



Investor Presentation August 2016



Forward Looking Statements Caution



The following presentation contains certain statements that may be deemed to be “forward-looking statements” within the meaning of the securities laws of the United States. All statements, other than statements of historical facts, addressing activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, the outlook for rig utilization and day rates, general industry conditions including bidding activity, future results of the Company’s operations, capital expenditures, income tax matters, expansion and growth opportunities, financing activities, debt repayment, returns on capital, cash flows and other such matters, are forward-looking statements. Although the Company believes its expectations stated in this presentation are based on reasonable assumptions, actual results may differ materially from those expressed or implied in the forward-looking statements. For a more detailed discussion of risk factors, please refer to the Company’s reports filed with the SEC, including the reports on Forms 10-K and 10-Q. Each forward-looking statement speaks only as of the date of this presentation, and the Company undertakes no obligation to publicly update or revise any forward-looking statement.

Be the premier supplier of rental tools and specialized drilling services in select U.S. and international markets

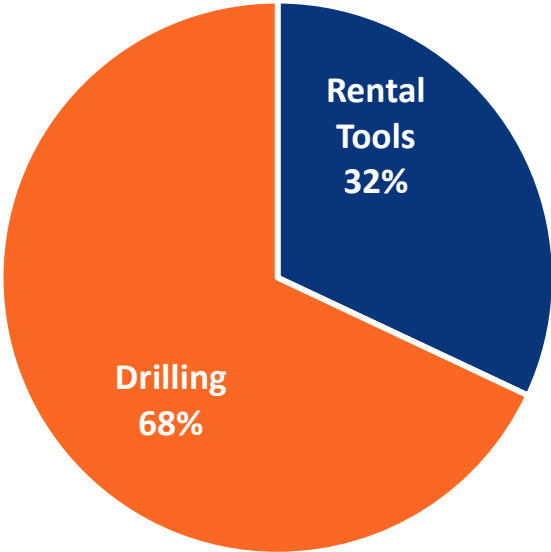


- Operational execution
- Reduce customers' operating risks and operating costs
- Manage downturn and position company for growth
- Financial discipline

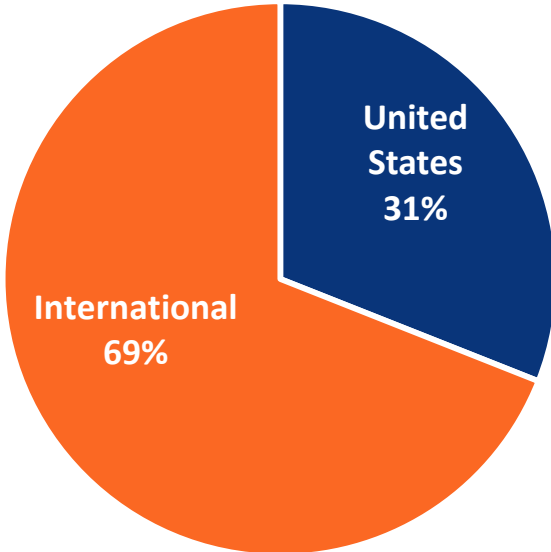
Deliver Reliable Results and Improved Profitability

