

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 earliest event reported: December 30, 1997

PARKER DRILLING COMPANY

-----  
(Exact name or registrant as specified in its charter)

Delaware                      1-7573                      73-0618660

-----  
(State of other jurisdiction      Commission File Number      (IRS Employer  
of incorporation)                      Identification No.)

Eight East Third Street, Tulsa, Oklahoma                      74103

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(Address of principal executive offices)                      (Zip Code)

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

Item 2. Acquisition or Disposition of Assets

On December 30, 1997, Parker Drilling Company completed the previously announced acquisition of Hercules Offshore Corporation and Hercules Rig Corp. The acquisition price of \$195 million, plus \$5 million for certain capital expenditures incurred subsequent to the definitive agreements' date of May 9, 1997, were financed through existing cash, together with \$32 million borrowed under the revolving credit portion of Parker's Senior Credit Facility. A copy of the press release announcing the closing of the acquisition is annexed hereto as Exhibit 99 and incorporated herein by reference.

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

(a) Financial Statements - The required historical financial statements were filed November 3, 1997 with the Company's Form 8-K.

(b) Exhibits

2.1 Stock Purchase Agreement dated May 9, 1997 by and among the Company, Parker Drilling Offshore Company and Trenergy (Malaysia) BHD. (incorporated by reference to Exhibit 10(n) to the Company's Quarterly Report on Form 10-Q for the three months ended May 31, 1997).

2.2 Stock Purchase Agreement dated May 9, 1997 by and among the Company, Parker Drilling Offshore Company and Reshid & Lee Nominees SDN, BHD. (incorporated by reference to Exhibit 10(o) to the Company's Quarterly Report on Form 10-Q for the three months ended May 31, 1997).

99. Press Release dated December 30, 1997.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma combined financial information is derived from the historical financial statements of Parker, Mallard, Quail and Hercules, incorporated by reference herein, and certain assumptions deemed appropriate by the Company. The Unaudited Pro Forma Combined Statement of Operations for the year ended August 31, 1997 reflect: (i) the Mallard Acquisition, (ii) the Quail Acquisition, (iii) the Hercules Acquisition, (iv) the issuance of \$300 million of 9 3/4% Senior Notes and \$100 million of 7.94% term debt in November 1996, (v) the issuance of \$25 million of convertible preferred stock in November 1996 and the subsequent conversion of such stock into 3,056,600 shares of Common Stock in December 1996, (vi) the issuance of \$175 million of Convertible Notes in July 1997 and (vii) \$32 million of additional borrowings under Parker's line of

credit facility at a 7.94% interest rate, in each case as if such transactions had occurred on September 1, 1996. Such twelve months unaudited pro forma combined information combines: (i) the audited operating results for the Company for the fiscal year ended August 31, 1997, (ii) the unaudited operating results for Mallard and Quail for the period from September 1, 1996 to November 12, 1996 (the date of acquisition by Parker), and (iii) the combined unaudited operating results of Hercules for the 12 months ended September 30, 1997. The Hercules financial statements have been derived from the separate financial statements of HOC and HRC incorporated herein by reference and are presented on a combined basis with intercompany transactions between the entities eliminated. The unaudited pro forma combined financial information should be read in conjunction with the notes thereto and the historical financial statements of Parker, Mallard, Quail and Hercules, including the notes thereto.

The pro forma adjustments giving 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 former parent corporation. The Company has not incurred any significant amount of additional general and administrative expense in connection with the incorporation of Mallard's and Quail's operations, and does not expect to incur any significant amount of such expenses in connection with the incorporation of Hercules' operations. The Mallard Acquisition and the Quail Acquisition have been, and the Hercules Acquisition will be, accounted for by the Company under the purchase method of accounting and the assets and liabilities of Mallard and Quail were, and the assets and liabilities of Hercules will be, recorded at their estimated fair market values at the date of acquisition.

The unaudited pro forma combined financial information does not purport to be indicative of the 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, Quail and Hercules 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 STATEMENT OF OPERATIONS YEAR ENDED AUGUST 31, 1997 (DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>  
<CAPTION>

	HISTORICAL						PRO ADJUSTMENTS	PRO FORMA
	SEPT. 1-NOV. 12, 1996							
	AS REPORTED PARKER(1)	MALLARD	QUAIL	HERCULES(2)				
<S>	<C>	<C>	<C>	<C>	<C>	<C>		
Revenues:								
Drilling.....	\$ 283,598	\$23,678	\$ --	\$64,251	\$ (967)(1)	\$ 370,560		
Rental.....	25,457	--	5,387	--	--	30,844		
Other.....	2,589	--	--	--	--	2,589		
Total revenues.....	311,644	23,678	5,387	64,251	(967)	403,993		
Operating expense:								
Drilling.....	189,979	14,382	--	39,090	7,253 (f)	250,615		
				(89)(1)				
Rental.....	8,549	--	439	--	739 (f)	9,727		
Other.....	4,722	--	--	--	--	4,722		
Depreciation, depletion and amortization.....	46,256	2,695	505	5,715	5,360 (d)	61,153		
				810 (e)				

