SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of earliest event reported: November 12, 1996

PARKER DRILLING COMPANY

(Exact name or registrant as specified in its charter)

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

Eight East Third Street, Tulsa, Oklahoma	74103
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, include area code: (918) 585-8221

The undersigned Registrant hereby amends its Form 8-K filed on November 25, 1996, to include the audited financial statements of Mallard Bay Drilling, Inc. and Quail Tools, Inc. and the related pro forma financial information.

Item 7. Financial Statements, Pro-Forma Financial Information and Exhibits

(a) Historical financial statements of Mallard Bay Drilling, Inc. and Quail Tools, Inc.

(b) Pro forma financial information

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

By: /s/ Robert L. Parker Jr.

Robert L. Parker Jr.
President and Chief Executive Officer

Date: January 6, 1997

INDEX TO FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

</TABLE>

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Energy Ventures, Inc.

We have audited the accompanying combined balance sheets of the Mallard Bay Drilling division ("Mallard Bay Drilling") of Energy Ventures, Inc. (a Delaware corporation), as defined in Note 1, as of December 31, 1995 and 1994, and the related combined statements of income, equity investments and cash flows for each of the three years in the period ended December 31, 1995. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Mallard Bay Drilling as of December 31, 1995 and 1994, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Houston, Texas
October 7, 1996

MALLARD BAY DRILLING

COMBINED BALANCE SHEETS

<TABLE>
<CAPTION>

	DECEMBER 31, 1995	DECEMBER 31, 1994
	(IN THOUSANDS)	
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 1,632	$ 889
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $253,000 in 1995 and $13,000 in 1994	26,346	22,922
Materials and Supplies	3,206	1,746
Other Current Assets	4,697	1,803
	35,881	27,360
PROPERTY, PLANT AND EQUIPMENT, AT COST:		
Drilling Rigs and Other Property	114,281	91,845
Less: Accumulated Depreciation	20,640	15,764
	93,641	76,081
EXCESS OF COST OVER FAIR VALUE OF NET TANGIBLE ASSETS OF BUSINESSES ACQUIRED, NET	1,614	1,781
OTHER ASSETS	3,415	3,211
	$134,551	$108,433
LIABILITIES AND EQUITY INVESTMENT		
CURRENT LIABILITIES:		
Current Maturities of Long-Term Debt	$ 2,403	$ 1,164
Accounts Payable	9,448	8,475
Accrued Salaries and Benefits	2,461	1,200
Rig Purchase Obligation	2,455	--
Other Accrued Liabilities	1,813	3,478
	18,580	14,317
LONG-TERM DEBT	2,665	582
DEFERRED INCOME TAXES, NET	14,454	14,584
OTHER LIABILITIES	1,990	1,673
COMMITMENTS AND CONTINGENCIES		
EQUITY INVESTMENT	96,862	77,277
	$134,551	$108,433

</TABLE>

The accompanying notes are an integral part of these combined financial statements.

MALLARD BAY DRILLING

COMBINED STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31, 1995	1994	1993
	(IN THOUSANDS)		
REVENUES	$79,912	$63,252	$74,379
COSTS AND EXPENSES:			
Cost of Sales	57,063	41,236	55,201
Selling, General and Administrative	8,374	6,185	7,381
OPERATING INCOME	14,475	15,831	11,797
OTHER INCOME (EXPENSE):			
Interest Income (Expense), Net	(339)	(162)	112
Other Income (Expense), Net	(107)	266	216
INCOME BEFORE INCOME TAXES	14,029	15,935	12,125
PROVISION FOR INCOME TAXES	5,320	5,601	4,268
NET INCOME	$ 8,709	$10,334	$ 7,857

The accompanying notes are an integral part of these combined financial statements.

MALLARD BAY DRILLING

STATEMENTS OF CHANGES IN EQUITY INVESTMENTS
(IN THOUSANDS)

BALANCE AT 12/31/92	$64,440
NET INCOME	7,857
DECREASE IN EQUITY INVESTMENT	(3,342)
BALANCE AT 12/31/93	68,955
NET INCOME	10,334
DECREASE IN EQUITY INVESTMENT	(2,012)
BALANCE AT 12/31/94	77,277
NET INCOME	8,709
INCREASE IN EQUITY INVESTMENT	10,876
BALANCE AT 12/31/95	$96,862

The accompanying notes are an integral part of these combined financial statements.

MALLARD BAY DRILLING

COMBINED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 1995	1994	1993
	(IN THOUSANDS)		

CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	$ 8,709	$10,334	$ 7,857
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operations:			
Depreciation and Amortization	8,377	4,871	4,381
Deferred Income Tax Provision (Benefit)	(129)	1,402	2,790
Insurance Settlement, Net	--	23,000	--
Gain on Disposal of Assets	(1,048)	(208)	(575)
Provision for Uncollectible Accounts Receivable	240	--	13
Change in Assets and Liabilities, Net of Effects of Business Acquired:			
Accounts Receivable	(4,964)	(5,886)	(30)
Supplies	(2,655)	(606)	(1,412)
Prepaid Expenses and Other	(2,893)	(101)	4,503
Accounts Payable	973	223	33
Other Current Liabilities	3,348	(3,552)	(146)
Other Assets	(2,249)	(3,967)	(10,452)
Other Liabilities, Net	1,714	(2,637)	24
Net Cash Provided by Operations	9,423	22,873	6,986
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from Sale of Assets	2,100	3,103	15
Acquisition of Business, Net of Cash Acquired	--	(1,500)	--
Capital Expenditures for Property, Plant and Equipment	(22,898)	(11,738)	(4,468)
Net Cash Used by Investing Activities	(20,798)	(10,135)	(4,453)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of Term Debt	3,836	2,037	--
Repayments on Term Debt	(1,319)	(7,982)	--
Increase (Decrease) in Equity Investment	9,601	(7,067)	(3,342)
Net Cash Provided (Used) by Financing Activities	12,118	(13,012)	(3,342)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	743	(274)	(809)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	889	1,163	1,972
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,632	$ 889	$ 1,163

</TABLE>

The accompanying notes are an integral part of these combined financial statements.

MALLARD BAY DRILLING

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying combined financial statements reflect the operations of the Mallard Bay Drilling division ("Mallard" or the "Company") of Energy Ventures, Inc., a Delaware corporation ("EVI"), and the assets and liabilities of Mallard that are proposed to be sold to Parker Drilling Company, a Delaware corporation ("Parker"), pursuant to the Stock Purchase Agreement dated as of September 14, 1996 (the "SPA"), by and among EVI and Parker.

Under the terms of the SPA, prior to the closing of the sale of Mallard to Parker, EVI will transfer to Mallard Bay Drilling, Inc., a Louisiana corporation and wholly owned subsidiary of EVI ("MBD") the assets and liabilities of Mallard that are proposed to be acquired in the transaction. Pursuant to the SPA, (i) certain accounts receivable and other non-fixed assets associated with Mallard's prior operations in Iran and certain other assets of EVI and Mallard are to be excluded from the sale to Parker and (ii) intercompany liabilities (other than accounts payable for certain tubulars acquired after September 14, 1996) and certain other liabilities associated with EVI are to be excluded from the sale. The Iranian related net assets to be excluded from the sale to Parker are included in the accompanying combined financial statements. Such net assets at December 31, 1995, were $4.3 million which primarily consists of a $3.4 million net receivable.

Basis of Presentation

The accompanying combined financial statements include accounts of Mallard as described above. These statements are presented as if all of the operations of Mallard had been included in MBD during the periods presented and, except as noted herein, include the historical assets, liabilities, revenues and expenses that are directly related to Mallard's operations. No amounts of general corporate accounting, tax, legal and other administrative costs have been allocated to Mallard in that such costs are not considered to be direct costs relating to the operations of Mallard or variable based on the results of Mallard. In addition, except for specific indebtedness incurred in connection with the refurbishment of Rig 71 and capitalized leases, all intercompany borrowings and indebtedness under the credit facilities of EVI and its subsidiaries to which MBD was a party or guarantor have been excluded or classified as equity contributions and no portion of such debt or related interest expense has been allocated to Mallard in Mallard's historical financial statements. As of the closing of the sale of Mallard to Parker, Mallard will be released from all such indebtedness.