Revenue Profile

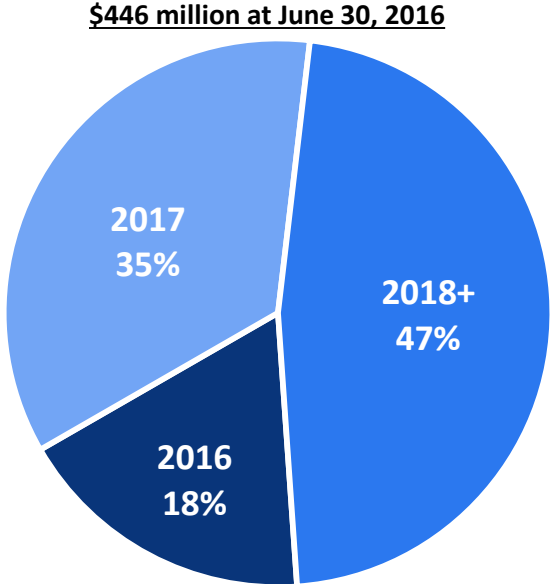
Portfolio¹



Geography¹



Backlog²



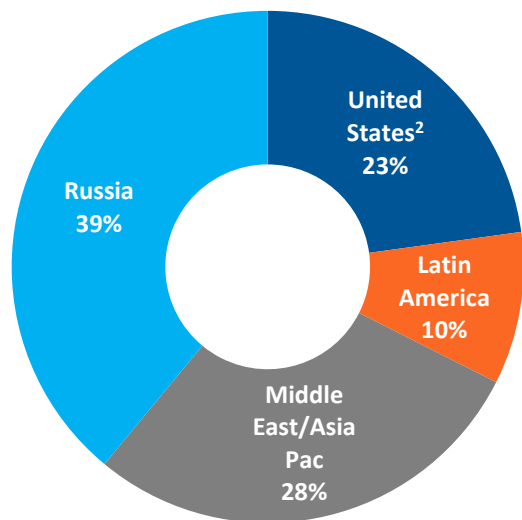
¹Prior four quarters thru 2Q'16

²Worldwide revenue backlog is an estimate. It does not include rental revenues and all other drilling revenues we may earn, including those for added services, reimbursables, mobilization or demobilization. Nor does it anticipate revenue reductions that may be due to conditions that would lead to reduced dayrates or early terminations.

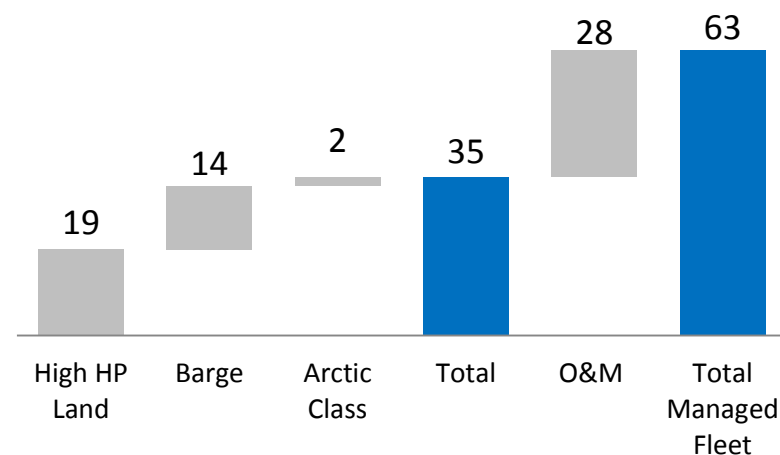
Operating Strengths

- Highly capable fleet to meet challenging drilling requirements
- O&M contracts leverage drilling experience and expertise
- Building scale in large and growing international markets
- Market share leader for barge rigs in the Gulf of Mexico

Revenues by Geography¹



Rig Fleet³



¹ Prior four quarters thru 2Q'16, excludes reimbursable revenues

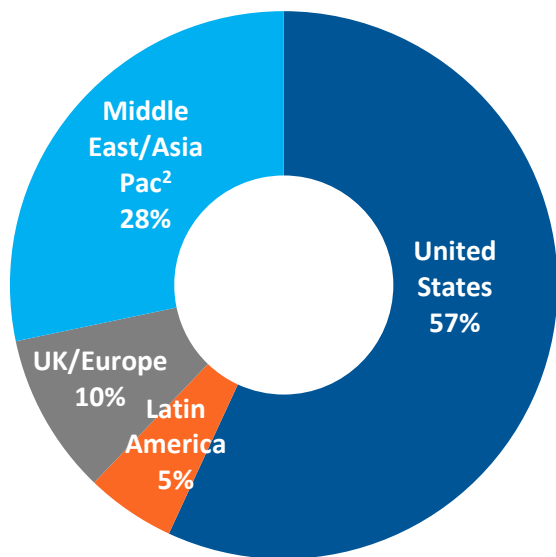
² Includes US Lower 48 and Alaska

³ As of June 30, 2016

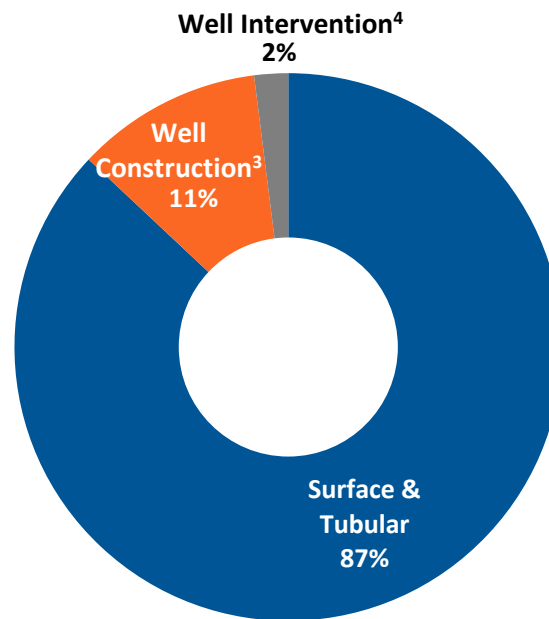
Operating Strengths

- A leading supplier in U.S. land, U.S. offshore and international markets
- Strong growth in up cycles, resilient operating margins in down cycles
- A solid international platform with major presence in Middle East
- Increasing presence in Gulf of Mexico offshore deepwater market

Revenues by Geography¹



Revenues by Product Offering¹



¹ Prior four quarters thru 2Q'16.

