

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): March 1, 2012**

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**PARKER DRILLING COMPANY**

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-7573**  
(Commission  
File Number)

**73-0618660**  
(I.R.S. Employer  
Identification No.)

**5 Greenway Plaza, Suite 100, Houston, Texas**  
(Address of principal executive offices)

**77046**  
(Zip Code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 6, 2012 Parker Drilling Company announced that David C. Mannon, its president and chief executive officer, would leave the Company, effective March 9, 2012 and that Robert L. Parker Jr., the Company's previous CEO, will resume the duties of president and chief executive officer of Parker Drilling Company and will continue to serve as executive chairman, while the Company continues its search for Mr. Mannon's permanent replacement. Mr. Mannon will also step down on March 9 from his position as a member of the Company's Board of Directors.

In connection with Mr. Mannon's departure, he and the Company entered into a separation agreement pursuant to which Mr. Mannon will receive the following amounts, all of which would have been payable to Mr. Mannon had he resigned from the Company in the 10-day period following the expiration of his employment agreement on April 30, 2012:

- a lump-sum cash severance of \$1,260,000;
- his base salary through April 30, 2012; and
- medical insurance coverage for Mr. Mannon and his covered dependents until April 30, 2013, followed by 18 months of COBRA coverage at his expense.

The Company's Board of Directors determined that it was in the best interests of the Company for Mr. Parker Jr. to immediately resume the role of president and chief executive officer on an interim basis while the Company conducts a search for Mr. Mannon's permanent replacement, rather than have Mr. Mannon serve the remaining term of his employment agreement during such search. To facilitate this transition, the Company also agreed to compensate Mr. Mannon for his accrued but unused vacation time in accordance with the Company's customary policy for all employees, to make an additional cash payment of \$100,000 to Mr. Mannon, and to vest only a pro rata portion of his 2010 and 2011 restricted unit awards that would otherwise not have vested until 2013 and 2014. In total, the amounts provided were significantly less than Mr. Mannon would have been entitled to had he exercised his right to terminate his employment for "good reason". A copy of the separation agreement has been filed as Exhibit 10.1 to this report and is incorporated herein by reference.

Mr. Parker Jr., age 63, is the executive chairman of the Board of Directors of the Company, having stepped down as chief executive officer in 2009. Having joined the Company in 1973, he was elected chief executive officer in 1991 and appointed chairman of the Board of Directors in 2006. He previously was elected a vice president in 1973, executive vice president in 1976 and president and chief operating officer in 1977. Mr. Parker is on the Board of Directors of the University of Texas Development Board, the University of Texas Health Science Center (Houston) Development Board, the International Association of Drilling Contractors, the American Petroleum Institute and the Greater Houston Partnership.

In connection with his appointment as president and chief executive officer, the Company and Mr. Parker Jr. entered into an amendment to his employment agreement, pursuant to which:

- Mr. Parker Jr.'s annual base salary was restored to \$637,630;
- the Company agreed to vest a pro rata portion of Mr. Parker's performance-based incentive awards upon any termination of Mr. Parker Jr.'s employment; and
- the obligation of the Company to make payments to Mr. Parker Jr. as a gross-up for excise taxes as a result of the application of Section 280G of the Internal Revenue Code was eliminated.

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In addition, in consideration for Mr. Parker Jr.'s decision to resume the duties of president and chief executive officer, the Company agreed to make a cash payment to Mr. Parker Jr. of \$100,000. A copy of the amendment to Mr. Parker Jr.'s employment agreement has been filed as Exhibit 10.2 to this report and is incorporated herein by reference.

On March 1, 2012 the Company's Board of Directors elected Jonathan M. Clarkson as a Class II member of the Company's Board of Directors, with a term expiring at the annual meeting of stockholders to be held in 2013, and Richard D. Paterson as a Class I member of the Company's Board of Directors, with a term expiring at the annual meeting of stockholders to be held in 2012. Accordingly, Mr. Paterson will stand for election at the Company's 2012 annual meeting of stockholders to be held on April 26, 2012. In addition, the Company's Board of Directors appointed each of Mr. Clarkson and Mr. Paterson as members of the Audit Committee of the Board of Directors.

Mr. Clarkson, age 62, recently retired from the Houston Region of Texas Capital Bank, a subsidiary of Texas Capital Bancshares, Inc., where he served as president, chief executive officer and chairman from 2003 until 2011. From 1999 to 2002, Mr. Clarkson served as president and chief financial officer for Bargo Energy Company and its successor company Mission Resources Corporation. From 1987 to 1999, Mr. Clarkson served as executive vice president and chief financial officer for Ocean Energy Corporation and its predecessor company, United Meridian Corporation. Prior to 1987, Mr. Clarkson held several senior management positions at InterFirst Corporation and its subsidiary First National Bank in Dallas, TX. In December 2011, Mr. Clarkson was elected to the board of Memorial Production Partners GP LLC, the general partner of Memorial Production Partners LP. He currently serves as the chairman of the Audit Committee on that board. From 2006 to 2009, Mr. Clarkson served on the board of Edge Petroleum Corporation where he was chairman of the Audit Committee and a member of the Compensation Committee. Since 2010, Mr. Clarkson has served on the advisory board of Rivington Capital Advisors, LLC, an investment banking firm focused on upstream energy sector investments and capital advisory engagements. As of February 1, 2012, Mr. Clarkson was elected to serve on the St. Luke's Episcopal Hospital board. As a former chief financial executive of public companies, the Board believes Mr. Clarkson brings significant financial expertise, including an understanding of financial risk management, and experience in preparation and review of financial statements and disclosure documents. The Board also believes that as a director of multiple public companies, Mr. Clarkson brings valuable insights into a wide range of challenges that public companies face.