Nature of Operations

The Company is an international supplier of contract drilling services. The Company's rig fleet consists primarily of barge rigs used by major and large independent oil and gas companies for the exploration and development of natural gas primarily in the U.S. Gulf Coast area. The Company also conducts barge rig operations in Nigeria, platform rig operations in Peru and land rig operations in Argentina.

Revenue Recognition

The Company primarily recognizes revenue and expenses from operations on the basis of the number of days worked at the contractual day rate.

Rig Equipment and Other Properties

Property, plant and equipment is carried at cost. Due to differences between the international and U.S. rig contracting markets, depreciation on U.S. rigs is prorated using the straight-line method primarily over 20 years while international drilling rigs and related equipment is provided using the units-of-production method. Under the units-of-production method, depreciation is based on the utilization of the drilling rigs with a minimum provision when the rigs are idle.

Mallard capitalizes renewals and improvements that significantly enhance the value or extend the useful life of an asset. Expenditures for normal maintenance and repairs are charged to expense as incurred. Normal retirements of offshore drilling equipment are reflected in accumulated depreciation accounts; gains or losses arising from unusual retirements are reflected in operations, and asset cost and related accumulated depreciation are removed from the accounts.

Intangible Assets and Amortization

The excess of cost over the fair value of net tangible assets of businesses acquired is being amortized on a straight-line basis over the lesser of expected useful lives or 40 years. The mobilization costs of moving a drilling rig from one geographic location to another, other than unreimbursed mobilization costs incurred in connection with specific profitable contracts, are deferred and amortized over the term of such contracts. These costs are considered other intangible assets and are included in Other Assets in the accompanying combined financial statements. Amortization expense for goodwill and other intangible assets was $1,474,000, $271,000 and $1,131,000 for 1995, 1994 and 1993, respectively. Accumulated amortization of goodwill at December 31, 1995 and 1994 was $281,000 and $233,000, respectively.

Foreign Currency Translation

Foreign operations of Mallard use the U.S. dollar as their functional currency. The Company's Nigerian operations are in a "highly inflationary" economy and therefore must use the U.S. dollar as the functional currency. Accordingly, the gains and losses resulting from currency translation to the U.S. dollar are reflected in income for the period and are immaterial to the periods presented. Currency transaction gains and losses are also reflected in income for the period.

Income Taxes

Effective January 1, 1993, the Company through its parent, EVI, adopted Statement of Financial Accounting Standard No. 109 ("SFAS No. 109"). The adoption of SFAS No. 109 did not have a material effect on the Company's combined financial position or results of operations. Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. EVI filed consolidated federal tax returns for the years through December 31, 1995 and separate state tax returns for the Company and each of its subsidiaries. Income taxes included in the accompanying combined financial statements have been provided using the separate return method as if the Company were a separate taxpayer.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Planned Accounting Changes

As of January 1, 1996, SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" was adopted by the Company. The statement sets forth guidelines regarding when to recognize an impairment of long-lived assets and how to measure such impairment. The adoption of SFAS No. 121 did not have a significant effect on the Company's combined financial position or results of operations.

NOTE 2. SUPPLEMENTAL CASH FLOW INFORMATION

For purposes of the Combined Statements of Cash Flows, Mallard considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Cash paid by the Company during the years ended December 31, 1995, 1994, and 1993 for interest and income taxes (net of refunds) was as follows:

<TABLE>
<CAPTION>

	1995	1994	1993
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Interest paid....................................	$ 65	$ 83	$ 20
Income taxes paid, net of refunds................	$1,559	$337	$912

</TABLE>

NOTE 3. ACQUISITION

On February 9, 1994, the Company, through EVI, purchased all of the outstanding stock of AWI Drilling & Workover, Inc. ("AWI"), for a purchase price of $1.5 million cash, $5.0 million in notes payable and 433,333 shares of EVI's

Common Stock, $1.00 par value. The assets of AWI consist primarily of 12 barge drilling rigs, eight of which were under charter to the Company at the time of acquisition. Charter fees incurred by the Company were approximately $2.5 million in 1993.

The AWI acquisition discussed above was accounted for using the purchase method of accounting, and the results of operations are included in the Combined Statements of Income from the date of acquisition. Pro forma information has not been presented for this acquisition as the historical results of the Company reflect the revenues of these rigs for the period of time the rigs were under charter (prior to January 1, 1994) and also reflect a charter fee (which approximates depreciation expense) for that same period.

NOTE 4. LONG-TERM DEBT

Mallard's long-term debt at December 31, 1995 and 1994 consisted of the following:

<TABLE>
<CAPTION>

	1995	1994
	(IN THOUSANDS)	
<S>	<C>	<C>
Promissory notes payable secured by the Company's rig in Nigeria, bearing interest ranging from 9.0% to 10.23%...	$4,500	$1,746
Capitalized lease obligations under various leases with various installment amounts............................	568	--
	5,068	1,746
Less: current maturities of long-term debt...............	2,403	1,164
	$2,665	$ 582

</TABLE>

The following is a summary of scheduled debt maturities by year (in thousands):

<TABLE>

<S>	<C>
1996...	$2,403
1997...	2,165
1998...	500
1999...	--
2000...	--
Thereafter...	--
	$5,068

</TABLE>

NOTE 5. RETIREMENT PLANS

Mallard through EVI adopted retirement plans which qualify under Section 401(k) of the Internal Revenue Code. The plans generally provide for 40% matching contributions by EVI, up to a maximum liability of 1.2% of each participating employee's annual compensation. Additional discretionary matching contributions may also be made under the plan.

EVI provides the Executive Deferred Compensation Stock Ownership Plan (the "EDC Plan") to certain key employees of Mallard. Under the EDC Plan, a portion of the compensation for certain key employees of Mallard, including officers and employee directors, can be deferred for payment after retirement or termination of employment.

NOTE 6. INCOME TAXES

The domestic and international components of income before income taxes consisted of the following:

	1995	1994	1993
	(IN THOUSANDS)		
Domestic	$10,705	$10,580	$ 7,753
International	3,324	5,355	4,372
	$14,029	$15,935	$12,125

The Company's provision for income taxes for the three years ended December 31, 1995, consisted of:

	1995	1994	1993
	(IN THOUSANDS)		
Current			
U.S. Federal	$4,310	$3,465	$ 560
International	773	454	909
State	366	280	9
	5,449	4,199	1,478
Deferred			
U.S. Federal	(129)	1,402	2,790
	$5,320	$5,601	$4,268

The difference between the tax provision at the statutory federal income tax rate and the tax provision attributable to income before income taxes for the three years ended December 31, 1995, in the accompanying Combined Statements of Income is analyzed below:

	1995	1994	1993
Statutory federal income tax rate	35.0%	35.0%	35.0%
Effect of state income tax, net	1.7	1.2	.1
Effect of non-deductible expenses	.2	.2	.1
Utilization of net operating loss carryforward	(1.4)	(1.2)	--
Effect of non-creditable foreign tax, net	.9	--	--
Other	1.5	--	--
	37.9%	35.2%	35.2%

The deferred income tax provisions for income before income taxes for the three years ended December 31, 1995, primarily consisted of:

<TABLE>

<CAPTION>

	1995	1994	1993
	-----	-------	------
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Excess of tax over financial deduction related to depreciation..............................	$ 253	$ 683	$ 840
Excess of financial over tax deductions for reserves....................................	(149)	(50)	(200)
Benefit provided for losses of foreign subsidiaries not included in consolidated return......................................	(220)	(121)	(430)
Alternative minimum tax........................	--	689	(560)
Book accruals (reversals) not currently deductible..................................	(14)	17	58
Utilization (addition) of net operating loss carryforward................................	202	(1,342)	2,694
Foreign taxes, net............................	(352)	149	170
Change in valuation allowance, net............	(202)	1,342	--
Other, net....................................	353	35	218
	-----	-------	------
	$(129)	$ 1,402	$2,790
	=====	=======	======