			(188)(1)			
General and administrative.....	14,414	1,933	739	5,320	(7,992)(f)	14,414
Total operating expenses....	263,920	19,010	1,683	50,125	5,893	340,631
Operating income.....	47,724	4,668	3,704	14,126	(6,860)	63,362
Other income (expense):						
Interest expense.....	(32,851)	(102)	--	(3,068)	(2,541)(a)	(52,399)
			(15,960)(g)			
			(945)(j)			
			3,068 (h)			
Interest income.....	5,367	--	962	--	(949)(i)	5,380
Other.....	3,316	(78)	5	--	--	3,243
Total other income (expense).....	(24,168)	(180)	967	(3,068)	(17,327)	(43,776)
Income before income taxes.....	23,556	4,488	4,671	11,058	(24,187)	19,586
Income tax expense (benefit).....	7,241	403	--	4,808	(4,846)(k)	7,371
			(235)(l)			
Net income.....	\$ 16,315	\$ 4,085	\$ 4,671	\$ 6,250	\$(19,106)	\$ 12,215
Earnings per share, primary and fully diluted.....	\$ .23			\$ 0.17		
Weighted average shares outstanding (fully diluted).....	72,049,124			72,049,124		

</TABLE>

(1) Includes the operations of Malland and Quail from November 12, 1996 through August 31, 1997.

(2) Reflects combined results of operations of HOC and HRC for the 12 months ended September 30, 1997. See Note (m) for the summary capsular combining statement of operations of HOC and HRC for the 12 months ended September 30, 1997.

PARKER DRILLING COMPANY AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED BALANCE SHEET  
(DOLLARS IN THOUSANDS)

ASSETS

<TABLE>  
<CAPTION>

	HISTORICAL		PRO	FORMA
	PARKER	HERCULES(1)	ADJUSTMENTS	
	AS OF	AS OF		
	AUGUST 31,	SEPT. 30,		
	1997	1997		
	<C>	<C>	<C>	<C>
Current assets:				
Cash and cash equivalents.....	\$ 209,951	\$ 498	\$ 32,000 (a)	\$ 44,999
		(200,502)(b)		
		3,052 (b)		
Other short-term investments.....	2,838		2,838	
Accounts and notes receivable.....	103,808	16,681		120,489
Rig materials and supplies.....	19,130		19,130	
Other current assets.....	16,227	2,659	(503)(b)	18,383

Total current assets.....	351,954	19,838	(165,953)	205,839
Property, plant and equipment:				
Drilling equipment.....	723,878	94,077	51,311 (b,1)	869,266
Rental equipment.....	28,264		28,264	
Buildings, land and improvements.....	12,519			12,519
Other.....	21,586	203	21,789	
Construction in progress.....	28,640	8,411		37,051
	814,887	102,691	51,311	968,889
Less accumulated depreciation, depletion and amortization.....	375,236	8,257	(8,257)(d,1)	375,236
Net property, plant and equipment.....	439,651	94,434	59,568	593,653
Goodwill, net of accumulated amortization.....	139,467	16,260	21,355 (b,1)	177,082
Other noncurrent assets.....	53,064	885		53,949
Total assets.....	\$984,136	\$131,417	\$ (85,030)	\$1,030,523

#### LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:				
Current portion of long-term debt.....	\$ 16,084	\$ 5,248	\$ (5,078)(b)	\$ 16,254
Accounts payable.....	26,178	8,368		34,546
Accrued liabilities.....	29,539	5,045		34,584
Accrued income taxes.....	4,904	804		5,708
Total current liabilities.....	76,705	19,465	(5,078)	91,092
Long-term debt.....	551,042	33,413	32,000 (a)	583,042
		(33,413)(b)		
Deferred income taxes.....	--	10,133	(10,133)(b)	
Other long-term liabilities.....	7,666			7,666
Preferred stock.....	--	4,000	(4,000)(b)	
Stockholders' equity:				
Common stock.....	12,780	18,035	(18,035)(b)	12,780
Capital in excess of par value.....	340,243	39,598	(39,598)(b)	340,243
Retained earnings (accumulated deficit).....	(4,023)	6,773	(6,773)(b)	(4,023)
Other.....	(277)		(277)	
Total stockholders' equity.....	348,723	64,406	(64,406)	348,723
Total liabilities and stockholders' equity.....	\$984,136	\$131,417	\$ (85,030)	\$1,030,523

</TABLE>

(1) Represents the combined balances of HOC and HRC as of September 30, 1997. See note (c) for summary capsular combining balance sheet of HOC and HRC as of September 30, 1997.

