shares on two or more dates (each, a "**Staggered Settlement Date**") or at two or more times on the Nominal Settlement Date as follows:

(i) in such notice, Deutsche will specify to Counterparty the related Staggered Settlement Dates (each of which will be on or prior to such Nominal Settlement Date, but not prior to the beginning of the related "Cash Settlement Averaging Period") or delivery times and how it will allocate the Shares it is required to deliver hereunder among the Staggered Settlement Dates or delivery times;

(ii) the aggregate number of Shares that Deutsche will deliver to Counterparty hereunder on all such Staggered Settlement Dates and delivery times will equal the number of Shares that Deutsche would otherwise be required to deliver on such Nominal Settlement Date; and

(iii) Deutsche shall reimburse Counterparty for all reasonable and documented operational expenses related to said staggered settlement.

(h) *Right to Extend.* Deutsche may postpone any Potential Exercise Date or any other date of valuation or delivery by Deutsche, with respect to some or all of the relevant Options (in which event the Calculation Agent shall make appropriate adjustments to the Shares it is required to deliver hereunder), if Deutsche determines, in its reasonable discretion, and with the prior written consent of Counterparty (such consent not to be unreasonably withheld), that such extension is reasonably necessary or appropriate to preserve Deutsche's hedging or hedge unwind activity hereunder in light of existing liquidity conditions or to enable Deutsche to effect purchases of Shares in connection with its hedging, hedge unwind or settlement activity hereunder in a manner that would, if Deutsche were Counterparty or an affiliated purchaser of Counterparty, be in compliance with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Deutsche.

(i) *Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.

(j) *Designation by Deutsche*. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Deutsche to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Deutsche may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Deutsche obligations in respect of the Transaction and any such designee may assume such obligations. Deutsche shall be discharged of its obligations to Counterparty to the extent of any such performance, and shall not be discharged at any time prior thereto.

(k) *No Netting and Set-off*. Multiple Transaction Payment Netting and the provisions of Section 6(f) of the Agreement shall not apply. Each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under the Transaction against any delivery or payment obligation owed to it by the other party, whether arising under the Agreement, under any other agreement between the parties thereto, by operation or law or otherwise.

(l) Equity Rights. Deutsche acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transaction that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy. For the avoidance of doubt, the parties agree that the preceding sentence shall not apply at any time other than during Counterparty's bankruptcy to any claim arising as a result of a breach by Counterparty of any of its obligations under this Confirmation or the Agreement.

(m) *Early Unwind*. In the event the sale by Counterparty of the Convertible Securities is not consummated with the initial purchasers pursuant to the Underwriting Agreement for any reason by the close of business in New York on July 5 (or such later date as agreed upon by the parties, which in no event shall be later than July 10) (July 5 or such later date being the "**Early Unwind Date**"), the Transaction shall automatically terminate (the "**Early Unwind**"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of Deutsche and Counterparty thereunder shall be cancelled and terminated and (ii) Counterparty shall pay to Deutsche an amount in cash equal to the aggregate amount of costs and expenses reasonably incurred by Deutsche relating to the unwinding of Deutsche's hedging activities in respect of the Transaction (including market losses incurred in reselling any Shares purchased by Deutsche or its affiliates in connection with such hedging activities). Following such termination, cancellation and payment, each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of either party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date. Deutsche and Counterparty represent and acknowledge to the other that upon an Early Unwind and following the payment referred to above, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(n) *Amendments to the Agreement.* Notwithstanding any term or provision contained in the Agreement, (i) no Potential Event of Default or Event of Default shall apply with respect to Counterparty as a defaulting party, and no Termination Event shall apply with respect to Counterparty as an Affected Party, in each and any such case, except to the extent any such Event of Default or Termination Event results in the occurrence and continuance of an Additional

Termination Event (as specified in this Confirmation) or an Extraordinary Event elected as being applicable in this Confirmation and Counterparty shall have no Specified Entities or Credit Support Providers for purposes of the Agreement and this Transaction; (ii) without limiting the generality of the foregoing, the Events of Default specified in Sections 5(a)(i), (ii) (except to the extent that any violation of any such agreement or obligation described therein or in this Confirmation (x) would reasonably be expected to have a material adverse effect on the ability of BofA to perform its obligations under this Transaction or (y) pertains to the disposition of Hedge Shares pursuant to Section 8(c) of this Confirmation), (iii), (iv) (except to the extent any misrepresentation made under this Confirmation or under the Agreement would reasonably be expected to have a material adverse effect on the ability of Deutsche to perform its obligations under this Transaction), (v), (vi) or (vii) of the Agreement, and the Termination Events specified in the Agreement, shall not apply with respect to Counterparty; and (iii) with respect to any early termination of all or any portion of this Transaction for any reason pursuant to the terms of this Confirmation, the Equity Definitions and/or the Agreement, and additionally notwithstanding any term or provision in the Equity Definitions, (A) any amount payable (or to be payable) by either party hereto to the other party hereto arising as a result of such early termination (including any costs resulting from unwinding hedging transactions) shall be determined in good faith and in a commercially reasonable manner and (B) without limiting the foregoing, the party determining the amount of any such payment (whether Deutsche, Counterparty or the Calculation Agent) shall (1) utilize commercially reasonable procedures and methodologies so as to produce a commercially reasonable determination of such amount, and (2) disclose in reasonable detail the material information utilized (or to be utilized) by such party in making such determination.

(o) *Method of Delivery*. Whenever delivery of funds or other assets is required hereunder by or to Counterparty, such delivery shall be effected through Agent. In addition, all notices, demands and communications of any kind relating to the Transaction between Deutsche and Counterparty shall be transmitted exclusively through Agent.

(p) *Waiver of Trial by Jury.* **EACH OF COUNTERPARTY AND DEUTSCHE HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF DEUTSCHE OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

(q) *Governing Law*. **THIS CONFIRMATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.**

Counterparty hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to Deutsche a facsimile of the fully-executed Confirmation to Deutsche at 44 113 336 2009. Originals shall be provided for your execution upon your request.

We are very pleased to have executed the Transaction with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

DEUTSCHE BANK AG LONDON

By: _____
Name:
Title:

By: _____
Name:
Title:

DEUTSCHE BANK SECURITIES INC.
acting solely as Agent in connection with this Transaction

By: _____
Name:
Title:

By: _____
Name:
Title:

Counterparty hereby agrees to, accepts and confirms the terms of the foregoing as of the Trade Date.

PARKER DRILLING COMPANY

By: _____
Name:
Title:

Exhibit 10.3

June 28, 2007

To: Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

From: Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
c/o Lehman Brothers
745 Seventh Avenue
New York, NY 10019
Attn: Andrew Yare – Transaction Management Group
Facsimile: 646-885-9546 (United States of America)
Telephone: 212-526-9986

Re: Convertible Bond Hedge Transaction
(Transaction Reference Number:_____)

Ladies and Gentlemen:

The purpose of this communication (this "**Confirmation**") is to set forth the terms and conditions of the above-referenced transaction entered into on the Trade Date specified below (the "**Transaction**") between Lehman Brothers OTC Derivatives Inc., acting as Principal ("**Lehman**") and Parker Drilling Company ("**Counterparty**"). This communication constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation is sent on behalf of both Lehman and Lehman Brothers Inc., acting as Agent ("**LBI**"). **Lehman Brothers OTC Derivatives Inc. is not a member of the Securities Investor Protection Corporation.**

1. This Confirmation is subject to, and incorporates, the definitions and provisions of the 2000 ISDA Definitions (including the Annex thereto) (the "**2000 Definitions**") and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions (except to the extent expressly amended by this Confirmation) (the "**Equity Definitions**", and together with the 2000 Definitions, the "**Definitions**"), in each case as published by the International Swaps and Derivatives Association, Inc. and as in effect on the date hereof ("**ISDA**"). In the event of any inconsistency between the 2000 Definitions and the Equity Definitions, the Equity Definitions will govern. Certain defined terms used herein have the meanings assigned to them in an Indenture to be dated as of July 5, 2007 between Counterparty and The Bank of New York Trust Company, N.A. as trustee (the "**Indenture**") relating to the USD 115.0 principal amount of 2.125% Convertible Senior Notes due July 15, 2012 (the "**Convertible Securities**"). In the event of any inconsistency between the terms defined in the Indenture and this Confirmation, this Confirmation shall govern. For the avoidance of doubt, references herein to sections of the Indenture are based on the draft of the Indenture most recently reviewed by the parties at the time of execution of this Confirmation. If any relevant sections of the Indenture are changed, added or renumbered following execution of this Confirmation but prior to the execution of the Indenture, the parties will amend this Confirmation in good faith to preserve the economic intent of the parties.

This Confirmation evidences a complete and binding agreement between Lehman and Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement (the "**ISDA Form**") as if Lehman and Counterparty had executed an agreement in such form (without any Schedule but with the elections set forth in this Confirmation), except to the extent amended, modified or supplemented by this Confirmation.

All provisions contained in, or incorporated by reference to, the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and either the Definitions or the Agreement, this Confirmation shall govern.

2. The Transaction constitutes a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Agent:	LBI is acting as agent on behalf of Lehman and Issuer for the Transaction. LBI has no obligations, by guarantee, endorsement or otherwise, with respect to the performance of the Transaction by either party.
Trade Date:	June 28, 2007
Effective Date:	The closing date of the offering of the Convertible Securities.
Option Type:	Call
Seller:	Lehman
Buyer:	Counterparty
Shares:	The Common Stock of Counterparty, par value USD 0.16$^{2}/_{3}$ per share (Ticker Symbol: "PKD").
Number of Options:	10% of the number of Convertible Securities in denominations of USD1,000 principal amount issued by Counterparty on the closing date for the initial issuance of the Convertible Securities; *provided* that if the Underwriters, as defined in the Underwriting Agreement dated the date hereof between the Company and Banc of America Securities LLC, as representative of the several underwriters (the "Underwriting Agreement") exercise their option to purchase additional Securities pursuant to Section 2(c) of the Underwriting Agreement, then on the Additional Premium Payment Date, the Number of Options shall be automatically increased by 10% of the number of Convertible Securities in denominations of USD 1,000 principal amount issued pursuant to such exercise (such Convertible Securities, the "Additional Securities").
Number of Shares:	As of any date, the product of the Number of Options and the Conversion Rate in effect on such date.
Conversion Rate:	As defined in the Indenture, but without regard to any adjustments to the Conversion Rate pursuant to Sections 3.01(e), 10.01(c), 10.01(d), 10.04(g) and 10.04(h) of the Indenture.
Strike Price:	USD 13.8463
Premium:	USD 2,895,700 *provided* that if the Number of Options is increased pursuant to the proviso to the definition of Number of Options above, an additional Premium equal to the product of

	the number of Options by which the Number of Options is so increased and USD 251.80 shall be paid on the Additional Premium Payment Date.
Premium Payment Date:	July 5, 2007
Additional Premium Payment Date:	The closing date for the purchase and sale of the Additional Securities.
Exchange:	New York Stock Exchange
Related Exchange:	All Exchanges
Procedures for Exercise:	
Potential Exercise Dates:	Each Conversion Date.
Conversion Date:	Each "Conversion Date" as defined in the Indenture.
Required Exercise on Conversion Dates:	On each Conversion Date, a number of Options equal to the number of Convertible Securities in denominations of USD1,000 principal amount submitted for conversion on such Conversion Date in accordance with the terms of the Indenture shall be automatically exercised, subject to "Notice of Exercise" below.
Expiration Date:	July 15, 2012
Automatic Exercise:	As provided above under "Required Exercise on Conversion Dates".
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions, in order to exercise any Options, Counterparty must notify Lehman in writing prior to 5:00 PM, New York City time, on the Scheduled Valid Day prior to the scheduled first day of the applicable Settlement Averaging Period relating to the Convertible Securities converted on the Conversion Date occurring on the relevant Exercise Date (such Convertible Securities, the "**Relevant Convertible Securities**") of (i) the number of Options being exercised on such Exercise Date, (ii) the scheduled first day of the applicable Settlement Averaging Period, (iii) the scheduled settlement date under the Indenture for the Relevant Convertible Securities and (iv) whether Counterparty has elected to satisfy its conversion obligations with respect to the Relevant Convertible Securities in Shares only (as described in Section 10.02(b) of the Indenture) ("**Gross Share Settlement**"); *provided* that with respect to Options relating to Relevant Convertible Securities with a Conversion Date occurring on or after April 15, 2012, such Notice of Exercise may be given on or prior to the second Scheduled Valid Day immediately preceding the Expiration Date and need only specify the number of Options being exercised.

Notice of Gross Share Settlement:	If Counterparty has elected Gross Share Settlement for all Convertible Securities with a Conversion Date occurring on or after April 15, 2012, then with respect to Options relating to such Convertible Securities, Counterparty shall notify Lehman of such election before 5:00 p.m. (New York City time) on or prior to April 15, 2012.
Lehman's Telephone Number and Telex and/or Facsimile Number and Contact Details for purpose of Giving Notice:	To be provided by Lehman.
Settlement Terms:	
Settlement Method:	Net Share Settlement
Net Share Settlement:	Lehman will deliver to Counterparty, on or before the relevant Settlement Date, a number of Shares equal to the Net Shares in respect of any Option exercised or deemed exercised hereunder. In no event will the Net Shares be less than zero.
Net Shares:	In respect of any Option exercised or deemed exercised, a number of Shares equal to (i) the sum of the quotients, for each Valid Day during the Settlement Averaging Period for such exercisable Option, of (A) the product of (x) excess, if any, of the Relevant Price less the Strike Price on such Valid Day and (y) the Conversion Rate on such Valid Day divided by (B) such Relevant Price, divided by (ii) the number of Valid Days in the Settlement Averaging Period; *provided* that if the calculation contained in clause (A) above results in a negative number, such number shall be replaced with the number zero. Notwithstanding the forgoing, if Counterparty has elected Gross Share Settlement and so specified in the Notice of Exercise, or if applicable, the Notice of Gross Share Settlement, then with respect to any Option relating to the Relevant Convertible Securities with a Conversion Date occurring on or following April 15, 2012, the Net Shares shall be equal to the lesser of (i) a number of Shares determined as described above and (ii) a number of Shares equal to the Net Convertible Value for such Option divided by the Obligation Price. Lehman will deliver cash in lieu of any fractional Shares to be delivered with respect to any Net Shares valued at the Relevant Price for the last Valid Day of the Settlement Averaging Period.
Net Convertible Value:	With respect to an Option, (i) the Total Convertible Value for such Option minus (ii) USD 1,000.
Total Convertible Value:	With respect to an Option, (i) the aggregate number of Shares, if any, that Counterparty is obligated to deliver to the holder of an Convertible Security for the relevant Conversion Date pursuant

	to Section 10.03(b) of the Indenture, multiplied by (ii) the Obligation Price.
Obligation Price:	The opening price as displayed under the heading Op on Bloomberg page PKD.N <equity> (or any successor thereto) on the Obligation Valuation Date.
Obligation Valuation Date:	Settlement Date
Settlement Averaging Period:	For any Option, (i) with respect to an Option with a Conversion Date occurring prior to April 15, 2012, the twenty (20) consecutive Valid Day period beginning on, and including, the third Valid Day following such Conversion Date (or the forty (40) consecutive Valid Day period commencing on, and including, the third Valid Day following such Conversion Date if Counterparty has elected Gross Share Settlement and specified Gross Share Settlement in the Notice of Exercise) or (ii) with respect to an Option with a Conversion Date occurring on or following April 15, 2012, the twenty (20) consecutive Valid Day period beginning on, and including, the twenty-second (22nd) Scheduled Valid Day immediately prior to the Expiration Date (or the forty (40) consecutive Valid Day period commencing on, and including, the forty second (42nd) Scheduled Valid Day immediately prior to the Expiration Date if Counterparty has delivered a Notice of Gross Share Settlement to Lehman on or prior to April 15, 2012).
Settlement Date:	For any Option, the third Valid Day following the final day of the applicable Settlement Averaging Period with respect to such Option.
Settlement Currency:	USD
Valid Day:	A day on which (i) there is no Market Disruption Event and (ii) trading in the Shares generally occurs on the Exchange or, if the Shares are not then listed on the Exchange, on the principal other U.S. national or regional securities exchange on which the Shares are then listed or, if the Shares are not then listed on a U.S. national or regional securities exchange, on the principal other market on which the Shares are then traded. If the Shares (or other security for which a Relevant Price must be determined) is not so listed or quoted, a Valid Day means a Business Day.
Scheduled Valid Day:	A day that is scheduled to be a Valid Day on the primary U.S. national securities exchange or market on which the Shares are listed or admitted to trading.
Market Disruption Event:	Section 6.3 of the Equity Definitions is hereby replaced in its entirety by the following: Market Disruption Event means in respect of a Share, (i) a failure by the Exchange or, if the Shares are not then listed on the Exchange, by the principal other U.S. national or regional securities exchange on which the Shares are then listed or, if the Shares are not then listed on a U.S. national or regional

	securities exchange, by the principal other market on which the Shares are then traded, to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m., New York City time, on any trading day for the Shares for an aggregate one half hour period of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the stock exchange or otherwise) in the Shares or in any options, contracts or future contracts relating to the Shares.
Relevant Price:	On any Valid Day, the per Share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg page PKD.N <equity> AQR (or any equivalent successor if such page is not available) in respect of the period from the scheduled opening time of trading on the Exchange to the Scheduled Closing Time of the Exchange on such Valid Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Valid Day, as determined by the Calculation Agent using a volume-weighted method). The Relevant Price will be determined without regard to after hours trading or any other trading outside of the regular trading session hours.
Other Applicable Provisions:	To the extent Lehman is obligated to deliver Shares hereunder, the provisions of Sections 9.1(c), 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws arising as a result of the fact that Counterparty is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Option means that Lehman is obligated to deliver Shares hereunder.
Restricted Certificated Shares:	Notwithstanding anything to the contrary in the Equity Definitions, Lehman may, in whole or in part, deliver Shares in certificated form representing the Number of Shares to be Delivered to Counterparty in lieu of delivery through the Clearance System. With respect to such certificated Shares, the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by deleting the remainder of the provision after the word "encumbrance" in the fourth line thereof.
Share Adjustments:	
Method of Adjustment:	Notwithstanding Section 11.2 of the Equity Definitions, upon the occurrence of any event or condition set forth in Sections 10.04(a) through (f) of the Indenture, the Calculation Agent shall upon prior written notice to Counterparty make a corresponding adjustment, which it reasonably determines in good faith to be necessary, to the terms relevant to the exercise, settlement or payment of the Transaction. Immediately upon the

	occurrence of any "Adjustment Event", as defined in the Indenture, Counterparty shall notify the Calculation Agent of such Adjustment Event; and once the adjustments to be made to the terms of the Indenture and the Convertible Notes in respect of such Adjustment Event have been determined, Counterparty shall immediately notify the Calculation Agent in writing of the details of such adjustments. Additionally, notwithstanding Section 11.2 of the Equity Definitions, Potential Adjustment Event shall not apply to this Transaction and, if and to the extent that any event or condition occurs during the term of the Transaction with respect to Counterparty and the Shares of the type described in Section 11.2(e), the Calculation Agent shall not make any adjustment to the terms relevant to the exercise, settlement or payment of the Transaction, except to the extent otherwise described in this paragraph, without the prior written consent of Counterparty.
Extraordinary Events:	
Merger Events:	Section 12.1(b) of the Equity Definitions is hereby amended and restated in its entirety for purposes of this Confirmation so that "Merger Event" means the occurrence of any event or condition set forth in Section 10.06 of the Indenture.
Tender Offer:	Section 12.1(d) of the Equity Definitions is hereby amended and restated in its entirety for purposes of this Confirmation so that a "Tender Offer" means the occurrence of any event or condition set forth in Clause (1) of the definition of "Fundamental Change" in Section 1.01 of the Indenture.
Consequences of Merger Events and Tender Offers:	Notwithstanding Sections 12.2 and 12.3 of the Equity Definitions, upon the occurrence of a Merger Event or Tender Offer, the Calculation Agent shall, to the extent that any such Merger Event or Tender Offer results in adjustments to the terms of the exercise, settlement or payment under the Indenture, upon prior written notice to Counterparty, make the corresponding adjustment in respect of any adjustment under the Indenture to any one or more of the nature of the Shares, the Number of Options, the Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction; *provided* that such adjustment shall be made without regard to (x) any adjustment to the Conversion Rate pursuant to Sections 10.01(c), 10.04(g), or 10.04(h) of the Indenture and (y) unless and to the extent otherwise agreed by Lehman and Counterparty (and provided that Lehman may not be required so to agree), the election, if any, by Counterparty to adjust the Conversion Rate and the related conversion obligation pursuant to Section 10.01(d) of the Indenture.
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or

	re-quoted on any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall thereafter be deemed to be the Exchange; provided further that, in determining any Cancellation Amount, notwithstanding any term or provision in the Agreement or the Equity Definitions, the Calculation Agent shall comply with the terms and provisions set forth in Section 8(n)(iii) of this Confirmation.
Additional Disruption Events:	
(a) Change in Law:	Applicable (provided that clause (y) of this term set forth in Section 12.9(a)(ii) of the Equity Definitions shall not apply)
(b) Insolvency Filing:	Applicable
(c) Hedging Disruption:	Applicable
Hedging Party:	For all applicable Additional Disruption Events, Lehman
Determining Party:	For all applicable Additional Disruption Events, Lehman
Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable.
Additional Acknowledgments:	Applicable

3. Calculation Agent: LBI; provided that all calculations, determinations and adjustments made by LBI in respect of this Transaction as Calculation Agent shall be made in good faith and in a commercially reasonable manner.