Mr. Paterson, age 61, retired from PricewaterhouseCoopers LLP (PwC), an international network of auditors, tax and business consultants, in June 2011 after 37 years of service. Most recently, he served as PwC's Global Leader of its Consumer, Industrial Products and Services Practices (comprising the Automotive, Consumer and Retail, Energy Utilities and Mining, Industrial Products, Pharmaceutical and Health Industries Sectors) and also the managing partner of the Houston Office and U.S. Energy Practice. From 2001 to 2010, Mr. Paterson was PwC's Global Leader of its Energy, Utilities and Mining Practice and also was responsible for the audits of ExxonMobil Corporation from 2002 to 2006. From 1997 to 2001, Mr. Paterson lived in Moscow, Russia, and led PwC's Energy Practice for EMEA and also was responsible for the audits of OAO Gazprom for those years. Prior to 1997, Mr. Paterson was responsible for the audits of numerous PwC clients, principally in the energy sector. He began his career with PwC in Battle Creek, Michigan in 1974, served in seven PwC offices, including four years in the National Office in New York, and was admitted as a partner of PwC in 1987. Mr. Paterson is a past Board member of the U.S./Russia Business Council and the U.S Energy Association. The Board believes that Mr. Paterson brings extensive knowledge of the energy industry and energy value chain, and the risks faced by companies operating in the energy industry. In addition, as a long-time audit partner of PwC with significant international experience, he has deep expertise with capital markets, governance and with the preparation and review of financial statements and disclosure documents.

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Both Mr. Clarkson and Mr. Paterson will be entitled to the same annual compensation as the registrant's other nonemployee directors who also serve on the Audit Committee. See the information under "Director Compensation" on page 19 of the registrant's proxy statement dated March 25, 2011, for additional information.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
10.1	— Separation Agreement and Release dated as of March 5, 2012 between Parker Drilling Company and David C. Mannon
10.2	— Second Amendment dated as of March 5, 2012 to First Amended and Restated Employment Agreement between Parker Drilling Company and Robert L. Parker Jr.
99.1	— Press release dated March 6, 2012.

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**SIGNATURE**

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

Dated: March 6, 2012

PARKER DRILLING COMPANY

By: /s/ W. Kirk Brassfield

W. Kirk Brassfield

Senior Vice President and Chief Financial Officer

**SEPARATION AGREEMENT AND RELEASE**

**THIS SEPARATION AGREEMENT AND RELEASE** (this "Agreement") is made by and between **PARKER DRILLING COMPANY**, a Delaware corporation ("Parker Drilling"), and **DAVID C. MANNON** ("Executive") this 5<sup>th</sup> day of March, 2012 ("Effective Date"). Parker Drilling and Executive are sometimes referred to collectively as the "Parties" or individually as a "Party".

**PURPOSE**

Parker Drilling and Executive have reached a mutual agreement that Executive's employment with Parker Drilling will terminate at the close of business on April 30, 2012 (the "Termination Date") pursuant to the terms of this Agreement.

**TERMS**

To achieve a final and amicable resolution of the employment relationship in all its aspects and in consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

**1. Termination of Employment Agreement.** Except as otherwise provided herein (including, but not limited to, Sections 8, 11 and 14 hereof), this Agreement replaces and terminates that certain Employment Agreement entered into as of October 23, 2009, as amended by the First Amendment to Employment Agreement dated August 29, 2011 (collectively, the "Employment Agreement"), and will constitute the entire agreement between the Parties.

**2. Resignation as Officer and Director and Termination of Employment.** The Executive hereby resigns all positions as an officer and director of Parker Drilling and its affiliates, including but not limited to President, Chief Executive Officer and director of Parker Drilling, effective as of March 9, 2012; provided that Executive shall remain an employee of Parker Drilling through the Termination Date. Executive hereby resigns all other positions as an employee, representative or agent of Parker Drilling and its affiliates effective as of the Termination Date.

**3. Payment of Accrued Amounts.**

(a) Parker Drilling shall continue to pay to Executive his base salary of \$630,000 per year through the Termination Date, in accordance with Parker Drilling's normal payroll schedule and procedures for its executives.

(b) On or before the Termination Date, Parker Drilling shall pay to Executive an amount equal to \$72,692, which represents payment for Executive's unused paid time off.