² Includes Africa, Middle East, Asia Pacific, and Russia.

³ Tubular running services and BHA drilling tools

⁴ Fishing services and re-entry (whipstock)

Current Strategic Focus

- 1 Successfully navigate the downturn**
 - Focus on cash flow
 - Financial flexibility

- 2 Build on rental tools strength**
 - Maintain and expand market leadership of U.S. rentals
 - Further improve operating performance of international rentals

- 3 Maintain U.S. barge business for recovery**

- 4 Build scale in International & Alaska drilling business**
 - Focus on core markets
 - Expand O&M business model

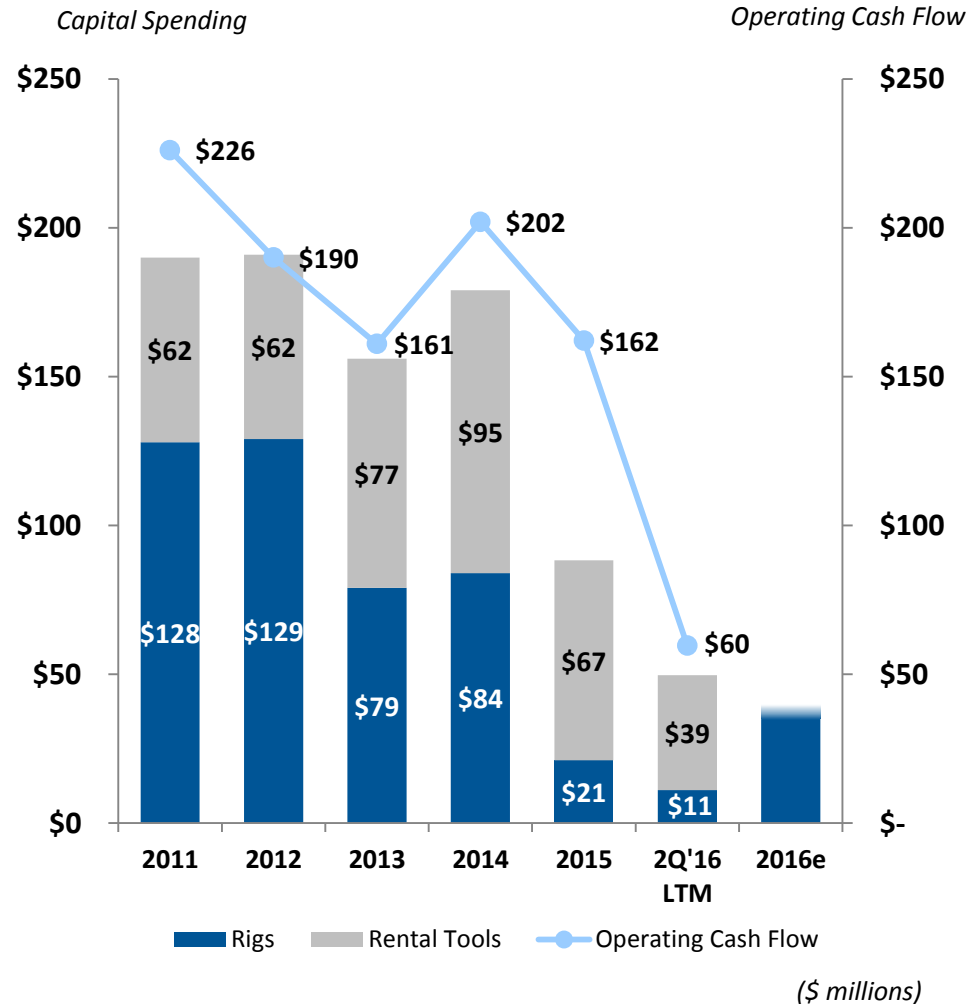
- 5 Leverage operational execution track record to grow**
 - Capital discipline priority

1 Navigate the Downturn – Free Cash Flow

Action Items

- **Lower cost structure**
 - ~30% reduction in headcount since YE'14
 - Both BUs & Corp
 - Deeper cuts in most affected BUs
- **Sustain utilization**
 - Rigs
 - Rentals
- **Maintain working capital diligence**
- **Reduce capital expenditures**