4. Account Details:

Lehman Payment Instructions:

JPMorgan Chase Bank
Swift Code: CHASUS33XXX
ABA: 021000021
Account Name: Lehman Brothers OTC Derivatives
Account No.: 066626277

Counterparty Payment Instructions:

To be provided by Counterparty.

5. Offices:

The Office of Lehman for the Transaction is:

Lehman Brothers OTC Derivatives Inc.
c/o Lehman Brothers
745 Seventh Avenue
New York, NY 10019
Attn: Andrew Yare – Transaction Management Group
Facsimile: 646-885-9546 (United States of America)
Telephone: 212-526-9986

The Office of Counterparty for the Transaction is:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel

6. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Counterparty:

To:	Parker Drilling Company 1401 Enclave Parkway, Suite 600 Houston, Texas 77077
Attn:	General Counsel
Telephone:	(281) 406-2000
Facsimile:	(281) 406-2001

(b) Address for notices or communications to Lehman:

To be provided by Lehman

7. Representations, Warranties and Agreements:

(a) In addition to the representations and warranties in the Agreement and those contained elsewhere herein, Counterparty represents and warrants to and for the benefit of, and agrees with, Lehman as follows:

(i) On the Trade Date, (A) none of Counterparty and its officers and directors is aware of any material nonpublic information regarding Counterparty or the Shares and (B) all reports and other documents filed by Counterparty with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(ii) (A) On the Trade Date, the Shares or securities that are convertible into, or exchangeable or exercisable for Shares, are not, and shall not be, subject to a "restricted period," as such term is defined in Regulation M under the Exchange Act ("**Regulation M**") and (B) Counterparty shall not engage in any "distribution," as such term is defined in Regulation M, other than a distribution meeting the requirements of the exceptions set forth in sections 101(b)(10) and 102(b)(7) of Regulation M, until the second Exchange Business Day immediately following the Trade Date.

(iii) On the Trade Date, neither Counterparty nor any "affiliate" or "affiliated purchaser" (each as defined in Rule 10b-18 of the Exchange Act ("**Rule 10b-18**")) shall directly or indirectly (including, without limitation, by means of any cash-settled or other derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable or exercisable for Shares, except through Lehman.

(iv) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that Lehman is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 133, as amended, or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project.

(v) Without limiting the generality of Section 3(a)(iii) of the Agreement, the Transaction will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(vi) Prior to the Trade Date, Counterparty shall deliver to Lehman a resolution of Counterparty's board of directors authorizing the Transaction and such other certificate or certificates as Lehman shall reasonably request.

(vii) Counterparty is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) or otherwise in violation of the Exchange Act.

(viii) Counterparty is not, and after giving effect to the transactions contemplated hereby will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(ix) On the Trade Date (A) the assets of Counterparty at their fair valuation exceed the liabilities of Counterparty, including contingent liabilities, (B) the capital of Counterparty is adequate to conduct the business of Counterparty and (C) Counterparty has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(x) On the Trade Date, the representations and warranties of Counterparty set forth in Section 3 of the Agreement and Section 1(A) of the Underwriting Agreement are true and correct.

(xi) Counterparty understands no obligations of Lehman to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of Lehman or any governmental agency.

(b) Each of Lehman and Counterparty agrees and represents that it is an "eligible contract participant" as defined in Section 1a(12) of the U.S. Commodity Exchange Act, as amended.

(c) Each of Lehman and Counterparty acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Counterparty represents and warrants to Lehman that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof, and (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws.

(d) Each of Lehman and Counterparty agrees and acknowledges that Lehman is a "swap participant" and "financial participant", and that Counterparty is a "swap participant", in each case within the meaning of Sections 101(53C) and 101(22A) of Title 11 of the United States Code (the "**Bankruptcy Code**"). The parties hereto further agree and acknowledge (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that Lehman is entitled to the protections afforded by, among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(e) Counterparty shall deliver to Lehman an opinion of counsel, dated as of the Effective Date and reasonably acceptable to Lehman in form and substance, with respect to the matters set forth in Section 3(a) of the Agreement.

8. Other Provisions:

(a) *Additional Termination Events.* The occurrence of (i) an event of default with respect to Counterparty under the terms of the Convertible Securities as set forth in Section 6.01 of the Indenture which results in an acceleration of indebtedness evidenced by the outstanding Securities under the Indenture, (ii) an Amendment Event or (iii) a Repayment Event shall be an Additional Termination Event with respect to which the Transaction is the sole Affected Transaction and Counterparty is the sole Affected Party and Lehman shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement; *provided* that in the case of a Repayment Event the Transaction shall be subject to termination only in respect of the number of

Convertible Securities that cease to be outstanding in connection with or as a result of such Repayment Event.

"**Amendment Event**" means that Counterparty amends, modifies, supplements or waives any term of the Indenture or the Convertible Securities governing the principal amount, coupon, maturity, repurchase obligation of Counterparty, redemption right of Counterparty, any term relating to conversion of the Convertible Securities (including changes to the conversion price, conversion settlement dates or conversion conditions), or any term that would require consent of the holders of not less than 100% of the principal amount of the Convertible Securities to amend.

"**Repayment Event**" means that (A) any Convertible Securities are repurchased (whether in connection with or as a result of a change of control, howsoever defined, or for any other reason) by Counterparty or any of its subsidiaries, (B) any Convertible Securities are delivered to Counterparty in exchange for delivery of any property or assets of Counterparty or any of its subsidiaries (howsoever described), (C) any principal of any of the Convertible Securities is repaid prior to the final maturity date of the Convertible Securities (whether following acceleration of the Convertible Securities or otherwise), or (D) any Convertible Securities are exchanged by or for the benefit of the holders thereof for any other securities of Counterparty or any of its affiliates (or any other property, or any combination thereof) pursuant to any exchange offer or similar transaction; provided that, in the case of clause (B) and clause (D), conversions of the Convertible Securities pursuant to the terms of the Indenture as in effect on the date hereof shall not be Repayment Events.

(b) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, subject to Section 8(k) below, Lehman shall owe Counterparty any amount pursuant to Section 12.2 or 12.3 of the Equity Definitions and "Consequences of Merger Events and Tender Offers" above, or Sections 12.6, 12.7 or 12.9 of the Equity Definitions (except in the event of an Insolvency, a Nationalization, a Tender Offer or a Merger Event, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash) or pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Counterparty is the Defaulting Party or a Termination Event in which Counterparty is the Affected Party, that resulted from an event or events within Counterparty's control) (a "**Payment Obligation**"), Counterparty shall have the right, in its sole discretion, to require Lehman to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving irrevocable telephonic notice to Lehman, confirmed in writing within one Scheduled Trading Day, between the hours of 9:00 A.M. and 4:00 P.M. New York City time on the Merger Date, Tender Offer Date, Announcement Date or Early Termination Date, as applicable ("**Notice of Share Termination**"). Upon such Notice of Share Termination, the following provisions shall apply on the Scheduled Trading Day immediately following the Merger Date, the Tender Offer Date, Announcement Date or Early Termination Date, as applicable:

Share Termination Alternative:	Applicable and means that Lehman shall deliver to Counterparty the Share Termination Delivery Property on the date on which the Payment Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation.

Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price. For the avoidance of doubt (and notwithstanding anything herein, in the Agreement or otherwise to the contrary), the Share Termination Delivery Property may included shares which are unregistered under the Securities Act.
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Lehman at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of an Insolvency, Nationalization, Merger Event or Tender Offer, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Insolvency, Nationalization, Merger Event or Tender Offer. If such Insolvency, Nationalization, Merger Event or Tender Offer involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Applicable
Other Applicable Provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11(i), (iv) and (v) of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws arising as a result of the fact that Counterparty is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "settled by Share Termination Alternative" and all references to "Shares" shall be read as references to "Share Termination Delivery Units".

(c) *Disposition of Hedge Shares*. Counterparty hereby agrees that if, in the commercially reasonable judgment of Lehman acting in good faith, any Shares (the "**Hedge Shares**") acquired by Lehman for the purpose of hedging its obligations pursuant to the Transaction cannot be sold in the public market by Lehman without registration under the Securities Act (other than as a result of Lehman being an affiliate, as such term is used in the Securities Act and rules and regulations promulgated thereunder, of Counterparty), Counterparty shall, at its election: (i) in order to allow Lehman to sell the Hedge Shares in a registered offering, make available to Lehman an effective registration statement under the Securities Act to cover the resale of such Hedge Shares and (A) enter into an agreement, in form and substance satisfactory to Lehman, substantially in the form of an underwriting agreement for a registered offering, (B) provide accountant's "comfort" letters in customary form for registered offerings of equity securities, (C) provide disclosure opinions of

nationally recognized outside counsel to Counterparty reasonably acceptable to Lehman, (D) provide other customary opinions, certificates and closing documents customary in form for registered offerings of equity securities and (E) afford Lehman a reasonable opportunity to conduct a "due diligence" investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities; provided, however, that if Lehman, in its commercially reasonable judgment, is not reasonably satisfied with access to Counterparty's due diligence materials, the results of its due diligence investigation, or the procedures and documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section 8(c) shall apply at the election of Counterparty; (ii) in order to allow Lehman to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement underwriting agreements customary for private placements of equity securities, in form and substance reasonably satisfactory to Lehman, including customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to Lehman, due diligence rights (for Lehman or any designated buyer of the Hedge Shares from Lehman), opinions and certificates and such other documentation as is customary for private placements agreements, all reasonably acceptable to Lehman (in which case, the Calculation Agent shall make any adjustments to the terms of the Transaction that are necessary, in its reasonable judgment, to compensate Lehman for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement); or (iii) purchase the Hedge Shares from Lehman at the VWAP Price on such Exchange Business Days, and in the amounts, requested by Lehman. "**VWAP Price**" means, on any Exchange Business Day, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page PKD.N <equity> VAP (or any successor thereto) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) on such Exchange Business Day (or if such volume-weighted average price is unavailable, the market value of one Share on such Exchange Business Day, as determined by the Calculation Agent using a volume-weighted method).

(d) *Amendment to Equity Definitions.* The following amendment shall be made to the Equity Definitions:

(i) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at Lehman's option, the occurrence of any of the events specified in Section 6.01(h) or (i) of the Indenture."

(ii) Section 12.9(b)(i) of the Equity Definitions is hereby amended by (1) replacing "either party may elect" with "Lehman may elect" and (2) replacing "notice to the other party "with "notice to Counterparty" in the first sentence of such section.

(e) *Repurchase Notices*. Counterparty shall, on any day on which Counterparty effects any repurchase of Shares, promptly give Lehman a written notice of such repurchase (a "**Repurchase Notice**") on such day if, following such repurchase, the Notice Percentage as determined on such day is (i) greater than 6% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater than the Notice Percentage as of the date hereof). The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the Number of Shares and the denominator of which is the number of Shares outstanding on such day. In the event that Counterparty fails to provide Lehman with a Repurchase Notice on the day and in the manner specified in this Section 8(e) then Counterparty agrees to indemnify and hold harmless Lehman, its affiliates and their respective directors, officers, employees, agents and controlling persons (Lehman and each such person being an "**Indemnified Party**") from and against any and all losses, claims, damages and liabilities (or actions in respect thereof), joint or several, to which such Indemnified Party may become subject under applicable securities laws, including without

limitation, Section 16 of the Exchange Act, relating to or arising out of such failure. If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold harmless any Indemnified Party, then Counterparty shall contribute, to the maximum extent permitted by law, to the amount paid or payable by the Indemnified Party as a result of such loss, claim, damage or liability. In addition, Counterparty will reimburse any Indemnified Party for all expenses (including reasonable counsel fees and expenses) reasonably incurred (after notice to Counterparty in the form of a documented invoice) in connection with the investigation of, preparation for or defense or settlement of any pending or threatened claim or any action, suit or proceeding arising from such failure, whether or not such Indemnified Party is a party thereto and whether or not such claim, action, suit or proceeding is initiated or brought by or on behalf of Counterparty. This indemnity shall survive the completion of the Transaction contemplated by this Confirmation and any assignment and delegation of the Transaction made pursuant to this Confirmation or the Agreement shall inure to the benefit of any permitted assignee of Lehman.

(f) *Transfer and Assignment.* Lehman may transfer or assign its rights and obligations hereunder and under the Agreement, in whole or in part, to any of its affiliates, or any entities sponsored or organized by, or on behalf of or for the benefit of, Lehman, *provided* that such transferees are not less creditworthy than, or such transferees' payment and performance obligations under this Transaction are guaranteed by, Lehman Brothers Holdings Inc., and for so long as the ratings then assigned to such transferees (or, in the case of any transferee whose payment and performance obligations under this Transaction are guaranteed by Lehman Brothers Holdings Inc., Lehman Brothers Holdings Inc.'s) long term unsecured debt or deposit obligations (not supported by third party credit enhancement) is not less than "A" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or "A2" by Moody's Investors Service, Inc. If at any time at which the Equity Percentage exceeds 8%, Lehman, in its discretion, is unable to effect a transfer or assignment of a portion of its rights and obligations under this Transaction with the prior written consent of Counterparty (such consent not to be unreasonably withheld) covering the number of Shares causing the Equity Percentage to exceed 8% (the "Excess Shares") after its commercially reasonable efforts on pricing terms reasonably acceptable to Lehman such that the Equity Percentage is reduced to 8% or less, Lehman may designate any Scheduled Trading Day as an Early Termination Date with respect to a such portion (the "**Terminated Portion**") of the Transaction constituting the Excess Shares, such that the Equity Percentage following such partial termination will be equal to or less than 8%. In the event that Lehman so designates an Early Termination Date with respect to such a portion of the Transaction, a payment or delivery shall be made pursuant to Section 6 of the Agreement and Section 8(b) of this Confirmation as if (i) an Early Termination Date had been designated in respect of a Transaction having terms identical to the Terminated Portion of the Transaction, (ii) Counterparty shall be the sole Affected Party with respect to such partial termination and (iii) such portion of the Transaction shall be the only Terminated Transaction. The "**Equity Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the sum of the number of Shares that Lehman or any of its affiliates beneficially own (within the meaning of Section 13 of the Exchange Act) on such day, other than any Shares so owned as a hedge of the Transaction, and the Number of Shares and (B) the denominator of which is the number of Shares outstanding on such day.

(g) *Staggered Settlement*. Lehman may, by notice to Counterparty prior to any Settlement Date (a "**Nominal Settlement Date**"), elect to deliver the Shares on two or more dates (each, a "**Staggered Settlement Date**") or at two or more times on the Nominal Settlement Date as follows:

(i) in such notice, Lehman will specify to Counterparty the related Staggered Settlement Dates (each of which will be on or prior to such Nominal Settlement Date, but not prior to the beginning of the related "Cash Settlement Averaging Period") or delivery times and how it will allocate the Shares it is required to deliver hereunder among the Staggered Settlement Dates or delivery times;

(ii) the aggregate number of Shares that Lehman will deliver to Counterparty hereunder on all such Staggered Settlement Dates and delivery times will equal the number of Shares that Lehman would otherwise be required to deliver on such Nominal Settlement Date; and

(iii) Lehman shall reimburse Counterparty for all reasonable and documented operational expenses related to said staggered settlement.

(h) *Right to Extend.* Lehman may postpone any Potential Exercise Date or any other date of valuation or delivery by Lehman, with respect to some or all of the relevant Options (in which event the Calculation Agent shall make appropriate adjustments to the Shares it is required to deliver hereunder), if Lehman determines, in its reasonable discretion, and with the prior written consent of Counterparty (such consent not to be unreasonably withheld), that such extension is reasonably necessary or appropriate to preserve Lehman's hedging or hedge unwind activity hereunder in light of existing liquidity conditions or to enable Lehman to effect purchases of Shares in connection with its hedging, hedge unwind or settlement activity hereunder in a manner that would, if Lehman were Counterparty or an affiliated purchaser of Counterparty, be in compliance with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Lehman.

(i) *Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.

(j) *Designation by Lehman*. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Lehman to purchase, sell, receive or deliver any Shares or other securities to or from Counterparty, Lehman may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Lehman obligations in respect of the Transaction and any such designee may assume such obligations. Lehman shall be discharged of its obligations to Counterparty to the extent of any such performance, and shall not be discharged at any time prior thereto.

(k) *No Netting and Set-off*. Multiple Transaction Payment Netting and the provisions of Section 6(f) of the Agreement shall not apply. Each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under the Transaction against any delivery or payment obligation owed to it by the other party, whether arising under the Agreement, under any other agreement between the parties thereto, by operation or law or otherwise.

(l) *Equity Rights*. Lehman acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transaction that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy. For the avoidance of doubt, the parties agree that the preceding sentence shall not apply at any time other than during Counterparty's bankruptcy to any claim arising as a result of a breach by Counterparty of any of its obligations under this Confirmation or the Agreement.