</TABLE>

The components of the net deferred tax liability at December 31, 1995 and December 31, 1994, were as follows:

<TABLE>
<CAPTION>

	DECEMBER 31, 1995	DECEMBER 31, 1994
	--------	--------
	(IN THOUSANDS)	
<S>	<C>	<C>
Deferred tax assets:		
Net operating loss carryforwards....................	$ 1,140	$ 1,342
Book accruals/other................................	1,084	835
Foreign taxes......................................	663	310
Valuation allowance................................	(1,140)	(1,342)
	--------	--------
Total deferred tax asset....................	1,747	1,145
	--------	--------
Deferred tax liabilities:		
Depreciation.......................................	(14,453)	(14,236)
Nonbenefited losses (unrepatriated earnings) of foreign subsidiaries, net........................	(42)	(262)
State..	(647)	(652)
Other..	(1,059)	(579)
	--------	--------
Total deferred tax liability................	(16,201)	(15,729)
	--------	--------
Net deferred tax liability............................	$(14,454)	$(14,584)
	========	========

</TABLE>

EVI filed consolidated federal tax returns for the years through December 31, 1995 and separate state tax returns for the Company and each of its subsidiaries. It is the parent's policy not to allocate income tax expense to its subsidiaries. The accompanying financial statements have been prepared in accordance with the separate return method of SFAS No. 109, whereby the allocation of tax expense is based on what the Company's current and deferred tax expense would have been had the Company filed a federal income tax return outside its consolidated group. The Company has reflected an asset for taxes relating to unrepatriated income from foreign subsidiaries. The Company has a valuation allowance to reflect the estimated amount of deferred tax assets for which realization is uncertain. The net change in the valuation allowance for the year ended December 31, 1995 was a decrease of $202,000. The net change principally relates to a reduction in the valuation allowance required for certain deferred tax assets which realization became certain in 1995.

NOTE 7. DISPUTES, LITIGATION AND CONTINGENCIES

Litigation and Other Disputes

The Company is aware of various disputes and potential claims and is a party in various litigation involving claims against the Company, some of which are covered by insurance. Based on facts currently known, the Company believes that the ultimate liability, if any, which may result from known claims, disputes and pending litigation would not have a material adverse effect on the Company s combined financial position or combined results of operations.

Insurance

The Company is partially self-insured for employee health insurance claims and for workers' compensation for certain of its employees. Although the Company believes that adequate reserves have been provided for expected liabilities arising from its self-insured obligations, it is reasonably possible that management's estimates of these liabilities will change over the near term as circumstances develop.

NOTE 8. INSURANCE SETTLEMENT

On September 30, 1994, EVI settled all of its claims with its insurance carriers with respect to the termination of its workover drilling contract with the National Iranian Oil Company ("NIOC"). Under the terms of the settlement with EVI's insurance carriers, EVI received a net cash payment of $23 million for reimbursement of certain operating costs incurred and amounts to be received in accordance with the terms of the workover drilling contract. EVI also retained all rights to any funds collected or recovered by EVI from NIOC and to the rigs and equipment deployed in Iran. The rigs and the related equipment were moved out of Iran by December 31, 1994.

In 1994, the Company adjusted the carrying value of the receivables, rigs and equipment, and established reserves for demobilization, refurbishment and contract settlement costs, all of which totaled approximately $18 million. The insurance settlement which increased operating income by $4.8 million was reduced by operating losses of $2.6 million relating to the Iranian operations for 1994.

NOTE 9. COMMITMENTS

Mallard is committed under various noncancelable operating leases which primarily relate to office space and equipment. Total lease expense incurred under noncancelable operating leases was approximately $1,549,000, $928,000 and $941,000 for the years ended December 31, 1995, 1994, and 1993, respectively.

Future minimum rental commitments under these operating leases are as follows (in thousands):

<TABLE>

<S>	<C>
1996	$610
1997	260
1998	54
1999	--
2000	--

Thereafter	$924
	====

</TABLE>

During 1995, Mallard acquired two rigs in exchange for drillpipe provided by EVI. This obligation was completed in early 1996.

NOTE 10. RELATED PARTY TRANSACTIONS

Certain non-fixed assets, including receivables and performance bonds, relating to the operations in Iran that are to be excluded from the sale under the SPA have been reflected in the accompanying combined financial statements. Such net assets at December 31, 1995, were $4.3 million which primarily consists of a $3.4 million net receivable.

EVI and its subsidiaries provide drillpipe and other related products to Mallard at prices charged to non-affiliate customers of EVI. Drillpipe and other related products sold to Mallard by EVI was $2,285,000, $518,000 and $563,000 in 1995, 1994 and 1993, respectively.

NOTE 11. SUBSEQUENT EVENT

On September 14, 1996, EVI entered into an agreement with Parker to sell the contract drilling services business operated principally through Mallard to Parker for a total consideration of $338 million consisting of $313 million cash and shares of convertible preferred stock having a value of $25 million. Consummation of this sale is subject to various conditions, including the receipt of all regulatory approvals and the consummation of financing by Parker sufficient to fund the acquisition.

On August 22, 1996, the Company acquired two barge drilling rigs located in Nigeria for $24.5 million cash and a $7.5 million drill pipe credit.

NOTE 12. GEOGRAPHIC INFORMATION

Major Customers and Credit Risk

Substantially all of the Company's customers are engaged in the energy industry. This concentration of customers may impact the Company's overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. The Company performs ongoing credit evaluations of its customers and does not generally require collateral in support of its trade receivables. The Company maintains reserves for potential credit losses, and actual losses have historically been within the Company's expectations. Foreign operations also present various risks, including risks of war, civil disturbances and governmental activities that may limit or disrupt markets, restrict the movement of funds or result in the deprivation of contract rights or the taking of property without fair consideration. Most of the Company's foreign contracts, however, are with large international companies.

Mallard's customer base consists of independent and major oil companies. For 1995, Texaco, Inc. ("Texaco"), Petro-Tech Peruana S.A. and Chevron Nigeria Limited accounted for 25%, 13% and 11%, respectively, of Mallard's revenues. For 1994, Texaco and Oryx Energy Company accounted for 15% and 11%, respectively, of Mallard's revenues. For 1993, Texaco and NIOC accounted for 19% and 11% of Mallard's revenues.

Foreign Operations

Summarized financial information for the three years ended December 31, 1995, by geographic area is as follows:

<TABLE>
<CAPTION>

WESTERN HEMISPHERE		EASTERN HEMISPHERE		
UNITED STATES	OTHER	MIDDLE EAST	NIGERIA	TOTAL

(IN THOUSANDS)

<S>	<C>	<C>	<C>	<C>	<C>
1995					
Operating revenues from unaffiliated customers.....	$55,283	$15,864	$ --	$ 8,765	$ 79,912
Operating income (loss).......	10,786	1,432	(182)	2,439	14,475
Identifiable assets...........	75,074	36,207	4,617	18,653	134,551
1994					
Operating revenues from unaffiliated customers.....	$52,766	$ 5,034	$ 1,523	$ 3,929	$ 63,252
Operating income.............	10,357	2,022	2,531	921	15,831
Identifiable assets...........	67,514	7,636	13,109	20,174	108,433
1993					
Operating revenues from unaffiliated customers.....	$55,890	$ 5,959	$ 7,967	$ 4,563	$ 74,379
Operating income.............	7,763	2,797	612	625	11,797
Identifiable assets...........	43,268	4,707	28,451	9,959	86,385

</TABLE>

MALLARD BAY DRILLING

COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 1996
(UNAUDITED)
(IN THOUSANDS)