Cash Flow and Capital Spending

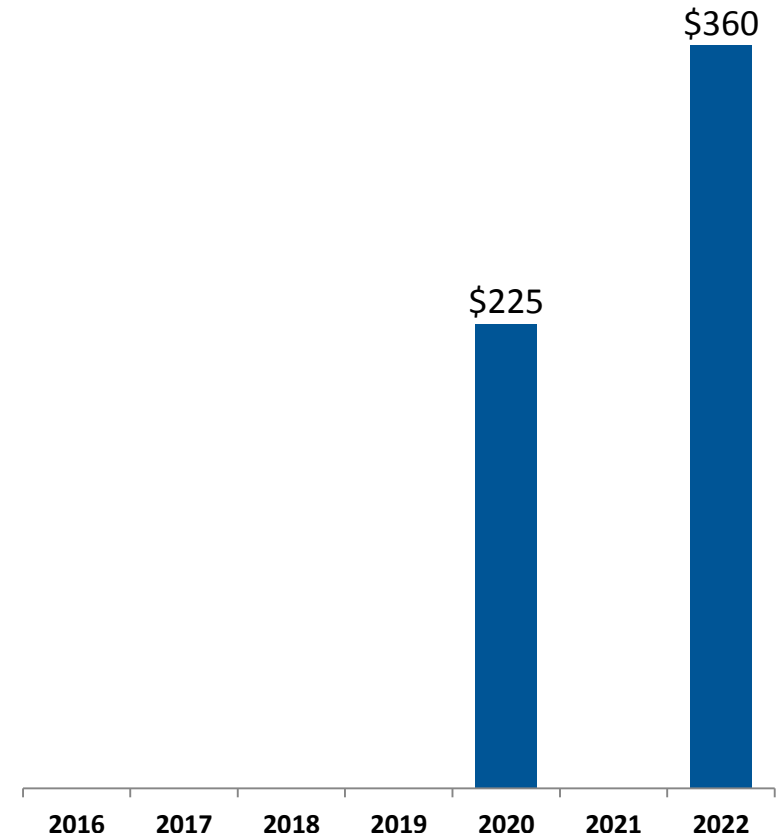


1 Navigate the Downturn – Financial Flexibility PARKER DRILLING

Financial Position

| | (\$ millions) | 6/30/2016 |
|---|---------------|-----------|
| Cash | | 109 |
| Revolver Borrowings | | - |
| 7 1/2% Sr Notes due 2020 | | 225 |
| 6 3/4% Sr Notes due 2022 | | 360 |
| Stockholder's Equity | | 431 |
| Capitalization | | 1,016 |
| Credit Facility Availability ¹ | | 88 |
| Liquidity | | 197 |
| Debt/Capitalization | | 58% |
| Debt/ TTM Adjusted EBITDA | | 7.0 |