**4. Severance Payments.** On the date that the Waiver and Release referenced in Section 10 and attached hereto as Appendix A becomes irrevocable by Executive (defined as the Waiver Effective Date in the Waiver and Release), Parker Drilling shall pay to Executive in a lump sum an amount equal to \$1,360,000.

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**5. Vesting of Restricted Stock on Pro Rata Basis.** Executive is the recipient of certain shares of Parker Drilling restricted common stock that are not vested as of the Effective Date (“Grant Shares”), which Grant Shares are listed on Appendix A to this Agreement. Parker Drilling granted the Grant Shares to Executive pursuant to certain award agreements (the “Restricted Stock Award Agreements”), the Parker Drilling Company 2005 Long-Term Incentive Plan and the Parker Drilling Company 2010 Long-Term Incentive Plan, and the Parker Drilling Company Long-Term Incentive Programs for 2009, 2010 and 2011 (collectively, the “LTIP”). The terms of the Restricted Stock Award Agreements provide that Executive’s rights to the Grant Shares shall vest on a Pro Rata Basis (as defined in the LTIP) upon termination of Executive’s employment with Parker Drilling under certain circumstances. Parker Drilling hereby accelerates the vesting of, and fully vests and removes all restrictions from, the number of Grant Shares designated on Appendix A as vested on the Termination Date (April 30, 2012), and such Grant Shares are hereby fully vested and transferable to Executive free of any and all restrictions as of the Termination Date. All Grant Shares that remain unvested as of the Termination Date shall be forfeited by Executive as of the Termination Date. The restricted stock that becomes fully vested pursuant to this Section 5 shall remain subject to the “Detrimental Conduct” provisions of the applicable award agreements in accordance with their respective terms.

**6. Group Health Coverage.**

(a) Parker Drilling shall provide to Executive and his covered dependents, if any, coverage as in effect for Executive on the date immediately prior to the Termination Date under Parker Drilling’s group health plan and group dental plan for a period of twelve (12) months following the Termination Date; provided, however, Executive and his covered dependents, if any, shall not be required to pay any portion of the premium cost to retain such coverages except that the cost of such coverages will be imputed as income and reported as wages to Executive in the event that Parker Drilling maintains a self-funded group health plan and/or group dental plan and such Parker Drilling -provided coverage would otherwise be discriminatory within the meaning of Section 105(h) of the Internal Revenue Code of 1986, as amended (the “Code”). In all other respects, Executive shall be treated the same as other participants under the terms of such plans.

(b) Thereafter, Executive and his covered dependents, if any, shall be entitled to elect continuation coverage under such plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), and Parker Drilling’s procedures for COBRA administration (“COBRA Coverage”). In the event that COBRA Coverage is elected, (i) the COBRA time period shall not be reduced by the post-termination continuation coverage provided pursuant to Section 6(a) and (ii) Executive (and his covered dependents, if any) must pay the full COBRA premium rates as effective during the COBRA Coverage period. In the event Executive does not execute and deliver the Waiver and Release described in Section 10, Executive and his covered dependents, if any, shall be entitled to only COBRA Coverage after the Termination Date.

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(c) In the event of any change to the group health plan or group dental plan following the Termination Date, Executive shall be treated consistently with Senior Officers (as defined in the Employment Agreement) of the Company (or its successor) with respect to the terms and conditions of coverage and other substantive provisions of the plan; provided, however, no participant contributions shall be required from Executive (and his covered dependents, if any) unless COBRA Coverage is in effect. Notwithstanding the foregoing provisions of this Section 6(c), the coverage of Executive (and his dependents, if any) under such health and/or dental plans maintained by the Company shall terminate in the event that Executive becomes employed by another for-profit employer which maintains a group health plan or plans for its employees providing group health coverage or group dental coverage, as applicable; provided, however, any COBRA Coverage shall not be terminated unless and until permitted under COBRA. For purposes of the preceding sentence, (i) the coverage of Executive (and his dependents, if any) under the health and/or dental plans maintained by the Company shall not terminate until Executive becomes eligible to participate in such group health and group dental coverage of another for-profit employer and (ii) personal coverage obtained by Executive other than through employment or coverage available by reason of Executive's performance of services as an independent contractor shall not be considered.

7. **Withholdings; Right of Offset.** Parker Drilling may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local and other taxes as may be required pursuant to any law or governmental regulation or ruling, (b) all other normal deductions made with respect to Parker Drilling's employees generally, and (c) any advances made to Executive and owed to the Company.

8. **Indemnity Rights.** The Parties agree that the terms and provisions of Section 24 of the Employment Agreement shall remain in full force and effect.

9. **Miscellaneous Matters.**

(a) Parker Drilling shall allow Executive to retain the \$3 million Met Life insurance policy #211086635 referenced in Section 5(a) (2) of the Employment Agreement, in order for Executive to continue the life insurance coverage through Executive's payment of future premiums. Parker Drilling shall assign any and all rights in such insurance policy to Executive, and Executive agrees to assume any and all obligations for future payments due under such insurance policy.