(m) *Early Unwind*. In the event the sale by Counterparty of the Convertible Securities is not consummated with the initial purchasers pursuant to the Underwriting Agreement for any reason by the close of business in New York on July 5 (or such later date as agreed upon by the parties, which in no event shall be later than July 10) (July 5 or such later date being the "**Early Unwind Date**"), the Transaction shall automatically terminate (the "**Early Unwind**"), on the Early Unwind Date and (i) the Transaction and all of the respective rights and obligations of Lehman and Counterparty thereunder shall be cancelled and terminated and (ii) Counterparty shall pay to Lehman an amount in cash equal to the aggregate amount of costs and expenses reasonably incurred by Lehman relating to the unwinding of Lehman's hedging activities in respect of the Transaction (including market losses incurred in reselling any Shares purchased by Lehman or its affiliates in connection with such hedging activities). Following such termination, cancellation and payment, each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of either party arising out of and to be performed in connection with the Transaction either prior to or after the Early Unwind Date. Lehman and Counterparty represent and acknowledge to the other that upon an Early Unwind and following the payment referred to above, all obligations with respect to the Transaction shall be deemed fully and finally discharged.

(n) *Amendments to the Agreement.* Notwithstanding any term or provision contained in the Agreement, (i) no Potential Event of Default or Event of Default shall apply with respect to Counterparty as a defaulting party, and no Termination Event shall apply with respect to Counterparty as an Affected Party, in each and any such case, except to the extent any such Event of Default or Termination Event results in the occurrence and continuance of an Additional Termination Event (as specified in this Confirmation) or an Extraordinary Event elected as being applicable in this Confirmation and Counterparty shall have no Specified Entities or Credit Support Providers for purposes of the Agreement and this Transaction; (ii) without limiting the generality of the foregoing, the Events of Default specified in Sections 5(a)(i), (ii) (except to the extent that any violation of any such agreement or obligation described therein or in this Confirmation (x) would reasonably be expected to have a material adverse effect on the ability of BofA to perform its obligations under this Transaction or (y) pertains to the disposition of Hedge Shares pursuant to Section 8(c) of this Confirmation), (iii), (iv) (except to the extent any misrepresentation made under this Confirmation or under the Agreement would reasonably be expected to have a material adverse effect on the ability of Lehman to perform its obligations under this Transaction), (v), (vi) or (vii) of the Agreement, and the Termination Events specified in the Agreement, shall not apply with respect to Counterparty; and (iii) with respect to any early termination of all or any portion of this Transaction for any reason pursuant to the terms of this Confirmation, the Equity Definitions and/or the Agreement, and additionally notwithstanding any term or provision in the Equity Definitions, (A) any amount payable (or to be payable) by either party hereto to the other party hereto arising as a result of such early termination (including any costs resulting from unwinding hedging transactions) shall be determined in good faith and in a commercially reasonable manner and (B) without limiting the foregoing, the party determining the amount of any such payment (whether Lehman, Counterparty or the Calculation Agent) shall (1) utilize commercially reasonable procedures and methodologies so as to produce a commercially reasonable determination of such amount, and (2) disclose in reasonable detail the material information utilized (or to be utilized) by such party in making such determination.

(o) *Guarantee.* Lehman agrees, no later than the Effective Date, to provide a guarantee of Lehman Brothers Holdings Inc. dated the Trade Date in a form reasonably acceptable to Counterparty, and the parties agree that the Guarantee shall be a Credit Support Document and Lehman Brothers Holdings Inc. shall be a Credit Support Provider under the Agreement.

(p) *Regulatory Provisions.*

(i) Issuer represents and warrants that it has received and read and understands the Notice of Regulatory Treatment and the OTC Option Risk Disclosure Statement.

(ii) The Agent will furnish Issuer upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with the Transaction evidenced hereby.

(q) *Waiver of Trial by Jury*. **EACH OF COUNTERPARTY AND LEHMAN HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF LEHMAN OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

(r) *Governing Law*. **THIS CONFIRMATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.**

Please confirm your agreement with the foregoing by executing this Confirmation and returning such Confirmation, in its entirety, to us at facsimile number 646-885-9546 (United States of America), Attention: Documentation.

Yours sincerely,

Lehman Brothers OTC Derivatives Inc.

By: _____
Name:
Title:

Accepted and agreed to:

Parker Drilling Company

By: _____
Name:
Title:

Execution time will be furnished upon Party B's written request.

Exhibit 10.4

June 28, 2007

To: Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

From: Bank of America, N.A.
c/o Banc of America Securities LLC
9 West 57th Street
New York, NY 10019
Attn: John Servidio
Telephone: 212-583-8373
Facsimile: 212-230-8610

Re: Issuer Warrant Transaction
(Transaction Reference Number: NY-30236)

Ladies and Gentlemen:

The purpose of this communication (this "**Confirmation**") is to set forth the terms and conditions of the above-referenced transaction entered into on the Trade Date specified below (the "**Transaction**") between Bank of America, N.A. ("**BofA**") and Parker Drilling Company ("**Issuer**"). This communication constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

1. This Confirmation is subject to, and incorporates, the definitions and provisions of the 2000 ISDA Definitions (including the Annex thereto) (the "**2000 Definitions**") and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions (except to the extent expressly amended by this Confirmation) (the "**Equity Definitions**", and together with the 2000 Definitions, the "**Definitions**"), in each case as published by the International Swaps and Derivatives Association, Inc. and as in effect on the date hereof ("**ISDA**"). In the event of any inconsistency between the 2000 Definitions and the Equity Definitions, the Equity Definitions will govern. For purposes of the Equity Definitions, each reference herein to a Warrant shall be deemed to be a reference to a Call Option or an Option, as context requires.

This Confirmation evidences a complete and binding agreement between BofA and Issuer as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement (the "**ISDA Form**") as if BofA and Issuer had executed an agreement in such form (without any Schedule but with the elections set forth in this Confirmation, except to the extent amended, modified or supplemented by this Confirmation). For the avoidance of doubt, the Transaction shall be the only transaction under the Agreement. The parties acknowledge and agree that Issuer and BofA have previously entered into an ISDA Master Agreement dated as of December 21, 2001 (as amended, modified or supplemented from time to time (including by any schedule or annex thereto), the "Existing ISDA Master Agreement") and that, notwithstanding any term or provision in the Existing ISDA Master Agreement, the Transaction evidenced by this Confirmation shall not under any circumstances constitute (or be deemed to constitute) a Transaction or a Specified Transaction (each as defined in the Existing ISDA Master Agreement) under, or otherwise be subject to, the Existing ISDA Master Agreement.

All provisions contained in, or incorporated by reference to, the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and either the Definitions or the Agreement, this Confirmation shall govern.

2. The Transaction is a Warrant Transaction, which shall be considered a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	June 28, 2007
Effective Date:	July 5, 2007, subject to Section 8(o) below
Components:	The Transaction will be divided into individual Components, each with the terms set forth in this Confirmation, and, in particular, with the Number of Warrants and Expiration Date set forth in this Confirmation. The payments and deliveries to be made upon settlement of the Transaction will be determined separately for each Component as if each Component were a separate Transaction under the Agreement.
Warrant Style:	European
Warrant Type:	Call
Seller:	Issuer
Buyer:	BofA
Shares:	The Common Stock of Issuer, par value USD 0.16 2/3 per share (Ticker Symbol: "PKD").
Number of Warrants:	For each Component, as provided in Annex A to this Confirmation.
Warrant Entitlement:	One Share per Warrant
Strike Price:	USD 18.2875
Premium:	USD 11,178,000
Premium Payment Date:	The Effective Date
Exchange:	New York Stock Exchange
Related Exchange:	All Exchanges

Procedures for Exercise:

Expiration Time:	Valuation Time
Expiration Date:	As provided in Annex A to this Confirmation (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day that is not already

	an Expiration Date for another Component); *provided* that if that date is a Disrupted Day, the Expiration Date for such Component shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day and is not or is not deemed to be an Expiration Date in respect of any other Component of the Transaction hereunder; and *provided further* that if the Expiration Date has not occurred pursuant to the preceding proviso as of the Final Disruption Date, the Final Disruption Date shall be the Expiration Date (irrespective of whether such date is an Expiration Date occurring on the Final Disruption Date in respect of any other Component for the Transaction) and, notwithstanding anything to the contrary in this Confirmation or the Definitions, the Relevant Price for the Expiration Date shall be the prevailing market value per Share determined by the Calculation Agent, upon prior written notice to Issuer, and good faith and in a commercially reasonable manner. "**Final Disruption Date**" means March 6, 2013. Notwithstanding the foregoing and anything to the contrary in the Equity Definitions, if a Market Disruption Event occurs on any Expiration Date, the Calculation Agent may determine that such Expiration Date is a Disrupted Day only in part, in which case the Calculation Agent shall make commercially reasonable adjustments to the number of Warrants for the relevant Component for which such day shall be the Expiration Date and shall designate the Scheduled Trading Day determined in the manner described in the immediately preceding sentence as the Expiration Date for the remaining Warrants for such Component. Section 6.6 of the Equity Definitions shall not apply to any Valuation Date occurring on an Expiration Date.
Market Disruption Event:	Section 6.3(a) of the Equity Definitions is hereby amended by (A) adding the term "reasonably" before the term "determines" in clause (ii) thereof and (B) deleting the words "during the one hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be," in clause (ii) thereof.
Automatic Exercise:	Applicable; and means that each Warrant not previously exercised under the Transaction will be deemed to be automatically exercised at the Expiration Time on the Expiration Date unless BofA notifies Seller (by telephone or in writing) prior to the Expiration Time on the Expiration Date that it does not wish Automatic Exercise to occur, in which case Automatic Exercise will not apply.
Issuer's Telephone Number and Telex and/or Facsimile	

Number and Contact Details for purpose of Giving Notice:	To be provided by Issuer.

Settlement Terms:

In respect of any Component:

Settlement Currency:	USD
Net Share Settlement:	On each Settlement Date, Issuer shall deliver to BofA a number of Shares equal to the Number of Shares to be Delivered for such Settlement Date to the account specified by BofA and cash in lieu of any fractional shares valued at the Relevant Price on the Valuation Date corresponding to such Settlement Date.
Number of Shares to be Delivered:	In respect of any Exercise Date, subject to the last sentence of Section 9.5 of the Equity Definitions, the product of (i) the number of Warrants exercised or deemed exercised on such Exercise Date, (ii) the Warrant Entitlement and (iii) (A) the excess of the VWAP Price on the Valuation Date occurring on such Exercise Date over the Strike Price *divided by* (B) such VWAP Price. The Number of Shares to be Delivered shall be delivered by Issuer to BofA no later than 5:00 P.M. (local time in New York City) on the relevant Settlement Date.
VWAP Price:	For any Valuation Date, the Rule 10b-18 dollar volume weighted average price per Share for such Valuation Date based on transactions executed during such Valuation Date, as reported on Bloomberg Page "PKD.N <Equity> AQR SEC" (or any equivalent successor thereto, if such page is not available) or, in the event such price is not so reported on such Valuation Date for any reason, as reasonably determined by the Calculation Agent using a volume-weighted method.
Other Applicable Provisions:	The provisions of Sections 9.1(c), 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 (i), (iv) and (v) of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Issuer is the issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled".

	"Net Share Settled" in relation to any Warrant means that Net Share Settlement is applicable to such Warrant.
Adjustments:	
In respect of any Component:	
Method of Adjustment:	Calculation Agent Adjustment
Extraordinary Dividend:	Any cash dividend or distribution on the Shares with an ex-dividend date occurring on or after the Trade Date and on or prior to the Expiration Date.
Extraordinary Dividend Adjustment:	If at any time during the period from and including the Trade Date, to but excluding the last Expiration Date, an ex-dividend date for an Extraordinary Dividend occurs, then the Calculation Agent will upon prior written notice to Issuer make commercially reasonable adjustments to the Strike Price, the Number of Warrants, the Warrant Entitlement and/or any other variable relevant to the exercise, settlement, payment or other terms of the Transaction to preserve the fair value of the Transaction to BofA after taking into account such Extraordinary Dividend.
Extraordinary Events:	
Consequences of Merger Events:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment (Calculation Agent Determination)
(c) Share-for-Combined:	Cancellation and Payment (Calculation Agent Determination)
Tender Offer:	Applicable
Consequences of Tender Offers:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment (Calculation Agent Determination) on that portion of the Other Consideration that consists of cash; Modified Calculation Agent Adjustment on the remainder of the Other Consideration.
(c) Share-for-Combined:	Modified Calculation Agent Adjustment

Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Market or The Nasdaq Global Select Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall thereafter be deemed to be the Exchange; *provided further* that, in determining any Cancellation Amount, notwithstanding any term or provision in the Agreement or the Equity Definitions, the Calculation Agent shall comply with the terms and provisions set forth in Section 8(p)(iii) of this Confirmation.
Additional Disruption Events:	
(a) Change in Law:	Applicable (*provided* that clause (y) of this term set forth in Section 12.9(a)(ii) of the Equity Definitions shall not apply)
(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Hedging Disruption:	Applicable
(e) Increased Cost of Hedging:	Applicable
(f) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	2.00%
(g) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	0.25%
Hedging Party:	BofA for all applicable Additional Disruption Events
Determining Party:	BofA for all applicable Extraordinary Events
Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable
Additional Acknowledgments:	Applicable

3. Calculation Agent: BofA; *provided* that all calculations, determinations and adjustments made by BofA in respect of this Transaction as Calculation Agent shall be made in good faith and in a commercially reasonable manner.

4. Account Details:

BofA Payment Instructions:	Bank of America, N.A. San Francisco, CA SWIFT: BOFAUS65 Bank Routing: 121-000-358 Account Name: Bank of America Account No. : 12333-34172
Issuer Payment Instructions:	To be provided by Issuer.

5. Offices:

The Office of BofA for the Transaction is:

Bank of America, N.A.
c/o Banc of America Securities LLC
Equity Financial Products
9 West 57th Street, 40th Floor
New York, NY 10019
Telephone: 212-583-8373
Facsimile: 212-847-5124

The Office of Issuer for the Transaction is:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

6. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Issuer:

To:	Parker Drilling Company 1401 Enclave Parkway, Suite 600 Houston, Texas 77077
Attn:	General Counsel
Telephone:	(281) 406-2000
Facsimile:	(281) 406-2001

(b) Address for notices or communications to BofA:

To:	Bank of America, N.A. c/o Banc of America Securities LLC Equity Financial Products 9 West 57th Street, 40th Floor New York, NY 10019
Attn:	John Servidio
Telephone:	212-583-8373
Facsimile:	212-230-8610

7. Representations, Warranties and Agreements:

(a) In addition to the representations and warranties in the Agreement and those contained elsewhere herein, Issuer represents and warrants to and for the benefit of, and agrees with, BofA as follows:

(i) On the Trade Date, (A) none of Issuer and its officers and directors is aware of any material nonpublic information regarding Issuer or the Shares and (B) all reports and other documents filed by Issuer with the Securities and Exchange Commission pursuant to the Exchange Act when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(ii) Without limiting the generality of Section 13.1 of the Equity Definitions, Issuer acknowledges that BofA is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 133, as amended, or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project.

(iii) Prior to the Trade Date, Issuer shall deliver to BofA a resolution of Issuer's board of directors authorizing the Transaction and such other certificate or certificates as BofA shall reasonably request.

(iv) Issuer is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act.

(v) On any Expiration Date, Issuer shall not, and shall cause its affiliates and affiliated purchasers (each as defined in Rule 10b-18) not to, directly or indirectly (including, without limitation, by means of a cash-settled or other derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable for Shares on any Expiration Date.

(vi) Issuer is not, and after giving effect to the transactions contemplated hereby will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(vii) On the Trade Date (A) the assets of Issuer at their fair valuation exceed the liabilities of Issuer, including contingent liabilities, (B) the capital of Issuer is adequate to conduct the business of Issuer and (C) Issuer has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(viii) Issuer shall not take any action to decrease the number of Available Shares below the Capped Number (each as defined below).

(ix) Issuer understands no obligations of BofA to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of BofA or any governmental agency.

(b) Each of BofA and Issuer agrees and represents that it is an "eligible contract participant" as defined in Section 1a(12) of the U.S. Commodity Exchange Act, as amended.

(c) Each of BofA and Issuer acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, BofA represents and warrants to Issuer that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account without a view to the distribution or resale thereof and (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws.

(d) Each of BofA and Issuer agrees and acknowledges that BofA is a "financial institution," "swap participant" and "financial participant", and that Issuer is a "swap participant", in each case within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "**Bankruptcy Code**"). The parties hereto further agree and acknowledge (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that BofA is entitled to the protections afforded by, among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(e) Issuer shall deliver to BofA an opinion of counsel, dated as of the Effective Date and reasonably acceptable to BofA in form and substance, with respect to the matters set forth in Section 3(a) of the Agreement.

8. Other Provisions:

(a) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, subject to Section 8(l) below, Issuer shall owe BofA any amount pursuant to Sections 12.2, 12.3, 12.6, 12.7 or 12.9 of the Equity Definitions (except in the event of an Insolvency, a Nationalization, a Tender Offer or a Merger Event, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash) or pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Issuer is the Defaulting Party or a Termination Event in which Issuer is the Affected Party, that resulted from an event or events within Issuer's control) (a "**Payment Obligation**"), Issuer shall have the right, in its sole discretion, to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving irrevocable telephonic notice to BofA, confirmed in writing within one Scheduled Trading Day, between the hours of 9:00 A.M. and 4:00 P.M. New York City time on the Merger Date, Tender Offer Date, Announcement Date or Early Termination Date, as applicable ("**Notice of Share Termination**"). Upon such Notice of Share Termination, the following provisions shall apply on the Scheduled Trading Day immediately following the Merger Date, the Tender Offer Date, Announcement Date or Early Termination Date, as applicable:

Share Termination Alternative:	Applicable and means that Issuer shall deliver to BofA the Share Termination Delivery Property on the date on which the Payment Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Issuer at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of an Insolvency, Nationalization, Merger Event or Tender Offer, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Insolvency, Nationalization, Merger Event or Tender Offer. If such Insolvency, Nationalization, Merger Event or Tender Offer involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Applicable

Other applicable provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Seller is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "settled by Share Termination Alternative" and all references to "Shares" shall be read as references to "Share Termination Delivery Units".

(b) *Registration/Private Placement Procedures*. (i) If, in the commercially reasonable judgment of BofA acting in good faith, for any reason, any Shares or any securities of Issuer or its affiliates comprising any Share Termination Delivery Units deliverable to BofA hereunder (any such Shares or securities, "**Delivered Securities**") would not be immediately freely transferable by BofA under Rule 144(k) under the Securities Act of 1933, as amended (the "**Securities Act**"), then the provisions set forth in this Section 8(b) shall apply. At the election of Issuer by notice to BofA within one Exchange Business Day after the relevant delivery obligation arises, but in any event at least one Exchange Business Day prior to the date on which such delivery obligation is due, either (A) all Delivered Securities delivered by Issuer to BofA shall be, at the time of such delivery, covered by an effective registration statement of Issuer for immediate resale by BofA (such registration statement and the corresponding prospectus (the "**Prospectus**") (including, without limitation, any sections describing the plan of distribution) in form and content commercially reasonably satisfactory to BofA) or (B) Issuer shall deliver additional Delivered Securities so that the value of such Delivered Securities, as determined by the Calculation Agent in good faith and upon prior written notice to Issuer, to reflect a commercially reasonable liquidity discount, equals the value of the number of Delivered Securities that would otherwise be deliverable if such Delivered Securities were freely tradeable (without prospectus delivery) upon receipt by BofA (such value, the "**Freely Tradeable Value**"); provided that Issuer may not make the election described in this clause (B) if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the delivery by Issuer to BofA (or any affiliate designated by BofA) of the Delivered Securities or the exemption pursuant to Section 4(1) or Section 4(3) of the Securities Act for resales of the Delivered Securities by BofA (or any such affiliate of BofA). (For the avoidance of doubt, as used in this paragraph (b) only, the term "Issuer" shall mean the issuer of the relevant securities, as the context shall require.)