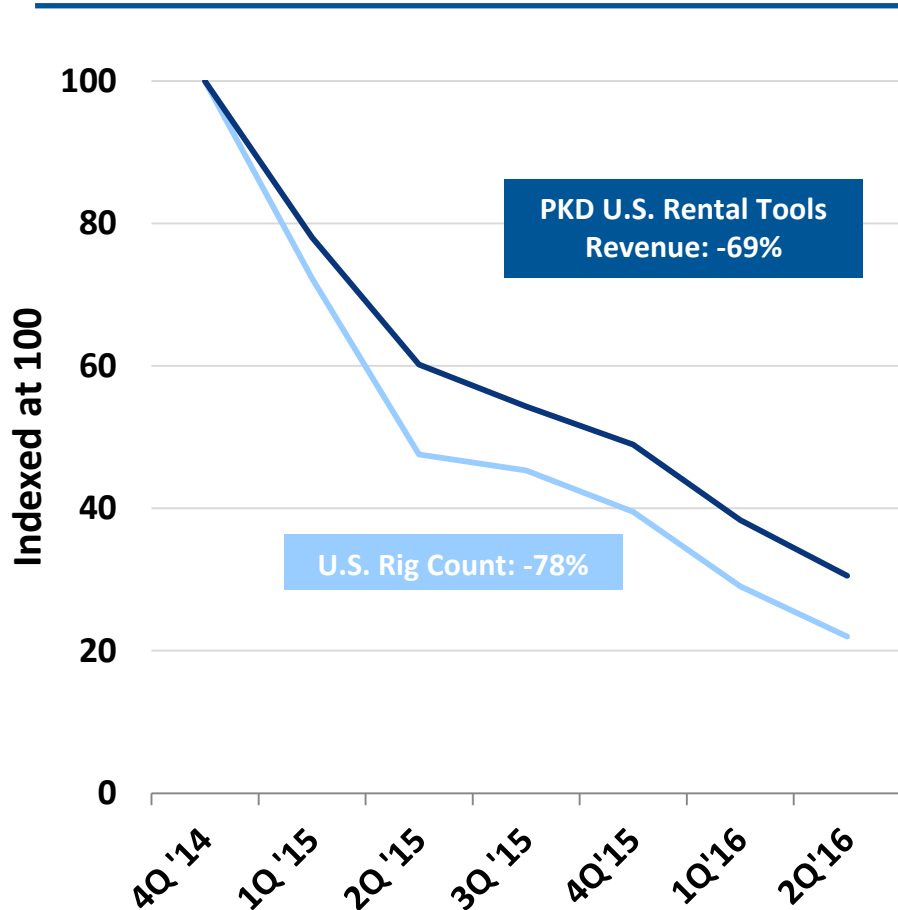
Senior Notes Maturity Schedule



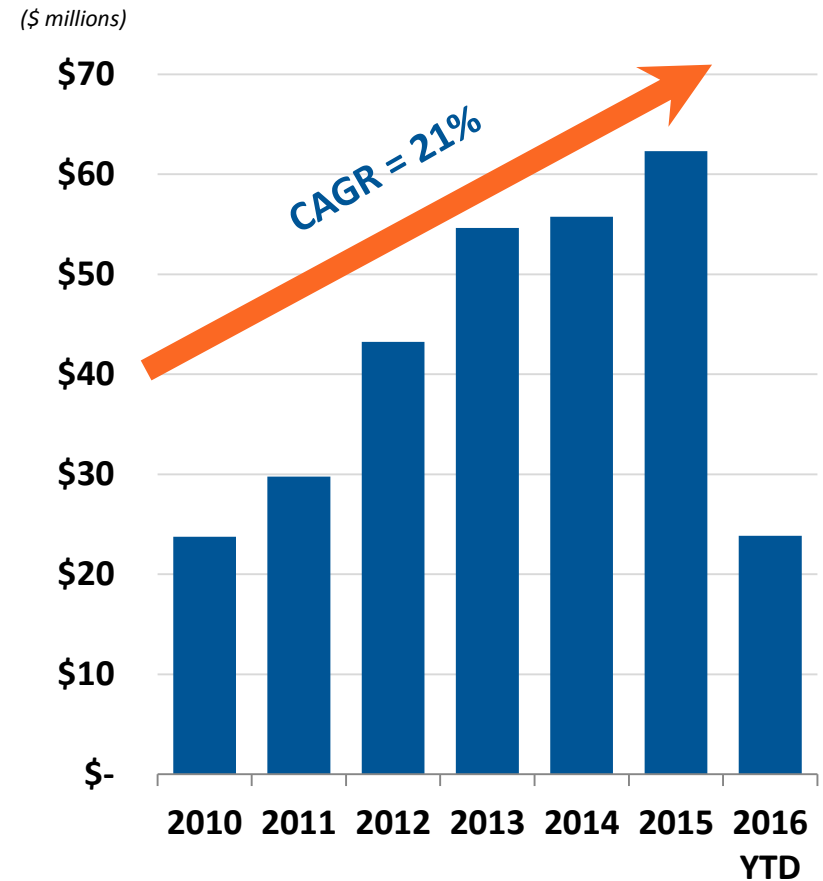
¹ Portion used to support letters of credit is deducted: \$11.8 million at 6/30/16. Credit facility size reduced from \$200 million to \$100 million effective May 27, 2016.