(b) Executive shall be allowed to retain the iPhone provided by Parker Drilling without cost to Executive, but Executive shall assume and pay all usage, repair or replacement charges associated with the cellular phone from and after the Termination Date; provided, however, Parker Drilling retains the right to remove any information related to Parker Drilling which exists on the iPhone from and after the Termination Date.



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(c) Executive shall also be allowed to retain the laptop computer and the iPad provided by Parker Drilling without cost to Executive; provided, however, Parker Drilling retains the right to remove any information related to Parker Drilling which exists on the laptop or iPad from and after the Termination Date.

**10. Global Release of Claims.** On the Termination Date, Executive shall execute and deliver to Parker Drilling the Waiver and Release attached hereto as Appendix B (the “Waiver and Release”).

**11. Restrictive Covenants.** The Parties agree that the terms and provisions of Sections 10 through 20 of the Employment Agreement shall remain in effect after the Effective Date pursuant to their respective terms; provided, however, that the Parties agree that Executive’s participation in any capacity (whether as proprietor, stockholder, director, partner, employee, agent, independent contractor, consultant, trustee, beneficiary or in any other capacity) with any individual, partnership, firm, corporation or other business organization or entity that is not one of the entities named on the list attached hereto as Appendix C (or a subsidiary of any such entities) shall not constitute a violation by Executive of the terms and provisions of Section 13 or Section 14 of the Employment Agreement.

**12. Knowing and Voluntary Agreement.** The Executive understands it is his choice whether or not to enter into this Agreement and that his decision to do so is voluntary and is made knowingly. The Executive acknowledges that he has been advised by Parker Drilling to seek legal counsel to review this Agreement.

**13. Press Release.** Parker Drilling and Executive shall cooperate in the preparation of a press release by Parker Drilling announcing Executive’s scheduled separation from Parker Drilling, the content of which shall be subject to the review and approval of Executive, which approval shall not be unreasonably withheld, conditioned or delayed. In no event shall Executive’s rights under this Section 13 prevent Parker Drilling from fulfilling its obligations under applicable stock exchange rules and securities laws and regulations.

**14. Dispute Resolution.** If any dispute arises out of or is related to this Agreement, Parker Drilling and Executive hereby agree to resolve such dispute pursuant to the provisions of Section 28 of the Employment Agreement.

**15. Severability.** It is the desire of the parties hereto that this Agreement (including the provisions of the Employment Agreement incorporated by reference herein) be enforced to the maximum extent permitted by law, and should any provision contained herein be held unenforceable by a court of competent jurisdiction or arbitrator (pursuant to Section 28 of the Employment Agreement), the parties hereby agree and consent that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law; provided, however, if such provision cannot be reformed, it shall be deemed ineffective and deleted herefrom without affecting any other provision of this Agreement. This Agreement should be construed by limiting and reducing it only to the minimum extent necessary to be enforceable under then applicable law.

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16. **No Admission of Liability.** This Agreement and compliance with this Agreement shall not be construed as an admission by Parker Drilling or Executive of any liability whatsoever, or as an admission by Parker Drilling of any violation of the rights of Executive or any other person, or any violation of any order, law, statute, duty or contract.

17. **Intention to Comply with Code Section 409A.**

(a) This Agreement is intended to comply with Code Section 409A. Executive acknowledges that if any provision of this Agreement (or of any award of compensation or benefits) would cause Executive to incur any additional tax or interest under Code Section 409A and accompanying Treasury regulations and other authoritative guidance, such additional tax and interest shall solely be his responsibility.

(b) Pursuant to Code Section 409A, no reimbursement of any expense shall be made by the Company after December 31st of the year following the calendar year in which the expense was incurred. The amount eligible for reimbursement under this Agreement during a taxable year may not affect expenses eligible for reimbursement in any other taxable year, and the right to reimbursement under this Agreement is not subject to liquidation or exchange for another benefit.

(c) For purposes of Code Section 409A, each payment under this Agreement shall be deemed to be a separate payment. Except as permitted under Code Section 409A, any deferred compensation (within the meaning of Code Section 409A) payable to Executive under this Agreement may not be reduced by, or offset against, any amount owing by Executive to Parker Drilling or any of its affiliates.

18. **Attorneys' Fees.** On or before March 30, 2012, Parker Drilling shall pay Executive for the attorneys' fees reasonably incurred by Executive in the negotiation, drafting and execution of this Agreement and the documents contemplated herein. Also, Parker Drilling shall pay Executive for the attorneys' fees reasonably incurred by Executive from time to time in the implementation and any enforcement of this Agreement by Executive. At Executive's request, such payments shall be made directly by Parker Drilling to such attorneys.

19. **Governing Law.** This Agreement will be interpreted and enforced in accordance with the laws of the State of Texas, without regard to the principles of conflicts of laws.