ASSETS

<TABLE>

<S>	<C>
CURRENT ASSETS:	
Cash and Cash Equivalents...	$ 1,547
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $512........	23,491
Materials and Supplies...	4,664
Other Current Assets...	12,013

	41,715
PROPERTY, PLANT AND EQUIPMENT, AT COST:	
Drilling Rigs and Other Property..	167,802
Less: Accumulated Depreciation..	27,333

	140,469
EXCESS OF COST OVER FAIR VALUE OF NET TANGIBLE ASSETS OF BUSINESSES ACQUIRED, NET..	1,578
OTHER ASSETS..	2,154

	$185,916
	========
LIABILITIES AND EQUITY INVESTMENT	
CURRENT LIABILITIES:	
Current Maturities of Long-Term Debt...	$ 2,266
Accounts Payable...	9,961
Accrued Salaries and Benefits..	1,932
Other Accrued Liabilities..	7,395

	21,554
LONG-TERM DEBT..	1,000
DEFERRED INCOME TAXES, NET...	14,134
OTHER LIABILITIES...	415
COMMITMENTS AND CONTINGENCIES	
EQUITY INVESTMENT...	148,813

	$185,916
	========

</TABLE>

See accompanying notes to financial statements.

MALLARD BAY DRILLING

COMBINED STATEMENT OF INCOME
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30, 1996	1995
	(IN THOUSANDS)	
REVENUES	$66,921	$59,540
COSTS AND EXPENSES		
Cost of Sales	48,441	42,279
Selling, General and Administrative	8,768	5,448
	57,209	47,727
OPERATING INCOME	9,712	11,813
OTHER INCOME (EXPENSE)		
Interest Expense, Net	(296)	(152)
Other, Net	108	(311)
	(188)	(463)
INCOME BEFORE INCOME TAXES	9,524	11,350
PROVISION FOR INCOME TAXES	3,799	4,247
NET INCOME	$ 5,725	$ 7,103

See accompanying notes to financial statements.

MALLARD BAY DRILLING

COMBINED STATEMENT OF CASH FLOWS
(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30, 1996	1995
	(IN THOUSANDS)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 5,725	$ 7,103
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operations:		
Depreciation and Amortization	9,079	5,623
Deferred Income Tax Benefit	(320)	(104)
Gain (Loss) on Disposal of Assets	(143)	345
Provision for Uncollectible Accounts Receivable	270	130
Change in Assets and Liabilities, Net of Effects of Business Acquired:		
Accounts Receivable	2,585	(4,938)
Supplies	(958)	(544)
Prepaid Expenses and Other	(7,317)	(2,343)
Accounts Payable	513	(13)
Other Current Liabilities	(6,124)	1,395
Other Assets	(754)	(1,894)
Other Liabilities, Net	(1,576)	(761)
Net Cash Provided by Operations	980	3,999
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Assets	395	92
Capital Expenditures for Property, Plant and Equipment	(21,415)	(10,598)

Net Cash Used by Investing Activities	(21,020)	(10,506)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments (Borrowings) on Term Debt, Net	(1,802)	3,118
Increase in Equity Investment	21,757	4,227
Net Cash Provided by Financing Activities	19,955	7,345
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(85)	838
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,632	889
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,547	$ 1,727
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest Paid	$ 403	$ 164
Income Taxes Paid, Net of Refunds	$ 763	$ 828

</TABLE>

See accompanying notes to financial statements.

MALLARD BAY DRILLING

NOTES TO COMBINED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited combined financial statements reflect the operations of the Mallard Bay Drilling division ("Mallard" or the "Company") of Energy Ventures, Inc., a Delaware corporation ("EVI"), and the assets and liabilities of Mallard that are proposed to be sold to Parker Drilling Company, a Delaware corporation ("Parker"), pursuant to the Stock Purchase Agreement dated as of September 14, 1996 (the "SPA"), by and among EVI and Parker. Although the Company believes that the disclosures in these combined financial statements are adequate to make the interim information presented not misleading, certain information relating to the Company's organization and footnote disclosures normally included in accordance with generally accepted accounting principles has been condensed or omitted. These combined financial statements should be read in conjunction with the audited combined financial statements and notes thereto for the year ended December 31, 1995. The results of operations for the nine months ended September 30, 1996 are not necessarily indicative of the results expected for the full year.

NOTE 2. RELATED PARTY TRANSACTIONS

EVI and its subsidiaries provide drillpipe and other related products to Mallard at prices charged to non-affiliated customers of EVI. Drillpipe and other related products sold to Mallard by EVI was $4.2 million and $2.1 million for the nine months ended September 30, 1996 and 1995, respectively. Certain accounts receivable and other non-fixed assets related to prior operations in Iran which are being retained by EVI have not been included in the accompanying unaudited combined financial statements.

NOTE 3. SUBSEQUENT EVENT

On September 14, 1996, EVI entered into an agreement with Parker to sell the contract drilling services business operated principally through Mallard to Parker for a total consideration of $338 million consisting of $313 million cash and shares of convertible preferred stock having a value of $25 million. Consummation of this sale is subject to various conditions, including the receipt of all regulatory approvals and the consummation of financing by Parker sufficient to fund the acquisition.

On August 22, 1996, the Company acquired two barge drilling rigs located in Nigeria for $24.5 million cash and a $7.5 drillpipe credit.

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Quail Tools, Inc.:

We have audited the accompanying balance sheets of Quail Tools, Inc. as of December 31, 1995 and 1994 and the related statements of earnings and retained earnings and cash flows for each of the years in the three-year period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quail Tools, Inc. as of December 31, 1995 and 1994, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 1995, in conformity with generally accepted accounting principles.

As discussed in note 2 to the financial statements, in 1994 the Company adopted the method of accounting for certain investments in debt and equity securities prescribed by Statement of Financial Accounting Standards No. 115.

KPMG PEAT MARWICK LLP

New Orleans, Louisiana
September 27, 1996

QUAIL TOOLS, INC.

BALANCE SHEETS
DECEMBER 31, 1995 AND 1994

<TABLE>
<CAPTION>

<S>	1995 <C>	1994 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,050,783	$ 510,059
Short-term investments (note 2)	1,427,040	1,861,184
Receivables:		
Trade	2,539,840	1,874,992
Shareholder	--	575,073
Prepaid expenses and other assets	239,055	138,662
Total current assets	6,256,718	4,959,970
Property and equipment, at cost:		
Land	985,000	985,000
Oilfield rental equipment	18,076,672	16,176,254
Buildings and improvements	1,699,260	1,724,830
Furniture, fixtures and other equipment	1,045,469	1,003,424
Autos and trucks	676,257	790,351
	22,482,658	20,679,859
Less accumulated depreciation	14,524,251	13,301,544
Net property and equipment	7,958,407	7,378,315
Long-term investments (note 2)	3,920,463	4,082,373
	$18,135,588	16,420,658

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable...	$ 436,075	$ 1,195,238
Deferred revenue...	104,000	--
Other current liabilities (note 4).............................	187,066	156,532
	----------	----------
Total current liabilities..............................	727,141	1,351,770
	----------	----------
Shareholders' equity:		
Common stock, no par value, 100,000 shares authorized, 6,628 shares issued and outstanding...............................	13,250	13,250
Additional paid-in capital.....................................	8,750	8,750
Unrealized gains on marketable equity securities (note 2).......	304,977	141,630
Retained earnings..	17,081,470	14,905,258
	----------	----------
Total shareholders' equity.............................	17,408,447	15,068,888
Commitments and contingencies (notes 4, 5 and 6).................		
	----------	----------
	$18,135,588	$16,420,658
	==========	==========

</TABLE>

See accompanying notes to financial statements.

QUAIL TOOLS, INC.