2 U.S. Rentals - Maintain Market Leadership

U.S. Rig Count vs. Rental Tools



Gulf of Mexico Revenue

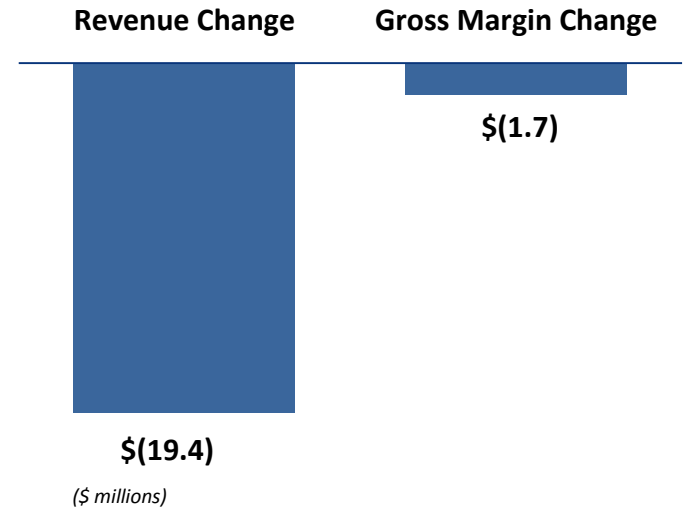


2 Int'l Rentals - Further Improve Performance

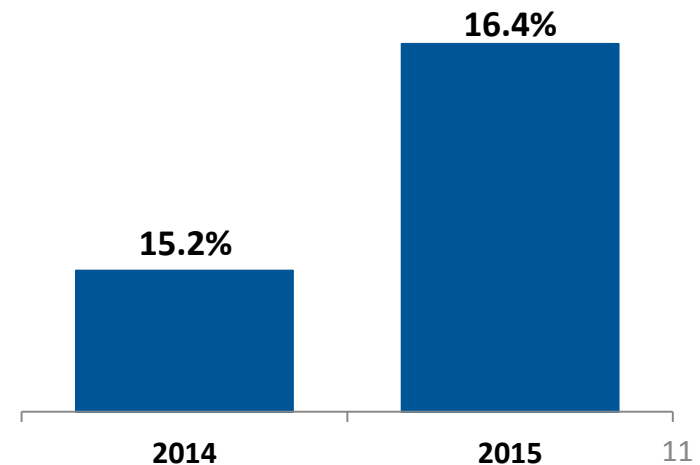
Action Items

- Inserted new management
- Consolidated and closed under-performing locations
- Reduced headcount
- Improved supply chain management and cost structure
- Capital expenditure discipline