20. **Notices.** Each notice or other communication required or permitted under this Agreement shall be in writing and transmitted, delivered, or sent by personal delivery, prepaid courier or messenger service (whether overnight or same-day), or prepaid certified United States mail (with return receipt requested), addressed (in any case) to the other party at the address for that party set forth below that party's signature on this Agreement, or at such other address as the recipient has designated by notice to the other party. Either party may change the address for notice by notifying the other party of such change in accordance with this Section 20.

21. **Entirety and Integration.** Upon the execution hereof by Parker Drilling and Executive, this Agreement (including the provisions of the Employment Agreement incorporated by reference herein) shall constitute a single, integrated contract expressing the entire agreement

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of the parties relative to the subject matter hereof and supersedes all prior negotiations, understandings and/or agreements, if any, of the parties. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any party hereto, except as specifically set forth in this Agreement.

22. **Authorization.** Each person signing this Agreement as a party or on behalf of a party represents that he or she is duly authorized to sign this Agreement on such party's behalf, and is executing this Agreement voluntarily, knowingly, and without any duress or coercion.

**[SIGNATURE PAGE FOLLOWS]**

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which may be executed in multiple counterparts, as of the date first above written.

PARKER DRILLING COMPANY

EXECUTIVE

/s/ W. Kirk Brassfield

/s/ DAVID C. MANNON

By: W. Kirk Brassfield  
Its: Senior Vice President and CFO  
Date: March 5, 2012

DAVID C. MANNON  
Date: March 5, 2012

*Address for Notices:*

Parker Drilling Company  
Attn: Chairman, Compensation Committee  
of the Board of Directors  
5 Greenway Plaza, Suite 100  
Houston, Texas 77046

*Address for Notices:*  
2708 Pemberton Drive  
Houston, Texas 77005

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**Appendix A**

**Restricted Stock Grants**

<u>Date of Award Agreement</u>	<u>Number of Grant Shares</u>	<u>Number of Shares Vested as of April 30, 2012</u>
March 1, 2010	39,030	28,188
July 23, 2010	151,962	92,865.67
March 21, 2011	<u>142,742</u>	<u>55,510.78</u>
Total	333,734	176,564.45

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**WAIVER AND RELEASE**

Pursuant to the terms of the Separation Agreement and Release made as of March 5, 2012, between Parking Drilling Company (the "Company") and me (the "Separation Agreement"), and in consideration of the payments made to me and other benefits to be received by me pursuant thereto, I, DAVID C. MANNON, do freely and voluntarily enter into this WAIVER AND RELEASE (the "Release"), which shall become effective and binding on the eighth day following my signing this Waiver and Release as provided herein (the "Waiver Effective Date"). It is my intent to be legally bound, according to the terms set forth below.

In exchange for the payments and other benefits to be provided to me by the Company pursuant to the Separation Agreement (the "Separation Payment" and "Separation Benefits"), I hereby agree and state as follows:

1. I, individually and on behalf of my heirs, personal representatives, successors, and assigns, release, waive, and discharge Company, its predecessors, successors, parents, subsidiaries, merged entities, operating units, affiliates, divisions, insurers, administrators, trustees, and the agents, representatives, officers, directors, shareholders, employees and attorneys of each of the foregoing (hereinafter "Released Parties"), from all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, expenses, damages, actions, and causes of action, whether in law or in equity, whether known or unknown, suspected or unsuspected, arising from my employment and termination from employment with Company, including but not limited to any and all claims pursuant to Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991 (42 U.S.C. § 2000e, *et seq.*), which prohibits discrimination in employment based on race, color, national origin, religion or sex; the Civil Rights Act of 1866 (42 U.S.C. §§1981, 1983 and 1985), which prohibits violations of civil rights; the Age Discrimination in Employment Act of 1967, as amended, and as further amended by the Older Workers Benefit Protection Act (29 U.S.C. §621, *et seq.*), which prohibits age discrimination in employment; the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. § 1001, *et seq.*), which protects certain employee benefits; the Americans with Disabilities Act of 1990, as amended (42 U.S.C. § 12101, *et seq.*), which prohibits discrimination against the disabled; the Family and Medical Leave Act of 1993 (29 U.S.C. § 2601, *et seq.*), which provides medical and family leave; the Fair Labor Standards Act (29 U.S.C. § 201, *et seq.*), including the wage and hour laws relating to payment of wages; and all other federal, state and local laws and regulations prohibiting employment discrimination. This Release also includes, but is not limited to, a release of any claims for breach of contract, mental pain, suffering and anguish, emotional upset, impairment of economic opportunities, unlawful interference with employment rights, defamation, intentional or negligent infliction of emotional distress, fraud, wrongful termination, wrongful discharge in violation of public policy, breach of any express or implied covenant of good faith and fair dealing, that Company has dealt with me unfairly or in bad faith, and all other common law contract and tort claims.