STATEMENTS OF EARNINGS AND RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

<TABLE>
<CAPTION>

	1995	1994	1993
	-----------	-----------	-----------
<S>	<C>	<C>	<C>
Equipment rental...................................	$13,883,340	$10,838,234	$10,456,262
	-----------	----------	----------
Expenses:			
Cost of rentals..................................	1,347,671	1,137,143	1,724,895
Selling, general and administrative expenses......	3,341,646	3,355,739	3,350,417
Depreciation.....................................	2,188,627	1,768,719	1,644,403
	-----------	----------	----------
	6,877,944	6,261,601	6,719,715
	-----------	----------	----------
Operating income..........................	7,005,396	4,576,633	3,736,547
	-----------	----------	----------
Other income:			
Gain on sales of property and equipment...........	457,934	387,047	64,905
Amortization of bond discount....................	148,745	139,242	130,349
Interest...	86,851	304,916	276,954
Dividends..	44,085	42,085	40,976
Gain on sale of investments.......................	40,514	226,487	51,298
Other..	61,042	7,915	3,954
	-----------	----------	----------
	839,171	1,107,692	568,436
	-----------	----------	----------
Net earnings.............................	7,844,567	5,684,325	4,304,983
Retained earnings at beginning of year..............	14,905,258	15,919,011	14,705,143
Distributions paid to shareholders..................	(5,668,355)	(6,698,078)	(3,091,115)
	-----------	----------	----------
Retained earnings at end of year....................	$17,081,470	$14,905,258	$15,919,011
	===========	==========	==========

</TABLE>

See accompanying notes to financial statements.

QUAIL TOOLS, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

<TABLE>
<CAPTION>

<S>	1995 <C>	1994 <C>	1993 <C>
Cash flows from operating activities:			
Net earnings	$ 7,844,567	$ 5,684,325	$ 4,304,983
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	2,188,627	1,768,719	1,644,403
Amortization of bond discount	(148,745)	(139,242)	(130,349)
Increase in deferred revenue	104,000	--	--
Gain on sale of investments	(40,514)	(226,487)	(51,298)
Gain on sale of property and equipment	(457,934)	(387,047)	(64,905)
Changes in operating assets and liabilities:			
(Increase) decrease in trade receivables	(664,848)	597,481	(1,009,234)
(Increase) decrease in prepaid expenses and other assets	(100,393)	18,074	402,186
(Decrease) increase in accounts payable	(759,163)	577,730	(99,598)
Increase in other current liabilities	30,534	156,532	--
Net cash provided by operating activities	7,996,131	8,050,085	4,996,188
Cash flows from investing activities:			
Proceeds from maturity of investments	700,000	175,000	480,000
Proceeds from the sale of investments	248,660	1,163,582	262,655
Purchase of investments	--	--	(363,773)
Proceeds from the sale of property and equipment	849,064	523,319	311,425
Purchase of property and equipment	(3,159,849)	(2,458,478)	(2,414,539)
Net cash used in investing activities	(1,362,125)	(596,577)	(1,724,232)
Cash flows from financing activities:			
Change in shareholder receivables	575,073	(575,073)	34,142
Distributions paid to shareholders	(5,668,355)	(6,698,078)	(3,091,115)
Net cash used in financing activities	(5,093,282)	(7,273,151)	(3,056,973)
Net increase in cash and cash equivalents	1,540,724	180,357	214,983
Cash and cash equivalents at beginning of year	510,059	329,702	114,719
Cash and cash equivalents at end of year	$ 2,050,783	$ 510,059	$ 329,702
Supplemental disclosures of cash flow information -- unrealized gain on marketable equity securities	$ 163,346	$ 141,630	$ --

</TABLE>

See accompanying notes to financial statements.

QUAIL TOOLS, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1995

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization and Business

Quail Tools, Inc. (the Company) was incorporated on February 9, 1978 in New Iberia, Louisiana. The Company's principal business is to rent oil field tools and pipe primarily to major oil companies operating in the Gulf of Mexico, and is, therefore, directly affected by economic conditions of the oil and gas industry.

(b) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method based upon estimated useful lives as follows:

<TABLE>
<CAPTION>

DESCRIPTION	ESTIMATED USEFUL LIVES
<S>	<C>
Oilfield rental equipment..	7 years
Buildings and improvements.......................................	15-31 years
Furniture, fixtures and other equipment..........................	5-7 years
Autos and trucks..	5 years

</TABLE>

Expenditures for major additions and improvements are capitalized while minor replacements, maintenance and repairs are charged to expense as incurred. When property is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the related amounts, and any resulting gain or loss is included in the statements of earnings.

(d) Investments

In May 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities, (Statement 115). Under Statement 115, marketable equity securities are classified in one of three categories: trading, available-for-sale, or held-to-maturity. Trading securities are those bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities in which the Company has the ability and intent to hold the security until maturity. All other securities not included in trading or held-to-maturity are classified as available-for-sale. Trading and available-for-sale securities are to be recorded at market value, while held-to-maturity securities are to be recorded at amortized cost. Market value is determined by the most recently traded price of the security at the balance sheet date. Net realized gains and losses are determined on the specific identification cost method.

Statement 115 is effective for all fiscal years beginning after December 15, 1993 and has been adopted by the Company on a prospective basis as of January 1, 1994.

(e) Income Taxes

The Company with the consent of its shareholders, elected under applicable provisions of the Internal Revenue Code not to be taxed as a corporation but to have earnings taxed to the individual shareholders. Therefore, no provision for federal and state income taxes has been made in the accompanying financial

statements for the Company. Annual distributions are based on earnings of the Company and are made to facilitate payment of shareholders' personal tax liabilities.

(f) Revenue Recognition

Revenues are recognized when rentals are provided. Deferred revenue consists of amounts received from customers in advance of rentals.

(g) Cash and Cash Equivalents

For purposes of the statement of cash flows, short-term, highly-liquid investments are considered cash equivalents.

(2) INVESTMENTS

As discussed in note 1, the Company adopted Statement 115 as of January 1, 1994.

Marketable equity securities classified as current assets at December 31, 1995 and 1994, include the following:

<TABLE>
<CAPTION>

	1995		
	AMORTIZED COST	UNREALIZED GAINS	AMORTIZED COST/ MARKET VALUE
<S>	<C>	<C>	<C>
Available-for-sale -- marketable equity securities................	$ 811,407	$ 304,977	$ 1,116,384
Held-to-maturity -- tax exempt municipal bonds.......................................	310,656	--	310,656
	$1,122,063	$ 304,977	$ 1,427,040

</TABLE>

<TABLE>
<CAPTION>

	1994		
	AMORTIZED COST	UNREALIZED GAINS	AMORTIZED COST/ MARKET VALUE
<S>	<C>	<C>	<C>
Available-for-sale -- marketable equity securities..................................	$1,019,554	$ 141,630	$ 1,161,184
Held-to-maturity:			
Tax exempt municipal bonds..................	625,000	--	625,000
Certificate of deposit......................	75,000	--	75,000
	$1,719,554	$ 141,630	$ 1,861,184

</TABLE>

Marketable equity securities classified as noncurrent assets at December 31, 1995 and 1994, include the following:

<TABLE>
<CAPTION>

	1995		
	AMORTIZED COST	UNREALIZED GAINS	AMORTIZED COST/ MARKET VALUE
<S>	<C>	<C>	<C>
Held-to-maturity:			
U.S. Government Securities..................	$ 824,534	--	$ 824,534
Tax exempt municipal bonds..................	3,095,929	--	3,095,929
	$3,920,463	--	$ 3,920,463

</TABLE>

<TABLE>
<CAPTION>
1994

	AMORTIZED COST	UNREALIZED GAINS	AMORTIZED COST/ MARKET VALUE
<S>	<C>	<C>	<C>
Held-to maturity:			
U.S. Government Securities..................	$ 792,769	--	$ 792,769
Tax exempt municipal bonds..................	3,289,604	--	3,289,604
	$4,082,373	--	$ 4,082,373

</TABLE>

The contractual maturities of held-to-maturity securities at December 31, 1995, are as follows:

<TABLE>
<CAPTION>

	AMORTIZED COST	FAIR VALUE
<S>	<C>	<C>
Due within one year..	$ 310,656	$ 296,051
Due after one year through five years.......................	1,691,926	1,843,783
Due after five years through ten years......................	1,520,342	1,929,392
Due after ten years..	708,195	803,245
	$4,231,119	$4,872,471

</TABLE>

Differences between cost and market value of available-for-sale equity securities were credited to a separate component of shareholders' equity called "unrealized gains on marketable equity securities" in the amount of $163,347 and $141,630 for the years ended December 31, 1995 and 1994, respectively.