#### PARKER DRILLING COMPANY AND SUBSIDIARIES

#### NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

(a) To record \$32.0 million of additional borrowings under the revolving credit portion of Parker's Senior Credit Facility at an interest rate of 7.94%.

(b) To reflect the Hercules Acquisition. The purchase price was allocated as follows:

<TABLE>  
<CAPTION>

	PURCHASE PRICE	HERCULES
<S>		<C>
Cash.....	\$200,002	

Fees and expenses.....	500
	-----
Total.....	\$200,502
	=====
Purchase Price Allocation:	
Increase in property and equipment.....	59,568
Working capital adjustment per purchase agreement.....	3,052
Eliminate stockholders' equity.....	64,406
Reverse assets/liabilities which are not a part of acquisition:	
Debt and capital lease obligations.....	38,491
Redeemable preferred stock.....	4,000
Intangible assets.....	(16,260)
Deferred income taxes.....	9,630
Cost in excess of net assets acquired.....	37,615
	-----
	\$200,502
	=====

</TABLE>

(c) Following is the summary capsular combining balance sheets of HOC and HRC as of September 30, 1997.

<TABLE>  
<CAPTION>

	HOC	HRC	ELIMINATIONS	COMBINED
	-----	-----	-----	-----
	(DOLLARS IN THOUSANDS)			
<S>	<C>	<C>	<C>	<C>
Current assets.....	\$ 19,488	\$ 350	\$ --	\$ 19,838
Noncurrent assets.....	88,994	24,765	(2,180)	111,579
	-----	-----	-----	-----
Total assets.....	108,482	25,115	(2,180)	131,417
	=====	=====	=====	=====
Current liabilities.....	\$ 17,437	\$ 2,028	--	\$ 19,465
Noncurrent liabilities.....	31,198	14,528	(2,180)	43,546
Preferred stock.....	4,000	--	--	4,000
Stockholders' equity.....	55,847	8,559	--	64,406
	-----	-----	-----	-----
Total liabilities and stockholders' equity.....	\$108,482	\$25,115	\$(2,180)	\$131,417
	=====	=====	=====	=====

</TABLE>

The eliminations represent approximately \$2,180,000 of HRC's note payable to HOC as of September 30, 1997.

(d) To adjust depreciation expense on assets acquired using allocated purchase price and to eliminate accumulated depreciation on Hercules assets.

Depreciation was calculated over 17 1/2 years for barge drilling rigs, 15 years on jackup rigs and seven years for tool rental equipment, using 5% salvage on all equipment.

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

(f) Reclassify the general and administrative expenses of Mallard and Hercules to drilling expense and of Quail to rental expense.

(g) To record interest expenses related to \$300 million of 9 3/4% Senior Notes, \$175 million of Convertible Notes at 5.5%, and \$100 million of term debt at a rate of 7.94%.

(h) Eliminate interest expense on Hercules debt not assumed.

(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 9 3/4% Senior Notes and the seven-year term of the Convertible Notes.

(k) Eliminate U.S. federal income taxes allocated to Mallard by its former parent and eliminate U.S. federal income taxes recorded by Hercules due to the existence of the Company's net operating loss tax carryforwards.

(l) Eliminate operating results and balance sheet accounts related to Rig No. 1 which was sold by Hercules subsequent to September 30, 1997.

(m) Following is the summary capsular combining statements of operations of HOC and HRC, as applicable for the period indicated:

<TABLE>

<CAPTION>

TWELVE MONTHS ENDED SEPTEMBER 30, 1997					
	HOC	HRC	ELIMINATIONS	COMBINED	
(DOLLARS IN THOUSANDS)					
<S>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$64,251	\$1,923	\$(1,923)	\$64,251	
Total operating expenses.....	50,621	1,427	(1,923)	50,125	
Other (income) expense.....	2,013	1,055	--	3,068	
Income (loss) before income taxes.....	11,617	(559)	--	11,058	
Income tax expenses.....	4,808	--	--	4,808	
Net income (loss).....	\$ 6,809	\$ (559)	\$ --	\$ 6,250	

</TABLE>

Elimination entries represent the elimination of approximately \$1,923,000 of HRC's billings to HOC for the twelve months ended September 30, 1997 for HOC's bareboat charter of HRC's drilling and workover rigs.

#### 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/ James J. Davis

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

Date: January 8, 1998

#### INDEX TO EXHIBITS

Exhibit Number	Description
-----	-----
2.1	Stock Purchase Agreement dated May 9, 1997 by and among the Company, Parker Drilling Offshore Company and Trenergy (Malaysia) BHD. (incorporated by reference to Exhibit 10(n) to the Company's Quarterly Report on Form 10-Q for the three months ended May 31, 1997).
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