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Notwithstanding the foregoing, I am not waiving any rights or claims under the Separation Agreement or that may arise after this Waiver and Release is signed by me. Moreover, this Waiver and Release does not apply to any claims or rights which, by operation of law, cannot be waived, including the right to file an administrative charge or participate in an administrative investigation or proceeding; however, by signing this Waiver and Release I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding. Nothing in this Waiver and Release shall affect in any way my rights of indemnification and directors and officers liability insurance coverage provided to me pursuant to the Company's by-laws, my employment agreement, and/or pursuant to any other agreements or policies in effect prior to the effective date of my termination, which shall continue in full force and effect, in accordance with their terms, following the Waiver Effective Date.

2. I forever waive and relinquish any right or claim to reinstatement to active employment with Company, its affiliates, subsidiaries, divisions, parent, and successors. I further acknowledge that Company has no obligation to rehire or return me to active duty at any time in the future.
3. I acknowledge that all agreements applicable to my employment respecting non-competition, non-solicitation, non-recruitment, derogatory statements, and the confidential or proprietary information of the Company shall continue in full force and effect as described in the Employment Agreement, as modified by the Separation Agreement.
4. I hereby acknowledge and affirm as follows:
  - a. I have been advised to consult with an attorney prior to signing this Waiver and Release.
  - b. I have been extended a period of 21 days in which to consider this Waiver and Release.
  - c. I understand that for a period of seven days following my execution of this Waiver and Release, I may revoke the Waiver and Release by notifying the Company, in writing, of my desire to do so. I understand that after the seven-day period has elapsed and I have not revoked this Waiver and Release, it shall then become effective and enforceable. I understand that the Separation Payment will not be made under the Separation Agreement and I will not be entitled to the Severance Benefits made under the Separation Agreement until after the seven-day period has elapsed and I have not revoked this Waiver and Release.
  - d. I acknowledge that I have received payment for all wages due at time of my employment termination, including any reimbursement for any and all business related expenses. I further acknowledge that the Separation Payment and the Separation Benefits are consideration to which I am not otherwise entitled under any Company plan, program, or prior agreement.

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- e. I certify that I have returned all property of the Company, including but not limited to, keys, credit and fuel cards, files, lists, and documents of all kinds regardless of the medium in which they are maintained.
  - f. I have carefully read the contents of this Waiver and Release and I understand its contents. I am executing this Waiver and Release voluntarily, knowingly, and without any duress or coercion.
5. I acknowledge that this Waiver and Release shall not be construed as an admission by any of the Released Parties of any liability whatsoever, or as an admission by any of the Released Parties of any violation of my rights or of any other person, or any violation of any order, law, statute, duty or contract.
  6. I agree that the terms and conditions of this Waiver and Release are confidential and that I will not, directly or indirectly, disclose the existence of or terms of this Waiver and Release to anyone other than my attorney or tax advisor, except to the extent such disclosure may be required for accounting or tax reporting purposes or otherwise be required by law or direction of a court. Nothing in this provision shall be construed to prohibit me from disclosing this Waiver and Release to the Equal Employment Opportunity Commission in connection with any complaint or charge submitted to that agency.
  7. In the event that any provision of this Waiver and Release should be held void, voidable, or unenforceable, the remaining portions shall remain in full force and effect.
  8. I hereby declare that this Waiver and Release and the Separation Agreement constitute the entire and final settlement between me and the Company, superseding any and all prior agreements, and that the Company has not made any promise or offered any other agreement, except those expressed in this Waiver and Release and the Separation Agreement, to induce or persuade me to enter into this Waiver and Release.

IN WITNESS WHEREOF, I have signed this Waiver and Release on the \_\_\_\_ day of \_\_\_\_\_, 2012.

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DAVID C. MANNON



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**Appendix C**

1. BAS Basic Energy Services, Inc. (NYSE)
2. HP Helmerich & Payne Inc. (NYSE)
3. HERO Hercules Offshore, Inc. (NYSE)
4. KEG Key Energy Services Inc. (NYSE)
5. NBR Nabors Industries Ltd. (NYSE)
6. PDC Pioneer Drilling Company (NYSE)
7. PDS Precision Drilling Trust (NYSE)
8. SPN Superior Energy Services (NYSE)
9. TDG Trinidad Drilling Ltd. (TSX)
10. KCA Deutag
11. Knight Oil Tools

**SECOND AMENDMENT  
TO  
FIRST AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT**

THIS SECOND AMENDMENT (this "**Amendment**") is made and entered into as of March 5, 2012 (the "**Amendment Date**") by and between PARKER DRILLING COMPANY, a Delaware corporation (the "**Company**"), and ROBERT L. PARKER, JR. ("**Executive**"), and is an amendment to that certain First Amended and Restated Employment Agreement between the Company and Executive made and entered into as of March 13, 2011, as amended by that certain First Amendment dated August 29, 2011 (collectively, the "**Agreement**"). The Company and Executive are sometimes hereinafter referred to singularly as a "**Party**" or collectively as the "**Parties**".

WITNESSETH:

WHEREAS, the Company and Executive desire to enter into this Amendment to change Executive's title, duties and responsibilities with the Company, and provide for corresponding changes in Executive's compensation, as further provided herein.