(ii) If Issuer makes the election described in clause (b)(i)(A) above:

(A) BofA (or an Affiliate of BofA designated by BofA) shall be afforded a reasonable opportunity to conduct a due diligence investigation with respect to Issuer that is customary in scope for underwritten offerings of equity securities and that yields results that are commercially reasonably satisfactory to BofA or such Affiliate, as the case may be, in its discretion; and

(B) BofA (or an Affiliate of BofA designated by BofA) and Issuer shall enter into an agreement (a "**Registration Agreement**") on commercially reasonable terms in connection with the public resale of such Delivered Securities by BofA or such Affiliate substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance commercially

reasonably satisfactory to BofA or such Affiliate and Issuer, which Registration Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating to the indemnification of, and contribution in connection with the liability of, BofA and its Affiliates and Issuer, shall provide for the payment by Issuer of all reasonable expenses incurred thereby in connection with such resale, including all registration costs and all reasonable fees and expenses of counsel for BofA, and shall provide for the delivery of accountants' "comfort letters" to BofA or such Affiliate with respect to the financial statements and certain financial information contained in or incorporated by reference into the Prospectus.

(iii) If Issuer makes the election described in clause (b)(i)(B) above:

(A) all Delivered Securities shall be delivered to BofA (or any Affiliate of BofA designated by BofA) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(B) BofA (or an Affiliate of BofA designated by BofA) and any potential institutional purchaser of any such Delivered Securities from BofA or such Affiliate identified by BofA shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation in compliance with applicable law with respect to Issuer customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(C) BofA (or an Affiliate of BofA designated by BofA) and Issuer shall enter into an agreement (a "**Private Placement Agreement**") on commercially reasonable terms in connection with the private placement of such Delivered Securities by Issuer to BofA or such Affiliate and the private resale of such shares by BofA or such Affiliate, substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to BofA and Issuer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating to the indemnification of, and contribution in connection with the liability of, BofA and its Affiliates and Issuer, shall provide for the payment by Issuer of all expenses in connection with such resale, including all fees and expenses of counsel for BofA, shall contain representations, warranties and agreements of Issuer reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales, and shall use best efforts to provide for the delivery of accountants' "comfort letters" to BofA or such Affiliate with respect to the financial statements and certain financial information contained in or incorporated by reference into the offering memorandum prepared for the resale of such Shares; and

(D) Issuer agrees that any Delivered Securities so delivered to BofA, (i) may be transferred by and among BofA and its Affiliates, and Issuer shall effect such transfer without any further action by BofA and (ii) after the minimum "holding

period" within the meaning of Rule 144(d) under the Securities Act has elapsed with respect to such Delivered Securities, Issuer shall promptly remove, or cause the transfer agent for such Shares or securities to remove, any legends referring to any such restrictions or requirements from such Delivered Securities upon delivery by BofA (or such Affiliate of BofA) to Issuer or such transfer agent of seller's and broker's representation letters customarily delivered by BofA in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by BofA (or such affiliate of BofA), in each case except to the extent reasonably requested by Issuer following a change in the Securities Act or rules, regulations or the SEC's interpretations thereunder and to the extent necessary to ensure compliance by Issuer or BofA with applicable securities laws.

(iv) For the avoidance of doubt (and notwithstanding anything herein, in the Agreement or otherwise to the contrary), Issuer may deliver Delivered Securities which are unregistered under the Securities Act.

(c) *Make-whole*. If Issuer makes the election described in clause (b)(i)(B) of paragraph (b) of this Section 8, then BofA or its affiliate may sell such Shares or Share Termination Delivery Units, as the case may be, during a period (the "**Resale Period**") commencing on the Exchange Business Day following delivery of such Shares or Share Termination Delivery Units, as the case may be, and ending on the Exchange Business Day on which BofA completes the sale of all such Shares or Share Termination Delivery Units, as the case may be, or a sufficient number of Shares or Share Termination Delivery Units, as the case may be, so that the realized net proceeds of such sales exceed the Freely Tradeable Value (such amount of the Freely Tradeable Value, the "**Required Proceeds**"). BofA shall in the case of any such sale use its best efforts acting in good faith so as to complete any such sale as expeditiously as possible and to obtain an amount or amounts which equal or exceed the Required Proceeds. If any of such delivered Shares or Share Termination Delivery Units remain after such realized net proceeds exceed the Required Proceeds, BofA shall return such remaining Shares or Share Termination Delivery Units to Issuer. If the Required Proceeds exceed the realized net proceeds from such resale, Issuer shall transfer to BofA by the open of the regular trading session on the Exchange on the Exchange Trading Day immediately following the last day of the Resale Period the amount of such excess (the "**Additional Amount**") in cash or in a number of additional Shares ("**Make-whole Shares**") in an amount that, based on the Relevant Price on the last day of the Resale Period (as if such day was the "Valuation Date" for purposes of computing such Relevant Price), has a dollar value equal to the Additional Amount; and provided that the Issuer shall determine, in its sole discretion, whether to deliver cash or such Make-whole Shares. The Resale Period shall continue to enable the sale of the Make-whole Shares in the manner contemplated by this Section 8(c). This provision shall be applied successively until the Additional Amount is equal to zero, subject to Section 8(e).

(d) *Beneficial Ownership*. Notwithstanding anything to the contrary in the Agreement or this Confirmation, in no event shall BofA be entitled to receive, or shall be deemed to receive, any Shares if, upon such receipt of such Shares, the "beneficial ownership" (within the meaning of Section 13 of the Exchange Act and the rules promulgated thereunder) of Shares by BofA or any entity that directly or indirectly controls BofA (collectively, "**Buyer Group**") would be equal to or greater than 9% or more of the outstanding Shares. If any delivery owed to BofA hereunder is not made, in whole or in part, as a result of this provision, Issuer's obligation to make such delivery shall not be extinguished and Issuer shall make such delivery as promptly as practicable after, but in no event later than one Exchange Business Day after, BofA gives notice to Issuer that such

delivery would not result in Buyer Group directly or indirectly so beneficially owning in excess of 9% of the outstanding Shares.

(e) *Limitations on Settlement by Issuer*. Notwithstanding anything herein or in the Agreement to the contrary, in no event shall Issuer be required to deliver Shares in connection with the Transaction in excess of 9,966,595 Shares (the "**Capped Number**"), as such number may be adjusted for Share splits or Share combinations. Issuer represents and warrants (which shall be deemed to be repeated on each day that the Transaction is outstanding) that the Capped Number is equal to or less than the number of authorized but unissued Shares of the Issuer that are not reserved for future issuance in connection with transactions in the Shares (other than the Transaction) on the date of the determination of the Capped Number (such Shares, the "**Available Shares**"). In the event Issuer shall not have delivered the full number of Shares otherwise deliverable as a result of this Section 8(e) (the resulting deficit, the "**Deficit Shares**"), Issuer shall be continually obligated to deliver, from time to time until the full number of Deficit Shares have been delivered pursuant to this paragraph, Shares when, and to the extent, that (i) Shares are repurchased, acquired or otherwise received by Issuer or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (ii) authorized and unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved and (iii) Issuer additionally authorizes and unissued Shares that are not reserved for other transactions. Issuer shall immediately notify BofA of the occurrence of any of the foregoing events (including the number of Shares subject to clause (i), (ii) or (iii) and the corresponding number of Shares to be delivered) and promptly deliver such Shares thereafter.

(f) *Right to Extend.* BofA may postpone any Exercise Date or any other date of valuation or delivery with respect to some or all of the relevant Warrants (in which event the Calculation Agent shall make appropriate adjustments to the Number of Shares to be Delivered with respect to one or more Components), if BofA determines, in its reasonable discretion, and with the prior written consent of Issuer (such consent not to be unreasonably withheld) that such extension is reasonably necessary or appropriate to preserve BofA's hedging or hedge unwind activity hereunder in light of existing liquidity conditions or to enable BofA to effect purchases of Shares in connection with its hedging, hedge unwind or settlement activity hereunder in a manner that would, if BofA were Issuer or an affiliated purchaser of Issuer, be in compliance with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to BofA.

(g) *Equity Rights*. BofA acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transaction that are senior to the claims of common stockholders in the event of Issuer's bankruptcy. For the avoidance of doubt, the parties agree that the preceding sentence shall not apply at any time other than during Issuer's bankruptcy to any claim arising as a result of a breach by Issuer of any of its obligations under this Confirmation or the Agreement. For the avoidance of doubt, the parties acknowledge that this Confirmation is not secured by any collateral that would otherwise secure the obligations of Issuer herein under or pursuant to any other agreement.

(h) *Amendments to Equity Definitions and the Agreement.* The following amendments shall be made to the Equity Definitions and to the Agreement:

(i) The first sentence of Section 11.2(c) of the Equity Definitions, prior to clause (A) thereof, is hereby amended to read as follows: '(c) If "Calculation Agent Adjustment" is specified as the Method of Adjustment in the related Confirmation of a Share Option Transaction, then following the announcement or occurrence of any Potential Adjustment Event,

the Calculation Agent will determine whether such Potential Adjustment Event has a dilutive or concentrative effect on the theoretical value of the relevant Shares or options on the Shares and, if so, will (i) make appropriate adjustment(s), if any, to any one or more of:' and, the portion of such sentence immediately preceding clause (ii) thereof is hereby amended by deleting the words "diluting or concentrative" and the words "(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Shares)" and replacing such latter phrase with the words "(and, for the avoidance of doubt, adjustments may be made to account solely for changes in volatility, Extraordinary Dividends (within the meaning of this Confirmation) or liquidity relative to the relevant Shares)";

(ii) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at BofA's option, the occurrence of any of the events specified in Section 5(a)(vii) (1) through (9) of the ISDA Master Agreement with respect to that Issuer's"

(iii) Section 12.9(b) of the Equity Definitions is hereby amended by (1) replacing the word "two" with "three" in the third line of clause (i), fourth to last line of clause (ii), third line of clause (iii), eighth line of clause (iv), fourth line of clause (v) and fifth line of clause (vi) and (2) replacing the word "second" with "third" in the ninth and tenth lines of clause (vi).

(i) *Agreement in Respect of Termination Amounts.* Notwithstanding any term or provision in this Confirmation, the Equity Definitions or the Agreement, but without limiting Section 8(p)(iii) of this Confirmation, in determining any amounts payable in respect of the termination or cancellation of the Transaction pursuant to Section 6 of the Agreement or Article 12 of the Equity Definitions, the Calculation Agent shall make such determination without regard to (i) changes to costs of funding, stock loan rates or expected dividends, or (ii) losses or costs incurred in connection with terminating, liquidating or reestablishing any hedge related to the Transaction (or any gain resulting from any of them).

(j) *Transfer and Assignment.* BofA may transfer or assign its rights and obligations hereunder and under the Agreement, in whole or in part, at any time to any person or entity whatsoever with the consent of Issuer, provided that such consent will not be unreasonably withheld.

(k) *Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Issuer and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Issuer relating to such tax treatment and tax structure.

(l) *Designation by BofA*. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing BofA to purchase, sell, receive or deliver any Shares or other securities to or from Issuer, BofA may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform BofA obligations in respect of the Transaction and any such designee may assume such obligations. BofA shall be discharged of its obligations

to Issuer to the extent of any such performance and shall not be discharged at any time prior thereto..

(m) *No Netting and Set-off*. Multiple Transaction Payment Netting and the provisions of Section 6(f) of the Agreement shall not apply. Each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under the Transaction against any delivery or payment obligation owed to it by the other party, whether arising under the Agreement, under any other agreement between the parties thereto, by operation or law or otherwise.

(n) *Additional Termination Event*. If BofA reasonably determines that it is advisable to terminate a portion of the Transaction so that BofA's related hedging activities will comply with applicable securities laws, rules or regulations, an Additional Termination Event shall occur in respect of which (1) Issuer shall be the sole Affected Party and (2) the Transaction shall be the sole Affected Transaction.

(o) *Effectiveness*. If, prior to the Effective Date, BofA reasonably determines that it is advisable to cancel the Transaction because of concerns that BofA's related hedging activities could be viewed as not complying with applicable securities laws, rules or regulations, the Transaction shall be cancelled and shall not become effective, and neither party shall have any obligation to the other party in respect of the Transaction.

(p) *Amendments to the Agreement*. Notwithstanding any term or provision contained in the Agreement, (i) at any time prior to April 15, 2012 no Potential Event of Default or Event of Default shall apply with respect to Issuer as a defaulting party, and no Termination Event shall apply with respect to Issuer as an Affected Party, in each and any such case, except to the extent any such Event of Default or Termination Event results in the occurrence and continuance of an Additional Termination Event (as specified in this Confirmation) or an Extraordinary Event elected as being applicable in this Confirmation, and Issuer shall have no Specified Entities or Credit Support Providers for purposes of the Agreement and this Transaction; (ii) without limiting the generality of the foregoing, and within the time period and subject to the other conditions specified in clause (i), the Events of Default specified in Sections 5(a) (ii) (except to the extent that any violation of any such agreement or delivery obligation described therein or in this Confirmation would reasonably be expected to have a material adverse effect on the ability of Issuer to perform its delivery obligations under this Transaction), (iii), (iv) (except to the extent any misrepresentation made under this Confirmation or under the Agreement would reasonably be expected to have a material adverse effect on the ability of Issuer to perform its obligations under this Transaction), (v), or (vi) of the Agreement, and the Termination Events specified in the Agreement, shall not apply with respect to Issuer; and (iii) with respect to any early termination of all or any portion of this Transaction for any reason pursuant to the terms of this Confirmation, the Equity Definitions and/or the Agreement, and additionally notwithstanding any term or provision in the Equity Definitions, (A) any amount payable (or to be payable) by either party hereto to the other party hereto arising as a result of such early termination (including any costs resulting from unwinding hedging transactions) shall be determined in good faith and in a commercially reasonable manner and (B) without limiting the foregoing, the party determining the amount of any such payment (whether BofA, Issuer or the Calculation Agent) shall (1) utilize commercially reasonable procedures and methodologies so as to produce a commercially reasonable determination of such amount, and (2) disclose in reasonable detail the material information utilized (or to be utilized) by such party in making such determination.

(q) *Waiver of Trial by Jury.* **EACH OF ISSUER AND BUYER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF BUYER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

(r) *Governing Law*. **THIS CONFIRMATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.**

Issuer hereby agrees (a) to check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by BofA) correctly sets forth the terms of the agreement between BofA and Issuer with respect to the Transaction, by manually signing this Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to John Servidio, Facsimile No. 212-230-8610.

Yours faithfully,

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

Agreed and Accepted By:

PARKER DRILLING COMPANY

By: _____
Name:
Title:

Annex A

For each Component of the Transaction, the Number of Warrants and Expiration Date is set forth below.

Component Number	Number of Warrants	Expiration Date
1.	55,369	October 15, 2012
2.	55,369	October 16, 2012
3.	55,369	October 17, 2012
4.	55,369	October 18, 2012
5.	55,369	October 19, 2012
6.	55,369	October 22, 2012
7.	55,369	October 23, 2012
8.	55,369	October 24, 2012
9.	55,369	October 25, 2012
10.	55,369	October 26, 2012
11.	55,369	October 29, 2012
12.	55,369	October 30, 2012
13.	55,369	October 31, 2012
14.	55,369	November 1, 2012
15.	55,369	November 2, 2012
16.	55,369	November 5, 2012
17.	55,369	November 6 2012
18.	55,369	November 7, 2012
19.	55,369	November 8, 2012
20.	55,369	November 9, 2012
21.	55,369	November 12, 2012
22.	55,369	November 13, 2012
23.	55,369	November 14, 2012
24.	55,369	November 15, 2012
25.	55,369	November 16, 2012
26.	55,369	November 19, 2012
27.	55,369	November 20, 2012
28.	55,369	November 21, 2012
29.	55,369	November 23, 2012
30.	55,369	November 26, 2012
31.	55,369	November 27, 2012
32.	55,369	November 28, 2012
33.	55,369	November 29, 2012
34.	55,369	November 30, 2012
35.	55,369	December 3, 2012
36.	55,369	December 4, 2012
37.	55,369	December 5, 2012
38.	55,369	December 6, 2012
39.	55,369	December 7, 2012
40.	55,369	December 10, 2012
41.	55,369	December 11, 2012
42.	55,369	December 12, 2012
43.	55,369	December 13, 2012
44.	55,369	December 14, 2012
45.	55,369	December 17, 2012
46.	55,369	December 18, 2012

Component Number	Number of Warrants	Expiration Date
47.	55,369	December 19, 2012
48.	55,369	December 20, 2012
49.	55,369	December 21, 2012
50.	55,369	December 24, 2012
51.	55,369	December 26, 2012
52.	55,369	December 27, 2012
53.	55,369	December 28, 2012
54.	55,369	December 31, 2012
55.	55,369	January 2, 2013
56.	55,369	January 3, 2013
57.	55,369	January 4, 2013
58.	55,369	January 7, 2013
59.	55,369	January 8, 2013
60.	55,369	January 9, 2013
61.	55,369	January 10, 2013
62.	55,369	January 11, 2013
63.	55,369	January 14, 2013
64.	55,369	January 15, 2013
65.	55,369	January 16, 2013
66.	55,369	January 17, 2013
67.	55,369	January 18, 2013
68.	55,369	January 22, 2013
69.	55,369	January 23, 2013
70.	55,369	January 24, 2013
71.	55,369	January 25, 2013
72.	55,369	January 28, 2013
73.	55,369	January 29, 2013
74.	55,369	January 30, 2013
75.	55,369	January 31, 2013
76.	55,369	February 1, 2013
77.	55,369	February 4, 2013
78.	55,369	February 5, 2013
79.	55,369	February 6, 2013
80.	55,369	February 7, 2013
81.	55,369	February 8, 2013
82.	55,369	February 11, 2013
83.	55,369	February 12, 2013
84.	55,369	February 13, 2013
85.	55,369	February 14, 2013
86.	55,369	February 15, 2013
87.	55,369	February 19, 2013
88.	55,369	February 20, 2013
89.	55,369	February 21, 2013
90.	55,456	February 22, 2013

Exhibit 10.5

Deutsche Bank

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Winchester house
1 Great Winchester St,
London EC2N 2DB
Tel. 44 20 7545 8000

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New York, NY 10005
Telephone: 212-250-5600

June 28, 2007

To: Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

From: Deutsche Bank AG London
c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Telephone: 212-250-5600
Facsimile: 212-797-9344

Re: Issuer Warrant Transaction
(Transaction Reference Number: 189653)

Ladies and Gentlemen:

The purpose of this communication (this "**Confirmation**") is to set forth the terms and conditions of the above-referenced transaction entered into on the Trade Date specified below (the "**Transaction**") between Deutsche Bank AG acting through its London branch ("**Deutsche**") and Parker Drilling Company ("**Issuer**"). This communication constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

DEUTSCHE BANK AG IS NOT REGISTERED AS A BROKER OR DEALER UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. DEUTSCHE BANK SECURITIES INC. ("AGENT") HAS ACTED SOLELY AS AGENT IN CONNECTION WITH THE TRANSACTION AND HAS NO OBLIGATION, BY WAY OF ISSUANCE, ENDORSEMENT, GUARANTEE OR OTHERWISE WITH RESPECT TO THE PERFORMANCE OF EITHER PARTY UNDER THE TRANSACTION. DEUTSCHE BANK AG LONDON IS NOT A MEMBER OF THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC).