Revenue vs. Gross Margin \$ Variance: 2014 vs. 2015

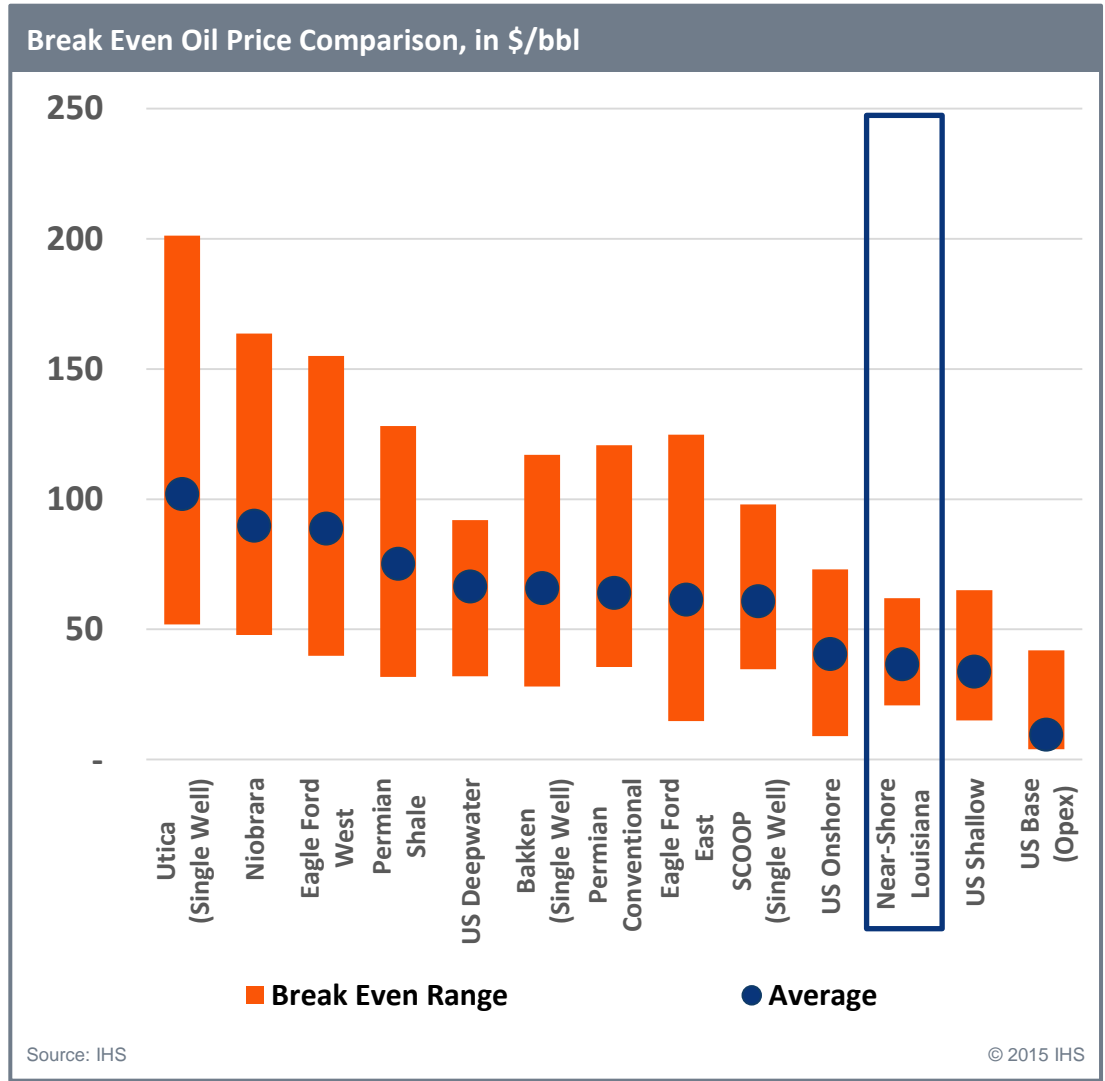


Gross Margin %



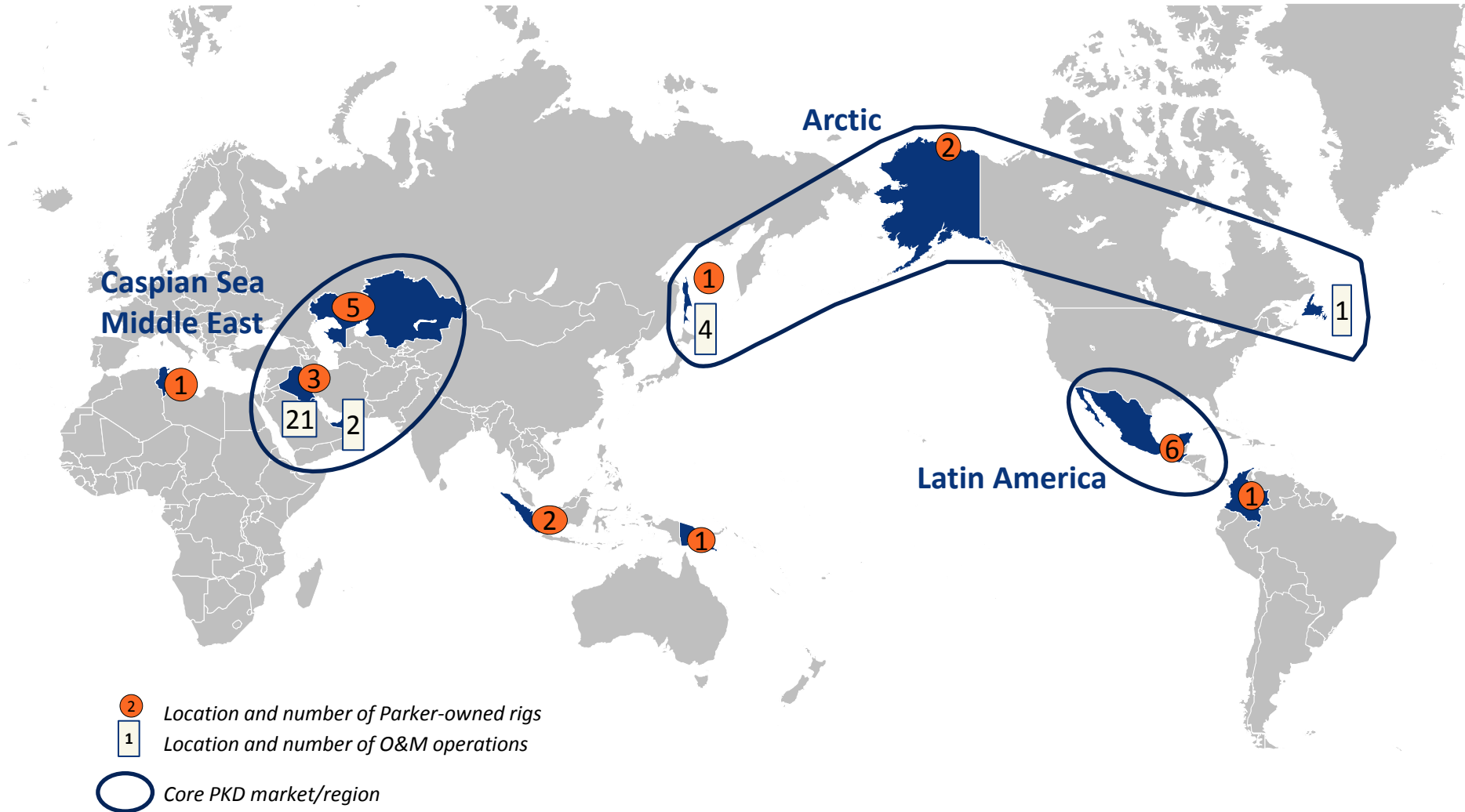
3 Maintain U.S. Barge Business for Recovery

