

REGISTRATION STATEMENT NO. 333-04779

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PARKER DRILLING COMPANY
(Exact name of registrant as specified in its charter)

<TABLE>

<S>	<C>	<C>
DELAWARE	1380	76-0618660

(State or other jurisdiction of (Primary Standard Industrial (I.R.S. Employer incorporation or organization) Classification Code Number) Identification Number)

8 EAST THIRD STREET TULSA, OKLAHOMA 74103 (918) 585-8221 (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	JAMES J. DAVIS 8 EAST THIRD STREET TULSA, OKLAHOMA 74103 (918) 585-8221 (Name, address, including zip code, and telephone number, including area code, of agent for service)
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</TABLE>

Copies to:

<TABLE>

<S>	<C>
P. DAVID NEWSOME, JR., ESQ. CONNER & WINTERS, A PROFESSIONAL CORPORATION 2400 FIRST PLACE TOWER, 15 EAST 5TH STREET TULSA, OKLAHOMA 74103 (918) 586-5711	GEORGE W. BILICIC, JR., ESQ. CRAVATH, SWAINE & MOORE WORLDWIDE PLAZA, 825 EIGHTH AVENUE NEW YORK, NEW YORK 10019 (212) 474-1000

</TABLE>

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. //

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. //

If this Form is filed to register additional securities for an offering

pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. // _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. // _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. // _____

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

PROSPECTUS SUBJECT TO COMPLETION, DATED JUNE 11, 1996

[LOGO] 7,000,000 SHARES
PARKER DRILLING COMPANY
COMMON STOCK

All of the shares of Common Stock offered hereby are being sold by Parker Drilling Company (the "Company"). The Common Stock is listed on the New York Stock Exchange under the symbol PKD. On June 10, 1996, the last reported sale price of the Common Stock on the New York Stock Exchange was \$6.75 per share. See "Price Range of Common Stock and Dividends."

SEE "RISK FACTORS" BEGINNING ON PAGE 7 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>

<S>	<C>	<C>	<C>
	PRICE TO	UNDERWRITING	PROCEEDS TO
	PUBLIC	DISCOUNT(1)	COMPANY(2)

Per Share.....	\$	\$	\$
Total(3).....	\$	\$	\$

</TABLE>

- (1) The Company has agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting."
- (2) Before deducting expenses payable by the Company estimated to be \$.
- (3) The Company has granted the several Underwriters a 30-day option to purchase up to an additional 1,050,000 shares of Common Stock on the same terms and conditions as set forth above solely to cover over-allotments, if any. If such option is exercised in full, the total Price to Public, Underwriting Discount and Proceeds to Company will be \$, \$, and \$, respectively. See "Underwriting."

 The shares of Common Stock are being offered by the several Underwriters subject to prior sale, when, as and if issued to and accepted by the Underwriters. The Underwriters reserve the right to reject orders in whole or in part. It is expected that delivery of the shares of the Common Stock will be made against payment therefor in New York, New York, on or about , 1996.

 JEFFERIES & COMPANY, INC.

PRUDENTIAL SECURITIES INCORPORATED

SCHRODER WERTHEIM & CO.

, 1996
 [For EDGAR filing] Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMPANY'S COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files reports, proxy and information statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy and information statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following regional offices of the Commission: Seven World Trade Center, Suite 1300, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such materials can be obtained by mail from the Public Reference Section of the Commission, at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such reports, proxy and information statements and other information can also be inspected and copied at the offices of the New York Stock Exchange, 20

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed with the Commission by the Company pursuant to the Exchange Act, are incorporated herein by reference and made a part of this Prospectus:

- (i) the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1995;
- (ii) the Company's Quarterly Reports on Form 10-Q for the quarters ended November 30, 1995 and February 29, 1996; and
- (iii) the description of the Common Stock contained in the Company's registration statement on Form 8-A, dated June 16, 1969, including any amendment or report heretofore or hereafter filed for the purpose of updating the description of the Common Stock contained therein.

Each document filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of this Offering shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the date of filing of such document. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM A COPY OF THIS PROSPECTUS IS DELIVERED, ON THE REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL OF THE FOREGOING DOCUMENTS INCORPORATED HEREIN BY REFERENCE, OTHER THAN EXHIBITS TO SUCH DOCUMENTS (UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE IN SUCH DOCUMENTS). WRITTEN OR TELEPHONE REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO PUBLIC RELATIONS DEPARTMENT, PARKER DRILLING COMPANY, 8 EAST THIRD STREET, TULSA, OKLAHOMA 74103, TELEPHONE (918) 585-8221.

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PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements (including the notes thereto) included elsewhere in this Prospectus or incorporated by reference herein. Unless otherwise indicated, the information in this Prospectus assumes the Underwriters' over-allotment option with respect to the sale of the Common Stock will not be exercised. References to "Parker" or the "Company" in this Prospectus include Parker Drilling Company and, unless the context otherwise requires, its subsidiaries.

THE COMPANY

GENERAL

Parker Drilling Company is a leading provider of land contract drilling services on a worldwide basis to major, independent and foreign national oil companies. Since its inception in 1934, the Company has provided drilling services throughout the United States and 46 foreign countries, giving it the broadest geographical representation of any land drilling contractor. Currently, the Company has 46 international rigs in 13 countries and 17 rigs in the United States. The Company specializes in the drilling of deep and difficult wells and drilling in remote and harsh environments. Parker also provides a range of services that are ancillary to its principal drilling services, including engineering, logistics and construction, as well as various types of project management.

Internationally, the Company is focused primarily in South America and the Asia Pacific region where it specializes in drilling that often requires

equipment specially designed to be transported by helicopter, barge or other vehicles into difficult access areas such as jungle, mountainside or desert locations. Parker's 23 heli-rigs, with technologically advanced pumps and power generation systems that are capable of drilling difficult wells in excess of 15,000 feet, have established Parker as the dominant operator in the heli-rig market. The Company has also historically been a pioneer in new markets or "frontier areas" such as China, the republics of the former Soviet Union, and more recently, Vietnam. International operations accounted for approximately 82% of Parker's fiscal 1995 revenues. Domestically, the Company operates primarily in the Rocky Mountain, Mid-Continent and Gulf Coast regions and the arctic region of Alaska. Within the lower 48 states, Parker traditionally has specialized in the drilling of deep gas wells, often in excess of 20,000 feet. Domestic operations provided approximately 18% of the Company's fiscal 1995 revenues.

The Company has developed an international reputation for providing efficient, quality drilling services. This reputation has allowed Parker to develop relationships with certain major and national oil companies, many of which the Company believes are increasingly seeking to establish preferred contractor relationships or alliances. Management believes that these relationships may result in longer term work and improved operating results for the Company.

INDUSTRY OVERVIEW

In recent years, many major and independent oil companies have directed a greater portion of their exploration budgets to foreign markets. This is particularly true in South America and the Asia Pacific region, where the demand for land rigs has increased significantly. The Company has benefitted from this trend due to its long-standing presence in these markets and has been able to deploy rigs under longer term contracts at higher dayrates and operating margins than domestic operations. Management believes that the demand for drilling services in international markets will continue to grow as demand for oil and gas increases in developing countries and as countries dependent on oil and gas revenues seek to increase their production. The Company intends to capitalize on its global presence and substantial international experience to pursue growth opportunities in both current and developing markets.

In the U.S., the land drilling industry is characterized by an oversupply of rigs and a large number of competitors, which has resulted in lower utilization and profitability for many drilling contractors. Over the past year, however, increasing gas prices in certain areas of the U.S. have led to a marked increase in drilling in such regions. In addition, the U.S. land drilling market has undergone significant consolidation. Parker

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believes that the activity in U.S. markets will improve over time due to the growing dependency by the U.S. on volatile foreign energy sources and the abundance of U.S. natural gas.

BUSINESS STRATEGY

The Company's traditional business strategy has been to focus on domestic and international markets that require the drilling of deep and difficult wells and wells in remote areas of difficult access. The Company has pursued this strategy by providing quality service and equipment to its customers. In 1995, the Company refined its business strategy to adapt to changing market conditions and build on its traditional strengths. The Company's current strategy is to: (i) expand its presence in core markets and enter new productive markets; (ii) increase the provision of integrated services; (iii) seek acquisitions of complementary businesses; and (iv) further streamline operations by reducing operating costs and eliminating non-productive assets.

Expand Core Markets and Enter New Markets

The Company has redeployed a portion of its rig fleet to concentrate its activities and increase critical mass in its core markets worldwide. The Company transferred rigs from Yemen, Italy, the Congo, Indonesia and the U.S. to more

active markets in Colombia and in northern and western Argentina. In the geothermal market, Parker strengthened its position by moving a rig to New Zealand and is currently moving two rigs to Indonesia. The Company has expanded its role as a provider of technical expertise through a joint venture agreement in China and a labor services agreement in Russia. Domestically, the Company has moved three deep drilling rigs into the active Gulf Coast market.

The recent growth in drilling activity in certain markets in South America, the Asia Pacific region and Africa has created significant growth opportunities for the Company. In response to these recent trends, the Company intends to increase its level of activity in countries in these regions where it currently operates and to aggressively market additional rigs in countries such as Venezuela and Algeria.

Increase Provision of Integrated Services

To complement its drilling services, the Company provides integrated services, which include logistics, engineering, construction and other ancillary services as well as various types of project management for oil and gas drilling operations. The Company has entered into agreements for the provision of engineering services for drilling programs in Argentina and the provision of specialized services for the construction and mobilization of two rigs on offshore platforms in connection with a labor contract in the South China Sea. As oil and gas companies continue to reduce overhead, the Company believes that opportunities will increase for it to generate revenue by providing services ancillary to its drilling services without incurring significant capital expenditures.

Acquisitions of Complementary Businesses

There has been a significant consolidation in the oil service industry as companies have sought to increase market share and diversify and expand the scope of services they offer. During 1995, Parker formally engaged the services of an investment banking firm to assist in identifying and pursuing acquisition candidates that would allow the Company to provide a broader range of drilling and related oil field services to its customers. The Company intends to actively pursue opportunities for growth and diversification within the industry.

Streamline Operations

As part of its efforts to further streamline operations and reduce costs, the Company closed offices and other facilities in Oklahoma City, Ecuador and Yemen and reduced overhead in southern Argentina. Certain excess worldwide equipment and inventories and domestic real estate have been sold. In addition, over the last 12 months, Parker reduced its rig fleet by 33 rigs. As a result of these steps, the Company expects to realize annual cost savings, including depreciation, of approximately \$5 million.

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THE OFFERING

Common Stock Offered..... 7,000,000 shares

Common Stock Outstanding:

Before the Offering(1)..... 56,219,291 shares

After the Offering(1)..... 63,219,291 shares

Use of Proceeds..... The net proceeds to the Company from the sale of the Common Stock offered hereby are estimated to be approximately \$44.2 million. The Company intends to use such net proceeds to fund its current and planned capital expenditure program. The Company intends to utilize any balance of the net proceeds from this offering, in conjunction with the

Company's cash balances, available bank borrowings and cash flow from operations, to fund the balance of its capital expenditure requirements, to facilitate the acquisition of oil service related businesses or for other general corporate purposes. See "Use of Proceeds."

New York Stock Exchange Symbol..... PKD

(1) Excludes, as of April 30, 1996, (i) 30,000 shares of Common Stock issuable upon exercise of outstanding options under the Company's 1994 Non-Employee Director Stock Option Plan, and (ii) 823,348 shares of Common Stock issuable upon exercise of options outstanding under the Company's 1994 Executive Stock Option Plan.

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SUMMARY OF CONSOLIDATED FINANCIAL DATA

The following table presents for the periods indicated certain historical consolidated financial data for the Company. The following information should be read together with "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and notes thereto included elsewhere in this Prospectus. The results for the six months ended February 29, 1996 are not necessarily indicative of results for the full year.

<TABLE>
<CAPTION>

	SIX MONTHS ENDED			YEAR ENDED AUGUST 31,			
	FEBRUARY 29,		FEBRUARY 28,	1992			1991
	1996	1995	1995	1994	1993	1992	1991
	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)						
STATEMENT OF OPERATIONS DATA:							
Revenues.....	\$ 80,639	\$ 72,021	\$ 157,371	\$ 152,424	\$ 100,801	\$ 123,332	\$ 112,818
Operating expense:							
Drilling and other.....	56,807	54,532	118,060	121,295	75,188	82,203	85,463
Depreciation, depletion and amortization.....	10,712	10,926	21,643	21,950	20,400	20,550	14,712
General and administrative.....	10,628	10,155	19,165	18,314	17,593	18,385	15,440
Provision for reduction in carrying value of certain assets.....	--	--	19,718	--	19,257	3,268	
	78,147	75,613	158,868	181,277	113,181	140,395	118,883
Operating income (loss).....	2,492	(3,592)	(1,497)	(28,853)	(12,380)	(17,063)	(6,065)
Other income and (expense)....	2,521	3,823	8,597	1,934	1,356	8,692	9,668
Income (loss) from continuing operations before income taxes.....	5,013	231	7,100	(26,919)	(11,024)	(8,371)	3,603
Income tax expense (benefit).....	2,775	1,255	3,184	1,887	(337)	2,795	1,626
Income (loss) from continuing operations.....	2,238	(1,024)	3,916	(28,806)	(10,687)	(11,166)	1,977
Discontinued operations -- gain on disposal (net of taxes)....	--	--	--	--	--	--	1,184
Net income (loss).....	2,238	(1,024)	3,916	(28,806)	(10,687)	(11,166)	3,161
Preferred stock dividends...	--	--	--	--	6	18	25

Earnings (loss) applicable to common stock.....	\$ 2,238	\$ (1,024)	\$ 3,916	\$(28,806)	\$(10,693)	\$(11,184)	\$ 3,136
Weighted average shares outstanding.....	55,950	54,611	55,333	54,248	53,082	52,115	52,189
EARNINGS (LOSS) PER COMMON SHARE:							
Income (loss) from continuing operations.....	.04	(.02)	.07	(.53)	(.20)	(.21)	.04
Net income (loss).....	.04	(.02)	.07	(.53)	(.20)	(.21)	.06
OTHER OPERATING DATA:							
EBITDA(1).....	\$ 14,048	\$ 8,706	\$ 22,248	\$ 14,111	\$ 10,996	\$ 25,376	\$ 12,787

<TABLE>
<CAPTION>

AS OF FEBRUARY 29, 1996

ACTUAL AS ADJUSTED(2)

<S>	<C>	<C>
BALANCE SHEET DATA (UNAUDITED):		
Total assets.....	\$222,466	\$266,617
Working capital.....	53,454	97,605
Total debt.....	1,762	1,762
Total stockholders' equity.....	191,783	235,934

(1) EBITDA represents operating income (loss) before depreciation, depletion, amortization and certain other non-cash charges. EBITDA is frequently used by securities analysts and is presented here to provide additional information about the Company's operations. EBITDA is not a measurement presented in accordance with generally accepted accounting principles. EBITDA should not be considered in isolation or as a substitute for net income, cash flow provided by operating activities or other income or cash flow data prepared in accordance with generally accepted accounting principles or as a measure of a company's profitability or liquidity.

(2) Reflects the issuance of 7,000,000 shares of Common Stock by the Company at an assumed public offering price of \$6.75 per share, resulting in estimated net proceeds of \$44.2 million.

RISK FACTORS

Prospective purchasers of the Common Stock offered hereby should carefully consider the following risk factors, as well as the other information set forth in this Prospectus.

INDUSTRY CONDITIONS; IMPACT ON COMPANY'S OPERATING RESULTS

The Company's revenues and earnings are affected directly by the worldwide level of oil and gas exploration and development activity. The level of such activity is affected by many factors over which the Company has no control, including, among others, the market prices of oil and gas, the volatility of such prices, the levels of production by, and other activities of, the Organization of Petroleum Exporting Countries and other oil and gas producers, governmental regulation and trade restrictions, the level of worldwide economic activity, political stability in major oil producing areas, the development of alternate energy sources and the long-term effect of worldwide energy conservation measures. Since the early 1980's, the contract drilling business has been severely impacted by the decline and continued instability in the

prices of oil and natural gas. Substantial uncertainty exists as to the future level of oil and gas drilling activity.

RISKS OF INTERNATIONAL OPERATIONS

A major portion of the Company's operations are conducted in international markets, including significant operations in South America and the Asia Pacific region. International activities accounted for approximately 78% and 82% of the Company's operating revenues for the six months ended February 29, 1996 and year ended August 31, 1995, respectively. In addition to the risks inherent in the drilling business, the Company's international operations are subject to certain political, economic and other uncertainties, including, among others, risks of war and civil disturbances, expropriation, nationalization, termination of existing contracts, taxation policies, foreign exchange restrictions and fluctuations and other risks arising out of foreign governmental sovereignty over certain areas in which the Company conducts operations. Although the Company seeks to protect against many of such risks through insurance, insurance will not be available for all these risks and for all operating areas and, to the extent available for a particular risk, there can be no assurance that such insurance will be sufficient to cover all losses that could be incurred with respect to a particular covered risk. Losses from these factors could be material in those countries which contain a significant concentration of the Company's assets.

OPERATING HAZARDS; UNINSURED RISKS

The Company's drilling operations are subject to various hazards inherent in the drilling of oil and gas wells, including blowouts, reservoir damage, loss of well control, cratering, and oil and gas well fires. Such events can result in personal injury or death, severe damage to or destruction of equipment and facilities, suspension of operations, and substantial damage to surrounding areas and the property of others. Generally, the Company obtains indemnification from its customers by contract for certain of these risks. To the extent not transferred to customers by contract, the Company seeks protection against such risks through insurance. However, potential liabilities associated with oilfield casualties or losses could arise in risk categories where no insurance has been purchased, where claims exceed the applicable insurance coverage, or where indemnification is not available or satisfied. The occurrence of events that are not fully insured or the failure of a customer to meet its indemnification obligations could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, there can be no assurance that insurance will be available or, even if available, that insurance premiums or other costs will not rise sharply in the future.

LOSSES FROM OPERATIONS

Although the Company had net income of \$2.2 million and \$3.9 million for the six months ended February 29, 1996 and the year ended August 31, 1995, respectively, the Company experienced net losses for each of the fiscal years in the three-year period ended August 31, 1994. The profitability of the Company is materially dependent upon the level of utilization and rates of compensation for its drilling rigs. Accordingly, due to the volatility in oil and gas exploration and development activity, there can be no assurance that the Company will be profitable in the future. See "--Industry Conditions; Impact on Company's Operating

Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations-- Liquidity and Capital Resources."

COMPETITION; CONCENTRATION OF CUSTOMER BASE

The land drilling market is highly competitive, reflecting the continuing oversupply of drilling rigs, although this oversupply is more pronounced in domestic than international markets. Drilling contracts are generally awarded on

a competitive bid basis and, while an operator may consider factors such as quality of service and type and location of equipment as well as the ability to provide ancillary services, price is generally the primary factor in determining which contractor is awarded a job. The Company believes that the market for drilling contracts will continue to be highly competitive for the foreseeable future because of the worldwide oversupply of drilling rigs. Certain of the Company's competitors have greater financial resources than the Company, which may enable them to better withstand industry downturns, to compete more effectively on the basis of price, to build new rigs or to acquire existing rigs. There can be no assurance that the Company will be able to compete successfully against its competitors in the future or that such competition will not have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's customer base is highly concentrated, with its 20 largest drilling customers representing approximately 91% of total revenues for the fiscal year 1995. Two customers accounted for approximately 22% and 13% of total revenues for the same period. There can be no assurance that these customers will continue to request the Company's services or that the loss of such customers would not have a material adverse effect on the Company's business, financial condition and results of operations.

GOVERNMENTAL REGULATION AND ENVIRONMENTAL MATTERS

Many aspects of the Company's operations are affected by domestic and foreign political developments and are subject to numerous domestic and foreign governmental regulations that may relate directly or indirectly to the contract drilling industry, including environmental and safety matters. The regulations applicable to the Company's operations include certain regulations that control the discharge of materials into the environment or require remediation of contamination under certain circumstances. For example, the Company may be liable for damages and costs incurred in connection with oil spills for which it is legally responsible. Certain environmental laws and regulations impose "strict liability," rendering a person liable without regard to negligence or fault on the part of such person. Such environmental laws and regulations may expose the Company to liability for the conduct of, or conditions caused by, others, or for acts of the Company that were in compliance with all applicable laws at the time such acts were performed.

The Company has made and will continue to make expenditures to comply with environmental and safety requirements. Because the requirements imposed by such laws and regulations are subject to change, the Company is unable to predict the ultimate cost of compliance with such requirements. The modification of existing foreign or domestic laws or regulations or the adoption of new laws or regulations curtailing exploratory or development drilling for oil and gas for economic, political, environmental or other reasons could materially and adversely affect the Company's business, financial condition or results of operations by limiting drilling opportunities. There can be no assurance that laws and regulations enacted in the future, including changes to existing laws and regulations, will not adversely affect the Company's business, financial condition or results of operations.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the Common Stock offered hereby are estimated to be approximately \$44.2 million, assuming a public offering price of \$6.75 per share (\$50.8 million, if the Underwriters' over-allotment option is exercised in full) and after deducting the underwriting discount and estimated expenses payable by the Company.

The Company intends to use such proceeds to fund its current and planned future capital expenditure program. Currently, Parker is pursuing new drilling projects in its existing markets, as well as in new markets

such as Venezuela and Algeria, that would require capital expenditures for upgrades to existing rigs and/or acquisition of new rigs in excess of \$75 million over the next several years. Of such amount, the Company is currently committed over the next six to nine months to spending approximately \$22 million for upgrades to two rigs in Papua New Guinea, three rigs in Peru and four rigs in Indonesia and for other ancillary capital expenditures. The Company intends to utilize the balance of the net proceeds from this offering, in conjunction with the Company's cash balances, available bank borrowings and cash flow from operations, to fund any balance of its capital expenditure requirements, to facilitate the acquisition of oil service related businesses or for other general corporate purposes.