1. This Confirmation is subject to, and incorporates, the definitions and provisions of the 2000 ISDA Definitions (including the Annex thereto) (the "**2000 Definitions**") and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions (except to the extent expressly amended by this Confirmation) (the "**Equity Definitions**", and together with the 2000 Definitions, the "**Definitions**"), in each case as published by the International Swaps and Derivatives Association, Inc. and as in effect on the date hereof ("**ISDA**"). In the event of any inconsistency between the 2000 Definitions and the Equity Definitions, the Equity Definitions will govern. For purposes of the Equity Definitions, each reference herein to a Warrant shall be deemed to be a reference to a Call Option or an Option, as context requires.

This Confirmation evidences a complete and binding agreement between Deutsche and Issuer as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement (the "**ISDA Form**") as if Deutsche and Issuer had executed an agreement in such form (without any Schedule but with the elections set forth in this Confirmation, except to the extent amended, modified or supplemented by this Confirmation). For the avoidance of doubt, the Transaction shall be the only transaction under the Agreement.

All provisions contained in, or incorporated by reference to, the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and either the Definitions or the Agreement, this Confirmation shall govern.

2. The Transaction is a Warrant Transaction, which shall be considered a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date:	June 28, 2007
Effective Date:	July 5, 2007, subject to Section 8(o) below
Components:	The Transaction will be divided into individual Components, each with the terms set forth in this Confirmation, and, in particular, with the Number of Warrants and Expiration Date set forth in this Confirmation. The payments and deliveries to be made upon settlement of the Transaction will be determined separately for each Component as if each Component were a separate Transaction under the Agreement.
Warrant Style:	European
Warrant Type:	Call

Seller:	Issuer
Buyer:	Deutsche
Shares:	The Common Stock of Issuer, par value USD 0.16 2/3 per share (Ticker Symbol: "PKD").
Number of Warrants:	For each Component, as provided in Annex A to this Confirmation.
Warrant Entitlement:	One Share per Warrant
Strike Price:	USD 18.2875
Premium:	USD 5,589,000
Premium Payment Date:	The Effective Date
Exchange:	New York Stock Exchange
Related Exchange:	All Exchanges

Procedures for Exercise:

Expiration Time:	Valuation Time
Expiration Date:	As provided in Annex A to this Confirmation (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day that is not already an Expiration Date for another Component); *provided* that if that date is a Disrupted Day, the Expiration Date for such Component shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day and is not or is not deemed to be an Expiration Date in respect of any other Component of the Transaction hereunder; and *provided further* that if the Expiration Date has not occurred pursuant to the preceding proviso as of the Final Disruption Date, the Final Disruption Date shall be the Expiration Date (irrespective of whether such date is an Expiration Date occurring on the Final Disruption Date in respect of any other Component for the Transaction) and, notwithstanding anything to the contrary in this Confirmation or the Definitions, the Relevant Price for the Expiration Date shall be the prevailing market value per Share determined by the Calculation Agent, upon prior written notice to Issuer, and good faith and in a commercially reasonable manner. "**Final Disruption Date**" means March 6, 2013. Notwithstanding the foregoing and anything to the contrary in the Equity Definitions, if a Market Disruption Event occurs on any Expiration Date, the Calculation Agent may determine that such Expiration Date is a Disrupted Day only in part, in

	which case the Calculation Agent shall make commercially reasonable adjustments to the number of Warrants for the relevant Component for which such day shall be the Expiration Date and shall designate the Scheduled Trading Day determined in the manner described in the immediately preceding sentence as the Expiration Date for the remaining Warrants for such Component. Section 6.6 of the Equity Definitions shall not apply to any Valuation Date occurring on an Expiration Date.
Market Disruption Event:	Section 6.3(a) of the Equity Definitions is hereby amended by (A) adding the term "reasonably" before the term "determines" in clause (ii) thereof and (B) deleting the words "during the one hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be," in clause (ii) thereof.
Automatic Exercise:	Applicable; and means that each Warrant not previously exercised under the Transaction will be deemed to be automatically exercised at the Expiration Time on the Expiration Date unless Deutsche notifies Seller (by telephone or in writing) prior to the Expiration Time on the Expiration Date that it does not wish Automatic Exercise to occur, in which case Automatic Exercise will not apply.
Issuer's Telephone Number and Telex and/or Facsimile Number and Contact Details for purpose of Giving Notice:	To be provided by Issuer.

Settlement Terms:

In respect of any Component:

Settlement Currency:	USD
Net Share Settlement:	On each Settlement Date, Issuer shall deliver to Deutsche a number of Shares equal to the Number of Shares to be Delivered for such Settlement Date to the account specified by Deutsche and cash in lieu of any fractional shares valued at the Relevant Price on the Valuation Date corresponding to such Settlement Date.
Number of Shares to be Delivered:	In respect of any Exercise Date, subject to the last sentence of Section 9.5 of the Equity Definitions, the product of (i) the number of Warrants exercised or deemed exercised on such Exercise Date, (ii) the

	Warrant Entitlement and (iii) (A) the excess of the VWAP Price on the Valuation Date occurring on such Exercise Date over the Strike Price *divided by* (B) such VWAP Price. The Number of Shares to be Delivered shall be delivered by Issuer to Deutsche no later than 5:00 P.M. (local time in New York City) on the relevant Settlement Date.
VWAP Price:	For any Valuation Date, the Rule 10b-18 dollar volume weighted average price per Share for such Valuation Date based on transactions executed during such Valuation Date, as reported on Bloomberg Page "PKD.N <Equity> AQR SEC" (or any equivalent successor thereto, if such page is not available) or, in the event such price is not so reported on such Valuation Date for any reason, as reasonably determined by the Calculation Agent using a volume-weighted method.
Other Applicable Provisions:	The provisions of Sections 9.1(c), 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 (i), (iv) and (v) of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Issuer is the issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Warrant means that Net Share Settlement is applicable to such Warrant.

Adjustments:

In respect of any Component:

Method of Adjustment:	Calculation Agent Adjustment
Extraordinary Dividend:	Any cash dividend or distribution on the Shares with an ex-dividend date occurring on or after the Trade Date and on or prior to the Expiration Date.
Extraordinary Dividend Adjustment:	If at any time during the period from and including the Trade Date, to but excluding the last Expiration Date, an ex-dividend date for an Extraordinary Dividend occurs, then the Calculation Agent will upon prior written notice to Issuer make commercially reasonable adjustments to the Strike Price, the Number of Warrants, the Warrant

	Entitlement and/or any other variable relevant to the exercise, settlement, payment or other terms of the Transaction to preserve the fair value of the Transaction to Deutsche after taking into account such Extraordinary Dividend.
Extraordinary Events:	
Consequences of Merger Events:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment (Calculation Agent Determination)
(c) Share-for-Combined:	Cancellation and Payment (Calculation Agent Determination)
Tender Offer:	Applicable
Consequences of Tender Offers:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment (Calculation Agent Determination) on that portion of the Other Consideration that consists of cash; Modified Calculation Agent Adjustment on the remainder of the Other Consideration.
(c) Share-for-Combined:	Modified Calculation Agent Adjustment
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Market or The Nasdaq Global Select Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall thereafter be deemed to be the Exchange; *provided further* that, in determining any Cancellation Amount, notwithstanding any term or provision in the Agreement or the Equity Definitions, the Calculation Agent shall comply with the terms and provisions set forth in Section 8(p)(iii) of this Confirmation.
Additional Disruption Events:	

(a) Change in Law:	Applicable (*provided* that clause (y) of this term set forth in Section 12.9(a)(ii) of the Equity Definitions shall not apply)
(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Hedging Disruption:	Applicable
(e) Increased Cost of Hedging:	Applicable
(f) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	2.00%
(g) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	0.25%
Hedging Party:	Deutsche for all applicable Additional Disruption Events
Determining Party:	Deutsche for all applicable Extraordinary Events
Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable
Additional Acknowledgments:	Applicable

3. Calculation Agent: Deutsche; *provided* that all calculations, determinations and adjustments made by Deutsche in respect of this Transaction as Calculation Agent shall be made in good faith and in a commercially reasonable manner.

4. Account Details:

Deutsche Payment Instructions:	Bank of New York ABA 021-000-018 Deutsche Bank Securities Inc. A/C 8900327634 FFC: 1459102610
Issuer Payment Instructions:	To be provided by Issuer.

5. Offices:

Deutsche Bank AG London
c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Attention: Documentation Department
Telephone: 212-250-5600
Facsimile: 212-797-9344

The Office of Issuer for the Transaction is:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

6. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Issuer:

To: Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

(b) Address for notices or communications to Deutsche:

c/o Deutsche Bank Securities Inc.
60 Wall Street, NYC60-0425
New York, NY 10005-2858
Attention: Equity Capital Markets
Telephone: 212-250-5600
Facsimile: 212-797-9344

7. Representations, Warranties and Agreements:

(a) In addition to the representations and warranties in the Agreement and those contained elsewhere herein, Issuer represents and warrants to and for the benefit of, and agrees with, Deutsche as follows:

(i) On the Trade Date, (A) none of Issuer and its officers and directors is aware of any material nonpublic information regarding Issuer or the Shares and (B) all reports and other documents filed by Issuer with the Securities and Exchange Commission pursuant to the Exchange Act when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of

a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(ii) Without limiting the generality of Section 13.1 of the Equity Definitions, Issuer acknowledges that Deutsche is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 133, as amended, or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project.

(iii) Prior to the Trade Date, Issuer shall deliver to Deutsche a resolution of Issuer's board of directors authorizing the Transaction and such other certificate or certificates as Deutsche shall reasonably request.

(iv) Issuer is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act.

(v) On any Expiration Date, Issuer shall not, and shall cause its affiliates and affiliated purchasers (each as defined in Rule 10b-18) not to, directly or indirectly (including, without limitation, by means of a cash-settled or other derivative instrument) purchase, offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable for Shares on any Expiration Date.

(vi) Issuer is not, and after giving effect to the transactions contemplated hereby will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(vii) On the Trade Date (A) the assets of Issuer at their fair valuation exceed the liabilities of Issuer, including contingent liabilities, (B) the capital of Issuer is adequate to conduct the business of Issuer and (C) Issuer has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(viii) Issuer shall not take any action to decrease the number of Available Shares below the Capped Number (each as defined below).

(ix) Issuer understands no obligations of Deutsche to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of Deutsche or any governmental agency.

(b) Each of Deutsche and Issuer agrees and represents that it is an "eligible contract participant" as defined in Section 1a(12) of the U.S. Commodity Exchange Act, as amended.

(c) Each of Deutsche and Issuer acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Deutsche represents and warrants to Issuer that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account without a view to the distribution or resale thereof and (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws.

(d) Each of Deutsche and Issuer agrees and acknowledges that Deutsche is a "financial institution," "swap participant" and "financial participant", and that Issuer is a "swap participant", in each case within the meaning of Sections 101(22), 101(53C) and 101(22A) of Title 11 of the United States Code (the "**Bankruptcy Code**"). The parties hereto further agree and acknowledge (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that Deutsche is entitled to the protections afforded by, among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(e) Issuer shall deliver to Deutsche an opinion of counsel, dated as of the Effective Date and reasonably acceptable to Deutsche in form and substance, with respect to the matters set forth in Section 3(a) of the Agreement.

8. Other Provisions:

(a) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, subject to Section 8(l) below, Issuer shall owe Deutsche any amount pursuant to Sections 12.2, 12.3, 12.6, 12.7 or 12.9 of the Equity Definitions (except in the event of an Insolvency, a Nationalization, a Tender Offer or a Merger Event, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash) or pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Issuer is the Defaulting Party or a Termination Event in which Issuer is the Affected Party, that resulted from an event or events within Issuer's control) (a "**Payment Obligation**"), Issuer shall have the right, in its sole discretion, to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving irrevocable telephonic notice to Deutsche, confirmed in writing within one Scheduled Trading Day, between the hours of 9:00 A.M. and 4:00 P.M. New York City time on the Merger Date, Tender Offer Date, Announcement Date or Early Termination Date, as applicable ("**Notice of Share Termination**"). Upon such Notice of Share Termination, the following provisions shall apply on the Scheduled Trading Day immediately following the Merger Date, the Tender Offer Date, Announcement Date or Early Termination Date, as applicable:

Share Termination Alternative:	Applicable and means that Issuer shall deliver to Deutsche the Share Termination Delivery Property on the date on which the Payment

	Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Issuer at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of an Insolvency, Nationalization, Merger Event or Tender Offer, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Insolvency, Nationalization, Merger Event or Tender Offer. If such Insolvency, Nationalization, Merger Event or Tender Offer involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Applicable
Other applicable provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Seller is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "settled by Share Termination Alternative" and all references to "Shares" shall be read as references to "Share Termination Delivery Units".

(b) *Registration/Private Placement Procedures*. (i) If, in the commercially reasonable judgment of Deutsche acting in good faith, for any reason, any Shares or any securities of Issuer or its affiliates comprising any Share Termination Delivery Units deliverable to Deutsche hereunder (any such Shares or securities, "**Delivered Securities**") would not be immediately freely transferable by Deutsche under Rule 144(k) under the Securities Act of 1933, as amended (the "**Securities Act**"), then the provisions set forth in this Section 8(b) shall apply. At the election of Issuer by notice to Deutsche within one Exchange Business Day after the relevant delivery obligation arises, but in any event at least one Exchange Business Day prior to the date on which such delivery obligation is due, either (A) all Delivered Securities delivered by Issuer to Deutsche shall be, at the time of

such delivery, covered by an effective registration statement of Issuer for immediate resale by Deutsche (such registration statement and the corresponding prospectus (the "**Prospectus**") (including, without limitation, any sections describing the plan of distribution) in form and content commercially reasonably satisfactory to Deutsche) or (B) Issuer shall deliver additional Delivered Securities so that the value of such Delivered Securities, as determined by the Calculation Agent in good faith and upon prior written notice to Issuer, to reflect a commercially reasonable liquidity discount, equals the value of the number of Delivered Securities that would otherwise be deliverable if such Delivered Securities were freely tradeable (without prospectus delivery) upon receipt by Deutsche (such value, the "**Freely Tradeable Value**"); provided that Issuer may not make the election described in this clause (B) if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the delivery by Issuer to Deutsche (or any affiliate designated by Deutsche) of the Delivered Securities or the exemption pursuant to Section 4(1) or Section 4(3) of the Securities Act for resales of the Delivered Securities by Deutsche (or any such affiliate of Deutsche). (For the avoidance of doubt, as used in this paragraph (b) only, the term "Issuer" shall mean the issuer of the relevant securities, as the context shall require.)

(ii) If Issuer makes the election described in clause (b)(i)(A) above:

(A) Deutsche (or an Affiliate of Deutsche designated by Deutsche) shall be afforded a reasonable opportunity to conduct a due diligence investigation with respect to Issuer that is customary in scope for underwritten offerings of equity securities and that yields results that are commercially reasonably satisfactory to Deutsche or such Affiliate, as the case may be, in its discretion; and

(B) Deutsche (or an Affiliate of Deutsche designated by Deutsche) and Issuer shall enter into an agreement (a "**Registration Agreement**") on commercially reasonable terms in connection with the public resale of such Delivered Securities by Deutsche or such Affiliate substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance commercially reasonably satisfactory to Deutsche or such Affiliate and Issuer, which Registration Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating to the indemnification of, and contribution in connection with the liability of, Deutsche and its Affiliates and Issuer, shall provide for the payment by Issuer of all reasonable expenses incurred thereby in connection with such resale, including all registration costs and all reasonable fees and expenses of counsel for Deutsche, and shall provide for the delivery of accountants' "comfort letters" to Deutsche or such Affiliate with respect to the financial statements and certain financial information contained in or incorporated by reference into the Prospectus.

(iii) If Issuer makes the election described in clause (b)(i)(B) above:

(A) all Delivered Securities shall be delivered to Deutsche (or any Affiliate of Deutsche designated by Deutsche) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(B) Deutsche (or an Affiliate of Deutsche designated by Deutsche) and any potential institutional purchaser of any such Delivered Securities from Deutsche or such Affiliate identified by Deutsche shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation in compliance with applicable law with respect to Issuer customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(C) Deutsche (or an Affiliate of Deutsche designated by Deutsche) and Issuer shall enter into an agreement (a "**Private Placement Agreement**") on commercially reasonable terms in connection with the private placement of such Delivered Securities by Issuer to Deutsche or such Affiliate and the private resale of such shares by Deutsche or such Affiliate, substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to Deutsche and Issuer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating to the indemnification of, and contribution in connection with the liability of, Deutsche and its Affiliates and Issuer, shall provide for the payment by Issuer of all expenses in connection with such resale, including all fees and expenses of counsel for Deutsche, shall contain representations, warranties and agreements of Issuer reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales, and shall use best efforts to provide for the delivery of accountants' "comfort letters" to Deutsche or such Affiliate with respect to the financial statements and certain financial information contained in or incorporated by reference into the offering memorandum prepared for the resale of such Shares; and

(D) Issuer agrees that any Delivered Securities so delivered to Deutsche, (i) may be transferred by and among Deutsche and its Affiliates, and Issuer shall effect such transfer without any further action by Deutsche and (ii) after the minimum "holding period" within the meaning of Rule 144(d) under the Securities Act has elapsed with respect to such Delivered Securities, Issuer shall promptly remove, or cause the transfer agent for such Shares or securities to remove, any legends referring to any such restrictions or requirements from such Delivered Securities upon delivery by Deutsche (or such Affiliate of Deutsche) to Issuer or such transfer agent of seller's and broker's representation letters customarily delivered by Deutsche in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Deutsche (or such affiliate of Deutsche), in each case except to the extent reasonably requested by Issuer following a change in the Securities Act or rules, regulations or the SEC's interpretations thereunder and to the extent necessary to ensure compliance by Issuer or Deutsche with applicable securities laws.

(iv) For the avoidance of doubt (and notwithstanding anything herein, in the Agreement or otherwise to the contrary), Issuer may deliver Delivered Securities which are unregistered under the Securities Act.