Proceeds from sales of securities available-for-sale were $248,660 and $1,163,582 and gross gains were $40,514 and $226,487 for the years ended December 31, 1995 and 1994, respectively.

(3) CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. The Company places cash and temporary cash investments with high quality financial institutions and currently invests primarily in money market accounts.

A majority of the Company's business is conducted with major oil and gas exploration companies with operations in the Gulf of Mexico. The Company continually evaluates the financial strength of its customers but does not require collateral to support trade receivables.

Customers which account for 10 percent or more of revenue for the years ended December 31, 1995, 1994 and 1993 follow:

<TABLE>
<CAPTION>

	1995	1994	1993
<S>	<C>	<C>	<C>
Exxon..	30%	40%	45%
Texaco...	23%	--	11%

</TABLE>

(4) PROFIT-SHARING PLAN

The Company has a discretionary profit-sharing plan for the benefit of substantially all employees. During the years ended December 31, 1995, 1994 and 1993, the Company contributed $187,066, $156,532 and $142,928, respectively, to the plan.

(5) COMMON STOCK AND SHAREHOLDER SUCCESSION

In accordance with an agreement among the shareholders, each shareholder may sell their stock by first offering it to the Company at a value established by the Board of Directors. If the Company does not acquire the stock, the shareholder may then sell it to a third party.

In conjunction with this buy/sell agreement, the shareholders have implemented arrangements which they believe will ensure continued Company management and control succession within a framework which should not unduly burden the Company.

(6) COMMITMENT AND CONTINGENCIES

In conjunction with the Company changing from a Subchapter C Corporation to a Subchapter S Corporation under the provisions of the Internal Revenue Code in 1992, a built-in gain amount of approximately $5,500,000 was calculated based on the then determined value of the Company. Any sale of the Company, at a gain, prior to 2002, would cause this built-in gain amount to be taxed at the corporate level with any additional gains taxed only at the individual shareholder level.

(7) SUBSEQUENT EVENT

The shareholders of the Company have entered into discussions with outside parties as to the sale of their common stock.

QUAIL TOOLS, INC.

BALANCE SHEET
AUGUST 31, 1996
(UNAUDITED)

ASSETS

<TABLE>
<CAPTION>

<S>	AUGUST 31, 1996 <C>
Current assets:	
Cash and cash equivalents	$ 286,560
Short-term investments	533,271
Trade receivables	2,837,426
Prepaid expenses and other assets	149,419
Total current assets	3,806,676
Property and equipment, at cost:	
Land	985,000
Oilfield rental equipment	21,310,453
Buildings and improvements	1,699,260
Furniture, fixtures, and other equipment	1,316,966
Autos and trucks	676,257
	25,987,936
Less accumulated depreciation	(16,324,251)
Net property and equipment	9,663,685
Long-term investments	3,863,213
	$ 17,333,574

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:	
Accounts payable	$ 183,111
Other current liabilities	168,238
Total current liabilities	351,349
Shareholders' equity:	
Common stock	13,250
Additional paid-in capital	8,750
Unrealized gains on marketable equity securities	1,000
Retained earnings	16,959,225
Total shareholders' equity	16,982,225
	$ 17,333,574

</TABLE>

See accompanying notes to financial statements.

QUAIL TOOLS, INC.

STATEMENTS OF EARNINGS AND RETAINED EARNINGS
FOR THE EIGHT MONTHS ENDED AUGUST 31, 1996 AND 1995
(UNAUDITED)

<TABLE>
<CAPTION>

	EIGHT MONTHS ENDED AUGUST 31,	
	1996	1995
<S>	<C>	<C>
Equipment rental	$11,828,731	$8,282,837
Expenses:		
Cost of rentals	1,233,437	813,848
Selling, general and administrative expenses	2,546,208	2,050,311
Depreciation	1,800,000	1,200,000
	5,579,645	4,064,159
Operating Income	6,249,086	4,218,678
Other Income:		
Gain on sale of property and equipment	243,098	202,969
Amortization of bond discount	104,041	148,745
Interest	111,016	96,273
Dividends	5,744	12,811
Gain on sale of investments	309,456	40,514
Other	59,243	6,747
	832,598	508,059
Net earnings	7,081,684	4,726,737
Retained earnings at beginning of period	17,081,470	14,905,258
Distributions paid to shareholders	(7,203,929)	(4,668,355)
Retained earnings at end of period	$16,959,225	$14,963,640

</TABLE>

See accompanying notes to financial statements.

QUAIL TOOLS, INC.

STATEMENTS OF CASH FLOWS

FOR THE EIGHT MONTHS ENDED AUGUST 31, 1996 AND 1995
(UNAUDITED)

	EIGHT MONTHS ENDED AUGUST 31, 1996	1995
Cash flow from operating activities:		
Net earnings	$7,081,684	$4,726,737
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	1,800,000	1,200,000
Amortization of bond discount	(104,041)	(148,745)
Gain on sale of property	(243,098)	(202,969)
Gain on sale of investments	(309,456)	(40,514)
Decrease in deferred revenue	(104,000)	--
Increase in trade receivables	(297,586)	(258,299)
Decrease (increase) in prepaid and other assets	89,636	(12,304)
Decrease in accounts payable	(252,964)	(607,477)
Increase in other liabilities	(18,828)	(24,025)
Net cash provided by operating activities	7,641,347	4,632,404
Cash flows from investing activities:		
Proceeds from sale of property	483,098	362,969
Proceeds from maturity of investments	--	435,000
Proceeds from sale of investments	1,060,539	248,660
Purchase of property and equipment	(3,745,278)	(1,745,560)
Net cash used in investing activities	(2,201,641)	(698,931)
Cash flow from financing activities:		
Change in shareholder receivables	--	575,073
Distributions paid to shareholders	(7,203,929)	(4,668,355)
Net cash used in financing activities	(7,203,929)	(4,093,282)
Net decrease in cash	(1,764,223)	(159,809)
Cash at beginning of period	2,050,783	510,059
Cash at end of period	$ 286,560	$ 350,250
Supplemental disclosure -- net change in unrealized gain on marketable equity securities	$ 303,977	$ 139,428

See accompanying notes to financial statements.

QUAIL TOOLS, INC.

NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1996 AND 1995
(UNAUDITED)

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization and Business

Quail Tools, Inc. (the Company) was incorporated on February 9, 1978 in New Iberia, Louisiana. The Company's principal business is to rent oil field tools and pipe primarily to major oil companies operating in the Gulf of Mexico, and is, therefore, directly affected by economic conditions of the oil and gas industry.

(b) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of the Company, the accompanying unaudited financial statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of August 31, 1996, and the results of operations and cash flows for the eight-month period ended August 31, 1996.

(c) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method based upon estimated useful lives as follows:

<TABLE>
<CAPTION>

DESCRIPTION	ESTIMATED USEFUL LIVES
<S>	<C>
Oilfield rental equipment..	7 years
Buildings and improvements.......................................	15-31 years
Furniture, fixtures and other equipment..........................	5-7 years
Autos and trucks...	5 years

</TABLE>

Expenditures for major additions and improvements are capitalized while minor replacements and maintenance and repairs are charged to expense as incurred. When property is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the related amounts, and any resulting gain or loss is included in the statement of earnings.