- **GOM inland water market remains attractive**
 - Low breakeven oil price
- **Low idle rig costs**
- **Solid historical results**
 - 2014 Gross Margin: \$68mm
 - 2014 Utilization: 72%
- **Strong operating leverage to recovery**



Note: Comparative economics based on NPV=0 at IRR= 15%; 2014 cost base

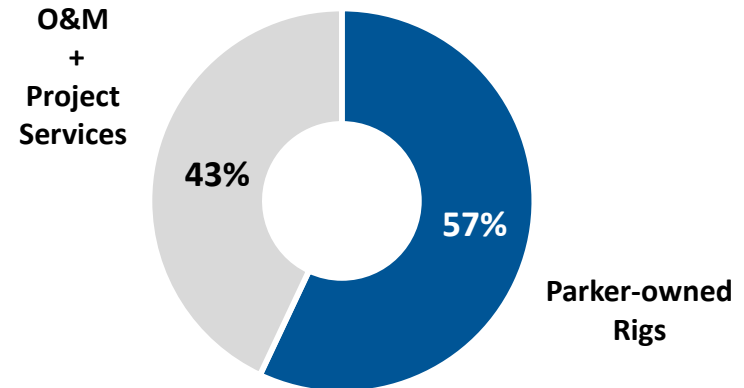
4 Build Scale in Core Int'l & Alaska Markets



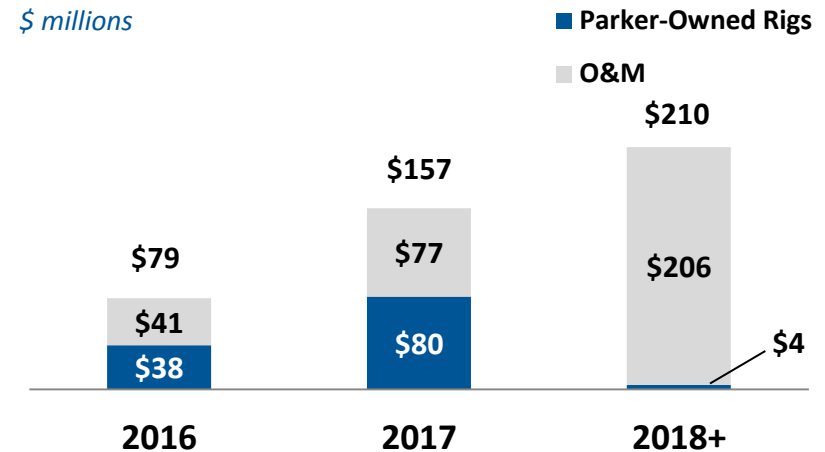
4 Expand O&M Business Model

- Generally high profile, complex customer projects requiring specific drilling equipment
- O&M service scope can be scaled to customer needs
- Contracts typically longer-term (2+ years) and customer “switching costs” higher
- Capital-light business model
- Enhance overall returns on capital

Drilling Revenues by Service Type ^{1,2}



Total Contracted Backlog ³



Total backlog of \$446 million at June 30, 2016

¹ Prior four quarters thru 2Q'16.

² Excluding reimbursables.

³ Worldwide revenue backlog is an estimate. It does not include all revenues we may earn, including those for added services, reimbursables, mobilization or demobilization. Nor does it anticipate revenue reductions that may be due to conditions that would lead to reduced dayrates or early terminations.

Strategy Execution Checklist

- ✓ Rental tools: Geographic and product-line extensions (organic and acquisitions)
- ✓ Drilling: O&M, long-term contracts for newbuilds and opportunistic acquisitions
- ✓ Return on capital focused
- ✓ Consider distressed assets
- ✓ International bias

- **Focus on managing cash and liquidity in downturn**
- **Favorable product/service and geographic mix relative to small-cap peers**
- **Return on capital driving strategies**
- **Leverage reputation as innovative, reliable and efficient provider to maintain market share**
- **Position Parker for recovery**



PARKER DRILLING