NOW, THEREFORE, in consideration of Executive's employment with the Company, and the mutual promises and agreements contained herein, the Parties hereto agree as follows:

1. Section 2(a) of the Agreement is hereby amended by deleting "\$425,000" and replacing it with "\$637,300". Notwithstanding such increase in Executive's Base Salary (as defined in the Agreement), for purposes of Section 6(a)(1) of the Agreement, Executive's Base Salary and annual incentive target bonus for the 2012 calendar year and subsequent calendar years shall be based on a Base Salary of \$425,000. Executive's annual incentive target bonus for calendar year 2012 shall equal his blended Base Salary for the 2012 calendar year (\$601,917). Executive's awards under the Company's long-term incentive plan for the 2012 calendar year shall be based on his Base Salary of \$637,300.

2. Section 2(c) of the Agreement is hereby amended by adding the following to the end of such Section:

"In addition to Executive's rights under such long-term incentive plan(s) and the applicable award agreements (collectively, "**Plan Documents**"), in the event of termination of Executive's employment (i) due to Executive's death, Disability or Retirement (including the deemed Retirement of Executive pursuant to Section 42), (ii) by Executive for Good Reason, or (iii) by the Company without Cause, all of the restrictions and other conditions of all grants of performance-based long-term incentives then outstanding, including, but not limited to, performance-based cash awards and performance-based restricted stock units, shall vest and

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be deemed satisfied on a Pro Rata Basis (as hereinafter defined) on the Termination Date. Upon such termination of employment, all other long-term incentives that remain unvested on the Termination Date will be treated as provided in the applicable Plan Documents. As used herein, (x) “**Pro Rata Basis**” means the number of months including any partial months during the “Performance Period” for which Executive is employed before the Termination Date, divided by the total number of months in the Performance Period and (y) “**Performance Period**” means the period of time over which performance and/or continued employment is measured for the purpose of determining Executive’s rights to, and the value of, such long-term incentives (typically 36 months under the Company’s current Plan Documents). Notwithstanding vesting on a Pro Rata Basis pursuant to this provision, payment for performance-based awards (to the extent the performance criteria are met) to Executive shall be made after the end of the Performance Period at the same time and on the same basis as such payments are made to the other Grantees (as defined in the Plan Documents), including with regard to the determination of the value of the performance-based awards and the combination of Company stock and/or cash payable to the Grantees.”

3. Section 3 of the Agreement is hereby replaced in its entirety with the following:

“During the Employment Period, Executive shall devote his full business time and attention to the Company’s business and shall promote its success and shall perform the duties and responsibilities assigned to him by the Reporting Authority from time to time to the best of his ability and with reasonable diligence, with the primary duties and responsibilities as of the date of this Agreement as set forth in Section 1 of Appendix B of the Agreement.”

4. A new Section 7(f) is hereby added to the end of Section 7 to read as follows:

“(f) **Potential Reduction in Payments**. Notwithstanding any other provision of this Agreement to the contrary, if any Payment would be subject to the Excise Tax, then the Payment shall be either

- (1) delivered in full pursuant to the terms of this Agreement or
- (2) reduced in accordance with this Section 7(f) to the extent necessary to avoid the Excise Tax,

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based on which of (1) or (2) would result in the greater Net After-Tax Receipt to Executive.

For purposes of this Section 7(f):

“**Payment**” means any payment, distribution, or other benefit to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise that constitutes a “parachute payment” within the meaning of Section 280G of the Code;

“**Excise Tax**” means the excise imposed by Section 4999 of the Code or any similar or successor provision thereto; and

“**Net After-Tax Receipt**” means the present value (as determined in accordance with Section 280G of the Code) of the payments net of all applicable federal, state and local income, employment, and other applicable taxes and the Excise Tax.

If Payments are reduced, the reduction shall be accomplished first by reducing cash Payments under this Agreement, in the order in which such cash Payments otherwise would be paid and then by forfeiting any equity-based awards that vest as a result of the Change in Control, starting with the most recently granted equity-based awards, to the extent necessary to accomplish such reduction.

All determinations under this Section 7(f) shall be made by the Company’s independent accountants or compensation consultants (the “Third Party”) and all such determinations shall be conclusive, final and binding on the parties hereto. The Company and Executive shall furnish to the Third Party such information and documents as the Third Party may reasonably request in order to make a determination under this Section 7(f). The Company shall bear all reasonable fees and costs of the Third Party with respect to determinations under or contemplated by this Section 7(f).

5. The last paragraph of Section (31) in Appendix A is hereby replaced in its entirety with the following two paragraphs:

“It is contemplated that during the Employment Period some of Executive’s duties, responsibilities and titles may be changed and Executive agrees that so long as he is maintained as an employee of the Company and Executive Chairman of the Board, Executive will not by reason of any such change in one or more of his duties, responsibilities or titles constitute “Good Reason” under this

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Agreement. Executive agrees that the Company may change Executive's total compensation from time to time so long as each of his Base Salary, annual incentive bonus opportunity and long-term incentive plan opportunity as of the Effective Date is not decreased by more than one-third (and only if there is a commensurate decrease in Executive's duties and responsibilities), and Executive agrees such decrease will not constitute "Good Reason" under this Agreement.