Effective January 1, 1996, the Company adopted Statement of Financial Accounting Standards No. 121 (SFAS No. 121) "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." SFAS No. 121 sets forth guidelines regarding when to recognize an impairment of long-lived assets and how to measure such impairment. The adoption of SFAS No. 121 did not have an effect on the Company's financial position or results of operations.

(d) Investments

Marketable equity securities are classified in one of three categories: trading, available-for-sale, or held-to-maturity. Trading securities are those bought and held principally for the purpose of selling them in the near term. Held-to-maturity securities are those securities in which the Company has the ability and intent to hold the security until maturity. All other securities not included in trading or held-to-maturity are classified as available-for-sale. Trading and available-for-sale securities are recorded at market value, while held-to-maturity securities are recorded at amortized cost. Market value is determined by the most recently traded

price of the security at the balance sheet date. Net realized gains and losses are determined on the specific identification cost method.

(e) Income Taxes

The Company with the consent of its shareholders, elected under applicable provisions of the Internal Revenue Code not to be taxed as a corporation but to have earnings taxed to the individual shareholders. Therefore, no provision for federal and state income taxes has been made in the accompanying financial statements for the Company. Annual distributions are based on earnings of the Company and are made to facilitate payment of shareholders' personal tax liabilities.

(f) Revenue Recognition

Revenues are recognized when rentals are provided. Deferred revenue consists of amounts received from customers in advance of rentals.

(g) Cash and Cash Equivalents

For purposes of the statement of cash flows, short-term, highly-liquid investments are considered cash equivalents.

(2) INVESTMENTS

Marketable equity securities classified as current assets at August 31, 1996, include the following:

	AMORTIZED COST	UNREALIZED GAINS	AMORTIZED COST/ MARKET VALUE
Available-for-sale -- marketable equity securities	$ 272,242	$1,000	$ 273,242
Held-to-maturity -- tax exempt municipal bonds	260,029	--	260,029
	$ 532,271	$1,000	$ 533,271

Marketable equity securities classified as noncurrent assets at August 31, 1996, include the following:

	AMORTIZED COST	UNREALIZED GAINS	AMORTIZED COST/ MARKET VALUE
Held-to-maturity:			
U.S. Government Securities	$ 929,832	--	$ 929,832
Tax exempt municipal bonds	2,933,381	--	2,933,381
	$3,863,213	--	$ 3,863,213

Differences between cost and market value of available-for-sale equity securities were credited to a separate component of shareholders' equity called "unrealized gains on marketable equity securities" in the amount of $1,000 for the eight months ended August 31, 1996.

Proceeds from sales of securities available-for-sale were $1,060,539 and $248,660 and gross gains were $309,456 and $40,514 for the eight months ended August 31, 1996, and 1995, respectively.

(3) CONCENTRATION OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. The Company places cash and temporary cash investments with high quality financial institutions and currently invests primarily in money market accounts.

A majority of the Company's business is conducted with major oil and gas exploration companies with operations in the Gulf of Mexico. The Company continually evaluates the financial strength of its customers but does not require collateral to support trade receivables.

Customers which account for 10 percent or more of revenue for the eight months ended August 31, 1996 and 1995 follow:

	1996	1995
Exxon	32%	35%
Texaco	29%	19%

(4) COMMON STOCK AND SHAREHOLDER SUCCESSION

In accordance with an agreement among the shareholders, each shareholder may sell their stock by first offering it to the Company at a value established by the Board of Directors. If the Company does not acquire the stock, the shareholder may then sell to a third party.

In conjunction with this buy/sell agreement, the shareholders have implemented arrangements which they believe will ensure continued Company management and control succession within a framework which should not unduly burden the Company.

(5) COMMITMENT AND CONTINGENCIES

In conjunction with the Company changing from a Subchapter C Corporation to a Subchapter S Corporation under the provisions of the Internal Revenue Code in 1992, a built-in gain amount of approximately $5,500,000 was calculated based on the then determined value of the Company. Any sale of the Company, at a gain, prior to 2002, would cause this built-in gain amount to be taxed at the corporate level with any additional gains taxed only at the individual shareholder level.

(6) SUBSEQUENT EVENT

The shareholders of the Company have signed an agreement with an outside party to sell their common stock.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma combined financial information is derived from the historical financial statements of Parker, Mallard and Quail and certain assumptions deemed appropriate by the Company. The Unaudited Pro Forma Combined Statement of Operations for the year ended August 31, 1996 reflects (i) the Mallard Acquisition, (ii) the Quail Acquisition, (iii) the acquisition by Mallard of two drilling barges from Noble Drilling Corporation ("Noble") in August 1996, (iv) the issuance of the Notes and the application of the net proceeds therefrom, (v) borrowings of $100 million in term loans under the Senior Credit Facility, and (vi) the issuance of $25 million in shares of convertible preferred stock, and the subsequent conversion of such shares into 3,056,600 shares of Common Stock in December 1996, as if such transactions had occurred on September 1, 1995. The Unaudited Pro Forma Combined Balance Sheet as of August 31, 1996 reflects such transactions as if they had occurred on August 31, 1996. Such unaudited pro forma combined information combines (i) the audited operating results and balance sheet data for Parker for the twelve months ended and as of August 31, 1996; (ii) the unaudited operating results and balance sheet data of Mallard for the twelve months ended and as of September 30, 1996; and (iii) the unaudited operating results and balance sheet data of Quail for the twelve months ended and as of August 31, 1996. The unaudited pro forma combined financial information should be read in conjunction with the notes thereto and the historical financial statements of the Parker, Mallard and Quail, including the notes thereto.

The pro forma adjustments to give effect to the various events described above are based upon currently available information and upon certain assumptions that management believes are reasonable. The historical operating results of Mallard included in the Unaudited Pro Forma Combined Financial Statements do not reflect any allocation of general corporate, accounting, tax, legal and other administrative costs incurred by its parent corporation. See

Note 1 of the notes to the historical financial statements of Mallard included elsewhere herein. Management does not believe that it will be required to incur any significant amount of additional general and administrative expense in connection with the incorporation of Mallard's operations. The Acquisitions have been accounted for by the Company under the purchase method of accounting and the assets and liabilities of Mallard and Quail were recorded at their estimated fair market values at the date of acquisition. The adjustments included in the Unaudited Pro Forma Combined Financial Statements reflect the Company's preliminary determination of these adjustments based upon available information. There can be no assurance that the actual adjustments will not vary significantly from the estimated adjustments reflected in the unaudited pro forma combined financial information.

The unaudited pro forma combined financial information does not purport to be indicative of the financial position or results of operations that would actually have occurred if the transactions described had occurred as presented in such statements or that may be obtained in the future. In addition, future results may vary significantly from the results reflected in such statements due to general economic conditions, oil and gas commodity prices, the demand and prices for contract drilling services and rental tools, increases in the number of rigs available for service, the Company's ability to successfully integrate the operations of Mallard and Quail with its current business and several other factors, many of which are beyond the Company's control.