(c) *Make-whole*. If Issuer makes the election described in clause (b)(i)(B) of paragraph (b) of this Section 8, then Deutsche or its affiliate may sell such Shares or Share Termination Delivery Units, as the case may be, during a period (the "**Resale Period**") commencing on the Exchange Business Day following delivery of such Shares or Share Termination Delivery Units, as the case may be, and ending on the Exchange Business Day on which Deutsche completes the sale of all such Shares or Share Termination Delivery Units, as the case may be, or a sufficient number of Shares or Share Termination Delivery Units, as the case may be, so that the realized net proceeds of such sales exceed the Freely Tradeable Value (such amount of the Freely Tradeable Value, the "**Required Proceeds**"). Deutsche shall in the case of any such sale use its best efforts acting in good faith so as to complete any such sale as expeditiously as possible and to obtain an amount or amounts which equal or exceed the Required Proceeds. If any of such delivered Shares or Share Termination Delivery Units remain after such realized net proceeds exceed the Required Proceeds, Deutsche shall return such remaining Shares or Share Termination Delivery Units to Issuer. If the Required Proceeds exceed the realized net proceeds from such resale, Issuer shall transfer to Deutsche by the open of the regular trading session on the Exchange on the Exchange Trading Day immediately following the last day of the Resale Period the amount of such excess (the "**Additional Amount**") in cash or in a number of additional Shares ("**Make-whole Shares**") in an amount that, based on the Relevant Price on the last day of the Resale Period (as if such day was the "Valuation Date" for purposes of computing such Relevant Price), has a dollar value equal to the Additional Amount; and provided that the Issuer shall determine, in its sole discretion, whether to deliver cash or such Make-whole Shares. The Resale Period shall continue to enable the sale of the Make-whole Shares in the manner contemplated by this Section 8(c). This provision shall be applied successively until the Additional Amount is equal to zero, subject to Section 8(e).

(d) *Beneficial Ownership*. Notwithstanding anything to the contrary in the Agreement or this Confirmation, in no event shall Deutsche be entitled to receive, or shall be deemed to receive, any Shares if, upon such receipt of such Shares, the "beneficial ownership" (within the meaning of Section 13 of the Exchange Act and the rules promulgated thereunder) of Shares by Deutsche or any entity that directly or indirectly controls Deutsche (collectively, "**Buyer Group**") would be equal to or greater than 9% or more of the outstanding Shares. If any delivery owed to Deutsche hereunder is not made, in whole or in part, as a result of this provision, Issuer's obligation to make such delivery shall not be extinguished and Issuer shall make such delivery as promptly as practicable after, but in no event later than one Exchange Business Day after, Deutsche gives notice to Issuer that such delivery would not result in Buyer Group directly or indirectly so beneficially owning in excess of 9% of the outstanding Shares.

(e) *Limitations on Settlement by Issuer*. Notwithstanding anything herein or in the Agreement to the contrary, in no event shall Issuer be required to deliver Shares in connection with the Transaction in excess of 4,983,297 Shares (the "**Capped Number**"), as such number may be adjusted for Share splits or Share combinations. Issuer represents and warrants (which shall be deemed to be repeated on each day that the Transaction is outstanding) that the Capped Number is equal to or less than the number of authorized but unissued Shares of the Issuer that are not reserved for future issuance in connection with transactions in the Shares (other than the Transaction) on the date of the determination of the Capped Number (such Shares, the "**Available Shares**"). In the event Issuer shall not have delivered the full number of Shares otherwise deliverable as a result of this Section 8(e) (the resulting deficit, the "**Deficit Shares**"), Issuer shall be continually obligated to deliver, from time to time until the full number of Deficit Shares have been delivered pursuant to this paragraph, Shares when, and to the extent, that (i) Shares are repurchased, acquired or otherwise received by Issuer or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (ii) authorized and unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved and (iii) Issuer additionally authorizes and unissued Shares that are not reserved for other transactions. Issuer shall immediately notify Deutsche of the occurrence

of any of the foregoing events (including the number of Shares subject to clause (i), (ii) or (iii) and the corresponding number of Shares to be delivered) and promptly deliver such Shares thereafter.

(f) *Right to Extend.* Deutsche may postpone any Exercise Date or any other date of valuation or delivery with respect to some or all of the relevant Warrants (in which event the Calculation Agent shall make appropriate adjustments to the Number of Shares to be Delivered with respect to one or more Components), if Deutsche determines, in its reasonable discretion, and with the prior written consent of Issuer (such consent not to be unreasonably withheld) that such extension is reasonably necessary or appropriate to preserve Deutsche's hedging or hedge unwind activity hereunder in light of existing liquidity conditions or to enable Deutsche to effect purchases of Shares in connection with its hedging, hedge unwind or settlement activity hereunder in a manner that would, if Deutsche were Issuer or an affiliated purchaser of Issuer, be in compliance with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Deutsche.

(g) *Equity Rights*. Deutsche acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transaction that are senior to the claims of common stockholders in the event of Issuer's bankruptcy. For the avoidance of doubt, the parties agree that the preceding sentence shall not apply at any time other than during Issuer's bankruptcy to any claim arising as a result of a breach by Issuer of any of its obligations under this Confirmation or the Agreement. For the avoidance of doubt, the parties acknowledge that this Confirmation is not secured by any collateral that would otherwise secure the obligations of Issuer herein under or pursuant to any other agreement.

(h) *Amendments to Equity Definitions and the Agreement.* The following amendments shall be made to the Equity Definitions and to the Agreement:

(i) The first sentence of Section 11.2(c) of the Equity Definitions, prior to clause (A) thereof, is hereby amended to read as follows: '(c) If "Calculation Agent Adjustment" is specified as the Method of Adjustment in the related Confirmation of a Share Option Transaction, then following the announcement or occurrence of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a dilutive or concentrative effect on the theoretical value of the relevant Shares or options on the Shares and, if so, will (i) make appropriate adjustment(s), if any, to any one or more of:' and, the portion of such sentence immediately preceding clause (ii) thereof is hereby amended by deleting the words "diluting or concentrative" and the words "(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Shares)" and replacing such latter phrase with the words "(and, for the avoidance of doubt, adjustments may be made to account solely for changes in volatility, Extraordinary Dividends (within the meaning of this Confirmation) or liquidity relative to the relevant Shares)";

(ii) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at Deutsche's option, the occurrence of any of the events specified in Section 5(a)(vii) (1) through (9) of the ISDA Master Agreement with respect to that Issuer's"

(iii) Section 12.9(b) of the Equity Definitions is hereby amended by (1) replacing the word "two" with "three" in the third line of clause (i), fourth to last line of clause (ii), third line of clause (iii), eighth line of clause (iv), fourth line of clause (v) and fifth line of clause (vi) and (2) replacing the word "second" with "third" in the ninth and tenth lines of clause (vi).

(i) *Agreement in Respect of Termination Amounts.* Notwithstanding any term or provision in this Confirmation, the Equity Definitions or the Agreement, but without limiting Section 8(p)(iii) of this Confirmation, in determining any amounts payable in respect of the termination or cancellation of the Transaction pursuant to Section 6 of the Agreement or Article 12 of the Equity Definitions, the Calculation Agent shall make such determination without regard to (i) changes to costs of funding, stock loan rates or expected dividends, or (ii) losses or costs incurred in connection with terminating, liquidating or reestablishing any hedge related to the Transaction (or any gain resulting from any of them).

(j) *Transfer and Assignment.* Deutsche may transfer or assign its rights and obligations hereunder and under the Agreement, in whole or in part, at any time to any person or entity whatsoever with the consent of Issuer, provided that such consent will not be unreasonably withheld.

(k) *Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Issuer and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Issuer relating to such tax treatment and tax structure.

(l) *Designation by Deutsche*. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Deutsche to purchase, sell, receive or deliver any Shares or other securities to or from Issuer, Deutsche may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Deutsche obligations in respect of the Transaction and any such designee may assume such obligations. Deutsche shall be discharged of its obligations to Issuer to the extent of any such performance and shall not be discharged at any time prior thereto..

(m) *No Netting and Set-off*. Multiple Transaction Payment Netting and the provisions of Section 6(f) of the Agreement shall not apply. Each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under the Transaction against any delivery or payment obligation owed to it by the other party, whether arising under the Agreement, under any other agreement between the parties thereto, by operation or law or otherwise.

(n) *Additional Termination Event*. If Deutsche reasonably determines that it is advisable to terminate a portion of the Transaction so that Deutsche's related hedging activities will comply with applicable securities laws, rules or regulations, an Additional Termination Event shall occur in respect of which (1) Issuer shall be the sole Affected Party and (2) the Transaction shall be the sole Affected Transaction.

(o) *Effectiveness*. If, prior to the Effective Date, Deutsche reasonably determines that it is advisable to cancel the Transaction because of concerns that Deutsche's related hedging activities could be viewed as not complying with applicable securities laws, rules or regulations, the Transaction shall

be cancelled and shall not become effective, and neither party shall have any obligation to the other party in respect of the Transaction.

(p) *Amendments to the Agreement*. Notwithstanding any term or provision contained in the Agreement, (i) at any time prior to April 15, 2012 no Potential Event of Default or Event of Default shall apply with respect to Issuer as a defaulting party, and no Termination Event shall apply with respect to Issuer as an Affected Party, in each and any such case, except to the extent any such Event of Default or Termination Event results in the occurrence and continuance of an Additional Termination Event (as specified in this Confirmation) or an Extraordinary Event elected as being applicable in this Confirmation, and Issuer shall have no Specified Entities or Credit Support Providers for purposes of the Agreement and this Transaction; (ii) without limiting the generality of the foregoing, and within the time period and subject to the other conditions specified in clause (i), the Events of Default specified in Sections 5(a) (ii) (except to the extent that any violation of any such agreement or delivery obligation described therein or in this Confirmation would reasonably be expected to have a material adverse effect on the ability of Issuer to perform its delivery obligations under this Transaction), (iii), (iv) (except to the extent any misrepresentation made under this Confirmation or under the Agreement would reasonably be expected to have a material adverse effect on the ability of Issuer to perform its obligations under this Transaction), (v), or (vi) of the Agreement, and the Termination Events specified in the Agreement, shall not apply with respect to Issuer; and (iii) with respect to any early termination of all or any portion of this Transaction for any reason pursuant to the terms of this Confirmation, the Equity Definitions and/or the Agreement, and additionally notwithstanding any term or provision in the Equity Definitions, (A) any amount payable (or to be payable) by either party hereto to the other party hereto arising as a result of such early termination (including any costs resulting from unwinding hedging transactions) shall be determined in good faith and in a commercially reasonable manner and (B) without limiting the foregoing, the party determining the amount of any such payment (whether Deutsche, Issuer or the Calculation Agent) shall (1) utilize commercially reasonable procedures and methodologies so as to produce a commercially reasonable determination of such amount, and (2) disclose in reasonable detail the material information utilized (or to be utilized) by such party in making such determination.

(q) *Method of Delivery*. Whenever delivery of funds or other assets is required hereunder by or to Counterparty, such delivery shall be effected through Agent. In addition, all notices, demands and communications of any kind relating to the Transaction between Deutsche and Counterparty shall be transmitted exclusively through Agent.

(r) *Waiver of Trial by Jury.* **EACH OF ISSUER AND BUYER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF BUYER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

(s) *Governing Law*. **THIS CONFIRMATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.**

Issuer hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to Deutsche a facsimile of the fully-executed Confirmation to Deutsche at 44 113 336 2009. Originals shall be provided for your execution upon your request.

We are very pleased to have executed the Transaction with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

DEUTSCHE BANK AG LONDON

By: _____
Name:
Title:

By: _____
Name:
Title:

DEUTSCHE BANK SECURITIES INC.
acting solely as Agent in connection with this Transaction

By: _____
Name:
Title:

By: _____
Name:
Title:

Issuer hereby agrees to, accepts and confirms the terms of the foregoing as of the Trade Date.

PARKER DRILLING COMPANY

By: _____
Name:
Title:

Annex A

For each Component of the Transaction, the Number of Warrants and Expiration Date is set forth below.

Component Number	Number of Warrants	Expiration Date
1.	27,684	October 15, 2012
2.	27,684	October 16, 2012
3.	27,684	October 17, 2012
4.	27,684	October 18, 2012
5.	27,684	October 19, 2012
6.	27,684	October 22, 2012
7.	27,684	October 23, 2012
8.	27,684	October 24, 2012
9.	27,684	October 25, 2012
10.	27,684	October 26, 2012
11.	27,684	October 29, 2012
12.	27,684	October 30, 2012
13.	27,684	October 31, 2012
14.	27,684	November 1, 2012
15.	27,684	November 2, 2012
16.	27,684	November 5, 2012
17.	27,684	November 6 2012
18.	27,684	November 7, 2012
19.	27,684	November 8, 2012
20.	27,684	November 9, 2012
21.	27,684	November 12, 2012
22.	27,684	November 13, 2012
23.	27,684	November 14, 2012
24.	27,684	November 15, 2012
25.	27,684	November 16, 2012
26.	27,684	November 19, 2012
27.	27,684	November 20, 2012
28.	27,684	November 21, 2012
29.	27,684	November 23, 2012
30.	27,684	November 26, 2012
31.	27,684	November 27, 2012
32.	27,684	November 28, 2012
33.	27,684	November 29, 2012
34.	27,684	November 30, 2012
35.	27,684	December 3, 2012
36.	27,684	December 4, 2012
37.	27,684	December 5, 2012
38.	27,684	December 6, 2012
39.	27,684	December 7, 2012
40.	27,684	December 10, 2012
41.	27,684	December 11, 2012
42.	27,684	December 12, 2012
43.	27,684	December 13, 2012
44.	27,684	December 14, 2012
45.	27,684	December 17, 2012
46.	27,684	December 18, 2012
47.	27,684	December 19, 2012
48.	27,684	December 20, 2012

Component Number	Number of Warrants	Expiration Date
49.	27,684	December 21, 2012
50.	27,684	December 24, 2012
51.	27,684	December 26, 2012
52.	27,684	December 27, 2012
53.	27,684	December 28, 2012
54.	27,684	December 31, 2012
55.	27,684	January 2, 2013
56.	27,684	January 3, 2013
57.	27,684	January 4, 2013
58.	27,684	January 7, 2013
59.	27,684	January 8, 2013
60.	27,684	January 9, 2013
61.	27,684	January 10, 2013
62.	27,684	January 11, 2013
63.	27,684	January 14, 2013
64.	27,684	January 15, 2013
65.	27,684	January 16, 2013
66.	27,684	January 17, 2013
67.	27,684	January 18, 2013
68.	27,684	January 22, 2013
69.	27,684	January 23, 2013
70.	27,684	January 24, 2013
71.	27,684	January 25, 2013
72.	27,684	January 28, 2013
73.	27,684	January 29, 2013
74.	27,684	January 30, 2013
75.	27,684	January 31, 2013
76.	27,684	February 1, 2013
77.	27,684	February 4, 2013
78.	27,684	February 5, 2013
79.	27,684	February 6, 2013
80.	27,684	February 7, 2013
81.	27,684	February 8, 2013
82.	27,684	February 11, 2013
83.	27,684	February 12, 2013
84.	27,684	February 13, 2013
85.	27,684	February 14, 2013
86.	27,684	February 15, 2013
87.	27,684	February 19, 2013
88.	27,684	February 20, 2013
89.	27,684	February 21, 2013
90.	27,773	February 22, 2013

Exhibit 10.6

June 28, 2007

To: Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

From: Lehman Brothers Inc., acting as Agent
Lehman Brothers OTC Derivatives Inc., acting as Principal
c/o Lehman Brothers
745 Seventh Avenue
New York, NY 10019
Attn: Andrew Yare – Transaction Management Group
Facsimile: 646-885-9546 (United States of America)
Telephone: 212-526-9986

Re: Issuer Warrant Transaction
(Transaction Reference Number:_____)

Ladies and Gentlemen:

The purpose of this communication (this "**Confirmation**") is to set forth the terms and conditions of the above-referenced transaction entered into on the Trade Date specified below (the "**Transaction**") between Lehman Brothers OTC Derivatives Inc., acting as Principal ("**Lehman**") and Parker Drilling Company ("**Issuer**"). This communication constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. This Confirmation is sent on behalf of both Lehman and Lehman Brothers Inc., acting as Agent ("**LBI**"). **Lehman Brothers OTC Derivatives Inc. is not a member of the Securities Investor Protection Corporation.**

1. This Confirmation is subject to, and incorporates, the definitions and provisions of the 2000 ISDA Definitions (including the Annex thereto) (the "**2000 Definitions**") and the definitions and provisions of the 2002 ISDA Equity Derivatives Definitions (except to the extent expressly amended by this Confirmation) (the "**Equity Definitions**", and together with the 2000 Definitions, the "**Definitions**"), in each case as published by the International Swaps and Derivatives Association, Inc. and as in effect on the date hereof ("**ISDA**"). In the event of any inconsistency between the 2000 Definitions and the Equity Definitions, the Equity Definitions will govern. For purposes of the Equity Definitions, each reference herein to a Warrant shall be deemed to be a reference to a Call Option or an Option, as context requires.

This Confirmation evidences a complete and binding agreement between Lehman and Issuer as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement (the "**ISDA Form**") as if Lehman and Issuer had executed an agreement in such form (without any Schedule but with the elections set forth in this Confirmation, except to the extent amended, modified or supplemented by this Confirmation). For the avoidance of doubt, the Transaction shall be the only transaction under the Agreement.

All provisions contained in, or incorporated by reference to, the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and either the Definitions or the Agreement, this Confirmation shall govern.

2. The Transaction is a Warrant Transaction, which shall be considered a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms:

Agent:	LBI is acting as agent on behalf of Lehman and Issuer for the Transaction. LBI has no obligations, by guarantee, endorsement or otherwise, with respect to the performance of the Transaction by either party.
Trade Date:	June 28, 2007
Effective Date:	July 5, 2007, subject to Section 8(o) below
Components:	The Transaction will be divided into individual Components, each with the terms set forth in this Confirmation, and, in particular, with the Number of Warrants and Expiration Date set forth in this Confirmation. The payments and deliveries to be made upon settlement of the Transaction will be determined separately for each Component as if each Component were a separate Transaction under the Agreement.
Warrant Style:	European
Warrant Type:	Call
Seller:	Issuer
Buyer:	Lehman
Shares:	The Common Stock of Issuer, par value USD 0.16$^{2}/_{3}$ per share (Ticker Symbol: "PKD").
Number of Warrants:	For each Component, as provided in Annex A to this Confirmation.
Warrant Entitlement:	One Share per Warrant
Strike Price:	USD 18.2875
Premium:	USD 1,863,000
Premium Payment Date:	The Effective Date
Exchange:	New York Stock Exchange

Related Exchange:	All Exchanges
Procedures for Exercise:	
Expiration Time:	Valuation Time
Expiration Date:	As provided in Annex A to this Confirmation (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day that is not already an Expiration Date for another Component); *provided* that if that date is a Disrupted Day, the Expiration Date for such Component shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day and is not or is not deemed to be an Expiration Date in respect of any other Component of the Transaction hereunder; and *provided further* that if the Expiration Date has not occurred pursuant to the preceding proviso as of the Final Disruption Date, the Final Disruption Date shall be the Expiration Date (irrespective of whether such date is an Expiration Date occurring on the Final Disruption Date in respect of any other Component for the Transaction) and, notwithstanding anything to the contrary in this Confirmation or the Definitions, the Relevant Price for the Expiration Date shall be the prevailing market value per Share determined by the Calculation Agent, upon prior written notice to Issuer, and good faith and in a commercially reasonable manner. "**Final Disruption Date**" means March 6, 2013. Notwithstanding the foregoing and anything to the contrary in the Equity Definitions, if a Market Disruption Event occurs on any Expiration Date, the Calculation Agent may determine that such Expiration Date is a Disrupted Day only in part, in which case the Calculation Agent shall make commercially reasonable adjustments to the number of Warrants for the relevant Component for which such day shall be the Expiration Date and shall designate the Scheduled Trading Day determined in the manner described in the immediately preceding sentence as the Expiration Date for the remaining Warrants for such Component. Section 6.6 of the Equity Definitions shall not apply to any Valuation Date occurring on an Expiration Date.
Market Disruption Event:	Section 6.3(a) of the Equity Definitions is hereby amended by (A) adding the term "reasonably" before the term "determines" in clause (ii) thereof and (B) deleting the words "during the one hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be," in clause (ii) thereof.