Pending the use of the net proceeds of this offering, such funds will be invested in short-term interest-bearing, investment-grade securities. The Company does not currently have any commitments or understandings with respect to any acquisitions, although it is continuously investigating and evaluating acquisition opportunities. There can be no assurance that the Company will be able to identify and successfully consummate suitable capital expenditure projects or acquisitions with respect to the net proceeds of this offering that will produce beneficial results for the Company. To the extent the Company is unable to obtain suitable contracts for certain of the rigs planned for upgrades and/or acquisitions, the Company would defer the application of the funds allocated for such purposes.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

The Company's Common Stock commenced trading on the New York Stock Exchange in 1975 under the symbol "PKD." The following table sets forth the high and low sales prices per share of the Common Stock as reported on the New York Stock Exchange for the periods indicated.

<TABLE>
<CAPTION>

	HIGH	LOW
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<S>	<C>	<C>
1994:		
First Quarter.....	\$7.750	\$5.250
Second Quarter.....	6.250	4.875
Third Quarter.....	6.250	4.875
Fourth Quarter.....	6.375	5.375
1995:		
First Quarter.....	6.250	5.000
Second Quarter.....	5.125	4.375
Third Quarter.....	5.625	4.375
Fourth Quarter.....	5.625	4.625
1996:		
First Quarter.....	6.375	4.875
Second Quarter.....	6.500	5.000
Third Quarter.....	8.125	5.375
Fourth Quarter (through June 7).....	7.375	6.625

</TABLE>

No dividends have been paid on the Common Stock since February 1987. Restrictions contained in the Company's existing credit agreement limit the payment of cash dividends to the lesser of 40 percent of consolidated net income for the preceding fiscal year, or \$3.0 million. The Company has no present intention to pay dividends on its Common Stock in the foreseeable future.

The historical financial data presented in the table below for and at the end of each of the years in the five-year period ended August 31, 1995 are derived from the consolidated statements of the Company audited by Coopers & Lybrand L.L.P., independent accountants. The historical financial data presented in the table below for and at the end of each of the six-month periods ended February 29, 1996 and February 28, 1995 are derived from the unaudited consolidated condensed financial statements of the Company. In the opinion of management of the Company, such unaudited consolidated condensed financial statements include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial data for such periods. The results for the six months ended February 29, 1996 are not necessarily indicative of the results to be achieved for the full year.

The data presented below should be read in conjunction with the Company's consolidated financial statements and the notes thereto included elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

<TABLE>
<CAPTION>

	SIX MONTHS ENDED		YEAR ENDED AUGUST 31,				
	FEBRUARY 29,	FEBRUARY 28,	1994	1993	1992	1991	
	1996	1995	1995	1994	1993	1992	1991
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)							
STATEMENT OF OPERATIONS DATA:							
Revenues:							
Drilling contracts.....	\$ 78,280	\$ 69,780	\$153,075	\$147,480	\$ 96,719	\$116,082	\$107,167
Other.....	2,359	2,241	4,296	4,944	4,082	7,250	5,651
	80,639	72,021	157,371	152,424	100,801	123,332	112,818
Operating expense:							
Drilling.....	53,987	51,867	113,132	114,732	69,237	74,196	80,344
Other.....	2,820	2,665	4,928	6,563	5,951	8,007	5,119
Depreciation, depletion and amortization.....	10,712	10,926	21,643	21,950	20,400	20,550	14,712
General and administrative.....	10,628	10,155	19,165	18,314	17,593	18,385	15,440
Provision for reduction in carrying value of certain assets.....	--	--	19,718	--	19,257	3,268	
	78,147	75,613	158,868	181,277	113,181	140,395	118,883
Operating income (loss).....	2,492	(3,592)	(1,497)	(28,853)	(12,380)	(17,063)	(6,065)
Other income and (expense):							
Interest income (expense) -- net.....	646	542	1,184	1,150	1,676	1,592	4,424
Minority interest.....	--	--	(227)	(135)	596	920	
Other.....	1,875	3,281	7,640	919	(469)	6,504	4,324
	2,521	3,823	8,597	1,934	1,356	8,692	9,668
Income (loss) from continuing operations before income taxes.....	5,013	231	7,100	(26,919)	(11,024)	(8,371)	3,603
Income tax expense (benefit).....	2,775	1,255	3,184	1,887	(337)	2,795	1,626
Income (loss) from continuing operations.....	2,238	(1,024)	3,916	(28,806)	(10,687)	(11,166)	1,977
Discontinued operations -- gain on disposal (net of taxes).....	--	--	--	--	--	1,184	
Net income (loss).....	2,238	(1,024)	3,916	(28,806)	(10,687)	(11,166)	3,161
Preferred stock dividends.....	--	--	--	6	18	25	
Earnings (loss) applicable to common stock.....	\$ 2,238	\$ (1,024)	\$ 3,916	\$(28,806)	\$(10,693)	\$(11,184)	\$ 3,136
Weighted average shares outstanding.....	55,950	54,611	55,333	54,248	53,082	52,115	52,189
EARNINGS (LOSS) PER COMMON SHARE:							
Income (loss) from continuing operations.....	.04	(.02)	.07	(.53)	(.20)	(.21)	.04
Net income (loss).....	.04	(.02)	.07	(.53)	(.20)	(.21)	.06

OTHER OPERATING DATA:

EBITDA(1)..... \$ 14,048 \$ 8,706 \$ 22,248 \$ 14,111 \$ 10,996 \$ 25,376 \$ 12,787

BALANCE SHEET DATA:

Total assets.....	\$222,466	\$207,879	\$216,959	\$209,348	\$236,342	\$245,869	\$264,794
Working capital.....	53,454	47,889	56,042	40,670	60,253	58,561	63,114
Total debt.....	1,762	1,850	2,037	--	--	932	7,116
Redeemable preferred stock.....	--	--	--	--	--	157	315
Total stockholders' equity.....	191,783	181,126	186,920	180,583	207,679	210,181	219,082

</TABLE>

(1) EBITDA represents operating income (loss) before depreciation, depletion, amortization and certain other non-cash charges. EBITDA is frequently used by securities analysts and is presented here to provide additional information about the Company's operations. EBITDA is not a measurement presented in accordance with generally accepted accounting principles. EBITDA should not be considered in isolation or as a substitute for net income, cash flow provided by operating activities or other income or cash flow data prepared in accordance with generally accepted accounting principles or as a measure of a company's profitability or liquidity.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OUTLOOK

The Company's operating strategy has been to actively pursue land drilling contract opportunities in international and domestic markets. Although the domestic market has been depressed over the last several years, international drilling markets have generally been more active and profitable, prompting the Company to devote the majority of its capital budget to its international fleet.

In fiscal 1995, approximately 82% of the Company's revenues came from international operations. The Company anticipates that the international markets will remain strong for the foreseeable future as demand for oil and gas increases in developing countries and countries dependent on oil and gas revenues seek to increase their production. Management believes that the Company is favorably positioned to respond to and benefit from the continued increase in international drilling markets.

Domestically, the Company's fleet of rigs is particularly suited for drilling deep wells in the Rocky Mountain, Mid-Continent and Gulf Coast regions, where the Company has focused on deep and/or difficult drilling projects. In the arctic region of Alaska, where the Company operates one rig, the day rates are higher due to the need for more sophisticated drilling equipment. In 1995, drilling activity in the U.S. Gulf Coast market strengthened due to improved natural gas prices. Three of the Company's rigs have recently been relocated to this active Gulf Coast market, and the Company is seeking additional contracts in this market. While the increase in prices and demand in the Gulf Coast may eventually spread to other domestic markets, the Company is not predicting any increase in near-term demand for domestic deep drilling services.

RESULTS OF OPERATIONS

Six Months Ended February 29, 1996 Compared to Six Months Ended February 28, 1995

The Company's net income of \$2.2 million recorded for the first six months of fiscal 1996 is an improvement of \$3.3 million over the first half of the prior fiscal year. An increase in drilling margins of \$6.4 million was the primary reason for the improvement, offset by a \$1.5 million increase in tax expense and a \$1.3 million reduction in other income.

Drilling revenue of \$78.3 million reflected an increase of \$8.5 million

from \$69.8 million for the first half of fiscal 1995. Utilization in the first six months of the current fiscal year of 44% for the entire rig fleet and 62% solely for the international fleet corresponds to the first six months of fiscal 1995 rates of 38% and 55%, respectively. (Utilization rates have been adjusted for both periods for rigs removed from the rig fleet in both fiscal 1995 and the first half of 1996.)

Drilling revenue in the Company's Western Hemisphere international operations declined \$2.9 million due to reduced utilization in Argentina resulting from the Company's termination of operations in southern Argentina during the second quarter of 1996. Operations in the Asia Pacific region generated an increase in revenue of \$7.8 million. This increase is attributable to improved utilization in Papua New Guinea where the Company operated five rigs during the first two quarters of fiscal 1996 compared to two rigs during the corresponding period of 1995. Revenue through six months of fiscal 1996 declined in the Asia Pacific countries of Pakistan, New Zealand and the Philippines.

Drilling revenue in Africa, the Middle East and Commonwealth of Independent States ("CIS") declined \$0.8 million due to the completion of one-rig contracts in Chad and Kazakstan in the first half of fiscal 1995, offset by increased revenue in the Russian Republic where the Company commenced a one-rig contract in the first quarter of fiscal 1996. Domestic drilling revenue increased \$4.6 million due primarily to the operation of Rig 245 in Alaska. This rig had been idle during the first quarter of fiscal 1995.

Drilling margins (drilling revenues less drilling expenses) increased \$6.4 million to \$24.3 million for the first six months of fiscal 1996 from \$17.9 million for the first half of fiscal 1995 due to improved operations in Colombia, Argentina, Papua New Guinea and Alaska.

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General and administrative expense increased \$0.5 million to \$10.6 million from \$10.1 million due to employee severance payments made in fiscal 1996 while other income declined \$1.3 million from \$3.8 million in fiscal 1995, which included a \$1.5 million gain due to a reversal of a prior year's foreign currency accrual. Income tax expense increased \$1.5 million due to increased revenue and taxable income in certain foreign countries in which the Company operates.

Year Ended August 31, 1995 Compared to Year Ended August 31, 1994

The fiscal 1995 net income of \$3.9 million was an improvement of \$32.7 million over the net loss of \$28.8 million recorded in fiscal 1994. Excluding a \$19.7 million provision for reduction in carrying value of certain assets from fiscal 1994's net loss, fiscal 1995's net income was an improvement of \$13.0 million over fiscal 1994. The primary reasons for the improvement in fiscal 1995 were an increase in drilling margins of \$7.2 million and an increase in other income of \$6.7 million.

Drilling contract revenue increased \$5.6 million to \$153.1 million from \$147.5 million even though international and domestic operating days were nearly the same as the previous year. An increase in the utilization of larger rigs in northern Argentina and Colombia more than offset decreased utilization of smaller rigs in southern Argentina. Although operating days were nearly the same, the domestic utilization rate increased from 15% to 21% due to the retirement/disposal of 16 domestic rigs in 1994. (Rigs retired, disposed of or reclassified as assets held for sale in fiscal 1995 and 1994 have been treated as removed from the rig fleet as of the last day of each fiscal year.)

Western Hemisphere international drilling revenue increased \$23.4 million in fiscal 1995 when compared with fiscal 1994. In Colombia, revenue increased \$13.9 million due primarily to revenue earned by one rig relocated from Indonesia during the year and from a full year of operations by one rig which was added to the rig fleet in fiscal 1994. In addition, several rigs which were either on a standby or stacked status in fiscal 1994 operated all of fiscal 1995. In Argentina, drilling revenue increased \$12.6 million as two additional deep rigs, one relocated from the Congo in fiscal 1994 and one relocated from Yemen in fiscal 1995, operated much of the year. Additionally, one rig added to the rig fleet in fiscal 1994 operated all of fiscal 1995 and one rig leased by the Company commenced operations in the fourth quarter of fiscal 1995. During fiscal 1995 and 1994, a number of shallow depth capacity rigs (10,000 feet or

less) operated in southern Argentina, many of them operating on a meterage basis. Two of these rigs have been relocated to mid-Argentina as the Company focuses its marketing efforts on regions of the country where operations are generally conducted on a daywork basis. At fiscal year-end, the remaining rigs in southern Argentina were on a stacked status. Drilling revenue declined \$4.8 million in Ecuador where two rigs located in that country did not operate in fiscal 1995 and were retired from the rig fleet at the end of the fiscal year.

Operations in the Asia Pacific region resulted in an increase in drilling revenue of \$1.5 million in fiscal 1995. Increased utilization in New Zealand and revenue earned from a labor contract in China more than offset a decline in revenue in Papua New Guinea and Indonesia due to lower utilization in those countries.

International drilling revenue from operations in Africa, the Middle East and the CIS declined \$17.4 million in fiscal 1995. Utilization declined due to the completion of contracts in Chad, the Congo, the Russian Republic, and Yemen. The rigs which operated in the Congo and Yemen in fiscal 1994 have both been redeployed to Argentina where they are currently operating. In Kazakstan, a reduction in revenue from a labor contract in that country was partially offset by operations from one rig which has been relocated from the Russian Republic.

Domestic drilling revenue declined \$2.3 million due to fewer operating days in the Rocky Mountain states and Alaska.

Drilling margins (drilling revenue less drilling expense) increased \$7.2 million in fiscal 1995 to \$39.9 million compared to \$32.7 million in fiscal 1994. Margins improved in the Company's South American operations, including both the countries of Colombia and Argentina. Margins had been negatively impacted in fiscal 1994 in Colombia due to increased operating expenses and costs associated with the start-up of two rigs. In fiscal 1995, these two rigs operated for the full year with improved margins when compared with the

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previous fiscal year. In Argentina, margins also improved as two additional deep capacity rigs began operating in the northern region of the country and two rigs operated during the year in the country's middle region. In the Company's other operating regions, both internationally and domestically, drilling margins as a percentage of drilling revenue in fiscal 1995 remained relatively consistent with fiscal 1994.

General and administrative expense increased \$0.9 million to \$19.2 million in fiscal 1995 from \$18.3 million in fiscal 1994 due to increased amortization of deferred compensation and legal expenses.

Other income (expense) increased \$6.7 million to \$8.6 million in fiscal 1995 from \$1.9 million in fiscal 1994. Gains of \$6.4 million were recognized in fiscal 1995 from the disposition of property, plant and equipment as the Company continued its efforts to sell assets that are no longer a part of its current marketing strategy. In addition, the reversal of a prior year foreign currency accrual of \$1.5 million was recorded in fiscal 1995. Fiscal 1994 other income included \$2.1 million from gains associated with the disposition of property, plant and equipment, a \$1.5 million gain from the reversal of a prior year foreign payroll tax accrual and a \$2.6 million charge for the settlement of certain litigation. The \$1.3 million increase in income tax expense was primarily attributable to the reversal in 1994 of an accrued foreign tax.

Year Ended August 31, 1994 Compared to Year Ended August 31, 1993

The fiscal 1994 net loss of \$28.8 million represents an increase in net loss of \$18.1 million from a \$10.7 million net loss in fiscal 1993. However, excluding the provision for reduction in carrying value of certain assets of \$19.7 million recognized in fiscal 1994, the net loss improved \$1.6 million from fiscal 1993 to fiscal 1994. The primary reasons for the improvement were an increase in drilling margins of \$5.3 million, partially offset by increases in depreciation expense of \$1.6 million and income tax expense of \$2.2 million.

During the fourth quarter of fiscal 1994, management analyzed its domestic operations and made the strategic decision to reorganize certain of these operations and sell certain of these assets. The Company reduced the carrying value of certain assets in Alaska, including rigs, spare parts and property to

be sold. The Company wrote down to the net realizable value certain of its Partech(R) manufacturing operations' drilling equipment, property and inventories that were to be disposed. Domestically, the Company wrote down to net realizable value certain rigs and rig equipment and removed 16 mechanical rigs from its fleet. Aggregating the items described above, the Company recorded a \$19.7 million provision during the fourth quarter of fiscal 1994.

Drilling revenue increased by \$50.8 million to \$147.5 million in fiscal 1994 from \$96.7 million in fiscal 1993 as utilization of the Company's international rig fleet increased from 40% in fiscal 1993 to 56% in fiscal 1994. Domestic rig utilization increased slightly from 14% to 15%.

Western Hemisphere international drilling revenue increased \$21.1 million from fiscal 1993 to fiscal 1994. Revenue from the country of Argentina increased \$18.5 million as the Company re-entered the Argentina drilling market during the fourth quarter of fiscal 1993. In Colombia, revenue increased \$2.7 million in fiscal 1994 as the Company engaged in more deep drilling at higher day rates when compared to fiscal 1993.

International drilling revenue from operations in Asia and the Pacific increased \$20.9 million in fiscal 1994. The primary reasons for the increase were the resumption of operations in Pakistan during the first quarter of fiscal 1994, and the operation of two geothermal rigs in the Philippines, a new market for the Company in fiscal 1994. Also contributing to the increase in drilling revenue was an increase in utilization in Papua New Guinea during fiscal 1994.

Drilling revenue from operations in Africa, the Middle East and the CIS increased \$9.6 million in fiscal 1994. During the fourth quarter of fiscal 1993, the Company began operating in the republic of Kazakstan under a labor contract for a major customer. Revenue from operations in Kazakstan increased \$6.8 million in fiscal 1994. In the Russian Republic an increase in operating days for two workover rigs generated an additional \$2.3 million in revenue in fiscal 1994 versus fiscal 1993. In Africa, a decline in revenue from decreased utilization in Chad was offset by revenue from a one-rig contract in the Congo.

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Domestic drilling revenue declined slightly in fiscal 1994 compared to fiscal 1993. An increase in utilization in the continental United States could not completely offset the loss of revenue from the Company's specialized Arctic drilling rig, which was released late in the third quarter of fiscal 1994.

Although drilling revenue increased \$50.8 million in fiscal 1994 versus fiscal 1993, drilling margins (drilling revenue less drilling expense) did not increase proportionately. Drilling margins increased to \$32.7 million in fiscal 1994 from \$27.5 million in fiscal 1993, an increase of \$5.2 million. Drilling margins in Colombia declined due to increased operating expenses and costs associated with the start-up of two rigs. In Argentina, the initial start-up costs of entering a new market and putting ten newly acquired rigs to work negatively impacted drilling margins. Additionally, during this transition period, the Company encountered drilling problems which resulted in slower than expected drilling progress on some of the meterage rate contracts.

Depreciation expense increased \$1.6 million in fiscal 1994, the result of an increase in capital spending during 1994. Other income (expense) increased \$0.6 million to \$1.9 million in fiscal 1994 compared to \$1.4 million in fiscal 1993. Interest income, net of interest expense, decreased \$0.5 million due to a decline in cash and short-term investments during fiscal 1994.

Other income in fiscal 1994 included a \$1.0 million gain recognized when proceeds from an insurance settlement exceeded the book value of equipment damaged in connection with a blowout on an international rig. Fiscal 1994 other income also included the reversal of a prior year foreign payroll tax accrual totalling \$1.5 million. Offsetting this income in fiscal 1994 was a \$2.6 million charge for the settlement of litigation. See Note 9 to the Company's consolidated financial statements included elsewhere in this Prospectus. Fiscal 1993 other expense included a \$0.9 million adjustment of a prior year's workers' compensation liability. Income tax expense increased \$2.2 million primarily because of an increase in international drilling activity, which resulted in an increase in current tax expense.

Working capital of the Company was \$56.0 million as of August 31, 1995, and \$53.5 million as of February 29, 1996. Cash and short-term investments comprised \$22.1 million and \$21.3 million of working capital on these respective dates. Sources of cash for the first six months of fiscal 1996 included cash generated from operations of \$12.8 million, proceeds of \$4.2 million from the sale of property, plant and equipment and \$1.6 million received upon the exercise of stock warrants.

Capital expenditures for the first eight months of fiscal 1996 were \$22.9 million, which were primarily related to international contract opportunities. The Company is pursuing new drilling projects in its existing markets, as well as in new markets such as Venezuela and Algeria, that would require capital expenditures for upgrades to existing rigs and/or acquisitions of new rigs in excess of \$75 million over the next several years. Of such amount, the Company is currently committed over the next six to nine months to spending approximately \$22 million for upgrades to two rigs in Papua New Guinea, three rigs in Peru and four rigs in Indonesia and for other ancillary capital expenditures. Any significant increase in capital expenditures would be subject to restrictions imposed on the Company as specified below.

The Company has entered into a \$15.0 million revolving credit and letter of credit facility which expires on April 19, 1999 (the "Agreement"). At April 30, 1996, the Company had letters of credit totalling \$10.4 million under the Agreement. The Agreement contains restrictions on annual capital expenditures in excess of \$30 million plus proceeds from the sale of assets and certain senior and subordinated indebtedness which can be incurred by the Company and certain operating subsidiaries designated in the Agreement through which the Company performs the majority of its drilling operations. The Agreement also limits payment of dividends on Common Stock and requires the Company to maintain certain financial ratios. The remaining subsidiaries of the Company are not a party to the Agreement and are able to make capital expenditures with independent financing from lenders that have no recourse to the Company and the designated subsidiaries, subject only to an overall limitation of indebtedness. The restrictions in the Agreement are not anticipated to restrict growth or investment opportunities in the foreseeable future.

Management believes that the current level of cash and short-term investments, together with cash generated from operations and the net proceeds from the sale of the Common Stock offered hereby, should be sufficient to meet the Company's immediate capital needs as well as capital required in connection with additional contracts which the Company is currently bidding. Should further opportunities for growth requiring additional capital arise, the Company believes it would be able to satisfy these needs through a combination of cash generated from operations, borrowings under the bank credit agreement and either equity or long-term debt financing.