PARKER DRILLING COMPANY AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AUGUST 31, 1996
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	AS OF				
	AUGUST 31, 1996	SEPTEMBER 30, 1996	AUGUST 31, 1996		
	PARKER	MALLARD	QUAIL	ADJUSTMENTS(1)	PRO FORMA
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS					
Current assets:					
Cash and cash equivalents	$ 61,738	$ 1,547	$ 287	$ 385,845(a) (381,500)(b) (287)(b)	$ 67,630
Other short-term investments	16,247	--	533	(533)(b)	16,247
Accounts and notes receivable	33,675	23,491	2,838	(1,500)(b)	58,804
Rig materials and supplies	10,735	4,664	--	(1,500)(b)	13,899
Other current assets	3,653	12,013	149		15,815
Total current assets	126,048	41,715	3,807	525	142,095
Property, plant and equipment:					
Drilling equipment	423,023	164,183	--	65,667(b,c)	652,873
Rental equipment	--	--	21,311	(2,324)(b,c)	18,987
Buildings, land and improvements	14,871	1,455	2,684		19,010
Other	19,153	2,164	1,993		23,310
Construction in progress	18,844	--	--		18,844
	475,891	167,802	25,988	63,343	733,024
Less accumulated depreciation, depletion and amortization	351,714	37,333	16,324	(43,657)(c)	351,714
Net property, plant and equipment	124,177	140,469	9,664	107,000	381,310
Intangibles resulting from business acquisitions	--	1,578	--	137,847(b) (1,578)(b)	137,847
Other noncurrent assets	25,734	2,154	3,863	11,800(a) (5,233)(b)	38,318
Total assets	$275,959	$ 185,916	$ 17,334	$ 250,361	$729,570

LIABILITIES AND STOCKHOLDERS' EQUITY

	PARKER	MALLARD	QUAIL	ADJUSTMENTS	PRO FORMA
Current liabilities:					
Current portion of long-term debt....................	$ 584	$ 2,266	$ --	$ 10,000(a)	$ 12,850
Accounts payable....................................	9,415	9,961	183		19,539
Accrued liabilities.................................	6,911	9,327	169	7,645(b)	24,252
Accrued income taxes................................	6,217	--	--		6,217
Total current liabilities.....................	23,127	21,554	352	17,645	62,678
Long-term debt..	2,794	1,000	--	387,645(a)	391,939
Deferred income taxes.................................	--	14,134	--	(14,134)(b)	391,439
Other long-term liabilities...........................	5,990	415	--		6,405
Stockholders' equity:					
Common stock...	10,888	--	13	496 (b)	11,397
Capital in excess of par value......................	254,955	123,125	9	(98,643)(b)	279,446
Retained earnings (accumulated deficit)..............	(20,338)	25,688	16,959	(42,647)(b)	(20,338)
Other...	(1,457)	--	1	(1)(b)	(1,457)
Total stockholders' equity....................	244,048	148,813	16,982	(140,795)	269,048
Total liabilities and stockholders' equity.....	$275,959	$ 185,916	$ 17,334	$ 250,361	$729,570

</TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE VALUES)

<TABLE>
<CAPTION>

	12 MONTHS ENDED				
	AUGUST 31, 1996	SEPTEMBER 30, 1996	AUGUST 31, 1996		
	PARKER	MALLARD	QUAIL	ADJUSTMENTS(1)	PRO FORMA
<S>	<C>	<C>	<C>	<C>	<C>
Revenues:					
Drilling contracts..............................	$ 145,160	$87,293	$ --	$ 15,648(d)	$ 248,101
Rental..	--	--	17,429		17,429
Other...	11,492	--	--		11,492
Total revenues..........................	156,652	87,293	17,429	15,648	277,022
Operating expenses:					
Drilling..	100,942	51,392	--	8,414(d) (153)(e) 11,694(g)	172,289
Rental..	--	--	1,767	3,838(g)	5,605
Other...	11,824	--	--		11,824
Depreciation, depletion and amortization.........	23,061	11,833	2,789	3,703(c) 4,547(f)	45,933
General and administrative......................	19,428	11,694	3,838	(15,532)(g)	19,428
Total operating expenses.................	155,255	74,919	8,394	16,511	255,079
Operating income..................................	1,397	12,374	9,035	(863)	21,943
Other income (expense):					
Interest expense................................	(135)	(483)	--	(37,000)(h) (1,561)(j)	(39,179)
Interest income.................................	1,642	--	165	(165)(i)	1,642
Other...	5,663	312	999	(420)(i)	6,554
Total other income (expense)............	7,170	(171)	1,164	(39,146)	(30,983)
Income (loss) before income taxes..................	8,567	12,203	10,199	(40,009)	(9,040)
Income tax expense (benefit).......................	4,514	4,899	--	(3,318)(k) 782(d)	6,877
Net income (loss).................................	$ 4,053	$ 7,304	$ 10,199	$(37,473)	$ (15,917)
Earnings (loss) per share, primary and fully diluted...	$ 0.07				(0.26)

Weighted average shares outstanding (fully diluted)	57,466,183	60,522,783
Ratio of earnings to fixed charges		n/a(l)

</TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 PRO FORMA ADJUSTMENTS

(a) To record $100 million of term debt under the Senior Credit Facility, with payments due semi-annually beginning May 1997, $297.6 million of Senior Notes due 2006, net of $2.4 million of original issue discount, and debt issuance costs of $11.8 million.

(b) To record the estimated purchase price allocation to the assets and liabilities purchased from Mallard and Quail. Details of the purchase price allocation are as follows (in thousands):

<TABLE>
<CAPTION>

<S>	MALLARD <C>	QUAIL <C>	TOTAL <C>
PURCHASE PRICE			
Cash	$313,000	$65,000	$378,000
Common Stock(1)	25,000	--	25,000
Fees and expenses	2,500	1,000	3,500
Total	$340,500	$66,000	$406,500
PURCHASE PRICE ALLOCATION			
Increase in property and equipment	93,000	14,000	107,000
Adjust certain assets and liabilities:			
Accounts receivable	(1,500)	--	(1,500)
Inventory	(1,500)	--	(1,500)
Other noncurrent assets	(1,370)	--	(1,370)
Accrued liabilities	(7,645)	--	(7,645)
Eliminate stockholders' equity	148,813	16,982	165,795
Eliminate assets/liabilities that are not a part of the Acquisitions:			
Cash and cash equivalents	--	(287)	(287)
Other short-term investments	--	(533)	(533)
Other noncurrent assets -- marketable securities	--	(3,863)	(3,863)
Intangible assets	(1,578)	--	(1,578)
Deferred income taxes	14,134	--	14,134
Cost in excess of net assets acquired	98,146	39,701	137,847
	$340,500	$66,000	$406,500

</TABLE>

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(1) In December 1996, the Convertible Preferred Stock was converted into 3,056,000 shares of Common Stock, par value $0.16 2/3 per share.

(c) To adjust depreciation expense on assets acquired using the allocated purchase price and to eliminate historical accumulated depreciation (Mallard -- $27.3 million, Quail -- $16.3 million) on these assets. Depreciation was calculated over 17 1/2 years for drilling rigs and seven years for tool rental equipment using 5% salvage on both.

(d) To record the estimated historical results of operations for two barge rigs acquired by Mallard from Noble on August 21, 1996. The two rigs are working under a long-term contract in Nigeria at dayrates of $26,215 and $22,000, respectively. Estimated historical results of operations were derived from the contractual dayrates on the two rigs, estimated operating costs based on a similar Mallard barge rig operating in Nigeria and the related Nigerian taxes.

(e) Eliminates expenses associated with Iranian operations not purchased.

(f) Amortization of excess cost over fair value of net assets acquired over 30 years.

(g) Reclassify the general and administrative expense of Mallard and Quail to drilling expense and rental expense, respectively.

(h) To record interest expense related to $100 million term debt under the Senior Credit Facility, assuming a rate of 7.75%, and $300 million of principal amount of Senior Notes at a rate of 9.75%.

(i) Eliminate interest and investment income on Quail cash and investments not acquired.

(j) Amortization of original issue discount and debt issuance costs over the ten-year term of the Notes and the six-year term of the term loan portion of the Senior Credit Facility.

(k) Eliminate U.S. federal income taxes allocated to Mallard by its former parent as a result of the Company's significant net operating loss ("NOL") carryforwards for U.S. federal income tax purposes. Also as a result of the Company's NOL carryforwards no U.S. federal income taxes have been added for Quail, which prior to the Quail Acquisition was an S corporation for U.S. federal income tax purposes.

(l) For the purposes of these calculations, earnings consist of income (loss) before income taxes plus interest expense, and fixed charges consist of interest expense. For the 12 months ended August 31, 1996 (historical), the Company's Pro Forma earnings were inadequate to cover fixed charges by $9.0 million.