Automatic Exercise:	Applicable; and means that each Warrant not previously exercised under the Transaction will be deemed to be automatically exercised at the Expiration Time on the Expiration Date unless Lehman notifies Seller (by telephone or in writing) prior to the Expiration Time on the Expiration Date that it does not wish Automatic Exercise to occur, in which case Automatic Exercise will not apply.
Issuer's Telephone Number and Telex and/or Facsimile Number and Contact Details for purpose of Giving Notice:	To be provided by Issuer.

Settlement Terms:

In respect of any Component:

Settlement Currency:	USD
Net Share Settlement:	On each Settlement Date, Issuer shall deliver to Lehman a number of Shares equal to the Number of Shares to be Delivered for such Settlement Date to the account specified by Lehman and cash in lieu of any fractional shares valued at the Relevant Price on the Valuation Date corresponding to such Settlement Date.
Number of Shares to be Delivered:	In respect of any Exercise Date, subject to the last sentence of Section 9.5 of the Equity Definitions, the product of (i) the number of Warrants exercised or deemed exercised on such Exercise Date, (ii) the Warrant Entitlement and (iii) (A) the excess of the VWAP Price on the Valuation Date occurring on such Exercise Date over the Strike Price *divided by* (B) such VWAP Price. The Number of Shares to be Delivered shall be delivered by Issuer to Lehman no later than 5:00 P.M. (local time in New York City) on the relevant Settlement Date.
VWAP Price:	For any Valuation Date, the Rule 10b-18 dollar volume weighted average price per Share for such Valuation Date based on transactions executed during such Valuation Date, as reported on Bloomberg Page "PKD.N <Equity> AQR SEC" (or any equivalent successor thereto, if such page is not available) or, in the event such price is not so reported on such Valuation Date for any reason, as reasonably determined by the Calculation Agent using a volume-weighted method.

Other Applicable Provisions:	The provisions of Sections 9.1(c), 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 (i), (iv) and (v) of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Issuer is the issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "Net Share Settled". "Net Share Settled" in relation to any Warrant means that Net Share Settlement is applicable to such Warrant.

Adjustments:

In respect of any Component:

Method of Adjustment:	Calculation Agent Adjustment
Extraordinary Dividend:	Any cash dividend or distribution on the Shares with an ex-dividend date occurring on or after the Trade Date and on or prior to the Expiration Date.
Extraordinary Dividend Adjustment:	If at any time during the period from and including the Trade Date, to but excluding the last Expiration Date, an ex-dividend date for an Extraordinary Dividend occurs, then the Calculation Agent will upon prior written notice to Issuer make commercially reasonable adjustments to the Strike Price, the Number of Warrants, the Warrant Entitlement and/or any other variable relevant to the exercise, settlement, payment or other terms of the Transaction to preserve the fair value of the Transaction to Lehman after taking into account such Extraordinary Dividend.

Extraordinary Events:

Consequences of Merger Events:

(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment (Calculation Agent Determination)
(c) Share-for-Combined:	Cancellation and Payment (Calculation Agent Determination)
Tender Offer:	Applicable

Consequences of Tender Offers:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment (Calculation Agent Determination) on that portion of the Other Consideration that consists of cash; Modified Calculation Agent Adjustment on the remainder of the Other Consideration.
(c) Share-for-Combined:	Modified Calculation Agent Adjustment
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Market or The Nasdaq Global Select Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall thereafter be deemed to be the Exchange; *provided further* that, in determining any Cancellation Amount, notwithstanding any term or provision in the Agreement or the Equity Definitions, the Calculation Agent shall comply with the terms and provisions set forth in Section 8(p)(iii) of this Confirmation.
Additional Disruption Events:	
(a) Change in Law:	Applicable (*provided* that clause (y) of this term set forth in Section 12.9(a)(ii) of the Equity Definitions shall not apply)
(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Hedging Disruption:	Applicable
(e) Increased Cost of Hedging:	Applicable
(f) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	2.00%
(g) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	0.25%

Hedging Party:	Lehman for all applicable Additional Disruption Events
Determining Party:	Lehman for all applicable Extraordinary Events
Non-Reliance:	Applicable
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable
Additional Acknowledgments:	Applicable

3. Calculation Agent: LBI; *provided* that all calculations, determinations and adjustments made by LBI in respect of this Transaction as Calculation Agent shall be made in good faith and in a commercially reasonable manner.

4. Account Details:

Lehman Payment Instructions:	JPMorgan Chase Bank Swift Code: CHASUS33XXX ABA: 021000021 Account Name: Lehman Brothers OTC Derivatives Account No.: 066626277
Issuer Payment Instructions:	To be provided by Issuer.

5. Offices:

The Office of Lehman for the Transaction is:

Lehman Brothers OTC Derivatives Inc.
c/o Lehman Brothers
745 Seventh Avenue
New York, NY 10019
Attn: Andrew Yare – Transaction Management Group
Facsimile: 646-885-9546 (United States of America)
Telephone: 212-526-9986

The Office of Issuer for the Transaction is:

Parker Drilling Company
1401 Enclave Parkway, Suite 600
Houston, Texas 77077
Attn: General Counsel
Telephone: (281) 406-2000
Facsimile: (281) 406-2001

6. Notices: For purposes of this Confirmation:

(a) Address for notices or communications to Issuer:

To:	Parker Drilling Company 1401 Enclave Parkway, Suite 600 Houston, Texas 77077
Attn:	General Counsel
Telephone:	(281) 406-2000
Facsimile:	(281) 406-2001

(b) Address for notices or communications to Lehman:

To be provided by Lehman

7. Representations, Warranties and Agreements:

(a) In addition to the representations and warranties in the Agreement and those contained elsewhere herein, Issuer represents and warrants to and for the benefit of, and agrees with, Lehman as follows:

(i) On the Trade Date, (A) none of Issuer and its officers and directors is aware of any material nonpublic information regarding Issuer or the Shares and (B) all reports and other documents filed by Issuer with the Securities and Exchange Commission pursuant to the Exchange Act when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(ii) Without limiting the generality of Section 13.1 of the Equity Definitions, Issuer acknowledges that Lehman is not making any representations or warranties with respect to the treatment of the Transaction under FASB Statements 133, as amended, or 150, EITF Issue No. 00-19 (or any successor issue statements) or under FASB's Liabilities & Equity Project.

(iii) Prior to the Trade Date, Issuer shall deliver to Lehman a resolution of Issuer's board of directors authorizing the Transaction and such other certificate or certificates as Lehman shall reasonably request.

(iv) Issuer is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) in violation of the Exchange Act.

(v) On any Expiration Date, Issuer shall not, and shall cause its affiliates and affiliated purchasers (each as defined in Rule 10b-18) not to, directly or indirectly (including, without limitation, by means of a cash-settled or other derivative instrument) purchase,

offer to purchase, place any bid or limit order that would effect a purchase of, or commence any tender offer relating to, any Shares (or an equivalent interest, including a unit of beneficial interest in a trust or limited partnership or a depository share) or any security convertible into or exchangeable for Shares on any Expiration Date.

(vi) Issuer is not, and after giving effect to the transactions contemplated hereby will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(vii) On the Trade Date (A) the assets of Issuer at their fair valuation exceed the liabilities of Issuer, including contingent liabilities, (B) the capital of Issuer is adequate to conduct the business of Issuer and (C) Issuer has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(viii) Issuer shall not take any action to decrease the number of Available Shares below the Capped Number (each as defined below).

(ix) Issuer understands no obligations of Lehman to it hereunder will be entitled to the benefit of deposit insurance and that such obligations will not be guaranteed by any affiliate of Lehman or any governmental agency.

(b) Each of Lehman and Issuer agrees and represents that it is an "eligible contract participant" as defined in Section 1a(12) of the U.S. Commodity Exchange Act, as amended.

(c) Each of Lehman and Issuer acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, Lehman represents and warrants to Issuer that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account without a view to the distribution or resale thereof and (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws.

(d) Each of Lehman and Issuer agrees and acknowledges that Lehman is a "swap participant" and "financial participant", and that Issuer is a "swap participant", in each case within the meaning of Sections 101(53C) and 101(22A) of Title 11 of the United States Code (the "**Bankruptcy Code**"). The parties hereto further agree and acknowledge (A) that this Confirmation is (i) a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "settlement payment," as such term is defined in Section 741(8) of the Bankruptcy Code, and (ii) a "swap agreement," as such term is defined in Section 101(53B) of the Bankruptcy Code, with respect to which each payment and delivery hereunder is a "transfer," as such term is defined in Section 101(54) of the Bankruptcy Code, and (B) that Lehman is entitled to the protections afforded by, among other sections, Section 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code.

(e) Issuer shall deliver to Lehman an opinion of counsel, dated as of the Effective Date and reasonably acceptable to Lehman in form and substance, with respect to the matters set forth in Section 3(a) of the Agreement.

8. Other Provisions:

(a) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If, subject to Section 8(l) below, Issuer shall owe Lehman any amount pursuant to Sections 12.2, 12.3, 12.6, 12.7 or 12.9 of the Equity Definitions (except in the event of an Insolvency, a Nationalization, a Tender Offer or a Merger Event, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash) or pursuant to Section 6(d)(ii) of the Agreement (except in the event of an Event of Default in which Issuer is the Defaulting Party or a Termination Event in which Issuer is the Affected Party, that resulted from an event or events within Issuer's control) (a "**Payment Obligation**"), Issuer shall have the right, in its sole discretion, to satisfy any such Payment Obligation by the Share Termination Alternative (as defined below) by giving irrevocable telephonic notice to Lehman, confirmed in writing within one Scheduled Trading Day, between the hours of 9:00 A.M. and 4:00 P.M. New York City time on the Merger Date, Tender Offer Date, Announcement Date or Early Termination Date, as applicable ("**Notice of Share Termination**"). Upon such Notice of Share Termination, the following provisions shall apply on the Scheduled Trading Day immediately following the Merger Date, the Tender Offer Date, Announcement Date or Early Termination Date, as applicable:

Share Termination Alternative:	Applicable and means that Issuer shall deliver to Lehman the Share Termination Delivery Property on the date on which the Payment Obligation would otherwise be due pursuant to Section 12.7 or 12.9 of the Equity Definitions or Section 6(d)(ii) of the Agreement, as applicable (the "**Share Termination Payment Date**"), in satisfaction of the Payment Obligation.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Issuer at the time of notification of the Payment Obligation.
Share Termination Delivery Unit:	In the case of a Termination Event, Event of Default or Delisting, one Share or, in the case of an Insolvency, Nationalization, Merger Event or Tender Offer, a unit consisting of the number or amount of each type of property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Insolvency, Nationalization, Merger Event or Tender Offer. If such Insolvency, Nationalization, Merger Event or Tender Offer involves a choice of consideration to be received

	by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Applicable
Other applicable provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9, 9.10, 9.11 (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws as a result of the fact that Seller is the Issuer of the Shares) and 9.12 of the Equity Definitions will be applicable, except that all references in such provisions to "Physically-Settled" shall be read as references to "settled by Share Termination Alternative" and all references to "Shares" shall be read as references to "Share Termination Delivery Units".

(b) *Registration/Private Placement Procedures*. (i) If, in the commercially reasonable judgment of Lehman acting in good faith, for any reason, any Shares or any securities of Issuer or its affiliates comprising any Share Termination Delivery Units deliverable to Lehman hereunder (any such Shares or securities, "**Delivered Securities**") would not be immediately freely transferable by Lehman under Rule 144(k) under the Securities Act of 1933, as amended (the "**Securities Act**"), then the provisions set forth in this Section 8(b) shall apply. At the election of Issuer by notice to Lehman within one Exchange Business Day after the relevant delivery obligation arises, but in any event at least one Exchange Business Day prior to the date on which such delivery obligation is due, either (A) all Delivered Securities delivered by Issuer to Lehman shall be, at the time of such delivery, covered by an effective registration statement of Issuer for immediate resale by Lehman (such registration statement and the corresponding prospectus (the "**Prospectus**") (including, without limitation, any sections describing the plan of distribution) in form and content commercially reasonably satisfactory to Lehman) or (B) Issuer shall deliver additional Delivered Securities so that the value of such Delivered Securities, as determined by the Calculation Agent in good faith and upon prior written notice to Issuer, to reflect a commercially reasonable liquidity discount, equals the value of the number of Delivered Securities that would otherwise be deliverable if such Delivered Securities were freely tradeable (without prospectus delivery) upon receipt by Lehman (such value, the "**Freely Tradeable Value**"); provided that Issuer may not make the election described in this clause (B) if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(2) of the Securities Act for the delivery by Issuer to Lehman (or any affiliate designated by Lehman) of the Delivered Securities or the exemption pursuant to Section 4(1) or Section 4(3) of the Securities Act for resales of the Delivered Securities by Lehman (or any such affiliate of Lehman). (For the avoidance of doubt, as used in this paragraph (b) only, the term "Issuer" shall mean the issuer of the relevant securities, as the context shall require.)

(ii) If Issuer makes the election described in clause (b)(i)(A) above:

(A) Lehman (or an Affiliate of Lehman designated by Lehman) shall be afforded a reasonable opportunity to conduct a due diligence investigation with respect to Issuer that is customary in scope for underwritten offerings of equity securities and that yields results that are commercially reasonably satisfactory to Lehman or such Affiliate, as the case may be, in its discretion; and

(B) Lehman (or an Affiliate of Lehman designated by Lehman) and Issuer shall enter into an agreement (a "**Registration Agreement**") on commercially reasonable terms in connection with the public resale of such Delivered Securities by Lehman or such Affiliate substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance commercially reasonably satisfactory to Lehman or such Affiliate and Issuer, which Registration Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating to the indemnification of, and contribution in connection with the liability of, Lehman and its Affiliates and Issuer, shall provide for the payment by Issuer of all reasonable expenses incurred thereby in connection with such resale, including all registration costs and all reasonable fees and expenses of counsel for Lehman, and shall provide for the delivery of accountants' "comfort letters" to Lehman or such Affiliate with respect to the financial statements and certain financial information contained in or incorporated by reference into the Prospectus.

(iii) If Issuer makes the election described in clause (b)(i)(B) above:

(A) all Delivered Securities shall be delivered to Lehman (or any Affiliate of Lehman designated by Lehman) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(B) Lehman (or an Affiliate of Lehman designated by Lehman) and any potential institutional purchaser of any such Delivered Securities from Lehman or such Affiliate identified by Lehman shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation in compliance with applicable law with respect to Issuer customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(C) Lehman (or an Affiliate of Lehman designated by Lehman) and Issuer shall enter into an agreement (a "**Private Placement Agreement**") on commercially reasonable terms in connection with the private placement of such Delivered Securities by Issuer to Lehman or such Affiliate and the private resale of such shares by Lehman or such Affiliate, substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to Lehman and Issuer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating to the indemnification of, and contribution in connection with the liability of, Lehman and its Affiliates and Issuer, shall provide for the payment by Issuer of all expenses in connection with such resale, including all fees and expenses of counsel for Lehman, shall contain representations, warranties and agreements of Issuer reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales, and shall use best efforts to provide for the delivery of accountants' "comfort letters" to Lehman or such Affiliate with respect to the financial statements and certain financial

information contained in or incorporated by reference into the offering memorandum prepared for the resale of such Shares; and

(D) Issuer agrees that any Delivered Securities so delivered to Lehman, (i) may be transferred by and among Lehman and its Affiliates, and Issuer shall effect such transfer without any further action by Lehman and (ii) after the minimum "holding period" within the meaning of Rule 144(d) under the Securities Act has elapsed with respect to such Delivered Securities, Issuer shall promptly remove, or cause the transfer agent for such Shares or securities to remove, any legends referring to any such restrictions or requirements from such Delivered Securities upon delivery by Lehman (or such Affiliate of Lehman) to Issuer or such transfer agent of seller's and broker's representation letters customarily delivered by Lehman in connection with resales of restricted securities pursuant to Rule 144 under the Securities Act, without any further requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Lehman (or such affiliate of Lehman), in each case except to the extent reasonably requested by Issuer following a change in the Securities Act or rules, regulations or the SEC's interpretations thereunder and to the extent necessary to ensure compliance by Issuer or Lehman with applicable securities laws.

(iv) For the avoidance of doubt (and notwithstanding anything herein, in the Agreement or otherwise to the contrary), Issuer may deliver Delivered Securities which are unregistered under the Securities Act.

(c) *Make-whole*. If Issuer makes the election described in clause (b)(i)(B) of paragraph (b) of this Section 8, then Lehman or its affiliate may sell such Shares or Share Termination Delivery Units, as the case may be, during a period (the "**Resale Period**") commencing on the Exchange Business Day following delivery of such Shares or Share Termination Delivery Units, as the case may be, and ending on the Exchange Business Day on which Lehman completes the sale of all such Shares or Share Termination Delivery Units, as the case may be, or a sufficient number of Shares or Share Termination Delivery Units, as the case may be, so that the realized net proceeds of such sales exceed the Freely Tradeable Value (such amount of the Freely Tradeable Value, the "**Required Proceeds**"). Lehman shall in the case of any such sale use its best efforts acting in good faith so as to complete any such sale as expeditiously as possible and to obtain an amount or amounts which equal or exceed the Required Proceeds. If any of such delivered Shares or Share Termination Delivery Units remain after such realized net proceeds exceed the Required Proceeds, Lehman shall return such remaining Shares or Share Termination Delivery Units to Issuer. If the Required Proceeds exceed the realized net proceeds from such resale, Issuer shall transfer to Lehman by the open of the regular trading session on the Exchange on the Exchange Trading Day immediately following the last day of the Resale Period the amount of such excess (the "**Additional Amount**") in cash or in a number of additional Shares ("**Make-whole Shares**") in an amount that, based on the Relevant Price on the last day of the Resale Period (as if such day was the "Valuation Date" for purposes of computing such Relevant Price), has a dollar value equal to the Additional Amount; and provided that the Issuer shall determine, in its sole discretion, whether to deliver cash or such Make-whole Shares. The Resale Period shall continue to enable the sale of the Make-whole Shares in the manner contemplated by this Section 8(c). This provision shall be applied successively until the Additional Amount is equal to zero, subject to Section 8(e).