Notwithstanding the above, if either the Company or Executive has given timely notice in accordance with Section 4 of the Agreement that the Term of Employment will not be renewed, then Section (31)(C) above shall not apply, and the occurrence of an event described therein shall not constitute a basis for "Good Reason", during the 60-day period ending on the last day of the Term of Employment."

6. Section 41 is hereby deleted in its entirety.

7. Appendix B is hereby replaced in its entirety with the following:

**"APPENDIX B**

(1) Primary Duties and Responsibilities of Executive:

- Chairman Role, including calling Board meetings and setting agenda for Board meetings
- Interim CEO
- Execute on the strategy of the Company
- Ensure financial results, business strategies and milestones are communicated to the investment community
- Oversee framework of effective internal controls to ensure compliance with SOX, Company Policy, FCPA, OFAC and other applicable laws and regulations
- Ensure accurate, timely and clear information flow to the Board
- Drive execution of major projects
- Maintain communication with shareholders, customers, and employees
- Travel to Company sites
- Work with leadership team to assure common goals are aligned with and cascade into Company

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- Work with Board of Directors on strategy, issues, direction, and growth plans
  - Communicate with Board of Directors on any significant issues
  - Drive safety, compliance and ethics in the organization
  - Communicate between the board and leadership team
  - Direct reports include CFO, VP-Operations, VP-Technical Services, VP-Administration, General Counsel, Director-Aviation and Chief Compliance Officer
  - Help direct review of strategic alternatives and help participate in search of new CEO

(2) Additional Service Capacities:

Non Business Related:

- University of Texas – Development Board-Austin
- Texas Exes-Austin
- UT Health Science Center @ Houston – Development Board
- Longhorn Foundation Advisory Council at Austin
- World Presidents Organization-Houston
- Texas Wildlife Association
- Schreiner University – Board of Trustees
- Houston Technology Center – Board of Directors

Business related:

- IADC
- IPAA (independent petroleum assoc of America)
- API
- NPC (national petroleum council)
- US Russian Business Council
- US Kazakhstan Business Association
- US Turkmenistan Council
- CERA (HIS/Cambridge Energy Research Association)
- Greater Houston Partnership

8. Except as otherwise set forth in Sections 1 through 6 above, the terms of the Agreement shall continue in effect. The amendments set forth in this Amendment are effective as of the Amendment Date, except for the amendment set forth in Section 1 hereof, which is effective as of March 1, 2012.

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9. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signatures, each signed by one Party but together signed by both Parties.

**[SIGNATURE PAGE FOLLOWS]**

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IN WITNESS WHEREOF, the Executive has set his hand and the Company has caused this Agreement to be executed in its name and on its behalf by its duly authorized officer to be effective on the Amendment Date.

**PARKER DRILLING COMPANY**

By: /s/ W. Kirk Brassfield

Name: W. Kirk Brassfield

Title: Senior Vice Pres. & CFO

Date: March 5, 2012

**EXECUTIVE**

/s/ ROBERT L. PARKER, JR.

**ROBERT L. PARKER, JR.**



### **Parker Drilling Reports Executive Departure**

HOUSTON, March 6, 2012 — Parker Drilling (NYSE: PKD), an international drilling contractor and service provider, announced today the departure of David C. Mannon, president, chief executive officer and director, to pursue other interests effective March 9, 2012. The Company also announced that Robert L. (Bobby) Parker Jr., the Company's executive chairman and previous CEO, will resume the duties of president and chief executive officer and continue to serve as executive chairman while the Company continues its search for Mr. Mannon's permanent replacement.

"We are grateful to Dave for his service to Parker Drilling and the leadership he has demonstrated since joining the Company in 2004," said Rob McKee, presiding director of the Board. "Our organization has benefited enormously from Dave's operational and business expertise. On behalf of the Board, I wish Dave well in all his future endeavors."

McKee continued, "We are pleased that Bobby Parker has agreed to resume the duties of chief executive officer and president of the Company while we search for Dave's successor." During Mr. Parker's previous tenure as chief executive officer and president, the Company designed, built and operated some of the world's most powerful and sophisticated land rigs and pioneered new drilling technologies that enabled the Company's customers to access massive reserves previously thought to be inaccessible.

#### **Company Description**

Parker Drilling (NYSE: PKD) provides high-performance contract drilling solutions, rental tools and project management services to the energy industry. Parker's rig fleet includes 24 land rigs and two offshore barge rigs operating in international locations, 13 barge rigs operating in the U.S. Gulf of Mexico, one land rig located in the U.S., and two land rigs in Alaska undergoing commissioning. The Company's rental tools business supplies premium equipment to operators on land and offshore in the U.S. and select international markets. Parker also performs contract drilling for customer-owned rigs and provides technical services addressing drilling challenges for E&P customers worldwide. More information about Parker Drilling can be found at <http://www.parkerdrilling.com>.

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**Company Contacts:**

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