OTHER MATTERS

In March 1995, Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of," was issued. The statement establishes accounting standards for the impairment of long-lived assets, such as the Company's drilling, transportation and other equipment, and will be effective for the Company beginning with the year ending August 31, 1997. The Company does not believe the new standard will have a material effect on the Company's financial position or results of operations.

In October 1995, Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," was issued. The statement requires the computation of compensation for grants of stock, stock options and other equity instruments issued to employees based on fair value. The compensation

calculated is to be either recorded as an expense in the financial statements or, alternatively, disclosed. The Company anticipates it will elect the disclosure method of complying with the new standard. Under the provisions of the new statement, it is anticipated that pro forma net income to be disclosed will be lower than net income reported in the financial statements.

BUSINESS

GENERAL

The Company is a leading provider of land contract drilling services on a worldwide basis to major, independent and foreign national oil companies. Since its inception in 1934, the Company has provided drilling services throughout the United States and 46 foreign countries, giving it the broadest geographical representation of any land drilling contractor. Currently, the Company has 46 international rigs in 13 countries and 17 rigs in the United States. The Company specializes in the drilling of deep and difficult wells and drilling in remote and harsh environments. Difficult well conditions can include zones of high pressure and/or high temperature, poisonous gases and complex geology. Parker also provides a range of services that are ancillary to its principal drilling services, including engineering, logistics and construction, as well as various types of project management.

Internationally, the Company is focused primarily in South America and the Asia Pacific region where it specializes in drilling that often requires equipment specially designed to be transported by helicopter, barge or other vehicles into difficult access areas such as jungle, mountainside or desert locations. Parker's 23 heli-rigs, with technologically advanced pumps and power generation systems that are capable of drilling difficult wells in excess of 15,000 feet, have established Parker as the dominant operator in the heli-rig market. The Company has also historically been a pioneer in new markets or "frontier areas" such as China, the republics of the former Soviet Union, and more recently, Vietnam. International operations accounted for approximately 82% of Parker's fiscal 1995 revenues. Domestically, the Company operates primarily in the Rocky Mountain, Mid-Continent and Gulf Coast regions and the arctic region of Alaska. Within the lower 48 states, Parker traditionally has specialized in the drilling of deep gas wells, often in excess of 20,000 feet. Domestic operations provided approximately 18% of the Company's fiscal 1995 revenues.

The Company has developed an international reputation for providing efficient, quality drilling services. This reputation has allowed Parker to develop relationships with certain major and national oil companies, many of which the Company believes are increasingly seeking to establish preferred contractor relationships or alliances. Management believes that these relationships may result in longer term work and improved operating results for the Company.

The Company's principal executive offices are located at 8 East Third Street, Tulsa, Oklahoma 74103, and its telephone number is (918) 585-8221.

INDUSTRY OVERVIEW

In recent years, many major and independent oil companies have directed a greater portion of their exploration budgets to foreign markets. This is particularly true in South America and the Asia Pacific region, where the demand for land rigs has increased significantly. The Company has benefitted from this trend due to its long-standing presence in these markets and has been able to deploy rigs under longer term contracts at higher dayrates and operating margins than domestic operations. Management believes that the demand for drilling services in international markets will continue to grow as demand for oil and gas increases and countries dependent on oil and gas revenues seek to increase

their production. The Company intends to capitalize on its global presence and substantial international experience to pursue growth opportunities in both current and developing markets.

In the U.S., the land drilling industry is characterized by an oversupply of rigs and a large number of competitors, which has resulted in lower utilization and profitability for many drilling contractors. Over the past year, however, increasing gas prices in certain areas of the U.S. have led to a marked increase in drilling in such regions. In addition, the U.S. land drilling market has undergone significant consolidation. Parker believes that the activity in U.S. markets will improve over time due to the growing dependency by the U.S. on volatile foreign energy sources and the abundance of U.S. natural gas.

BUSINESS STRATEGY

The Company's traditional business strategy has been to focus on domestic and international markets that require the drilling of deep and difficult wells and wells in remote areas of difficult access. The Company has pursued this strategy by providing quality service and equipment to its customers. In 1995, the Company refined its business strategy to adapt to changing market conditions and build on its traditional strengths. The Company's current strategy is to: (i) expand its presence in core markets and enter new productive markets; (ii) increase the provision of integrated services; (iii) seek acquisitions of complementary businesses; and (iv) further streamline operations by reducing operating costs and eliminating non-productive assets.

Expand Core Markets and Enter New Markets

The Company has redeployed a portion of its rig fleet to concentrate its activities and increase critical mass in its core markets worldwide. The Company transferred rigs from Yemen, Italy, the Congo, Indonesia and the U.S. to more active markets in Colombia and in northern and western Argentina. In the geothermal market, Parker strengthened its position by moving a rig to New Zealand and is currently moving two rigs to Indonesia. The Company has expanded its role as a provider of technical expertise through a joint venture agreement in China and a labor services agreement in Russia. Domestically, the Company has moved three deep drilling rigs into the active Gulf Coast market.

The recent growth in drilling activity in certain markets in South America, the Asia Pacific region and Africa has created significant growth opportunities for the Company. In response to these recent trends, the Company intends to increase its level of activity in countries in these regions where it currently operates and to aggressively market additional rigs in countries such as Venezuela and Algeria.

Increase Provision of Integrated Services

To complement its drilling services, the Company provides integrated services, which include logistics, engineering, construction and other ancillary services as well as various types of project management for oil and gas drilling operations. The Company has entered into agreements for the provision of engineering services for drilling programs in Argentina and the provision of specialized services for the construction and mobilization of two rigs on offshore platforms in connection with a labor contract in the South China Sea. As oil and gas companies continue to reduce overhead, the Company believes that opportunities will increase for

it to generate revenue by providing services ancillary to its drilling services without incurring significant capital expenditures.

Acquisitions of Complementary Businesses

There has been a significant consolidation in the oil service industry as companies have sought to increase market share and diversify and expand the scope of services they offer. During 1995, Parker formally engaged the services of an investment banking firm to assist in identifying and pursuing acquisition candidates that would allow the Company to provide a broader range of drilling and related oil field services to its customers. The Company intends to actively

pursue opportunities for growth and diversification within the industry.

Streamline Operations

As part of its efforts to further streamline operations and reduce costs, the Company closed offices and other facilities in Oklahoma City, Ecuador and Yemen and reduced overhead in southern Argentina. Certain excess worldwide equipment and inventories and domestic real estate have been sold. In addition, over the last 12 months, Parker reduced its rig fleet by 33 rigs. As a result of these steps, the Company expects to realize annual cost savings, including depreciation, of approximately \$5 million.

RIG FLEET

The Company provides contract drilling services through its rig fleet. The sections which follow describe the characterization and utilization of that fleet and its current status. See "Utilization," "-- International Operations" and "-- Domestic Operations." The following table sets forth, as of May 31, 1996, the locations of the Company's rigs and their drilling depth ratings.

<TABLE>
<CAPTION>

	DRILLING DEPTH RATING IN FEET					TOTAL
	10,000 OR LESS	15,000	20,000	OVER 25,000	25,000	
	<C>	<C>	<C>	<C>	<C>	<C>
INTERNATIONAL:						
South America.....	1	2	9	2	5	19
Africa, Middle East and CIS.....	3	2	2	--	--	7
Asia Pacific.....	4	4	9	3	--	20
	--	--	--	--	--	
Total International.....	8	8	20	5	5	46
DOMESTIC:						
Alaska.....	--	--	--	1	1	
Mid-Continent.....	--	--	4	--	1	5
Rocky Mountains.....	1	--	4	--	3	8
Gulf Coast.....	--	--	1	--	2	3
	--	--	--	--	--	
Total Domestic.....	1	--	9	--	7	17
	--	--	--	--	--	
Total.....	9	8	29	5	12	63

</TABLE>

UTILIZATION

The following table sets forth the utilization rates of the Company's rigs during each of the periods shown. Changes in utilization reflect reductions in the Company's rig fleet in addition to changes in rig activity. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

<TABLE>
<CAPTION>

	SIX MONTHS				
	ENDED FEBRUARY 29, 1996	ENDED 1995	YEAR ENDED AUGUST 31, ----- 1994 1993 1992		
	-----	----	----	----	----

<S>	<C>	<C>	<C>	<C>	<C>	<C>
International utilization.....		62%	54%	56%	40%	52%
Domestic utilization.....		25%*	21%	15%	14%	13%

* Domestic utilization during the six-month period ending February 29, 1996, would have been 55% as adjusted to reflect the removal of 22 domestic rigs from the Company's rig fleet subsequent to February 29, 1996.

The Company calculates its rig utilization rates on a weighted average basis assuming 365 days availability for all of its rigs. Rigs retired, disposed of or reclassified as assets held for sale have been treated as removed from the rig fleet as of the last day of each fiscal period. Rigs which are in operation or fully or partially staffed and on a revenue-producing standby status are considered to be utilized. Rigs under contract that generate revenues during moves between locations or during mobilization/demobilization are also considered to be utilized.

INTERNATIONAL OPERATIONS

International land drilling markets have continued to improve since the late 1980's, resulting in increased margins and utilization rates in several areas, primarily in South America and the Asia Pacific region and to a lesser extent in China and the CIS. The international market differs from the domestic market in terms of its competition, its customers, the equipment requirements and experience required. The majority of international drilling projects have the following characteristics: (i) a small number of competitors; (ii) customers who are major, large independent or foreign national oil companies; (iii) remote locations requiring drilling equipment with a large inventory of spare parts and often other ancillary equipment; and (iv) drilling of difficult wells requiring considerable experience. In contrast, a domestic project usually involves: (i) numerous competitors; (ii) customers who are small, independent operators; (iii) rig specifications that can be satisfied by small mechanical rigs of which there is an oversupply; and (iv) drilling of shallow to medium depth wells. See "Risk Factors -- Risks of International Operations."

South America. Approximately 50% of the Company's drilling revenue was generated by operations in South America in fiscal 1995. The Company currently has 19 rigs located in the South American drilling markets of Colombia, Argentina and Peru. These rigs have been upgraded to meet the demands of deep, difficult drilling in these areas. Most of these rigs are currently under contract to major or national oil companies with attractive dayrates. The Company anticipates it will continue to relocate rigs to the South American market to meet increased demand for drilling in Colombia, Argentina and Peru as well as other countries, including Venezuela.

Asia Pacific Region. The Company operates 15 of its fleet of 23 helicopter transportable rigs in the Asia Pacific region due to the remoteness of the mountainside and jungle drilling performed in this region. Approximately 30% of the Company's fiscal 1995 worldwide revenue was generated by operations in the countries of Papua New Guinea, Indonesia, Philippines, Pakistan and New Zealand. This region also contains all of the Company's present geothermal operations, with the Company entering the Philippine geothermal market in 1993 and Indonesia in 1995. In 1996, the Company became the first land drilling contractor to enter the Vietnam market subsequent to the liberalization of Vietnam's trading policy and the lifting of restrictions many countries had placed on doing business with Vietnam. Also, in 1996, the Company formed an alliance with the national drilling company in China, pursuant to which the Company will provide project management assistance and rig supervisory personnel to western oil companies in conjunction with the Company's Chinese partner. Parker has the longest presence of any foreign drilling contractor in China, beginning with its first contract

in 1980.

Africa, Middle East and CIS. Seven of the Company's rigs are currently located in the Africa, Middle East and CIS markets, which accounted for 5% of the Company's drilling revenue in fiscal 1995. After becoming the first western drilling contractor to enter the markets of the former Soviet Union in 1991, expansion of the Company's business in the former republics which now comprise the CIS has been hampered by bureaucratic inefficiencies, constantly changing tax and other laws and political issues that have retarded the investment of capital by major and large independent oil companies. The Company anticipates that the recently announced agreement regarding the pipeline to be built to accommodate incremental production from the Tengiz field in Kazakstan will increase exploration efforts in this region; however, drilling may be delayed pending resolution of technical, logistical and other issues. The Company is also currently evaluating reentering the Algerian market as many major companies and large independents have recently executed agreements to make considerable investments in existing and new fields in Algeria. Management believes all of these areas have promise for significant expansion of operations with accompanying revenues, although the Company's success in these regions is contingent upon factors over which the Company has no control.

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DOMESTIC OPERATIONS

The U.S. land drilling market is highly fragmented with numerous competitors and an oversupply of rigs. During the past few years, this market has undergone significant consolidation; however, rig supply continues to exceed rig demand which has resulted in depressed dayrates and utilization. The oversupply of rigs is especially prevalent in the market for mechanical rigs, which has allowed oil companies to demand rigs equipped with more sophisticated equipment such as diesel-electric power and/or top-drive systems. Consequently, the Company recently has decided to remove 22 of its mechanical rigs from its domestic rig fleet of 39 rigs and place such mechanical rigs on the market for sale.

Of the Company's remaining 17 rigs located in the U.S., 16 are diesel-electric, two are equipped with top drive units and 16 are capable of drilling in excess of 15,000 feet. Traditionally, the Company has differentiated itself from its domestic competitors by specializing in the drilling of deep and/or difficult wells. The Company also offers drilling services for development drilling on the North Slope of Alaska with a state of the art arctic drilling unit that is completely enclosed and transportable on giant "crawlers."

SPECIALTY DRILLING SERVICES

Helicopter Transportable Rigs. The Company specializes in difficult wells and drilling in remote areas and harsh environments, primarily in international locations. A significant factor contributing to the Company's success in obtaining drilling contracts in remote areas is the use of rigs which are transportable by air, land and water. These rigs have been specially designed and constructed by the Company for quick assembly and disassembly under the proprietary designations "Heli-Hoist(R)" rig, Transportable By Anything(R) ("TBA(R)") rig and All-Terrain ("AT2000E(R)") rig. It is the opinion of management that the Company's 23 helicopter transportable rigs comprise approximately 75% of the operational helicopter transportable rigs worldwide. The Heli-Hoist(R), TBA(R) and AT2000E(R) rigs allow the Company to perform drilling operations in remote and otherwise inaccessible locations such as jungle areas, mountainous areas and offshore platforms.

Deep Drilling. During the U.S. drilling boom of the late 1970's and early 1980's, the Company developed its specialty of deep difficult drilling, primarily in the Anadarko Basin of Western Oklahoma and the Overthrust Region in the Rocky Mountains. The majority of the expansion of the Company's domestic fleet was built around this deep gas drilling, during which time the Company established several drilling depth records approaching 30,000 feet. The

Company's largest drilling rig is rated in excess of 35,000 feet.

During the last several years, drilling activity has shifted from domestic deep gas drilling to international deep oil and gas drilling. While international deep drilling is generally in the range of 15,000 feet to 20,000 feet as opposed to the domestic deep drilling which often exceeded 20,000 feet, the Company has benefitted in the international arena from the development of this expertise, particularly in the deep drilling markets of the Cusiana and Cupiagua fields of Colombia and in northern Argentina.

Arctic Drilling. The Company has been one of the pioneers in arctic drilling conditions and continues to offer new technology to meet the demand for increased drilling in an ecologically sensitive manner. The Company's most recent development has been the introduction of a self-contained mobile drilling unit capable of being moved in one unit by giant "crawlers" similar to the system used to move rocket thrusters for the space program. The environmentally sensitive rig also has a complete closed-loop mud system and cuttings processing system that eliminate the need for mud pits.

Geothermal Drilling. The Company also has developed expertise in the area of geothermal drilling. Geothermal operations involve drilling into a pocket of geothermal energy, tapping the source of this energy in the form of steam, hot water or hot rocks and converting this heat into usable forms of energy. The market for geothermal drilling is expanding into several areas of the world, including the Philippines, New Zealand and Indonesia, as various countries elect to access this alternative form of energy.

Integrated Services. As major oil companies continue to downsize their engineering and other support staffs, the Company believes the need for drilling contractors to assume more ancillary duties will increase. As one of the leading drilling companies with experience in all aspects of land drilling worldwide, the Company is well positioned to provide different types of integrated services from logistics and engineering to complete

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project management services required by its customers. Parker provided project management for an exploration project in Papua New Guinea and coordinated the fabrication and testing of two rigs for offshore platforms in the South China Sea. In addition, Parker's engineers are working with customers to provide well design programs in Argentina. The Company has also provided logistics and construction services for a remote drilling project in Chad and supervision, training and related management services for workover operations in Kazakstan and drilling operations in China.

CERTAIN OTHER OPERATIONS

Parker Technology, Inc. ("Partech"), a wholly owned subsidiary of the Company, is a drilling equipment and manufacturing concern which gives the Company the ability to design, construct and modify rigs to meet its own unique needs and, to a lesser extent, to construct rigs and components for other customers. Partech successfully designed and built the first drilling rig in its AT2000E(R) series of heli-rigs in 1989. This all-electric rig series features a proprietary design that provides for additional power and drilling capacity in remote locations.

COMPETITION

The land drilling market is highly competitive. Management believes competition for drilling services is based on a number of factors, including: (i) price; (ii) the type, condition and location of equipment available; (iii) quality of service, including experience; and (iv) the ability to provide ancillary services. Management believes that the Company has for many years ranked at or near the top of the drilling industry in the last three categories. Since fiscal 1983, the prevailing factor in obtaining contracts domestically has been price due to the surplus of available rigs in the drilling industry. In international markets, experience in operating in certain environments and the developing trend of alliances have also been factors in the selection of the Company in certain cases, as well as the Company's patented drilling equipment for remote drilling projects. See "Risk Factors -- Competition; Concentration of Customer Base."

CUSTOMERS

The Company believes it has developed an international reputation for providing efficient, quality drilling services. A key for advancing the Company's business strategy is maintaining and developing relationships and strategic alliances with its customers. An increasing number of the Company's customers have been seeking to establish exploration or development drilling programs based on partnering relationships or alliances with a limited number of preferred drilling contractors. Such relationships or alliances can result in longer term work and higher efficiencies that increase profitability for drilling contractors at a lower overall well cost for oil companies. The Company is currently a preferred contractor for operators in certain domestic and international locations, which management believes is a result of the Company's quality service and experience.

The Company's drilling customer base consists of major, independent and foreign national oil and gas companies. The Company's 20 largest customers accounted for approximately 91% of total revenue during fiscal 1995. During 1995, two customers accounted for approximately 22% and 13% of total revenue. In fiscal 1994, three customers accounted for approximately 14%, 12% and 11% of total revenue. In fiscal 1993, three customers accounted for approximately 22%, 14% and 10% of total revenue. See "Risk Factors -- Competition; Concentration of Customer Base."

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LEGAL PROCEEDINGS

A judgment in the amount of \$4,860,000 was entered against a subsidiary of the Company by a judge of the First Civil Specialized Court in Maynas, Peru on May 10, 1996. The judgment was based on a claim by former union employees of the Company's subsidiary alleging that such subsidiary impaired their employment opportunities with that subsidiary and other employers. The Company disputes the basis for the claim and the judgment and has appealed the decision. Because the Company believes there was a lack of evidence and irregularities in the proceedings, the Company also intends to seek to overturn the decision through other appropriate proceedings. The Company does not believe that the judgment will have a material adverse effect on its financial condition, results of operations or its operations in South America.

In the opinion of Company counsel, there are no pending legal proceedings to which the Company is a party that could have a material adverse effect upon its business, results of operations or financial condition.

MANAGEMENT

The following table sets forth certain information regarding the directors and executive officers of the Company.

<TABLE>

<CAPTION>

NAME	AGE	POSITION
Robert L. Parker.....	73	Chairman of the Board of Directors
Robert L. Parker Jr.	48	President, Chief Executive Officer and Director
James W. Linn.....	51	Executive Vice President, Chief Operating Officer and Director
James J. Davis.....	49	Vice President of Finance and Chief Financial Officer
I. E. Hendrix, Jr.	51	Vice President and Treasurer
Kenneth R. Hoit.....	58	Vice President, Planning and Accounting
Leslie D. Rosencutter.....	40	Vice President, Administration and Corporate Secretary
T. Bruce Blackman.....	45	Vice President, Asia Pacific Operations

John R. Gass.....	44	Vice President, Frontier Areas
Donald D. Goodson.....	42	Vice President, Latin America Operations
Thomas L. Wingerter.....	43	Vice President, North America Operations
Randy L. Ellis.....	44	Controller
David L. Fist.....	64	Director
Earnest F. Gloyna.....	74	Director
R. Rudolph Reinfrank.....	40	Director

The following is a brief description of the background and principal occupation of each director and executive officer:

Mr. Parker, Chairman of the Board, has been a Director since 1954 and served as President of the Company from 1954 until October 1977, when he was elected Chairman and Chief Executive Officer. Since December 1991, he has retained the position of Chairman. He serves on the board of directors of MAPCO, Inc., a diversified energy company; Clayton Williams Energy, Inc., a company engaged in exploration and production of oil and natural gas; and BOK Financial Corporation, a bank holding company organized under the laws of the State of Oklahoma. Mr. Parker also serves on the board of directors of the American Petroleum Institute and the National Petroleum Council. He is the father of Robert L. Parker Jr.

Mr. Parker Jr. has been a Director since 1973 and is President and Chief Executive Officer. He joined the Company in 1973 and was elected President and Chief Operating Officer in 1977 and Chief Executive Officer in December 1991. He was elected Vice President in 1973 and Executive Vice President in 1976. He currently serves on the board of directors of Alaska Air Group, Inc., the holding company for Alaska Airlines and Horizon Air Industries. He is the son of Robert L. Parker.

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Mr. Linn has been a Director since 1986, is Executive Vice President and Chief Operating Officer of the Company and has general charge of the Company's business affairs and its officers. He joined the Company in 1973 in the Company's international department. He then served in the Company's domestic operations, being named northern U.S. district manager in 1976. Mr. Linn was elected Vice President of U.S. and Canada operations in 1979, was promoted to Senior Vice President in September 1981 and was elected to his present position in December 1991.

Mr. Davis has served as Vice President of Finance and Chief Financial Officer since joining Parker in November 1991. From 1986 through 1991, Mr. Davis was vice president and treasurer of MAPCO, Inc., a diversified energy company with interests in coal production and marketing, natural gas liquids production, marketing and transportation, oil refining and retail motor fuel marketing. He serves as a member of the board of directors of Dollar Rent A Car Finance Company.

Mr. Hendrix is Vice President and Treasurer of the Company. He joined Parker in 1976 as manager of the Company's treasury department and was elected Treasurer in 1978. Mr. Hendrix was elected Vice President of the Company in April 1983. He serves as a member of the board of directors of American Performance Mutual Fund.

Mr. Hoit serves as Vice President, Planning and Accounting of the Company. He joined Parker in 1973. He served as financial analyst and manager of budgets and analysis prior to being elected a Vice President in April 1983. In June 1991, Mr. Hoit was given additional management responsibilities over corporate accounting and information systems departments.

Ms. Rosencutter serves as Corporate Secretary and Vice President, Administration. She has responsibility for the public relations and human resources departments. She previously had served as Assistant Vice President, Administration since 1987. Ms. Rosencutter joined Parker in 1974 as secretary to the Controller and later was secretary to the Robert L. Parker Trust. She has served as executive secretary and administrative assistant to the Chairman prior to being elected an officer. She was elected Corporate Secretary in April 1996.

Mr. Blackman serves as Vice President, Asia Pacific Operations. He joined

the Company in 1977 and held management positions in Africa, Singapore and Tulsa as international accounting manager. In 1983 he was the division manager for the Indonesian operations. In 1989, he was promoted to contract manager, Asia Pacific region. He was elected to his current position in January 1996.

Mr. Gass is Vice President, Frontier Areas. He joined the Company in 1977 and has served in various management positions in the Company's international division. In 1985 he became the division manager of Africa and the Middle East. In 1987 he directed the Company's mining operations in South Africa. In 1989 he was promoted to international contract manager. In January 1996, he was appointed to his current position.

Mr. Goodson serves as Vice President, Latin America Operations. He joined the Company in 1976 and held various accounting and finance positions prior to being named contract manager for U.S. operations in 1981. In June 1989, Mr. Goodson was named Indonesian division manager. In July 1993, he served as contract manager for the Middle East, Africa and Colombia. In January 1996, he was elected to his current position.

Mr. Wingerter serves as Vice President, North America Operations. He joined Parker in 1979, and in 1983 he was named contracts manager for the Rocky Mountain division. He was promoted to Rocky Mountain division manager in 1984, a position he held until September 1991 when he was elected a Vice President.

Mr. Ellis was elected Corporate Controller in June 1991. He joined Parker in 1979 as general accounting supervisor and was named manager of general accounting in May 1983.

Mr. Fist, a Director since 1986, is a member of the law firm of Rosenstein, Fist & Ringold, Tulsa, Oklahoma, having been associated with the firm since 1955. He serves as a director of Peoples State Bank and Alliance Business Investment Company, a federally licensed small business investment company.

Dr. Gloyna has been a Director since 1978 and is presently a chaired professor in Environmental Engineering at The University of Texas at Austin. He served as dean, College of Engineering, from April 1970

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to August 1987. He is also a consultant in environmental engineering through Earnest F. Gloyna Enterprises, and is president of Gloyna Properties, Inc. Dr. Gloyna serves as a member of the board of trustees of Southwest Research Institute, a nonprofit research institute that does contract research work for government and industry.

Mr. Reinfrank has been a Director since 1993. Since May 1993, Mr. Reinfrank has been managing director of the Davis Companies, the holding company for the Marvin Davis family. Mr. Reinfrank also serves as a managing general partner of Davis Reinfrank Company. From January 1, 1988 through June 30, 1993, Mr. Reinfrank was executive vice president of Shamrock Holdings, Inc., the holding company for the Roy E. Disney family. From January 1990 through December 1992, Mr. Reinfrank also served as managing director of Trefoil Investors, Inc. and Shamrock Capital Advisors, Inc., the general partner and management services company respectively, for Trefoil Capital Investors, L.P. Mr. Reinfrank is a director of Weatherford Enterra, Inc., an international provider of services and specialized equipment to the oil and gas industry.

DESCRIPTION OF CAPITAL STOCK

The Company has 71,942,000 authorized shares of stock, consisting of (a) 70,000,000 shares of Common Stock, having a par value of \$.16 2/3 per share and (b) 1,942,000 shares of Preferred Stock, having a par value of \$1.00 per share.

COMMON STOCK

As of April 30, 1996, there were 56,219,291 shares of Common Stock outstanding. All of such outstanding shares of Common Stock are fully paid and nonassessable. Each share of Common Stock has an equal and ratable right to receive dividends when, as and if declared by the Board of Directors of the Company out of assets legally available therefor and subject to the dividend obligations of the Company to the holders of any Preferred Stock then outstanding. The Company is subject to certain restrictions on the payment of dividends on, and the repurchase or redemption of, the Common Stock under the

provisions of its existing credit agreement. See "Price Range of Common Stock and Dividends."

In the event of a liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to share equally and ratably in the assets available for distribution after payment of all liabilities, and subject to any prior rights of any holders of Preferred Stock that at the time may be outstanding.

The holders of Common Stock have no preemptive, subscription, conversion or redemption rights, and are not subject to further calls or assessments by the Company. There are no sinking fund provisions applicable to the Common Stock. Each share of Common Stock is entitled to one vote in the election of directors and on all other matters submitted to a vote of stockholders. Holders of Common Stock have no right to cumulate their votes in the election of directors.

PREFERRED STOCK

As of the date of the Prospectus, there were no shares of Preferred Stock outstanding. Preferred Stock may be issued from time to time in one or more series at the discretion of the Board of Directors without shareholder approval. The Board of Directors is also authorized without further approval of the stockholders to fix the designations, dividends rates, conversion rights, redemption rights, liquidation price, and sinking fund rights. Depending upon the rights of such Preferred Stock, its issuance could have an adverse effect on holders of the Common Stock by delaying or preventing a change in control of the Company, making removal of the present management of the Company more difficult or restricting the payment of dividends and other distributions to the holders of the Common Stock.

POSSIBLE ANTI-TAKEOVER PROVISIONS

The Company's Restated Certificate of Incorporation (the "Company's Charter") contains certain provisions that might be characterized as anti-takeover provisions. Such provisions may render more difficult

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certain possible takeover proposals to acquire control of the Company and make removal of management of the Company more difficult.

The Company's Charter provides for the Board of Directors to be divided into three classes of directors serving staggered three-year terms, with each class as nearly equal in number as possible. Directors of the Company may only be removed for cause and only by the affirmative vote of a majority of the then outstanding shares of stock entitled to vote on the matter. Any stockholder wishing to submit a nomination to the Board of Directors must follow certain procedures outlined in the Company's By-Laws. In addition, the By-Laws require written application by the holders of 75% of the Company's outstanding voting stock to call a Special Stockholder's Meeting.

Certain outstanding contracts binding on the Company with respect to certain employees may render more difficult the removal of management or attempts to acquire control of the Company.

As described above, the Company's Charter authorizes a class of undesignated Preferred Stock consisting of 1,942,000 shares. Preferred Stock may be issued from time to time in one or more series, and the Board of Directors, without further approval of the stockholders, is authorized to fix the rights, preferences, privileges and restrictions applicable to each series of Preferred Stock. One possible result of authorizing the Board of Directors to determine such rights, preferences, privileges and restrictions is to eliminate delays associated with a stockholder vote on specific issuance. The issuance of Preferred Stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of Common Stock and, under certain circumstances, make it more difficult for a third party to gain control of the Company.

The company is incorporated under the laws of State of Delaware. Section 203 of the Delaware General Corporation Law prevents an "interested stockholder"

(defined as a stockholder owning 15% or more of a corporation's voting stock) from engaging in a business combination with such corporation for a period of three years from the date such stockholder became an interested stockholder unless (a) the corporation's board of directors had earlier approved either the business combination or the transaction by which the stockholder became an interested stockholder, or (b) upon attaining that status, the interested stockholder had acquired at least 85% of the corporation's voting stock (not counting shares owned by persons who are directors and also officers), or (c) the business combination is later approved by the board of directors and authorized by a vote of two-thirds of the stockholders (not including the shares held by the interested stockholder). Since the Company has not amended its Restated Certificate of Incorporation or By-Laws to exclude the application of Section 203, such section does apply to the Company and thus may inhibit an interested stockholder's ability to engage in a business combination with the Company.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Common Stock is Chemical Bank.

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UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement, the Company has agreed to sell to the Underwriters named below (the "Underwriters"), for whom Jefferies & Company, Inc., Prudential Securities Incorporated and Schroder Wertheim & Co. Incorporated are acting as the Representatives, and the Underwriters have severally agreed to purchase the number of shares of Common Stock set forth opposite their respective names in the table below at the public offering price less the underwriting discount set forth on the cover page of this Prospectus:

<TABLE>
<CAPTION>

UNDERWRITERS	NUMBER OF SHARES
<S>	<C>
Jefferies & Company, Inc.	
Prudential Securities Incorporated	
Schroder Wertheim & Co. Incorporated.....	

Total.....	7,000,000

</TABLE>

The Underwriting Agreement provides that the obligation of the Underwriters to purchase the shares of Common Stock offered hereby is subject to certain conditions. The Underwriters are committed to purchase all of the shares of Common Stock offered hereby (other than those covered by the over-allotment option described below), if any are purchased.

The Underwriters propose to offer the shares of Common Stock to the public at the offering price set forth on the cover page of this Prospectus and to certain dealers at such price less a concession not in excess of \$ per share. The Underwriters may allow, and such dealers may reallow, a discount not in excess of \$ per share to certain other dealers. After the public offering of the Common Stock, the public offering price, the concession to selected dealers and the reallowance to other dealers may be changed by the Representatives.

The Company has granted the Underwriters an option, exercisable for 30 days from the date of this Prospectus, to purchase up to 1,050,000 additional shares of Common Stock at the public offering price, less the underwriting discount. To the extent such option is exercised, each Underwriter will become obligated, subject to certain conditions, to purchase additional shares of Common Stock proportionate to such Underwriter's initial commitment as indicated in the

preceding table. The Underwriters may exercise such right of purchase only for the purpose of covering over-allotments, if any, made in connection with the shares of Common Stock offered by this Prospectus.

The Company and all executive officers and directors of the Company have agreed not to offer for sale, sell or otherwise dispose of any shares of Common Stock or any securities convertible into or exchangeable for shares of Common Stock for a period of 90 days from the date of this Prospectus, without the prior written consent of Jefferies & Company, Inc.; provided, however, that the Company may issue and sell Common

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Stock pursuant to any stock bonus plan, stock grant plan or stock option plan in effect as of the date of this Prospectus.

The Company has agreed to indemnify the Underwriters against certain liabilities that may be incurred in connection with the sale of the Common Stock offered hereby, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"), or to contribute to payments that the Underwriters may be required to make in respect thereof.

Pursuant to a letter agreement between the Company and Jefferies & Company, Inc., Jefferies & Company, Inc. has acted and will continue to act as a financial advisor to the Company in connection with the acquisition of, merger or other combination with certain potential acquisition targets. If the Company completes a transaction with any such target, the Company will pay Jefferies & Company, Inc. certain usual and customary fees for such services. The Company has not paid Jefferies & Company, Inc. and is not obligated to pay Jefferies & Company, Inc., any compensation for services rendered under this agreement to date.

FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements, other than statements of historical facts, included in this Prospectus which address activities, events or developments which the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof), expansion and other development trends of the land contract drilling industry, business strategy, expansion and growth of the Company's businesses and operations, and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the Company's expectations and predictions is subject to a number of risks and uncertainties, including the risk factors discussed in this Prospectus; general economic, market or business conditions; the business opportunities (or lack thereof) that may be presented to and pursued by the Company; changes in laws or regulations; and other factors, most of which are beyond the control of the Company. Consequently, all of the forward-looking statements made in this Prospectus are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Company or its business or operations.

LEGAL MATTERS

Certain legal matters with respect to the validity of the Common Stock offered hereby will be passed upon for the Company by Conner & Winters, A Professional Corporation, Tulsa, Oklahoma. Certain legal matters related to the offering of the Common Stock will be passed upon for the Underwriters by Cravath, Swaine & Moore, New York, New York.

INDEPENDENT ACCOUNTANTS

The consolidated balance sheet as of August 31, 1995 and 1994, and the

consolidated statements of operations, redeemable preferred stock and stockholders' equity, and cash flows for each of the three years in the period ended August 31, 1995, incorporated by reference or included in this Prospectus, have been included herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in auditing and accounting. With respect to the unaudited interim financial

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information for the periods ended November 30, 1995 and 1994 and February 29, 1996 and February 28, 1995, incorporated by reference or included in this Prospectus, the independent accountants have reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports included in the Company's quarterly reports on Form 10-Q for the periods ended November 30, 1995 and February 29, 1996, and incorporated by reference or included herein, state that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. The accountants are not subject to the liability provisions of Section 11 of the Securities Act for their report on the unaudited interim financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by the accountants within the meaning of Sections 7 and 11 of the Securities Act.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
Parker Drilling Company

We have audited the accompanying consolidated balance sheet of Parker Drilling Company and subsidiaries as of August 31, 1995 and 1994, and the

related consolidated statements of operations, redeemable preferred stock and stockholders' equity and cash flows for each of the three years in the period ended August 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 audit 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 consolidated financial position of Parker Drilling Company and subsidiaries as of August 31, 1995 and 1994, and the consolidated results of their operations and their cash flows for each of the three years in the period ended August 31, 1995, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

Tulsa, Oklahoma
October 17, 1995

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PARKER DRILLING COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	AUGUST 31,	
	1995	1994
	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$ 20,752	\$ 10,660
Other short-term investments.....	1,372	3,811
Accounts and notes receivable, net of allowance for bad debts of \$726 in 1995 and \$826 in 1994.....	39,578	34,675
Rig materials and supplies.....	11,532	9,117
Other current assets.....	5,146	4,029
	-----	-----
Total current assets.....	78,380	62,292
	-----	-----
Property, plant and equipment, at cost:		
Drilling equipment.....	506,130	538,025
Buildings, land and improvements.....	13,259	14,270
Other.....	20,470	24,399
Construction in progress.....	14,759	5,247
	-----	-----
	554,618	581,941
Less accumulated depreciation, depletion and amortization.....	432,360	454,763
	-----	-----
Net property, plant and equipment.....	122,258	127,178
	-----	-----
Rig materials and supplies.....	6,895	9,127
	-----	-----
Deferred charges and other assets:		
Assets held for disposition (Note 2).....	2,486	3,518
Notes receivable, net of allowance of \$70 in 1995 and \$224 in 1994.....	1,817	2,871
Other.....	5,123	4,362
	-----	-----
Total deferred charges and other assets.....	9,426	10,751
	-----	-----
Total assets.....	\$216,959	\$209,348

=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Current portion of long-term debt.....	\$ 289	\$ --
Accounts payable.....	9,539	9,233
Accrued liabilities.....	7,401	7,336
Accrued income taxes.....	5,109	5,053
	-----	-----
Total current liabilities.....	22,338	21,622
	-----	-----
Long-term debt (Note 3).....	1,748	--
	-----	-----
Deferred income tax (Note 4).....	--	294
	-----	-----
Other long-term liabilities.....	5,953	3,596
	-----	-----
Minority interest.....	--	3,253
	-----	-----
Commitments and contingencies (Note 9)		
Preferred stock, \$1 par value, 1,942,000 shares authorized, no shares outstanding.....	--	--
	-----	-----
Stockholders' equity:		
Common stock, \$.16 2/3 par value, authorized 70,000,000 shares, issued and outstanding 55,722,183 shares (55,112,749 shares in 1994).....	9,287	9,185
Capital in excess of par value.....	205,310	202,403
Retained earnings (accumulated deficit).....	(24,391)	(28,307)
Other.....	(3,286)	(2,698)
	-----	-----
Total stockholders' equity.....	186,920	180,583
	-----	-----
Total liabilities and stockholders' equity.....	\$216,959	\$209,348
	=====	=====

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
(IN THOUSANDS EXCEPT EARNINGS (LOSS) PER SHARE
AND WEIGHTED AVERAGE SHARES OUTSTANDING)

<TABLE>

<CAPTION>

FOR THE YEARS ENDED AUGUST 31,

	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>
Revenue:			
Drilling contracts.....	\$ 153,075	\$ 147,480	\$ 96,719
Other.....	4,296	4,944	4,082
	-----	-----	-----
	157,371	152,424	100,801
	-----	-----	-----
Operating expense:			
Drilling.....	113,132	114,732	69,237
Other.....	4,928	6,563	5,951
Depreciation, depletion and amortization.....	21,643	21,950	20,400
General and administrative.....	19,165	18,314	17,593
Provision for reduction in carrying value of certain assets (Note 2).....	--	19,718	--
	-----	-----	-----
	158,868	181,277	113,181
	-----	-----	-----
Operating income (loss).....	(1,497)	(28,853)	(12,380)
	-----	-----	-----
Other income and (expense):			
Interest expense.....	(88)	(11)	(53)

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

<TABLE>

<CAPTION>

FOR THE YEARS ENDED AUGUST 31,

	1995	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss).....	\$ 3,916	\$(28,806)	\$(10,687)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, depletion and amortization.....	21,643	21,950	20,400
Loss (gain) on disposition of property, plant and equipment.....	(6,395)	(2,083)	(852)
Provision for reduction in carrying value of certain assets.....	--	19,718	--
Deferred tax expense (benefit).....	(294)	(904)	(1,431)
Amortization of deferred compensation and other.....		1,820	2,490
5,197			
Change in assets and liabilities:			
Accounts and notes receivable.....	(4,105)	(10,889)	2,305
Rig materials and supplies.....	(627)	(313)	1,696
Other current assets.....	(1,364)	(1,356)	(1,934)
Accounts payable and accrued liabilities.....	3,319	1,109	573
Accrued income taxes.....	56	(238)	(1,349)
Minority interest.....	227	135	(149)
Other assets.....	(260)	137	(48)
Net cash provided by operating activities.....	17,936	950	13,721
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from the sale of property, plant and equipment....	11,711	4,740	7,150
Capital expenditures.....	(21,540)	(34,764)	(18,717)
Proceeds from sale of a subsidiary.....	--	--	2,353
Investments in affiliates.....	(501)	(140)	(177)
Decrease (increase) in other short-term and long-term investments.....	2,439	27,608	(7,388)
Other.....	121	--	--
Net cash provided by (used in) investing activities.....	(7,770)	(2,556)	(16,779)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of debt.....	\$ 187	\$ --	\$ --
Principal payments under debt obligations.....	--	--	(777)
Repurchase of common stock.....	(277)	(304)	(384)
Proceeds from exercise of stock warrant.....	--	--	4,320
Other.....	16	--	(819)
Net cash provided (used) by financing activities...	(74)	(304)	2,340
Net increase (decrease) in cash and cash equivalents.....	10,092	(1,910)	(718)
Cash and cash equivalents at beginning of year.....	10,660	12,570	13,288
Cash and cash equivalents at end of year.....	\$ 20,752	\$ 10,660	\$ 12,570
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest.....	\$ 2	\$ 11	\$ 47
Income taxes.....	\$ 3,422	\$ 3,029	\$ 2,361

</TABLE>

Supplemental noncash financing activity:

In November 1994, the Company acquired a limited partner's ownership interest in two consolidated partnerships in exchange for a promissory note in the amount of \$1,850,000.

In May 1995, the Company received rig materials and supplies valued at \$556,000 in lieu of payment on a note due the Company.

The accompanying notes are an integral part of the consolidated financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation -- The consolidated financial statements include the accounts of Parker Drilling Company ("Parker Drilling") and all of its majority-owned subsidiaries (collectively, the "Company").

Drilling Contracts -- The Company recognizes revenue and expenses on day rate contracts as the drilling progresses (percentage-of-completion method) because the Company does not bear the risk of completion of the well. For meterage contracts, the Company recognizes the revenue and expenses upon completion of the well (completed-contract method).

Cash and Cash Equivalents -- For purposes of the balance sheet and the statement of cash flows, the Company considers cash equivalents to be all highly liquid debt instruments that had a remaining maturity of three months or less at the date of purchase.

Other Short-term Investments -- Other short-term investments include primarily certificates of deposit, U.S. government securities and commercial paper having remaining maturities of greater than three months at the date of purchase and are stated at the lower of cost or market.

Property, Plant and Equipment -- The Company provides for depreciation of property, plant and equipment primarily on the straight-line method over the estimated useful lives of the assets after provision for salvage value. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Management periodically evaluates the Company's assets to determine if they are not in excess of their net realizable value. Management considers a number of factors such as estimated future cash flows, appraisals and current market value analysis in determining net realizable value. Assets are written down to reflect any decrease in net realizable value below their net carrying value (see Note 2).

Rig Materials and Supplies -- Since the Company's foreign drilling generally occurs in remote locations, making timely outside delivery of spare parts unlikely, a complement of parts and supplies is maintained for each rig either at the drilling site or in warehouses close to the operations. During periods of high rig utilization, these parts are generally consumed and replenished within a one-year period. During a period of lower rig utilization in a particular location, the parts, like the related idle rigs, are generally not transferred to other foreign locations until new contracts are obtained because of the significant transportation costs which would result from such transfers. The Company classifies those parts which are not expected to be utilized in the following year as long-term assets.

Income Taxes and Change in Accounting Policy -- During fiscal 1993, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 109: Accounting for Income Taxes. Prior to the change the Company followed SFAS No. 96: Accounting for Income Taxes. Similar to SFAS No. 96, SFAS No. 109 utilizes the liability method and deferred income taxes (assets) are recorded to reflect the expected tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year end. The change in this accounting policy had no effect upon net income for the year ended August 31, 1993.

Earnings (Loss) Per Share -- Earnings (loss) per share is computed by dividing net income (loss), as adjusted for dividends on preferred stock, by the weighted average number of common shares outstanding during the period. Common shares issued under the 1969 Key Employees Stock Grant Plan, 1980 Incentive Career Stock Plan and the 1991 Stock Grant Plan are issued and outstanding and are only considered in the computation of weighted average shares outstanding when their effect on earnings per share is dilutive.

Concentrations of Credit Risk -- Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of trade receivables with a variety of national and international oil and natural gas companies. The Company generally does not require collateral on its trade receivables. Such credit risk is considered by management to be limited due to the large number of customers comprising

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

the Company's customer base. The Company places substantially all its interest-bearing investments with major financial institutions and, by policy, limits the amount of its credit exposure with respect to any single financial institution. At August 31, 1995, the Company had deposits in domestic banks in excess of federally insured limits of approximately \$.3 million. In addition, the Company had deposits in foreign banks of \$6.2 million which are not federally insured.

Fair Market Value of Financial Instruments -- The carrying amount of the Company's cash and short-term investments and short-term and long-term debt had fair values that approximated their carrying amounts.

NOTE 2 -- PROVISION FOR REDUCTION IN CARRYING VALUE OF CERTAIN ASSETS

During the fourth quarter of fiscal 1994, management analyzed its domestic operations and made the strategic decision to reorganize certain of these operations and sell certain of these assets. In Alaska, the Company decided to reduce operating and administrative costs and to look for opportunities to enter into joint ventures or combine operations with other drilling companies. As a result, the Company reduced the carrying value of certain assets in Alaska, including rigs, spare parts and property that were to be sold. The Company's Partech(R) manufacturing operations were downsized by the sale of land, buildings, equipment and excess inventories, and accordingly, the Company wrote down to net realizable value certain drilling equipment, property and inventories that were sold. In the lower 48 divisions, the Company disposed of a number of mechanical rigs and certain rig equipment which also were written down to net realizable value. Write-offs relating to the lower 48 and Alaska rigs resulted in the removal of 16 rigs from the Company's fleet. Aggregating the items described above, the Company recorded a \$19,718,000 provision during the fourth quarter of fiscal 1994.

NOTE 3 -- LONG-TERM DEBT

<TABLE>
<CAPTION>

	AUGUST 31,	
	-----	-----
	1995	1994
	-----	---
	(DOLLARS IN THOUSANDS)	
<S>	<C>	<C>
Parker Drilling		
Note payable annually until November 2001 with interest at 5.75%.....	\$1,850	\$--
Parker Drilling International of New Zealand, Ltd.		
Note payable monthly through February 2003 to bank with interest at bank's business lending rate plus margin (total rate at August 31, 1995 was 11.5%).....	187	--
	-----	---
Total debt.....	2,037	--

Less current portion.....	289	--
	-----	---
Total long-term debt.....	\$1,748	\$--
	=====	====

</TABLE>

The Company's long-term debt matures \$289,000 each year for the years 1996 through 2000.

The Company has a credit agreement which provides a \$7,500,000 revolving credit facility through March 1, 1996. The credit agreement was subsequently amended in the fourth quarter of fiscal 1995 to extend the expiration date to May 31, 1996. Interest on the revolving credit facility is at prime plus 3/4 of one percent and commitment fees on the unused credit facility are 1/2 of one percent. The agreement requires, among other things, maintenance of minimum working capital and restricts capital expenditures and creation of additional indebtedness. Under this agreement, the payment of dividends on the Company's common stock is limited to the lesser of 40 percent of consolidated net income for the preceding fiscal year or \$2,600,000. At August 31, 1995, all of the credit facility was available for drawdown.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 4 -- INCOME TAXES

Income (loss) before income taxes (in thousands) is summarized as follows:

<TABLE>
<CAPTION>

	YEARS ENDED AUGUST 31,		
	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>
United States.....	\$1,180	\$(33,929)	\$(11,318)
Foreign.....	5,920	7,010	294
	-----	-----	-----
	\$7,100	\$(26,919)	\$(11,024)
	=====	=====	=====

</TABLE>

Income tax expense (benefit) (in thousands) is summarized as follows:

<TABLE>
<CAPTION>

	YEARS ENDED AUGUST 31,		
	1995	1994	1993
	-----	-----	-----
<S>	<C>	<C>	<C>
Current:			
United States:			
Federal.....	\$ --	\$ --	\$ (110)
State.....	--	(246)	6
Foreign.....	3,478	3,037	1,198
Deferred:			
United States:			
Federal.....	--	(326)	--
State.....	--	--	--
Foreign.....	(294)	(578)	(1,431)
	-----	-----	-----
	\$3,184	\$1,887	\$ (337)
	=====	=====	=====

</TABLE>

During fiscal 1993, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 109: Accounting for Income Taxes. SFAS No. 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the

financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Total income tax expense (benefit) differs from the amount computed by multiplying income (loss) before income taxes by the U.S. federal income tax statutory rate. The reasons for this difference (dollars in thousands) are as follows:

<TABLE>
<CAPTION>

YEARS ENDED AUGUST 31,							
	1995		1994		1993		
	% OF PRETAX INCOME		% OF PRETAX INCOME		% OF PRETAX INCOME		
	AMOUNT	(LOSS)	AMOUNT	(LOSS)	AMOUNT	(LOSS)	
Computed expected tax expense (benefit)...	\$2,414	34%	\$ (9,153)	(34)%	\$ (3,748)	(34)%	
Foreign tax at rates different than U.S.....	1,171	16%	76	--	(333)	(3)%	
Utilization of loss carryforwards.....	(401)	(5)%	--	--	--	--	
Limitation on recognition of tax benefit.....	--	--	11,536	43%	3,848	35%	
Other.....	--	--	(572)	(2)%	(104)	(1)%	
Actual tax expense (benefit).....	\$3,184	45%	\$ 1,887	7%	\$ (337)	(3)%	

</TABLE>

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The components of the Company's tax assets and (liabilities) as of August 31, 1995 and 1994, are shown below (in thousands):

<TABLE>
<CAPTION>

	1995	1994
Domestic:		
Deferred tax assets:		
Net operating loss and tax credit carryforwards.....	\$ 67,259	\$ 67,379
Reserves established against realization of certain assets.....	1,089	1,455
Accruals not deducted for tax purposes.....	4,169	4,561
Depreciation of property, plant and equipment.....	3,385	8,913
	75,902	82,308
Deferred tax liabilities:		
Depreciation of property, plant and equipment.....	(8,408)	(13,503)
Net deferred tax asset.....	67,494	68,805
Valuation allowance.....	(67,494)	(68,805)
	\$ --	\$ --
Foreign:		
Depreciation of property, plant and equipment.....	\$ --	\$ 294
Deferred tax liability.....	\$ --	\$ 294

</TABLE>

At August 31, 1995, the Company had \$137,500,000 net operating loss

carryforwards for tax purposes which expire over a fifteen year period beginning in the year 2000. In addition, the Company had \$13,600,000 investment tax credit carryforwards for tax purposes which expire over a fifteen year period beginning in the year 1997.

NOTE 5 -- REDEEMABLE PREFERRED STOCK

In January 1984, the Company began redeeming annually one-tenth of the \$.75 cumulative Series C preferred stock shares then outstanding and completed the redemption in January 1993.

NOTE 6 -- COMMON STOCK AND STOCK OPTIONS

The Company's 1969 Key Employees Stock Grant Plan (formerly the 1969 Key Employees Stock Option Plan) was amended in December 1990 to provide for the issuance of 223,000 shares of common stock for no cash consideration to key non-officer employees. Each employee receiving a grant of shares may dispose of 15 percent of his/her grant on each annual anniversary date from the date of grant for the first four years. On the fifth year anniversary, the employee may dispose of the remaining 40 percent of his/her grant. No shares were granted in fiscal 1995 and 1994. In fiscal 1995, 1,375 shares were cancelled leaving 1,375 shares reserved for issuance or available for granting as of August 31, 1995.

The Company's 1980 Incentive Career Stock Plan ("1980 Plan") provides for the issuance of 2,100,000 shares of common stock for no cash consideration to key employees. Each employee receiving a grant of shares may dispose of 15 percent of his/her grant on each annual anniversary date from the date of grant for the first four years. On the fifth year anniversary, the employee may dispose of the remaining 40 percent of his/her grant. No shares were granted and no shares were cancelled in fiscal 1994. No shares were granted in fiscal 1995 and 3,500 shares were cancelled leaving 6,250 shares reserved for issuance and available for granting at August 31, 1995.

The Company's 1991 Stock Grant Plan ("1991 Plan") provides for the issuance to officers and key employees of up to 3,160,000 shares of common stock for no cash consideration. Shares granted under the

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

1991 Plan are fully vested no earlier than 24 months from the effective date of the grant and not later than 36 months. The specific vesting schedule for each grant is determined at the time of grant. During fiscal 1994, 45,000 shares were granted and no shares were cancelled. In fiscal 1995, 545,000 shares were granted and no shares were cancelled leaving 1,580,195 shares reserved for issuance and available for granting at August 31, 1995.

The fair market value of the common stock at date of grant for the Plans is recorded as deferred compensation and amortized to expense over the period during which the restrictions lapse. Deferred compensation is shown as a deduction from stockholders' equity.

During fiscal 1995, 1994 and 1993, the Company purchased 51,279, 41,638 and 64,173 Parker Drilling shares, respectively, from certain of its employees who had received stock grants under the 1991 and 1980 Plans. The Company acquired the shares at the market price (weighted average price was \$5.40 per share in fiscal 1995, \$7.31 per share in fiscal 1994 and \$5.98 per share in fiscal 1993). The proceeds were used to pay the employees' tax withholding obligations arising from the vesting of shares under the Plans.

The 1994 Non-Employee Director Stock Option Plan ("Director Plan") was approved by shareholders of the Company on December 14, 1994. The Director Plan provides for the issuance of options to purchase up to 200,000 shares of the Company's common stock. The option price per share is equal to the fair market value of a Parker Drilling share on the date of grant. The term of each option is ten years, and an option first becomes exercisable six months after the date of grant. Under the Plan, on the first trade day of each calendar year, each person who is then a non-employee director of the Company will be automatically granted an option to purchase 5,000 shares of common stock.

The 1994 Executive Stock Option Plan ("Option Plan") was approved by shareholders of the Company on December 14, 1994. The Option Plan provides for the granting of a maximum of 2,400,000 shares to key employees and consultants of the Company and its subsidiaries through the granting of stock options, stock appreciation rights and restricted and deferred stock awards. The option price per share may not be less than 50% of the fair market value of a share on the date the option is granted. The maximum term of a non-qualified option may not exceed fifteen years and the maximum term of an incentive option is ten years.

Information regarding the Company's stock option plans is summarized below:

<TABLE>
<CAPTION>

1994 OPTION PLAN			
1994 DIRECTOR PLAN	NON- INCENTIVE OPTIONS	QUALIFIED OPTIONS	
----- <C>	----- <C>	----- <C>	----- <C>
Shares under option:			
Outstanding at September 1, 1994.....	--	--	--
Granted.....	15,000	733,000	147,000
Exercised.....	--	--	(7,000)
Cancelled.....	--	--	--

Outstanding at August 31, 1995.....	15,000	733,000	140,000
Average option price per share at August 31, 1995.....	\$4.56	\$4.50	\$2.25
Options exercisable at August 31, 1995.....	15,000	733,000	42,000

</TABLE>

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The following is a summary of common stock reserved for issuance at fiscal year end:

<TABLE>
<CAPTION>

	1995	1994
	----- <C>	----- <C>
Key employee stock plans.....	4,180,820	2,127,945
Stock Bonus Plan.....	186,279	79,867
Warrants(1).....	400,000	400,000

Total shares reserved for issuance.....	4,767,099	2,607,812
=====		

</TABLE>

(1) Warrants for 400,000 shares are exercisable at \$3.88 per share, subject to certain adjustments, no later than October 24, 1995.

NOTE 7 -- EMPLOYEE BENEFIT PLANS

The Parker Drilling Company Stock Bonus Plan ("Plan") was adopted effective September 1980 for employees of Parker Drilling and its subsidiaries who are U.S. citizens and who have completed one year of service with the Company. It was amended in 1983 to qualify as a 401(k) plan under the Internal Revenue Code which permits a specified percentage of an employee's salary to be voluntarily contributed on a before-tax basis and to provide for a Company matching feature. Participants may contribute from one percent to 15 percent of eligible earnings and direct contributions to one or more of seven investment funds. The Company presently makes dollar-for-dollar matching contributions up to three percent of a participant's compensation. The Company's matching contribution is made in Parker Drilling common stock. The Plan was amended in 1989 to change the vesting schedule to no percent vesting if a participant has less than five years of service and 100 percent vesting if a participant has five or more years of

service. Each Plan year, Company contributions can be made, at the discretion of the Board of Directors, in amounts not exceeding the permissible deductions under the Internal Revenue Code. The Company issued 113,399 shares to the Plan in 1995, 123,619 shares in 1994 and 95,177 shares in 1993.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 8 -- BUSINESS SEGMENTS

Information regarding the Company's operations by geographic area is as follows:

<TABLE>
<CAPTION>

	1995	1994	1993
	-----	-----	-----
	(DOLLARS IN THOUSANDS)		
<S>	<C>	<C>	<C>
Operations by Geographic Area			
Revenue:			
United States.....	\$ 28,487	\$ 30,975	\$ 30,936
Other Western Hemisphere.....	76,115	52,722	31,604
Asia Pacific.....	44,911	43,445	22,556
Africa, Middle East and C.I.S.....	7,858	25,282	15,705
	-----	-----	-----
Total revenue.....	\$157,371	\$152,424	\$100,801
	=====	=====	=====
Operating income (loss):			
United States.....	\$ (7,609)	\$(30,518)	\$(11,355)
Other Western Hemisphere.....	(921)	(5,937)	792
Asia Pacific.....	8,701	6,771	(1,240)
Africa, Middle East and C.I.S.....	(1,668)	831	(577)
	-----	-----	-----
Total operating income (loss).....	\$ (1,497)	\$(28,853)	\$(12,380)
	=====	=====	=====
Identifiable assets:			
United States.....	\$ 71,233	\$ 64,337	\$121,130
Other Western Hemisphere.....	83,345	73,688	39,420
Asia Pacific.....	49,223	43,456	43,176
Africa, Middle East and C.I.S.....	13,158	27,867	32,616
	=====	=====	=====
Total identifiable assets.....	\$216,959	\$209,348	\$236,342
	=====	=====	=====

</TABLE>

Two customers accounted for approximately 22 percent and 13 percent, respectively, of total revenue in 1995. Three customers accounted for approximately 14 percent, 12 percent and 11 percent, respectively, of total revenue in 1994. Three customers accounted for approximately 22 percent, 14 percent and 10 percent, respectively, of total revenue in 1993. Operating income (loss) is total revenue less operating expenses including depreciation, depletion and amortization and an allocation of general corporate expenses based on rig operating days. Operating income (loss) excludes interest expense, interest capitalized, non-operating income or expense and income taxes.

NOTE 9 -- COMMITMENTS AND CONTINGENCIES

At August 31, 1995, the Company had letters of credit facilities of \$17,651,000 of which \$7,277,000 had been issued.

Certain officers have entered into a Severance Compensation and Consulting Agreement ("the Agreement") with the Company. The Agreement has an initial ten year term and provides certain benefits upon a change in control. A change in control includes certain mergers, sale of all of the Company's assets, liquidation of the Company or a third party acquiring a greater percentage of stock than the aggregate ownership of Robert L. Parker, Robert L. Parker Jr. and Robert L. Parker Trust. After a change in control occurs, if an officer is terminated other than for cause or resigns for good reason, the Agreement provides for a payment of three times the annual cash compensation, a one year

consulting agreement at the officer's annual cash compensation, miscellaneous executive benefits and extended life and health benefits for four years.

A former employee ("Plaintiff") was injured while working for the Company on a rig owned and operated by another firm ("Defendant") for which he sought damages against the firm. Pursuant to the

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

indemnity provision in the contract between the Company and the Defendant, the Company agreed to defend and indemnify the Defendant. The litigation ultimately resulted in a settlement in favor of the Plaintiff totalling \$6,750,000. Because certain findings of fact by the jury created a dispute over the obligations of the Company under the indemnity provision, the Defendant and the Company entered into litigation to determine liability for funding the settlement. This ancillary proceeding also resulted in a settlement, with the Defendant agreeing to pay \$1,687,000 and the Company \$5,063,000.

The Company has filed suit against its excess insurer claiming reimbursement of the compensatory portion of the settlement with the Plaintiff. The Company has also commenced legal proceeding against the counsel retained to defend the Defendant claiming that the Company was damaged in having to indemnify the Defendant for the balance of the settlement with the Plaintiff due to the malpractice/misrepresentation of the counsel. During fiscal 1994, the Company recorded a \$2,562,000 expense related to this litigation.

In addition, the Company is a party to various other lawsuits and claims arising out of the ordinary course of business. Management, after review and consultation with legal counsel, considers that any liability resulting from these matters would not materially affect the results of operations or the financial position of the Company.

NOTE 10 -- RELATED PARTY TRANSACTIONS

At August 31, 1995, the Company owned an insurance policy on the life of Mr. R. L. Parker, chairman and a principal stockholder. The Company is the beneficiary of this policy which was issued pursuant to a Stock Purchase Agreement ("Agreement") approved by vote of the stockholders at the 1975 Annual Meeting on December 10, 1975. This Agreement was entered into between the Company and the Robert L. Parker Trust and provides that upon the death of Robert L. Parker, the Company would be required, at the option of the Trust, to purchase from the Trust at a discounted price the amount of Parker Drilling common stock which could be purchased with the proceeds of the policy of \$7,000,000. On August 3, 1994, the Company and the Trust modified this Agreement so that the Company will have the option but not the obligation to purchase the stock at a discounted price with the proceeds or to retain the entire proceeds upon the death of Robert L. Parker. If action under the agreement had been required at August 31, 1995, and the Company elected to purchase Parker Drilling common stock from the Trust, Parker Drilling's outstanding common stock would have been reduced by approximately three percent.

As a part of the agreement to terminate the option held by the Trust and to grant the Company a limited option to purchase stock at a discounted price, the Company has also agreed to pay a premium of \$655,019 annually for a split dollar last-to-die life insurance policy on Robert L. Parker and Mrs. Robert L. Parker. Upon the deaths of Mr. Parker and Mrs. Parker, the Company will be reimbursed by the Robert L. Parker Sr. and Catherine M. Parker Family Trust from the proceeds of the policy for the full amount of premiums paid plus interest at the one-year treasury bill rate on the premiums paid after fiscal year 1999. Additionally, Robert L. Parker Jr., Chief Executive Officer of the Company and son of Robert L. Parker, will receive as a beneficiary of the Trust one-third of the net proceeds of this policy. The face value of the policy is \$13,200,000.

NOTE 11 -- SUPPLEMENTARY INFORMATION

Maintenance and repairs expense for the years ended August 31, 1995, 1994 and 1993 was \$14,364,000, \$15,548,000 and \$10,149,000, respectively. Advertising, royalties, taxes other than payroll and income taxes, depreciation and amortization of intangible assets, pre-operating costs and similar deferrals

were each less than one percent of total revenue. At August 31, 1995, accrued liabilities included \$1,178,000 of workers' compensation liabilities and \$2,981,000 of accrued payroll and payroll taxes. At August 31, 1994, accrued liabilities included \$2,236,000 of workers' compensation liabilities and \$2,714,000 of accrued payroll and

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

payroll taxes. Other long-term liabilities included \$1,679,000 and \$1,179,000 of workers' compensation liabilities as of August 31, 1995 and 1994, respectively.

NOTE 12 -- SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

<TABLE>
<CAPTION>

	QUARTER				TOTAL
	FIRST	SECOND	THIRD	FOURTH	

	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
	<C>	<C>	<C>	<C>	<C>
Fiscal 1995					
Revenue.....	\$33,283	\$38,738	\$43,259	\$42,091	\$157,371
Gross profit(2).....	\$ 1,558	\$ 5,005	\$ 5,666	\$ 5,439	\$ 17,668
Operating income (loss).....	\$(3,457)	\$(135)	\$ 1,016	\$ 1,079	\$(1,497)
Net income (loss).....	\$(1,093)	\$ 69	\$ 2,050	\$ 2,890	\$ 3,916
Primary and fully diluted earnings					
(loss) per share.....	\$ (.02)	\$.00	\$.04	\$.05	\$.07

<TABLE>
<CAPTION>

	QUARTER				TOTAL
	FIRST	SECOND	THIRD	FOURTH(1)	

	(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
	<C>	<C>	<C>	<C>	<C>
Fiscal 1994					
Revenue.....	\$40,043	\$40,732	\$36,679	\$ 34,970	\$152,424
Gross profit(2).....	\$ 6,044	\$ 3,751	\$ 1,049	\$ (1,665)	\$ 9,179
Operating income(loss).....	\$ 1,994	\$(1,163)	\$(2,936)	\$(26,748)	\$(28,853)
Net income (loss).....	\$ 1,608	\$(750)	\$(2,791)	\$(26,873)	\$(28,806)
Primary and fully diluted earnings					
(loss) per share.....	\$.03	\$ (.01)	\$ (.05)	\$ (.49)	\$ (.53)(3)

(1) The fourth quarter of fiscal 1994 includes a \$19,718,000 provision for reduction in carrying value of certain assets and a \$2,562,000 charge for litigation discussed in Notes 2 and 9, respectively.

(2) Gross profit is calculated by excluding general and administrative expense and provision for reduction in carrying value of certain assets from operating income (loss), as reported in the consolidated statement of operations.

(3) As a result of shares issued during the year, earnings (loss) per share for the year's four quarters, which are based on average shares outstanding during each quarter, do not equal the annual earnings (loss) per share, which is based on the average shares outstanding during the year.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders
Parker Drilling Company

We have reviewed the consolidated condensed balance sheet of Parker Drilling Company and subsidiaries as of February 29, 1996, and the related consolidated condensed statements of operations for the six months periods ended February 29, 1996 and February 28, 1995 and consolidated condensed statements of cash flows for the six month periods ended February 29, 1996 and February 28, 1995. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted standards, the consolidated balance sheet as of August 31, 1995, and the related consolidated statements of operations, redeemable preferred stock and stockholders' equity and cash flows for the year then ended (not presented herein); and in our report, dated October 17, 1995, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of August 31, 1995, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

COOPERS & LYBRAND L.L.P.

Tulsa, Oklahoma
April 12, 1996

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PARKER DRILLING COMPANY AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

ASSETS

<TABLE>
<CAPTION>

	FEBRUARY 29, 1996	AUGUST 31, 1995
	-----	-----
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents.....	\$ 14,766	\$ 20,752
Other short-term investments.....	6,581	1,372
Accounts and notes receivable.....	38,994	39,578
Rig materials and supplies.....	11,127	11,532
Other current assets.....	4,441	5,146
	-----	-----
Total current assets.....	75,909	78,380
Property, plant and equipment less accumulated depreciation, depletion and amortization of \$414,814 at February 29, 1996, and \$432,360 at August 31, 1995.....	122,342	122,258
Other noncurrent assets.....	24,215	16,321
	-----	-----
Total assets.....	\$222,466	\$ 216,959
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Current portion of long-term debt.....	\$ 289	\$ 289
Accounts payable and accrued liabilities.....	15,616	16,940

Accrued income taxes.....	6,550	5,109
	-----	-----
Total current liabilities.....	22,455	22,338
	-----	-----
Long-term debt.....	1,473	1,748
	-----	-----
Other long-term liabilities.....	6,755	5,953
	-----	-----
Common stock, \$.16 2/3 par value.....	9,364	9,287
Capital in excess of par value.....	207,095	205,310
Retained earnings (accumulated deficit).....	(22,153)	(24,391)
Other.....	(2,523)	(3,286)
	-----	-----
Total stockholders' equity.....	191,783	186,920
	-----	-----
Total liabilities and stockholders' equity.....	\$222,466	\$ 216,959
	=====	=====

</TABLE>

See accompanying notes to consolidated condensed financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

<TABLE>
<CAPTION>

	SIX MONTHS ENDED	
	FEBRUARY 29, 1996	FEBRUARY 28, 1995
	-----	-----
	<C>	<C>
<S>		
Revenue:		
Drilling contracts.....	\$ 78,280	\$ 69,780
Other.....	2,359	2,241
	-----	-----
Gross operating revenue.....	80,639	72,021
	-----	-----
Operating expense:		
Drilling.....	53,987	51,867
Other.....	2,820	2,665
Depreciation, depletion and amortization.....	10,712	10,926
General and administrative.....	10,628	10,155
	-----	-----
	78,147	75,613
	-----	-----
Operating income (loss).....	2,492	(3,592)
	-----	-----
Other income and (expense):		
Interest expense.....	(53)	(35)
Interest income.....	699	577
Other income (expense) -- net.....	1,875	3,281
	-----	-----
	2,521	3,823
	-----	-----
Income before income taxes.....	5,013	231
	-----	-----
Income tax expense.....	2,775	1,255
	-----	-----
Net income (loss).....	2,238	(1,024)
	-----	-----
Earnings (loss) per share, primary and fully diluted.....	\$.04	\$ (.02)
	=====	=====
Number of common shares used in computing earnings (loss) per share:		
Primary.....	55,863,977	54,610,611
Fully diluted.....	55,950,437	54,610,611

</TABLE>

See accompanying notes to consolidated condensed financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
(DOLLARS IN THOUSANDS)
(UNAUDITED)

<TABLE>
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	SIX MONTHS ENDED	
	FEBRUARY 29, 1996	FEBRUARY 28, 1995
	<C>	<C>
Cash flows from operating activities:		
Net income (loss).....	\$ 2,238	\$ (1,024)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization.....	10,712	10,926
Expenses not requiring cash.....	917	(180)
Change in operating assets and liabilities.....	847	720
Other -- net.....	(1,926)	(1,552)
Net cash provided by operating activities.....	12,788	8,890
Cash flows from investing activities:		
Capital expenditures.....	(17,850)	(6,174)
Proceeds from the sale of equipment.....	4,234	5,427
Decrease (increase) in short-term investments.....	(5,209)	2,781
Other -- net.....	(1,140)	121
Net cash provided (used) by investing activities.....	(19,965)	2,155
Cash flows from financing activities:		
Proceeds from exercise of stock warrants.....	1,552	--
Other.....	(361)	(106)
Net cash provided (used) by financing activities.....	1,191	(106)
Net change in cash and cash equivalents.....	(5,986)	10,939
Cash and cash equivalents at beginning of period.....	20,752	10,660
Cash and cash equivalents at end of period.....	\$ 14,766	\$ 21,599
Supplemental disclosure:		
Interest paid.....	\$ 109	\$ 2
Taxes paid.....	\$ 1,334	\$ 1,641

</TABLE>

Supplemental noncash financing activity:

In November 1994, the Company acquired a limited partner's ownership interest in two consolidated partnerships in exchange for a promissory note in the amount of \$1,850,000.

See accompanying notes to consolidated condensed financial statements.

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PARKER DRILLING COMPANY AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

1. In the opinion of the Company, the accompanying unaudited consolidated condensed financial statements reflect all adjustments (of a normally recurring nature) which are necessary for a fair presentation of (1) the financial position as of February 29, 1996 and August 31, 1995, (2) the results of operations for the six months ended February 29, 1996 and February

28, 1995, and (3) cash flows for the six months ended February 29, 1996 and February 28, 1995. Results for the six months ended February 29, 1996, are not necessarily indicative of the results which will be realized for the year ending August 31, 1996. The year-end consolidated condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. The financial statements should be read in conjunction with the Company's Form 10-K for the year ended August 31, 1995.

2. Earnings per common share are based on the weighted average number of common shares and common share equivalents outstanding during the period. Common shares granted under the 1969 Key Employee Stock Grant Plan, 1980 Incentive Career Stock Plan and the 1991 Stock Grant Plan are issued and outstanding and are only considered in the computation of weighted average shares outstanding when their effect on earnings per share is dilutive.

3. In March 1995, Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of" was issued. The statement establishes accounting standards for the impairment of long-lived assets, such as the Company's drilling, transportation and other equipment and will be effective for the Company beginning with the year ending August 31, 1997. The Company does not believe the new standard will have a material effect on the Company's financial position or results of operations.

In October 1995, Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" was issued. The statement requires the computation of compensation for grants of stock, stock options and other equity instruments issued to employees based on fair value. The compensation calculated is to be either recorded as an expense in the financial statements or, alternatively, disclosed. The Company anticipates it will elect the disclosure method of complying with the new standard. Under the provisions of the new statement, it is anticipated pro forma net income to be disclosed will be lower than net income reported in the financial statements.

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY OF THE UNDERWRITERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH SOLICITATION.

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7,000,000 SHARES

[LOGO]

PARKER
DRILLING
COMPANY
COMMON STOCK
PROSPECTUS
JEFFERIES & COMPANY, INC.

PRUDENTIAL SECURITIES INCORPORATED

SCHRODER WERTHEIM & CO.

, 1996

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

All amounts, which are payable by the Registrant, are estimated except for the SEC and NASD fees.

<TABLE>	
<S>	<C>
SEC registration fee.....	\$ 20,472
NASD filing fee.....	6,437
New York Stock Exchange additional listing fee.....	24,675
Accounting fees and expenses.....	65,000
Legal fees and expenses.....	80,000
Blue Sky fees and expenses (including legal fees).....	11,500
Printing and shipping costs.....	175,000
Miscellaneous.....	16,916

Total.....	\$400,000
	=====

</TABLE>

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Registrant's By-Laws provide that each person who was or is made a party to, or is involved in, any action, suit or proceeding by reason of the fact that he or she was a director or officer of the Registrant (or was serving at the request of the Registrant as a director, officer, employee or agent for another entity) will be indemnified and held harmless by the Registrant, to the full extent authorized by the Delaware General Corporation Law.

Under Section 145 of the Delaware General Corporation Law, a corporation may indemnify a director, officer, employee or agent of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her if he or she acted in

good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. In the case of an action brought by or in the right of a corporation, the corporation may indemnify a director, officer, employee or agent of the corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her if he or she acted in good faith and in a manner he or she reasonably believed to be in the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless a court finds that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

The Registrant's Certificate of Incorporation provides that to the fullest extent permitted by Delaware General Corporation Law as the same exists or may hereafter be amended, a director of the Registrant shall not be liable to the Registrant or its stockholders for monetary damages for breach of fiduciary duty as a director. The Delaware General Corporation Law permits Delaware corporations to include in their certificates of incorporation a provision eliminating or limiting director liability for monetary damages arising from breaches of their fiduciary duty. The only limitations imposed under the statute are that the provision may not eliminate or limit a director's liability (i) for breaches of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or involving intentional misconduct or known violations of law, (iii) for the payment of unlawful dividends or unlawful stock purchases or redemptions, or (iv) for transactions in which the director received an improper personal benefit.

The Registrant is insured against liabilities which it may incur by reason of its indemnification of officers and directors in accordance with its By-Laws. In addition, directors and officers are insured, at the Registrant's

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expense, against certain liabilities which might arise out of their employment and are not subject to indemnification under the By-Laws.

The form of Underwriting Agreement included as Exhibit 1.1 provides for indemnification of the Registrant and certain controlling persons under certain circumstances, including liabilities under the Securities Act of 1933.

The foregoing summaries are necessarily subject to the complete text of the statute, Certificate of Incorporation, By-Laws and agreements referred to above and are qualified in their entirety by reference thereto.

ITEM 16. EXHIBITS.

<TABLE>

<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
<S>	<C>
1.1*	-- Form of Underwriting Agreement.
4.1*	-- Form of stock certificate for Common Stock, par value \$.16 2/3 per share.
5.1*	-- Opinion of Conner & Winters, A Professional Corporation, as to legality of Common Stock.
15.1**	-- Letter re: Unaudited interim financial information.
23.1**	-- Consent of Independent Accountants.
23.2*	-- Consent of Conner & Winters, A Professional Corporation (included in Exhibit 5.1).
24.1**	-- Power of Attorney.

</TABLE>

* Filed herewith.

** Previously filed as an exhibit to this Registration Statement.

ITEM 17. UNDERTAKINGS.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's Annual Report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification of liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions referred to in Item 15 of this Registration Statement, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(i) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as a part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or

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(4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duty authorized, in the City of Tulsa, State of Oklahoma, on June 11, 1996.

PARKER DRILLING COMPANY

By /s/ ROBERT L. PARKER JR.

Robert L. Parker Jr.
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the dates indicated:

<TABLE>

<CAPTION>

SIGNATURE	TITLE	DATE
----- <S> ROBERT L. PARKER* ----- Robert L. Parker	<C> Chairman of the Board and Director	June 11, 1996
/s/ ROBERT L. PARKER JR. ----- Robert L. Parker Jr.	President and Chief Executive Officer and Director (Principal Executive Officer)	June 11, 1996
/s/ JAMES J. DAVIS ----- James J. Davis	Vice President of Finance and Chief Financial Officer (Principal Financial Officer)	June 11, 1996
RANDY L. ELLIS* ----- Randy L. Ellis	Corporate Controller (Principal Accounting Officer)	June 11, 1996
/s/ JAMES W. LINN ----- James W. Linn	Executive Vice President and Chief Operating Officer and Director	June 11, 1996
EARNEST F. GLOYNA* ----- Earnest F. Gloyna	Director	June 11, 1996
DAVID L. FIST* ----- David L. Fist	Director	June 11, 1996
R. RUDOLPH REINFRANK* ----- R. Rudolph Reinfrank	Director	June 11, 1996
*By: /s/ JAMES J. DAVIS ----- James J. Davis Attorney-in-Fact		

</TABLE>

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INDEX TO EXHIBITS

<TABLE>

<CAPTION>

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23.2*	-- Consent of Conner & Winters, A Professional Corporation (included in Exhibit 5.1).
24.1**	-- Power of Attorney.

</TABLE>

* Filed herewith.

** Previously filed as an exhibit to this Registration Statement.

EXHIBIT 1.1

PARKER DRILLING COMPANY
(a Delaware corporation)

7,000,000 Shares of Common Stock

UNDERWRITING AGREEMENT

, 1996

Jefferies & Company, Inc.
Prudential Securities Incorporated
Schroder Wertheim & Co. Incorporated
As Representatives of
the Several Underwriters

c/o Jefferies & Company, Inc.
Attn: Syndicate Department
650 Fifth Avenue, 4th Floor
New York, New York 10019

Dear Sirs:

Parker Drilling Company, a Delaware corporation (the "Company"), hereby confirms its agreement with you, as representatives (the "Representatives") of the underwriters named in Schedule I hereto (the "Underwriters"), with respect to the sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of an aggregate of 7,000,000 shares (the "Firm Shares") of the Company's Common Stock, \$.16 ²/₃ par value (the "Common Stock"). The Company also has agreed to sell up to 1,050,000 shares (the "Additional Shares") of Common Stock to cover over-allotments, if any. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "Shares".

You have advised us that you desire to purchase the Shares and that you propose to make a public offering of the Shares as soon as you deem advisable after the Registration Statement referred to below becomes effective upon the terms set forth in the Prospectus referred to below.

The terms that follow, when used in this Agreement, shall have the meanings indicated. The term "the Effective Date" shall mean each date that the Registration Statement and any post-effective amendment or amendments

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thereto became or become effective and each date after the date hereof on which a document incorporated by reference in the Registration Statement is filed. "Preliminary Prospectus" shall mean any preliminary prospectus referred to in Section 1(a)(i) below and any preliminary prospectus included in the Registration Statement at the Effective Date that omits Rule 430A Information (as defined below). "Registration Statement" shall mean the registration statement referred to in Section 1(a)(i) below, including incorporated documents, exhibits and financial statements, as amended at the Representation Date (as defined below) (or, if not effective at the Representation Date, in the form in which it shall become effective) and, in the event any post-effective amendment thereto becomes effective prior to the Closing Date (as defined in Section 2 hereof), shall also mean such registration statement as so amended. Such term shall include Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A (as defined below). The prospectus constituting a part of the Registration Statement (including the Rule 430A Information), as from time to time amended or supplemented, is hereinafter referred to as the "Prospectus", except that if any revised prospectus shall be provided to the Underwriters by the Company that differs from the prospectus on file at the Securities and Exchange Commission (the "Commission") at the Effective Date (whether or not such revised prospectus is required to be filed by the Company pursuant to Rule 424

of the Act Regulations), the term "Prospectus" shall refer to each such revised prospectus from and after the time it is first provided to the Underwriters for such use. "Rule 158", "Rule 415", "Rule 424", "Rule 430A" and "Regulation S-K" refer to such rules or regulation under the Securities Act of 1933 (the "Act"; and the rules and regulations under the Act, the "Act Regulations"). "Rule 430A Information" means information with respect to the Shares and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A. "Exchange Act" refers to the Securities Exchange Act of 1934 and the rules and regulations of the Commission promulgated thereunder. Any reference herein to the Registration Statement, a Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of such Preliminary Prospectus or the Prospectus, as the case may be; and any reference herein to the terms "amend",

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"amendment" or "supplement" with respect to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement, or the issue date of any Preliminary Prospectus or the Prospectus, as the case may be, deemed to be incorporated therein by reference.

SECTION 1. Representations and Warranties.

(a) The Company represents and warrants to the Underwriters as of the date hereof (such date being referred to as the "Representation Date") and as of the Closing Date, as follows:

(i) the Company meets the requirements for use of Form S-3 under the Act and has filed with the Commission a registration statement on such Form (Registration No. 333-04779), including a related preliminary prospectus, and one or more amendments thereto, including the related preliminary prospectus, each of which has previously been furnished to the Underwriters, for the registration under the Act of the offering and sale of the Shares. The Company will file with the Commission either (A) prior to effectiveness of such registration statement, a further amendment to such registration statement (including the form of final prospectus), (B) after effectiveness of such registration statement, a final prospectus in accordance with Rules 430A and 424(b)(1) or (4) or Rule 434 of the Act Regulations or (C) after effectiveness of such registration statement, a final prospectus in accordance with Rules 415 and 424(b)(2) or (5). The Company has included in such registration statement, as amended at the Effective Date, all information (other than Rule 430A Information in the case of clause (B)) required by the Act and the Act Regulations to be included in the prospectus with respect to the Shares and the offering thereof. As filed, such amendment and form of final prospectus, or such final prospectus, shall contain all Rule 430A Information, together with all other such required information, with respect to the Shares and the offering thereof and, except to the extent the Underwriters shall agree in writing to a modification, shall be in all substantive respects in the form furnished to the Underwriters prior to the date hereof;

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(ii) on the Effective Date, the Representation Date and the Closing Date, the Registration Statement did and will, and when the Prospectus is first filed (if required) in accordance with Rule 424(b) the Prospectus will, comply in all material respects with the applicable requirements of the Act and the Act Regulations and the Exchange Act; on the Effective Date, the Representation Date and the Closing Date, the Registration Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, on the Effective Date, the Representation Date and the Closing Date, and on the date of any

filing pursuant to Rule 424(b), the Prospectus did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, that the Company makes no representation or warranty as to the information provided in writing to the Company by or on behalf of the Underwriters, expressly for use in the Registration Statement or the Prospectus, and the Company agrees that the only information provided in writing by or on behalf of the Underwriters to the Company, expressly for use in the Registration Statement or the Prospectus, is that information contained in the table and the second, fifth and seventh paragraphs following the table in the section of the Prospectus entitled "Underwriting" and the last paragraph on the cover page of the Prospectus;

(iii) the Company is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, with full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus, and is duly registered and qualified to conduct its business and is in good standing in each jurisdiction where the nature or location of its properties (owned or leased) or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify would not have a Material Adverse Effect. As used herein, the term "Material Adverse Effect" shall mean an adverse effect on the condition (financial or other), business, properties, net worth

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or results of operations of the Company or any of the Subsidiaries (as hereinafter defined) that would be, singly or in the aggregate, material to the Company and the Subsidiaries, taken as a whole, whether or not occurring in the ordinary course of business (a "Material Adverse Effect");

(iv) the only subsidiaries (as defined in the Act Regulations) of the Company are the subsidiaries listed on Schedule II hereto (collectively, the "Subsidiaries"). Each of the Subsidiaries is a corporation duly organized and validly existing in good standing under the laws of its jurisdiction of its incorporation with full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and in the Prospectus, and is duly registered and qualified to conduct its business and is in good standing in each jurisdiction where the nature or location of its properties (owned or leased) or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify would not have a Material Adverse Effect;

(v) each of the Company and the Subsidiaries has all necessary authorizations, approvals, orders, licenses, rights-of-way, operating rights, easements, certificates and permits of and from, and has made all declarations and filings with, all regulatory or governmental officials and bodies, all self-regulatory organizations and all courts and other tribunals ("Permits"), to own or lease its respective properties and to conduct its respective businesses described in the Prospectus and the Registration Statement, except where failure to have obtained or made the same would not have a Material Adverse Effect, and neither the Company nor any of the Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Permits, if the failure to be so licensed or approved or if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect; the Company and each of the Subsidiaries has fulfilled and performed all its current material obligations with respect to such Permits and no event has occurred that allows, or after notice or lapse of time, or both, would allow, revocation or termination thereof or result in any other material impairment of the rights of the holder of any

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such Permit; and such Permits contain no restrictions that are materially burdensome to the Company and the Subsidiaries; and the Company and each of the Subsidiaries is in compliance with all applicable laws, rules, regulations, orders and consents, the violation of which could have a Material Adverse Effect. The property and business of the Company and the Subsidiaries conform in all material respects to the descriptions thereof contained in the Prospectus and the Registration Statement;

(vi) all of the Company's authorized and outstanding capital stock has been duly authorized, validly issued and is fully paid and nonassessable and the capitalization of the Company conforms to the descriptions thereof and the statements made with respect thereto in the Registration Statement and the Prospectus as of the date set forth therein. There are no outstanding securities convertible into or exchangeable for, and no outstanding options, warrants or other rights to purchase, any shares of the capital stock of the Company, nor any agreements or commitments to issue any of the same, except as described in the Registration Statement and the Prospectus, and there are no preemptive or other rights to subscribe for or to purchase, and no restrictions upon the voting or transfer of, any capital stock of the Company pursuant to the Company's articles of incorporation or by-laws or any agreement or other instrument to which the Company is a party, except as described in the Registration Statement and the Prospectus;

(vii) all the outstanding shares of capital stock of each Subsidiary have been duly authorized and are validly issued, fully paid and nonassessable and were not issued in violation of or subject to any preemptive or similar rights. Except as otherwise set forth in the Registration Statement and the Prospectus, all outstanding shares of capital stock of the Subsidiaries are owned by the Company, directly or indirectly through another Subsidiary, free and clear of any security interests, liens, encumbrances, equities or other claims;

(viii) each of the Company and the Subsidiaries has good and indefeasible title to all real property and good and marketable title to all personal property owned by it, including those properties described in

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the Registration Statement and Prospectus, in each case free and clear of all liens, charges, encumbrances and restrictions, except such as are described in the Registration Statement and Prospectus or such as would not have a Material Adverse Effect. Each of the Company and the Subsidiaries has valid, subsisting and enforceable leases for the properties described in the Registration Statement and the Prospectus as leased by it, with such exceptions as are described in the Registration Statement and the Prospectus or that in the aggregate would not have a Material Adverse Effect;

(ix) the Company has all requisite power, authority, authorizations, approvals, orders, licenses, certificates and permits to enter into this Agreement and to carry out the provisions and conditions hereof, and to issue and deliver the Shares to the Underwriters as provided herein. This Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable against it in accordance with the terms hereof, except to the extent rights to indemnity hereunder may be limited by federal or state securities laws or public policy underlying such laws and except to the extent the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by equitable principles;

(x) each of the Company and the Subsidiaries owns, or possesses adequate rights to use, all trademarks, service marks and other rights necessary for the conduct of its business as described in the Registration Statement and the Prospectus, and neither the Company nor any of the Subsidiaries has received a notice, or knows of any basis, of any conflict with the asserted rights of others in any such respect that could have a Material Adverse Effect;

(xi) the Shares have been duly and validly authorized for issuance by the Company, and the Company has full corporate power and authority to issue, sell and deliver the Shares; and, when such Shares are issued and delivered against payment therefor as provided by this Agreement, the Shares will have been validly issued, fully paid and nonassessable, and the issuance of such Shares will not be subject to any statutory preemptive rights or similar statutory rights or any

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other preemptive or similar rights. All corporate action required to be taken by the Company for the authorization, issuance and sale of the Shares has been duly and validly taken;

(xii) Coopers & Lybrand L.L.P. are independent accountants with respect to the Company and the Subsidiaries as required by the Act;

(xiii) the consolidated financial statements and related notes and schedules included in the Registration Statement or in the Prospectus present fairly the financial position of the Company and the Subsidiaries, on the basis stated in the Registration Statement, as of the respective dates thereof and the consolidated statements of income, shareholders' equity and cash flows of the Company and the Subsidiaries, for the respective periods covered thereby; and such financial statements and the related schedules and notes have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the entire period involved, except as otherwise disclosed in the Registration Statement and the Prospectus. The selected financial information included in the Registration Statement or the Prospectus presents fairly the information shown therein and has been compiled on a basis consistent with that of the audited financial statements of the Company included therein. The pro forma financial information in the Registration Statement or in the Prospectus complies in all material respects with the applicable accounting requirements of Article 11 of Regulation S-X promulgated by the Commission and presents fairly the information shown therein; the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein. No other financial statements or schedules of the Company and the Subsidiaries are required by the Exchange Act, the Act or the Act Regulations to be included in the Registration Statement or Prospectus;

(xiv) the Shares conform in all material respects to the descriptions thereof in the Registration Statement and Prospectus;

(xv) since the respective dates as of which information is provided in the Registration Statement and

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Prospectus, except as otherwise specifically stated therein, there has been no change or development with respect to the condition (financial or otherwise) or business of the Company and the Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business, that would have a Material Adverse Effect;

(xvi) neither the Company nor any Subsidiary is in violation of its articles of incorporation or by-laws or other organizational documents. Neither the Company nor any Subsidiary is, nor with the passage of time or the giving of notice or both would be, in violation of any law, ordinance, administrative or governmental rule or regulation applicable to the Company or any of the Subsidiaries, or of any judgment, order or decree of any court or governmental agency or body or of any arbitrator having jurisdiction over the Company or any of the Subsidiaries, or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any mortgage, loan agreement, note, bond, debenture, credit agreement or any other evidence of indebtedness or in any agreement, contract, indenture, lease or other instrument to which the Company or any of

the Subsidiaries is a party or by which it may be bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject, the effect of which violation or default in performance or observance would have a Material Adverse Effect;

(xvii) there is no action, suit or proceeding pending before or by any court, arbitrator or governmental agency or body or, to the Company's knowledge, threatened against the Company or any of the Subsidiaries or to which any of their respective property is subject (A) that is required to be described in the Registration Statement or the Prospectus but is not described as required or (B) that, if adversely determined, could reasonably be expected to have a Material Adverse Effect. There is no agreement, contract, indenture, lease or other document or instrument that is required to be described in the Registration Statement or Prospectus or to be filed as an exhibit to the Registration Statement that is not described or filed as required;

(xviii) no person has any right to the registration of any security of the Company by reason of the filing of

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the Registration Statement with the Commission or the consummation of the transactions contemplated hereby, which right has not been waived or lapsed;

(xix) the Company is not an "investment company" within the meaning of the Investment Company Act of 1940 and is not subject to registration under such Act;

(xx) as of the date of the Prospectus, neither the Company nor any of the Subsidiaries is currently planning any probable acquisitions for which disclosure of pro forma financial information would be required by the Act;

(xxi) since the respective dates as of which information is given in the Registration Statement and the Prospectus (or any amendment or supplement thereto), except as otherwise stated therein, (A) neither the Company nor any of the Subsidiaries (1) has issued any securities other than in connection with the exercise of any outstanding options, (2) incurred any material liability or obligations, direct or contingent, for borrowed money, (3) entered into any transaction, not in the ordinary course of business, that is material to the Company and the Subsidiaries, taken as a whole, (4) entered into any transaction with an affiliate of the Company (as the term "affiliate" is defined in Rule 405 of the Act Regulations) that would otherwise be required to be disclosed in the Prospectus or the Registration Statement, or (5) declared or paid any dividend on its capital stock, or made any other distribution to its equity holders, (B) there has not been any material change in the capital stock or other equity, or material increase in the short-term or long-term debt, of the Company or any of the Subsidiaries and (C) there has been no change or development with respect to the condition (financial or otherwise) or business of the Company and the Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business, that would have a Material Adverse Effect;

(xxii) the Company has not distributed and, prior to the later to occur of (A) the Closing Date and (B) completion of the distribution of the Shares, will not distribute without your prior written consent any offering material in connection with the offering and sale of the Shares other than the Registration State-

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ment, the Prospectus or other materials, if any, permitted by the Act;

(xxiii) prior to the Closing Date, the Shares will be duly authorized for listing on the New York Stock Exchange upon official notice of issuance;

(xxiv) neither the Company nor any Subsidiary is involved in any labor dispute and, to the knowledge of the Company, no such

dispute is threatened.

(xxv) neither the Company nor any Subsidiary nor, to the best of its knowledge, any employee or agent of the Company or any Subsidiary has made any payment of funds of the Company or any Subsidiary or received or retained any funds of a character required to be disclosed in the Prospectus;

(xxvi) the Company and each of the Subsidiaries have filed (or have obtained extensions thereto) all federal, state and local or foreign tax returns that are required to be filed, which returns are complete and correct in all material respects, and have paid all taxes shown on such returns and all assessments with respect thereto to the extent that the same have become due;

(xxvii) except for the shares of capital stock of each of the Subsidiaries, neither the Company nor any of the Subsidiaries owns any shares of stock or any other securities of any corporation or has any equity interest in any firm, partnership, association or other entity other than as reflected in the consolidated financial statements included in the Registration Statement and the Prospectus;

(xxviii) neither the execution, delivery or performance of this Agreement, the offer, issuance, sale or delivery of the Shares nor the consummation by the Company of the terms of this Agreement (A) requires the consent, approval, authorization or order of any court or governmental agency or body, except such as have been obtained under the Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Shares by the Underwriters or such as may be required by the National Association of Securities Dealers, Inc. (the "NASD") and such other approvals as have been obtained,

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(B) will conflict with, result in a breach of, or constitute a default under the terms of any indenture, agreement, lease or other instrument to which the Company or any of the Subsidiaries is a party or by which any of them or any of their respective properties may be bound, or will result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of the Subsidiaries pursuant to the terms of any agreement or instrument to which any of them is a party or by which any of them may be bound or to which any of the property or assets of any of them is subject, (C) will conflict with or violate any law, order, statute, regulation, consent or memorandum of understanding applicable to the Company or any Subsidiary of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over the Company or any of the Subsidiaries (in the case of (B) or (C) above, where such conflict, breach, default or violation, individually or in the aggregate, would have a Material Adverse Effect), or (D) will conflict with or violate the articles of incorporation or by-laws of the Company or any Subsidiary;

(xxix) the Company has not taken, directly or indirectly, any action designed to cause or result in or that has constituted or that might reasonably be expected to constitute, the stabilization or manipulation of the price of the shares of Common Stock to facilitate the sale or resale of the Shares;

(xxx) the Company is not required to comply with Section 517.075 of the Florida statutes;

(xxxi) the Company and each of the Subsidiaries (A) are in compliance with any and all applicable federal, state, local and foreign laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (B) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their business and (C) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or

permits, licenses or approvals would not have a Material Adverse Effect; and

(xxxii) there are no costs or liabilities, to the Company's knowledge after due inquiry, associated with the effect of Environmental Laws on the business, operations and properties of the Company and its Subsidiaries that would have a Material Adverse Effect.

(b) Any certificate signed by any officer of the Company delivered to the Underwriters or to counsel for the Underwriters pursuant to the terms of this Agreement shall be deemed a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

SECTION 2. Sale and Delivery to the Underwriters; Closing.

(a) Subject to the terms and conditions set forth herein, the Company agrees to sell to each Underwriter, severally and not jointly, and, on the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, each Underwriter, severally and not jointly, agrees to purchase from the Company, at a purchase price of \$[] per share (the "Initial Price"), the aggregate number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter. The Company will have no obligation to sell the Underwriters any of the Firm Shares hereunder unless the Underwriters purchase all of the Firm Shares hereunder.

(b) The Company grants to the Underwriters an option to purchase all or any part of the Additional Shares at the Initial Price. Additional Shares shall be purchased from the Company, severally and not jointly, for the accounts of the Underwriters in proportion to the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter. Such option may be exercised only to cover over-allotments in the sale of the Firm Shares by the Underwriters and may be exercised in whole or in part at any time on or before 12:00 noon, New York City time, on the business day before the Firm Shares Closing Date (as hereinafter defined), and only once thereafter within 30 days after the date of the Prospectus, in each case upon written or telegraphic notice, or verbal or telephonic notice confirmed by written or facsimile notice, by the Underwriters to the Company no later than 12:00 noon, New York City time, on the business day before the Firm Shares

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Closing Date or at least two business days before the Additional Shares Closing Date (as hereinafter defined), as the case may be, setting forth the number of Additional Shares to be purchased and the time and date (if other than the Firm Shares Closing Date) of such purchase.

(c) Payment of the purchase prices for, and delivery of, the Firm Shares to be purchased by the Underwriters shall be made at the offices of Jefferies & Company, Inc., 39 Broadway, New York, New York 10006, or at such other place as shall be agreed upon by the Underwriters and the Company, at 10:00 A.M., New York City time, on the third or fourth business day following the date of the Registration Statement becomes effective (or, if the Company elected to rely upon Rule 430A, the fourth business day after the date of execution of this Agreement), or such other time not later than ten business days after such date as shall be agreed upon by the Underwriters and the Company (such time and date of payment and delivery being herein called the "Firm Shares Closing Date"). Payment shall be made to the Company by certified or official bank check or checks drawn in New York Clearing House funds (or similar next day funds) payable to the order of the Company against delivery to the Underwriters of the Firm Shares.

(d) Payment of the purchase price for, and delivery of, the Additional Shares to be purchased by the Underwriters shall be made at the office as set forth above or at such other place as shall be agreed upon by the Underwriters and the Company at the time and on the date (which may be the same as, but in no event shall be earlier than, the Firm Shares Closing Date) specified in the notice referred to in Section 2(b) (such time and date of delivery and payment being herein called the "Additional Shares Closing Date").

The Firm Shares Closing Date and the Additional Shares Closing Date are called, individually, the "Closing Date" and together, the "Closing Dates". Payment shall be made to the Company by certified or official bank check or checks drawn in New York Clearing House funds (or similar next day funds) payable to the order of the Company against delivery to the Underwriters of the Additional Shares.

(e) Certificates representing the Shares shall be in such denominations and registered in such names as the Underwriters may request in writing at least two business days before the Firm Shares Closing Date or, in the case of Additional Shares, on the day of notice of exercise of the

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option as described in Section 2(b). The certificates representing the Shares will be made available for examination and packaging by the Underwriters not later than 1:00 P.M., New York City time, on the last business day prior to the Firm Shares Closing Date (or the Additional Shares Closing Date in the case of the Additional Shares) at such place as is designated by the Underwriters.

SECTION 3. Covenants of the Company.

The Company covenants with each of the Underwriters as follows:

(a) the Company will use its best efforts to cause the Registration Statement, if not effective at the Representation Date, and any amendment thereof, to become effective, as promptly as possible after the filing thereof. The Company will not file any amendment to the Registration Statement or any amendment or supplement to the Prospectus to which the Underwriters shall reasonably object in writing after a reasonable opportunity to review such amendment or supplement. Subject to the foregoing sentences in this clause (a), if the Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of the Prospectus or supplement to the Prospectus is otherwise required under Rule 424(b), the Company will cause the Prospectus, properly completed, or such supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Underwriters of such timely filing. The Company will promptly advise the Underwriters (i) when the Registration Statement, if not effective at the Representation Date, and any amendment thereto, shall have become effective, (ii) when the Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b), (iii) when any amendment to the Registration Statement shall have been filed or become effective, (iv) of any request by the Commission for any amendment of the Registration Statement or supplement to any Prospectus or for any additional information, (v) of the receipt by the Company of any notification of, or if the Company otherwise has knowledge of, the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and

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(vi) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the lifting thereof;

(b) if, at any time when a prospectus relating to the Shares is required to be delivered under the Act or the Act Regulations, any event occurs as a result of which the Prospectus as then amended or supplemented would contain any untrue statement of a material fact or omit to state any 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, or if it shall be necessary to amend the Registration Statement or amend or supplement the Prospectus to comply with the Act or the Act Regulations, the Company promptly will prepare and file with the

Commission, subject to the second sentence of paragraph (a) of this Section 3, an amendment or supplement that will correct such statement or omission or effect such compliance. Neither your consent to, nor your delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 5;

(c) the Company consents to the use of the Prospectus in accordance with the provisions of the Act and with the securities or blue sky laws of the jurisdictions in which the Shares are offered by the Underwriters and by all dealers to whom Shares may be sold, both in connection with the offering and sale of the Shares and for such period of time thereafter as the Prospectus is required by the Act to be delivered in connection with the sales by any Underwriter or dealer. The Company will comply with all requirements imposed upon it by the Act, as now and hereafter amended, so far as necessary to permit the continuance of sales of or dealing in the Shares in accordance with the provisions hereof and the Prospectus;

(d) as soon as practicable, the Company will make generally available to its securityholders and to the Underwriters a consolidated earnings statement or statements of the Company and the Subsidiaries covering

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a twelve-month period beginning after the Effective Date that will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act Regulations;

(e) the Company will furnish to the Representatives, without charge, three signed copies of the Registration Statement (including exhibits thereto and all documents incorporated by reference therein) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act, or the Act Regulations, as many copies of the Prospectus and all amendments and supplements thereto as the Underwriters may reasonably request;

(f) during the period of five years hereafter, the Company will furnish to you, as soon as practicable after the end of each fiscal year, a copy of its annual report to shareholders for such year; and the Company will furnish to you (i) as soon as available, a copy of each report or definitive proxy statement of the Company filed with the Commission under Exchange Act or mailed to shareholders, and (ii) from time to time, such other information concerning the Company as you may reasonably request, provided that prior to the Company's furnishing any such other information that is nonpublic you shall enter into such agreement respecting the confidentiality thereof as the Company may reasonably request;

(g) the Company will not, and will cause each of its executive officers and directors to enter into agreements with the Underwriters in the form set forth in Exhibit A to the effect that they will not, for a period of 90 days following the date of the Prospectus, without prior written consent of Jefferies & Company, Inc., offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any shares of Common Stock or any securities convertible into, or exchangeable for, shares of Common Stock; provided, however, that the Company may issue and sell Common Stock pursuant to any stock bonus plan, stock grant plan or stock option plan in effect as of the date of the Prospectus;

(h) the Company will comply with all the provisions of any undertakings contained in the Registration Statement;

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(i) the Company will not at any time, directly or indirectly, take any action intended, or that might reasonably be expected, to cause or result in, or that will cause, stabilization of the price of the shares of Common Stock to facilitate the sale or resale of any of the Shares;

(j) the Company will apply the net proceeds from the offering and sale of the Shares to be sold by the Company in accordance with the description set forth in the "Use of Proceeds" section of the Prospectus and shall file such reports with the Commission with respect to the sale of the Shares and the application of the proceeds therefrom as may be required by Rule 463 under the Act. The Company shall provide you a draft of each such report prior to its filing for your approval, and shall furnish you with a signed copy of each such report;

(k) the Company will cooperate with the Underwriters and their counsel in connection with endeavoring to obtain and maintain the qualification or registration, or exemption from qualification, of the Shares for offer and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriters may designate; provided, that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to taxation or general service of process in any jurisdiction where it is not now so subject; and

(l) the Company will cause the Shares to be (i) duly listed on the New York Stock Exchange and (ii) registered under the Exchange Act.

SECTION 4. Payment of Expenses.

The Company will pay, or reimburse if paid by the Underwriters, all actual and reasonable costs and expenses incident to the performance of the obligations of the Company under this Agreement, including (i) the fees, disbursements and expenses of counsel and accountants for the Company and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus, the Prospectus, and any amendments or supplements thereto, and the mailing and

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delivery of copies thereof to the Underwriters and dealers, (ii) the cost of printing the Agreement Among Underwriters, this Agreement, the Selling Agreement, any Dealer Agreements, the Underwriters' Questionnaire and the Blue Sky Memorandum (in both preliminary and final form); (iii) all expenses in connection with qualification of the Shares for offering and sale under state securities laws as provided in Section 3(a) hereof, including filing and registration fees and the fees, disbursements and expenses of counsel for the Underwriters in connection with such qualification and in connection with Blue Sky surveys; (iv) the filing fees incident to securing any required review by the NASD; (v) the cost of preparing stock certificates; (vi) all fees of the Company's transfer agent and registrar; (vii) any fees for including the Shares on the New York Stock Exchange; and (viii) all other costs and expenses incident to the performances of its obligations hereunder that are not otherwise specifically provided for in this Section.

If this Agreement is terminated by the Underwriters because of any failure or refusal on the part of the Company to comply with the terms or fulfill any of the conditions of this Agreement, the Company shall reimburse the Underwriters for all of their reasonable out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Underwriters. The Company shall not in any event be liable to any of the Underwriters for consequential damages including loss of anticipated profits from the transactions covered by this Agreement.

SECTION 5. Conditions of the Underwriters' Obligation.

The obligation of the Underwriters to purchase the Shares hereunder is subject to the continued accuracy of the representations and warranties of the Company herein contained, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following further conditions:

(a) the Registration Statement shall have become effective, and you shall have received notice thereof, not later than 5:30 p.m., Washington D.C. time, on the date hereof, or such later time and date

as shall be approved by the Representatives and the Company and shall remain effective at the Closing Date. No stop order suspending the effectiveness of the Registration

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Statement shall have been issued under the Act or proceedings therefor initiated or threatened by the Commission. No order suspending the effectiveness of the Registration Statement or the qualification or registration of the Shares under the securities or blue sky laws of any jurisdiction shall be in effect or proceedings therefor initiated or threatened by the Commission or the authorities of any such jurisdiction. If the Company has elected to rely upon Rule 430A, the price of the Shares and any price-related or other information previously omitted from the effective Registration Statement pursuant to Rule 430A shall have been transmitted to the Commission for filing pursuant to Rule 424(b) within the prescribed time period, and, prior to the Closing Date, the Company shall have provided evidence satisfactory to the Underwriters of such timely filing, or a post-effective amendment providing such information shall have been promptly filed and declared effective in accordance with the requirement of Rule 430A;

(b) subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development involving a prospective change, in or affecting particularly the business, properties, condition (financial or other) or results of operations of the Company and the Subsidiaries, taken as a whole, which, in the reasonable judgment of the Underwriters, materially impairs the investment quality of the Shares and constitutes a Material Adverse Effect; (ii) any material loss or interference with the business or properties of the Company or any of the Subsidiaries from fire, explosion, flood or other casualty, whether or not covered by insurance, or from any labor dispute or any court or legislative or other governmental action, order or decree, that is not set forth in the Registration Statement and the Prospectus, if in the reasonable judgment of the Underwriters any such development makes it impracticable or inadvisable to proceeding with completion of the sale of and payment for the Shares; (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange or the Nasdaq National Market System, or any setting of minimum prices for trading on such exchange or system, or any suspension of trading of any securities of the Company on any exchange or system or in the over-the-counter market; (iv) any banking moratorium declared by federal or New York

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authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the reasonable judgment of the Underwriters, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the sale of and payment for the Shares;

(c) since the respective dates as of which information is given in the Registration Statement and the Prospectus, there shall have been no litigation or other proceeding instituted against the Company or any of the Subsidiaries or any of their respective officers or directors in their capacities as such, before or by any federal, state or local court, commission, regulatory body, administrative agency or other governmental body, domestic or foreign, or arbitrator, in which litigation or proceeding an unfavorable ruling, decision or finding would have a Material Adverse Effect;

(d) each of the representations and warranties of the Company contained herein shall be true and correct in all material respects at the Closing Date, as if made at the Closing Date, and all covenants and agreements contained herein to be performed on the part of the Company, and all conditions contained herein to be fulfilled or complied with by the Company at or prior to the Closing Date, shall have been duly performed, fulfilled or complied with;

(e) the Underwriters shall have received an opinion from Conner & Winters, A Professional Corporation, counsel for the Company, satisfactory in form and substance to counsel for the Underwriters, dated as of each Closing Date, to the effect set forth in Exhibit B;

(f) the Underwriters shall have received a favorable opinion, dated as of each Closing Date, of Cravath, Swaine & Moore, counsel for the Underwriters, with respect to such matters as may be reasonably requested by the Underwrites, and you shall have provided such counsel with such papers and information as they may reasonably request to enable them to provide such opinion;

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(g) the following conditions contained in clauses (i), (ii) and (iii) of this Section 5(g) shall have been satisfied on and as of each Closing Date and the Company shall have furnished to the Underwriters a certificate of the Company, signed by the President and the principal financial or accounting officer of the Company, dated such Closing Date to the effect that the signers of such certificate have carefully examined the Registration Statement, the Prospectus, any supplement or amendment to the Prospectus, and this Agreement and that:

(i) the representations and warranties of the Company in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date and the Company has complied with all the agreements and satisfied all the conditions under this Agreement on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(iii) since the date of the most recent financial statements included in the Prospectus, there has been no change that would have a Material Adverse Effect.

(h) At the Representation Date and at each Closing Date, Coopers & Lybrand L.L.P. shall have furnished to the Underwriters a letter or letters, dated respectively as of the date of this Agreement and each Closing Date, in form and substance satisfactory to the Underwriters, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial and statistical information pertaining to the Company and the Subsidiaries contained in the Registration Statement and the Prospectus.

(i) At the Representation Date, the Company shall have furnished to the Underwriters a letter substantially in the form of Exhibit A hereto from each executive officer and director of the Company, addressed to the Underwriters, in

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which each such person agrees not to offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offering of, any shares of Common Stock beneficially owned by such person or any securities convertible into, or exchangeable for, shares of Common Stock for a period of 90 days following the date of the Prospectus without the prior written consent of Jefferies & Company, Inc.

(j) At the Closing Date, counsel for the Underwriters shall have been furnished with such information, certificates and documents as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Shares as contemplated herein and related proceedings, or to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained, or otherwise in connection with the offering contemplated hereby; and all opinions and

certificates mentioned above or elsewhere in this Agreement shall be reasonably satisfactory in form and substance to the Underwriters and counsel for the Underwriters.

If any condition specified in this Section 5 shall not have been fulfilled in all material respects when and as required to be fulfilled, this Agreement may be terminated by the Underwriters by notice to the Company and such termination shall be without liability of any party to any other party except as provided in Section 4.

SECTION 6. Indemnification and Contribution.

(a) The Company agrees to indemnify, defend and hold harmless each Underwriter and its respective officers, shareholders, employees, directors and agents and any person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act from and against any loss, expense, damage, liability or claim (including the reasonable cost of investigating such claim) that, jointly or severally, any such Underwriter or any such officer, shareholder, employee, director, agent or controlling person may incur under the Act, the Exchange Act or otherwise, as such expenses are incurred, insofar as such loss, expense, damage, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or in the Registration Statement as amended by any post-effective amendment thereof) or any omission or alleged omission to state a material fact required to be

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stated in such Registration Statement or necessary to make the statements made therein not misleading or any untrue statement or alleged untrue statement of a material fact contained in a Prospectus (the term Prospectus for the purpose of this Section 6 being deemed to include any Preliminary Prospectus, the Prospectus, the Prospectus as amended or supplemented and any document filed under the Exchange Act and incorporated by reference into the Prospectus) or any omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, the Company will not be liable in any such case to the extent any such loss, expense, damage, liability or claim arises out of or is based upon any untrue statement or omission or alleged untrue statement or omission that has been made therein or omitted therefrom in reliance upon and in conformity with the information provided in writing to the Company by or on behalf of any Underwriter, expressly for use in the Registration Statement or the Prospectus; and provided, further that with respect to any untrue statement or omission or alleged untrue statement or omission made in any Preliminary Prospectus the indemnity agreement contained in this Section 6(a) shall not inure to the benefit of any such indemnified Underwriter or its respective officers, shareholders, employees, directors and agents, and the Company shall not be liable to any such indemnified Underwriter or its respective officers, shareholders, employees, directors and agents, from whom the person asserting any such losses, claims, expense, damage, or liabilities purchased the Shares concerned, to the extent that any such loss, claim, expense, damage or liability of such indemnified Underwriter or its respective officers, shareholders, employees, directors, and agents results from the fact that there was not sent or given to such person at or prior to the written confirmation of the sale of such shares to such person, a copy of the Prospectus, as the same may be amended or supplemented, and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such Preliminary Prospectus was corrected in such Prospectus and the Company had previously furnished copies thereof to such indemnified Underwriter on a timely basis to permit the Prospectus (as the same may be amended or supplemented) to be sent or given. The Company agrees that the only such information provided in writing by or on behalf of any Underwriter to the Company, expressly for use in the Registration Statement or the Prospectus, is that

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information contained in the table and the second, fifth and seventh paragraphs following the table in the section of the Prospectus entitled "Underwriting" and the last paragraph on the cover page of the Prospectus. The foregoing indemnity agreement shall be in addition to any liability that the Company may otherwise have.

(b) Each Underwriter agrees to indemnify, defend and hold harmless the Company and its officers, shareholders, employees and directors and any person who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act from and against any loss, expense, damage, liability or claim (including the reasonable cost of investigating such claim) that the Company or any such officer, shareholder, employee, director or controlling person may incur under the Act, the Exchange Act or otherwise to the same extent as the provisions of Section 6(a) above, but only insofar as such loss, expense, damage, liability or claim arises out of or is based upon any untrue statement or omission or alleged untrue statement or omission made in reliance or in conformity with information relating to such Underwriter furnished in writing to the Company by or on behalf of such Underwriter, expressly for use in the Registration Statement or the Prospectus. The Company agrees that the only information provided in writing by or on behalf of the Underwriters to the Company, expressly for use in the Registration Statement or the Prospectus, is that information contained in the table and the second, fifth and seventh paragraphs following the table in the section of the Prospectus entitled "Underwriting" and the last paragraph on the cover page of the Prospectus.

(c) If any action is brought against an indemnified party under this Section 6, the indemnified party or parties shall promptly notify the indemnifying party in writing of the institution of such action (provided that the failure to give such notice shall not relieve the indemnifying party of any liability that it may have pursuant to this Agreement, unless and to the extent the indemnifying party did not otherwise learn of such action and such failure has resulted in the forfeiture of substantive rights or defenses by the indemnifying party) and the indemnifying party shall assume the defense of such action, including the employment of counsel and payment of reasonable expenses. The indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of

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the indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action, (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to take charge of the defense of such action within a reasonable time after notice of the institution of such action, (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the indemnifying party or (iv) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by the indemnifying party and paid as incurred; provided that the indemnifying party shall only be responsible for the fees and expenses of one counsel for the indemnified party or parties hereunder. Anything in this paragraph to the contrary notwithstanding, the indemnifying party shall not be liable for any settlement of any such claim or action effected without its written consent, which consent shall not be unreasonably withheld.

(d) If the indemnification provided for in this Section 6 is unavailable to an indemnified party under subsection (a) or (b) of this Section 6 in respect of any losses, damages, expenses, liabilities or claims referred to therein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, damages, expenses, liabilities or claims (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 Shares 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 that resulted in such losses, damages, expenses, liabilities or claims, 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 shall be deemed to be in the same proportion as the total proceeds from the

offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault of the Company on the one hand and of the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or by the Underwriters 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, damages, expenses, liabilities and claims referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any claim or action.

(e) The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 6(d) above. Notwithstanding the provisions of this Section 6, no Underwriter shall be required to contribute any amount in excess of the underwriting discount received by it by reason of such untrue statement or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

SECTION 7. Representations, Warranties and Agreements to Survive Delivery. The respective indemnity and contribution agreements contained in Section 6, and the covenants, representations and warranties of the Company contained in this Agreement or contained in certificates of officers of the Company submitted pursuant hereto, shall remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or any of its respective officers, employees, directors, shareholders, agents or any person who controls any Underwriters, or by or on behalf of the Company or any of the officers or directors or any controlling person of the Company, and will survive delivery of and payment for the Shares.

SECTION 8. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Shares hereunder on either the Firm Shares Closing Date or the Additional Shares Closing Date and the aggregate number of Shares that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of Shares that the Underwriters are obligated to purchase on such Closing Date, the Representatives may make arrangements satisfactory to the Company for the purchase of such Shares by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Shares that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of Shares with respect to which such default or defaults occur exceeds 10% of the total number of Shares that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to the Representatives and the Company for the purchase of such Shares by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in this Section 8 (provided that if such default occurs with respect to the Additional Shares after the Firm Shares Closing Date, this Agreement will not terminate as to the Firm Shares). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

SECTION 9. Notices. All notices and other communications hereunder will be in writing and shall be deemed to have been duly given if mailed or transmitted by standard form of telecommunication. Notices to the Underwriters shall be directed to the Underwriters in care of:

Jefferies & Company, Inc.
11100 Santa Monica Boulevard
Los Angeles, California 90071
Attention of Jerry Gluck, Esq.

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with a copy to: George W. Bilicic, Jr., Esq.
Cravath, Swaine & Moore
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

or, if sent to the Company, directed to:

Parker Drilling Company
Parker Building
Eight East Third Street
Tulsa, Oklahoma 74103
Attention of Ronald C. Potter, Esq.

with a copy to: P. David Newsome, Jr., Esq.
Conner & Winters
A Professional Corporation
2400 First Place Tower
15 East 5th Street
Tulsa, Oklahoma 74103

SECTION 10. Parties. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company and their respective successors and legal representatives. Nothing expressed or mentioned in this Agreement is intended or shall be construed to provide any person, firm or corporation, other than the Underwriters, the Company and their respective successors and legal representatives and the controlling persons, officers, employees, directors and shareholders referred to in Sections 6 and 7 and their respective heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein or therein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters, the Company and their respective successors and legal representatives, and such controlling persons, shareholders, officers and directors and their respective heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Shares from any Underwriter shall be deemed to be a successor by reason merely of such purchase.

SECTION 11. Governing Law and Time. This Agreement shall be governed and construed in accordance with the laws of the State of New York applicable to agreements made

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and to be performed in such State. Specified times of day refer to New York time, unless otherwise specified.

SECTION 12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Company and the Underwriters in accordance with its terms.

Very truly yours,

PARKER DRILLING COMPANY

by

Name:
Title:

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

JEFFERIES & COMPANY, INC.
PRUDENTIAL SECURITIES INCORPORATED
SCHRODER WERTHEIM & CO.
INCORPORATED

As Representatives of the Several Underwriters

JEFFERIES & COMPANY, INC.

by

Name:
Title:

SCHEDULE I
UNDERWRITERS

Name of Underwriter	Number of Firm Shares to be Purchased
-----	-----

Jefferies & Company, Inc.
Prudential Securities Incorporated
Schroder Wertheim & Co. Incorporated

Total	----- 7,000,000 =====
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SCHEDULE II
SUBSIDIARIES

Name	Jurisdiction	Ownership (%)
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EXHIBIT A

, 1996

Jefferies & Company, Inc.
Prudential Securities Incorporated
Schroder Wertheim & Co. Incorporated
c/o Jefferies & Company, Inc.
11100 Santa Monica Boulevard
Los Angeles, CA 90025

Dear Sirs:

The undersigned has been informed that you, as representatives of the underwriters (the "Underwriters"), are planning to enter into an Underwriting Agreement with Parker Drilling Company, a Delaware corporation (the "Company"), providing for the purchase by the Underwriters of 7,000,000 shares of the Company's common stock, \$.16 2/3 par value (the "Common Stock"), with the right to purchase up to 1,050,000 additional shares of Common Stock to cover over-allotments.

To induce you to enter into this Underwriting Agreement and in consideration of the purchase and public offering by you of such shares of Common Stock (which the undersigned considers to be in the best interests of the Company and its shareholders and to the undersigned's benefit), the undersigned agrees with the Underwriters that for a period of 90 days from the date of the final Prospectus relating to such sale of Common Stock covered by the Underwriting Agreement, the undersigned will not without the prior written consent of Jefferies & Company, Inc., or unless pursuant to bona fide gifts to persons or entities who agree to be bound by the provisions of this letter, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offering of, any shares of Common Stock beneficially owned by the undersigned or any securities convertible into, or exchangeable for, shares of Common Stock.

Very truly yours,
EXHIBIT B

(i) the Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus;

(ii) each Subsidiary has been duly organized and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation and has full corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Registration Statement and the Prospectus;

(iii) each of the Company and the Subsidiaries is duly registered and qualified to conduct its business and is in good standing in each jurisdiction where the nature or location of its properties (owned or leased) or the conduct of its business requires such registration or qualification, except where the failure so to register or qualify would not have a Material Adverse Effect;

(iv) all the outstanding shares of capital stock of each Subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, and, except as otherwise set forth in the Prospectus, all outstanding shares of capital stock of each such Subsidiary are owned of record and, to such counsel's knowledge, beneficially by the Company, either directly or through a wholly owned subsidiary of the Company, free and clear of any perfected security interests and, to such counsel's knowledge, any other security interests, liens, encumbrances, equities, other rights to purchase or other claims;

(v) there are no preemptive or other rights to subscribe for or to purchase shares of capital stock of the Company pursuant to any statute, the articles of incorporation or by-laws of the Company or, to such counsel's knowledge, any agreement or other instrument to which the Company is a party as to which any person can successfully maintain an action, suit or proceeding against the Company for violation of his or her preemptive rights with respect to the issuance of any share of capital stock of the Company;

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(vi) to such counsel's knowledge, there is no pending or threatened action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator involving the Company or

any of the Subsidiaries required to be disclosed in the Prospectus that is not adequately disclosed in the Prospectus;

(vii) to such counsel's knowledge, there is no contract or other document required to be described in the Registration Statement or Prospectus, or to be filed as an exhibit, that is not described or filed as required;

(viii) all of the Company's issued and outstanding capital stock has been duly authorized and validly issued and is fully paid and nonassessable as of the date hereof and the authorized capital stock of the Company conforms in all material respects to the descriptions thereof under the caption "Description of Capital Stock" in the Prospectus;

(ix) the Registration Statement has become effective under the Act; any required filing of the Prospectus, and any supplements thereto, pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); to such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued, no proceedings for that purpose have been instituted or threatened, and the Registration Statement and the Prospectus (other than the financial statements and supporting schedules contained therein as to which such counsel need express no opinion) comply as to form in all material respects with the requirements of the Act and the applicable Act Regulations; and such counsel has no reason to believe that at the Effective Date the Registration Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus includes any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

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(x) the statements in the Registration Statement and Prospectus, insofar as they are descriptions of contracts, agreements or other legal documents, are accurate in all material respects and present fairly the information required to be shown;

(xi) this Agreement has been duly authorized, executed and delivered by the Company and the Company has full corporate power and authority to enter into this Agreement;

(xii) no consent, approval, authorization or order of any court or governmental agency or body is required in connection with the consummation of the transactions contemplated hereby, except such as have been obtained under the Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Shares by the Underwriters and such other approvals (specified in such opinion) as have been obtained;

(xiii) neither the execution and delivery of this Agreement, nor the consummation of any other of the transactions herein contemplated, nor the fulfillment of the terms hereof, will result in a breach of, or constitute a default under, (a) the terms of any indenture or other agreement or instrument (i) to which the Company or any of the Subsidiaries is a party or by which it is bound and (ii) that is either filed as an exhibit to the Registration Statement or is identified to such counsel as being material to the Company and the Subsidiaries, taken as a whole, and listed on a schedule to such counsel's opinion, (b) any law, statute, rule, order, regulation or decree of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over the Company or any of the Subsidiaries of which such counsel is aware and that is known by such counsel to be applicable to the Company or any of the Subsidiaries (where such conflict, breach or default would have a Material Adverse Effect) or (c) the articles of incorporation or by-laws of the Company;

(xiv) the Shares have been duly and validly authorized by the Company for issuance, and the Company has full corporate power and authority to issue, sell and deliver the Shares; and, when the Shares are issued and delivered against payment therefor as provided by

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this Agreement, the Shares will have been validly issued and will be fully paid and nonassessable, and the issuance of such Shares will not be subject to any statutory preemptive rights or similar statutory rights or, to such counsel's knowledge, any other preemptive or similar rights;

(xv) the certificates for the Shares are in due and proper form under Delaware law and the by-laws of the Company and conform with the form of certificates duly authorized by the Board of Directors of the Company;

(xvi) the Shares, when issued, will conform in all material respects to the description thereof contained in the Prospectus and the Registration Statement under the caption "Description of Capital Stock";

(xvii) to such counsel's knowledge, no holder of any securities of the Company or any other person has the right, contractual or otherwise, to cause the Company to sell or otherwise issue to such person, or to permit such person to underwrite the sale of, any of the Shares or the right to have any Common Stock or other securities of the Company included in the Registration Statement or the right, as a result of the filing of the Registration Statement, to require registration under the Act of any shares of Common Stock or other securities of the Company that has not been waived or lapsed; and

(xviii) the Company is not an "investment company" as defined under the Investment Company Act or subject to registration under such Act.

In addition, such counsel shall also state that such counsel has participated in conferences with representatives of the Underwriters, officers and other representatives of the Company and representatives of the independent certified public accountants of the Company and the Subsidiaries at which conferences the contents of the Registration Statement and the Prospectus and related matters were discussed and that, although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus (except as set forth in clauses (viii), (x) and (xvi) of this Exhibit B), on the basis of the foregoing (relying as to materiality upon officers and other representatives of

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the Company), no facts have come to the attention of such counsel that lead such counsel to believe that the Registration Statement at the time it became effective or at the Representation Date and the Closing Date contained or contains an untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading or that the Prospectus, at the Representation Date (unless the term "Prospectus" refers to a prospectus that has been provided to the Underwriters by the Company for use in connection with the offering of the Shares that differs from the Prospectus on file at the Commission at the Representation Date, in which case at the time it is first provided to the Underwriters for such use) or at the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that such counsel need not express any comment with respect to the financial statements and schedules contained therein, including the notes thereto, the auditors' report thereon and the related summary of accounting policies.

The opinions of such counsel relate solely to, are based solely upon and are limited exclusively to the laws of the State of Delaware

and the federal laws of the United States of America, to the extent applicable.

EXHIBIT 4.1

COMMON STOCK

COMMON STOCK

SHARES

SEE REVERSE FOR
CERTAIN DEFINITIONS

CUSIP _____

PARKER DRILLING COMPANY
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

IS OWNER OF

FULLY PAID AND NONASSESSABLE SHARES OF THE COMMON STOCK OF

Parker Drilling Company (hereinafter called the "Corporation") transferable on the books of the Corporation by the holder hereof, in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented thereby are issued and shall be held subject to all the provisions of the Restated Certificate of Incorporation and By-laws of the Corporation as amended from time to time, copies of which are on file with the Transfer Agent, to all of which the holder by acceptance hereof assents. This Certificate is not valid until countersigned by the transfer agent and registered by the registrar.

Witness the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

DATED:

[SEAL]

PARKER DRILLING COMPANY

THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS, A FULL STATEMENT OF THE PREFERENCES, PRIVILEGES, RESTRICTIONS, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OR SERIES THEREOF AND QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND/OR OTHER RIGHTS. SUCH STATEMENT MAY BE OBTAINED BY A REQUEST IN WRITING TO THE OFFICE OF THE CORPORATION OR TO THE OFFICE OF THE TRANSFER AGENT.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-as tenants in common	UNIF GIFT MIN ACT -	Custodian
	-----	-----	
	(Cust)	(Minor)	

TEN ENT	-as tenants by the entities	Under Uniform Gifts to Minors
	Act	

JT TEN	-as joint tenants with right of	-----
	survivorship and not as tenants	(State)
	in common	

Additional abbreviations may also be used though not on the above list.

For value received, _____ hereby sell,
assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER BY ASSIGNEE

[]

Please print or typewrite name and address including postal zip code of assignee

Shares of the capital stock represented by the within certificate, and do
hereby irrevocably constitute and appoint

Attorney to transfer the said stock on the books of the within-named
Corporation with full power of substitution in the premises.

Dated

The signature to this assignment must
correspond with the name a written upon the
face of the Certificate, in every
particular, without alteration or
enlargement, or any change whatever.

SIGNATURE GUARANTEED:

By:

[CONNER & WINTERS LETTERHEAD]

June 11, 1996

Parker Drilling Company
Eight East Third Street
Tulsa, Oklahoma 74103

Re: Registration Statement on Form S-3 (File No. 333-04779)
(the "Registration Statement")

Gentlemen:

We have acted as counsel for Parker Drilling Company a Delaware corporation (the "Company"), in connection with the proposed public offering of an aggregate of up to 8,050,000 shares of the Company's Common Stock, par value \$0.16-2/3 per share (the "Shares"), to be sold by the Company. As described in the Registration Statement, the Company is selling the shares pursuant to an Underwriting Agreement (the "Underwriting Agreement") to be entered into among the Company and Jefferies & Company, Inc., Prudential Securities Incorporated and Schroder Wertheim & Co. Incorporated, as representatives of the underwriters.

In reaching the conclusions expressed in this opinion, we have (a) examined such certificates of public officials and of corporate officers and directors and such other documents and matters as we have deemed necessary or appropriate, (b) relied upon the accuracy of facts and information set forth in all such documents, and (c) assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as copies, and the authenticity of the originals from which all such copies were made.

Based on the foregoing, we are of the opinion that the Shares to be sold by the company have been duly authorized and, when issued, delivered and paid for in accordance with the terms

June 11, 1996

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and conditions of the Underwriting Agreement, will be validly issued, fully paid and non-assessable shares of Common Stock of the Company.

We consent to the use of this opinion as an exhibit to the Registration Statement and to the reference to our firm in the Registration Statement and the Prospectus covering the Shares constituting a part thereof under the caption "Legal Matters."

Very truly yours,

CONNER & WINTERS
A Professional Corporation