(d) *Beneficial Ownership*. Notwithstanding anything to the contrary in the Agreement or this Confirmation, in no event shall Lehman be entitled to receive, or shall be deemed to receive, any Shares if, upon such receipt of such Shares, the "beneficial ownership" (within the meaning of Section 13 of the Exchange Act and the rules promulgated thereunder) of Shares by Lehman or any entity that directly or indirectly controls Lehman (collectively, "**Buyer Group**") would be equal to or greater than 9% or more of the outstanding Shares. If any delivery owed to Lehman hereunder is not made, in whole or in part, as a result of this provision, Issuer's obligation to make such delivery shall not be extinguished and Issuer shall make such delivery as promptly as practicable after, but in no event later than one Exchange Business Day after, Lehman gives notice to Issuer that such delivery would not result in Buyer Group directly or indirectly so beneficially owning in excess of 9% of the outstanding Shares.

(e) *Limitations on Settlement by Issuer*. Notwithstanding anything herein or in the Agreement to the contrary, in no event shall Issuer be required to deliver Shares in connection with the Transaction in excess of 1,661,099 Shares (the "**Capped Number**"), as such number may be adjusted for Share splits or Share combinations. Issuer represents and warrants (which shall be deemed to be repeated on each day that the Transaction is outstanding) that the Capped Number is equal to or less than the number of authorized but unissued Shares of the Issuer that are not reserved for future issuance in connection with transactions in the Shares (other than the Transaction) on the date of the determination of the Capped Number (such Shares, the "**Available Shares**"). In the event Issuer shall not have delivered the full number of Shares otherwise deliverable as a result of this Section 8(e) (the resulting deficit, the "**Deficit Shares**"), Issuer shall be continually obligated to deliver, from time to time until the full number of Deficit Shares have been delivered pursuant to this paragraph, Shares when, and to the extent, that (i) Shares are repurchased, acquired or otherwise received by Issuer or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (ii) authorized and unissued Shares reserved for issuance in respect of other transactions prior to such date which prior to the relevant date become no longer so reserved and (iii) Issuer additionally authorizes and unissued Shares that are not reserved for other transactions. Issuer shall immediately notify Lehman of the occurrence of any of the foregoing events (including the number of Shares subject to clause (i), (ii) or (iii) and the corresponding number of Shares to be delivered) and promptly deliver such Shares thereafter.

(f) *Right to Extend.* Lehman may postpone any Exercise Date or any other date of valuation or delivery with respect to some or all of the relevant Warrants (in which event the Calculation Agent shall make appropriate adjustments to the Number of Shares to be Delivered with respect to one or more Components), if Lehman determines, in its reasonable discretion, and with the prior written consent of Issuer (such consent not to be unreasonably withheld) that such extension is reasonably necessary or appropriate to preserve Lehman's hedging or hedge unwind activity hereunder in light of existing liquidity conditions or to enable Lehman to effect purchases of Shares in connection with its hedging, hedge unwind or settlement activity hereunder in a manner that would, if Lehman were Issuer or an affiliated purchaser of Issuer, be in compliance with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Lehman.

(g) *Equity Rights*. Lehman acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transaction that are senior to the claims of common stockholders in the event of Issuer's bankruptcy. For the avoidance of doubt, the parties agree that the preceding sentence shall not apply at any time other than during Issuer's bankruptcy to any claim arising as a result of a breach by Issuer of any of its obligations under this Confirmation or the Agreement. For the avoidance of doubt, the parties acknowledge that this Confirmation is not secured by any collateral that would otherwise secure the obligations of Issuer herein under or pursuant to any other agreement.

(h) *Amendments to Equity Definitions and the Agreement.* The following amendments shall be made to the Equity Definitions and to the Agreement:

(i) The first sentence of Section 11.2(c) of the Equity Definitions, prior to clause (A) thereof, is hereby amended to read as follows: '(c) If "Calculation Agent Adjustment" is specified as the Method of Adjustment in the related Confirmation of a Share Option Transaction, then following the announcement or occurrence of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a dilutive or concentrative effect on the theoretical value of the relevant Shares or options on the Shares and, if so, will (i) make appropriate adjustment(s), if any, to any one or more of:' and, the portion of such sentence immediately preceding clause (ii) thereof is hereby amended by deleting the words "diluting or concentrative" and the words "(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Shares)" and replacing such latter phrase with the words "(and, for the avoidance of doubt, adjustments may be made to account solely for changes in volatility, Extraordinary Dividends (within the meaning of this Confirmation) or liquidity relative to the relevant Shares)";

(ii) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) at Lehman's option, the occurrence of any of the events specified in Section 5(a)(vii) (1) through (9) of the ISDA Master Agreement with respect to that Issuer's"

(iii) Section 12.9(b) of the Equity Definitions is hereby amended by (1) replacing the word "two" with "three" in the third line of clause (i), fourth to last line of clause (ii), third line of clause (iii), eighth line of clause (iv), fourth line of clause (v) and fifth line of clause (vi) and (2) replacing the word "second" with "third" in the ninth and tenth lines of clause (vi).

(i) *Agreement in Respect of Termination Amounts.* Notwithstanding any term or provision in this Confirmation, the Equity Definitions or the Agreement, but without limiting Section 8(p)(iii) of this Confirmation, in determining any amounts payable in respect of the termination or cancellation of the Transaction pursuant to Section 6 of the Agreement or Article 12 of the Equity Definitions, the Calculation Agent shall make such determination without regard to (i) changes to costs of funding, stock loan rates or expected dividends, or (ii) losses or costs incurred in connection with terminating, liquidating or reestablishing any hedge related to the Transaction (or any gain resulting from any of them).

(j) *Transfer and Assignment.* Lehman may transfer or assign its rights and obligations hereunder and under the Agreement, (i) in whole or in part, at any time to any person or entity whatsoever with the consent of Issuer, provided that such consent will not be unreasonably withheld or (ii) to any affiliate of Lehman that is guaranteed by Lehman Brothers Holdings Inc.

(k) *Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Issuer and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and

all materials of any kind (including opinions or other tax analyses) that are provided to Issuer relating to such tax treatment and tax structure.

(l) *Designation by Lehman*. Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Lehman to purchase, sell, receive or deliver any Shares or other securities to or from Issuer, Lehman may designate any of its affiliates to purchase, sell, receive or deliver such shares or other securities and otherwise to perform Lehman obligations in respect of the Transaction and any such designee may assume such obligations. Lehman shall be discharged of its obligations to Issuer to the extent of any such performance and shall not be discharged at any time prior thereto..

(m) *No Netting and Set-off*. Multiple Transaction Payment Netting and the provisions of Section 6(f) of the Agreement shall not apply. Each party waives any and all rights it may have to set-off delivery or payment obligations it owes to the other party under the Transaction against any delivery or payment obligation owed to it by the other party, whether arising under the Agreement, under any other agreement between the parties thereto, by operation or law or otherwise.

(n) *Additional Termination Event*. If Lehman reasonably determines that it is advisable to terminate a portion of the Transaction so that Lehman's related hedging activities will comply with applicable securities laws, rules or regulations, an Additional Termination Event shall occur in respect of which (1) Issuer shall be the sole Affected Party and (2) the Transaction shall be the sole Affected Transaction.

(o) *Effectiveness*. If, prior to the Effective Date, Lehman reasonably determines that it is advisable to cancel the Transaction because of concerns that Lehman's related hedging activities could be viewed as not complying with applicable securities laws, rules or regulations, the Transaction shall be cancelled and shall not become effective, and neither party shall have any obligation to the other party in respect of the Transaction.

(p) *Amendments to the Agreement*. Notwithstanding any term or provision contained in the Agreement, (i) at any time prior to April 15, 2012 no Potential Event of Default or Event of Default shall apply with respect to Issuer as a defaulting party, and no Termination Event shall apply with respect to Issuer as an Affected Party, in each and any such case, except to the extent any such Event of Default or Termination Event results in the occurrence and continuance of an Additional Termination Event (as specified in this Confirmation) or an Extraordinary Event elected as being applicable in this Confirmation, and Issuer shall have no Specified Entities or Credit Support Providers for purposes of the Agreement and this Transaction; (ii) without limiting the generality of the foregoing, and within the time period and subject to the other conditions specified in clause (i), the Events of Default specified in Sections 5(a) (ii) (except to the extent that any violation of any such agreement or delivery obligation described therein or in this Confirmation would reasonably be expected to have a material adverse effect on the ability of Issuer to perform its delivery obligations under this Transaction), (iii), (iv) (except to the extent any misrepresentation made under this Confirmation or under the Agreement would reasonably be expected to have a material adverse effect on the ability of Issuer to perform its obligations under this Transaction), (v), or (vi) of the Agreement, and the Termination Events specified in the Agreement, shall not apply with respect to Issuer; and (iii) with respect to any early termination of all or any portion of this Transaction for any reason pursuant to the terms of this Confirmation, the Equity Definitions and/or the Agreement, and additionally notwithstanding any term or provision in the Equity Definitions, (A) any amount payable (or to be payable) by either party hereto to the other party hereto arising as a result of such early termination (including any costs resulting from

unwinding hedging transactions) shall be determined in good faith and in a commercially reasonable manner and (B) without limiting the foregoing, the party determining the amount of any such payment (whether Lehman, Issuer or the Calculation Agent) shall (1) utilize commercially reasonable procedures and methodologies so as to produce a commercially reasonable determination of such amount, and (2) disclose in reasonable detail the material information utilized (or to be utilized) by such party in making such determination.

(q) *Regulatory Provisions.*

(i) Issuer represents and warrants that it has received and read and understands the Notice of Regulatory Treatment and the OTC Option Risk Disclosure Statement.

(ii) The Agent will furnish Issuer upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with the Transaction evidenced hereby.

(r) *Waiver of Trial by Jury.* **EACH OF ISSUER AND BUYER HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF BUYER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.**

(s) *Governing Law*. **THIS CONFIRMATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.**

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Please confirm your agreement with the foregoing by executing this Confirmation and returning such Confirmation, in its entirety, to us at facsimile number 646-885-9546 (United States of America), Attention: Documentation.

Yours sincerely,

Lehman Brothers OTC Derivatives Inc.

By: _____
Name:
Title:

Accepted and agreed to:

Parker Drilling Company

By: _____
Name:
Title:

Execution time will be furnished upon Party B's written request.

Annex A

For each Component of the Transaction, the Number of Warrants and Expiration Date is set forth below.

Component Number	Number of Warrants	Expiration Date
1.	9,228	October 15, 2012
2.	9,228	October 16, 2012
3.	9,228	October 17, 2012
4.	9,228	October 18, 2012
5.	9,228	October 19, 2012
6.	9,228	October 22, 2012
7.	9,228	October 23, 2012
8.	9,228	October 24, 2012
9.	9,228	October 25, 2012
10.	9,228	October 26, 2012
11.	9,228	October 29, 2012
12.	9,228	October 30, 2012
13.	9,228	October 31, 2012
14.	9,228	November 1, 2012
15.	9,228	November 2, 2012
16.	9,228	November 5, 2012
17.	9,228	November 6 2012
18.	9,228	November 7, 2012
19.	9,228	November 8, 2012
20.	9,228	November 9, 2012
21.	9,228	November 12, 2012
22.	9,228	November 13, 2012
23.	9,228	November 14, 2012
24.	9,228	November 15, 2012
25.	9,228	November 16, 2012
26.	9,228	November 19, 2012
27.	9,228	November 20, 2012
28.	9,228	November 21, 2012
29.	9,228	November 23, 2012
30.	9,228	November 26, 2012
31.	9,228	November 27, 2012
32.	9,228	November 28, 2012
33.	9,228	November 29, 2012
34.	9,228	November 30, 2012
35.	9,228	December 3, 2012
36.	9,228	December 4, 2012
37.	9,228	December 5, 2012
38.	9,228	December 6, 2012
39.	9,228	December 7, 2012
40.	9,228	December 10, 2012
41.	9,228	December 11, 2012
42.	9,228	December 12, 2012
43.	9,228	December 13, 2012
44.	9,228	December 14, 2012
45.	9,228	December 17, 2012
46.	9,228	December 18, 2012
47.	9,228	December 19, 2012
48.	9,228	December 20, 2012
49.	9,228	December 21, 2012

Component Number	Number of Warrants	Expiration Date
50.	9,228	December 24, 2012
51.	9,228	December 26, 2012
52.	9,228	December 27, 2012
53.	9,228	December 28, 2012
54.	9,228	December 31, 2012
55.	9,228	January 2, 2013
56.	9,228	January 3, 2013
57.	9,228	January 4, 2013
58.	9,228	January 7, 2013
59.	9,228	January 8, 2013
60.	9,228	January 9, 2013
61.	9,228	January 10, 2013
62.	9,228	January 11, 2013
63.	9,228	January 14, 2013
64.	9,228	January 15, 2013
65.	9,228	January 16, 2013
66.	9,228	January 17, 2013
67.	9,228	January 18, 2013
68.	9,228	January 22, 2013
69.	9,228	January 23, 2013
70.	9,228	January 24, 2013
71.	9,228	January 25, 2013
72.	9,228	January 28, 2013
73.	9,228	January 29, 2013
74.	9,228	January 30, 2013
75.	9,228	January 31, 2013
76.	9,228	February 1, 2013
77.	9,228	February 4, 2013
78.	9,228	February 5, 2013
79.	9,228	February 6, 2013
80.	9,228	February 7, 2013
81.	9,228	February 8, 2013
82.	9,228	February 11, 2013
83.	9,228	February 12, 2013
84.	9,228	February 13, 2013
85.	9,228	February 14, 2013
86.	9,228	February 15, 2013
87.	9,228	February 19, 2013
88.	9,228	February 20, 2013
89.	9,228	February 21, 2013
90.	9,258	February 22, 2013

Exhibit 10.7

AMENDMENT TO CONFIRMATION

THIS AMENDMENT TO CONFIRMATION (this "Amendment") is made as of this 29th day of June 2007, between Parker Drilling Company ("Issuer") and Bank of America, N.A. ("BofA").

WHEREAS, BofA and Issuer are parties to a Confirmation dated as of June 28, 2007 (the "Confirmation") relating to Warrants on shares of Issuer;

WHEREAS, the parties wish to amend the Confirmation on the terms and conditions set forth in this Amendment;

NOW, THEREFORE, in consideration of their mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Terms Used but Not Defined Herein. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Confirmation.

Section 2. Amendments to the Confirmation. The Confirmation is, effective as of the date hereof, hereby amended as follows:

(a) The "Premium" under the Confirmation shall be USD $12,150,000.00. For the avoidance of doubt, the Premium per Warrant set forth in the Confirmation shall remain unchanged.

(b) The "Number of Warrants" under Annex A of the Confirmation shall be 60,184 for Components 1 through 89 and 60,252 for Component 90.

Section 3. Representations and Warranties. Issuer represents and warrants to BofA that the representations and warranties of Issuer set forth in Section 3 of the Agreement and Section 7 of the Confirmation are true and correct and are hereby deemed to be repeated to BofA as if set forth herein.

Section 4. Effectiveness. This Amendment shall become effective upon execution by the parties hereto.

Section 5. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

Section 6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 7. Effectiveness of Confirmation. Except as amended hereby, all the terms of the Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.

Issuer hereby agrees (a) to check this Amendment carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by BofA) correctly sets forth the terms of the agreement between BofA and Issuer with respect to the Transaction, by manually signing this Amendment or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to John Servidio, Facsimile No. 212-230-8610.

Yours faithfully,

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

Agreed and Accepted By:

PARKER DRILLING COMPANY

By: _____
Name:
Title:

Exhibit 10.8

AMENDMENT TO CONFIRMATION

THIS AMENDMENT TO CONFIRMATION (this "Amendment") is made as of this 29th day of June 2007, between Parker Drilling Company ("Issuer") and Deutsche Bank AG, London Branch ("Deutsche").

WHEREAS, Deutsche and Issuer are parties to a Confirmation dated as of June 28, 2007 (the "Confirmation") relating to Warrants on shares of Issuer;

WHEREAS, the parties wish to amend the Confirmation on the terms and conditions set forth in this Amendment;

NOW, THEREFORE, in consideration of their mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Terms Used but Not Defined Herein. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Confirmation.

Section 2. Amendments to the Confirmation. The Confirmation is, effective as of the date hereof, hereby amended as follows:

(a) The "Premium" under the Confirmation shall be USD $6,075,000.00. For the avoidance of doubt, the Premium per Warrant set forth in the Confirmation shall remain unchanged.

(b) The "Number of Warrants" under Annex A of the Confirmation shall be 30,092 for Components 1 through 89 and 30,127 for Component 90.

Section 3. Representations and Warranties. Issuer represents and warrants to Deutsche that the representations and warranties of Issuer set forth in Section 3 of the Agreement and Section 7 of the Confirmation are true and correct and are hereby deemed to be repeated to Deutsche as if set forth herein.

Section 4. Effectiveness. This Amendment shall become effective upon execution by the parties hereto.

Section 5. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

Section 6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 7. Effectiveness of Confirmation. Except as amended hereby, all the terms of the Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.

Issuer hereby agrees to check this Amendment and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to Deutsche a facsimile of the fully-executed Amendment to Deutsche at 44 113 336 2009. Originals shall be provided for your execution upon your request.

We are very pleased to have executed the Transaction with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

DEUTSCHE BANK AG, LONDON BRANCH

By: _____
Name:
Title:

By: _____
Name:
Title:

DEUTSCHE BANK SECURITIES INC.
acting solely as Agent in connection with this Transaction

By: _____
Name:
Title:

By: _____
Name:
Title:

Issuer hereby agrees to, accepts and confirms the terms of the foregoing as of the Trade Date.

PARKER DRILLING COMPANY

By: _____
Name:
Title:

Exhibit 10.9

AMENDMENT TO CONFIRMATION

THIS AMENDMENT TO CONFIRMATION (this "Amendment") is made as of this 29th day of June 2007, between Parker Drilling Company ("Issuer") and Lehman Brothers OTC Derivatives Inc. ("Lehman").

WHEREAS, Lehman and Issuer are parties to a Confirmation dated as of June 28, 2007 (the "Confirmation") relating to Warrants on shares of Issuer;

WHEREAS, the parties wish to amend the Confirmation on the terms and conditions set forth in this Amendment;

NOW, THEREFORE, in consideration of their mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Terms Used but Not Defined Herein. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Confirmation.

Section 2. Amendments to the Confirmation. The Confirmation is, effective as of the date hereof, hereby amended as follows:

(a) The "Premium" under the Confirmation shall be USD $2,025,000.00. For the avoidance of doubt, the Premium per Warrant set forth in the Confirmation shall remain unchanged.

(b) The "Number of Warrants" under Annex A of the Confirmation shall be 10,031 for Components 1 through 89 and 10,012 for Component 90.

Section 3. Representations and Warranties. Issuer represents and warrants to Lehman that the representations and warranties of Issuer set forth in Section 3 of the Agreement and Section 7 of the Confirmation are true and correct and are hereby deemed to be repeated to Lehman as if set forth herein.

Section 4. Effectiveness. This Amendment shall become effective upon execution by the parties hereto.

Section 5. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if all of the signatures thereto and hereto were upon the same instrument.

Section 6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 7. Effectiveness of Confirmation. Except as amended hereby, all the terms of the Confirmation shall remain and continue in full force and effect and are hereby confirmed in all respects.

Please confirm your agreement with the foregoing by executing this Amendment and returning such Amendment, in its entirety, to us at facsimile number 646-885-9546 (United States of America), Attention: Documentation.

Yours sincerely,
Lehman Brothers OTC Derivatives Inc.

By: _____
Name:
Title:

Accepted and agreed to:
Parker Drilling Company

By: _____
Name:
Title: