

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED MAY 31, 1995

OR

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

FOR THE TRANSITION PERIOD FROM _____ TO

COMMISSION FILE NUMBER 1-7573

PARKER DRILLING COMPANY

(Exact name of registrant as specified in its charter)

Delaware

73-0618660

(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

Parker Building, Eight East Third Street, Tulsa, Oklahoma 74103

(Address of principal executive offices) (zip code)

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

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes No

As of June 30, 1995, 55,707,689 common shares were outstanding.

<TABLE>

PARKER DRILLING COMPANY

INDEX

<CAPTION>

<S>

<C>

Part I. Financial Information

Page No.

Consolidated Condensed Balance Sheets (Unaudited) -
May 31, 1995 and August 31, 1994

Consolidated Condensed Statements of Operations (Unaudited) - Three and Nine Months Ended May 31, 1995 and May 31, 1994	3
Consolidated Condensed Statements of Cash Flows (Unaudited) - Nine Months Ended May 31, 1995 and May 31, 1994	4
Notes to Unaudited Consolidated Condensed Financial Statements	5
Report of Review by Independent Accountants	6
Management's Discussion and Analysis of Financial Condition and Results of Operations	7 - 10

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K	11
Signatures	12
Exhibit 15, Letter Re Unaudited Interim Financial Information	
Exhibit 27, Financial Data Schedule	

</TABLE>

<TABLE>

PART 1. FINANCIAL INFORMATION

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Dollars in Thousands)
(Unaudited)

<CAPTION>

	May 31, 1995	August 31, 1994
ASSETS	-----	-----
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	\$ 14,437	\$ 10,660
Other short-term investments	6,126	3,811
Accounts and notes receivable	33,068	34,675
Rig materials and supplies	9,992	9,117
Other current assets	4,981	4,029
	-----	-----
Total current assets	68,604	62,292
Property, plant and equipment less accumulated depreciation, depletion and amortization of \$446,365 at May 31, 1995, and \$454,763 at August 31, 1994	121,109	127,178
Other noncurrent assets	18,133	19,878
	-----	-----
Total assets	\$207,846	\$209,348
	-----	-----

</TABLE>

<TABLE>

<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY

	<C>	<C>
<S>		
Current liabilities:		
Current portion of long-term debt	\$ 264	\$ -
Accounts payable and accrued liabilities	14,155	16,569
Accrued income taxes	5,020	5,053
	-----	-----
Total current liabilities	19,439	21,622
	-----	-----

Long-term debt	1,586	-
Deferred income tax	294	294
Other long-term liabilities	2,961	3,596
Minority interest	-	3,253
Stockholders' equity:		
Common stock, \$.16 2/3 par value	9,283	9,185
Capital in excess of par value	205,215	202,403
Retained earnings (accumulated deficit)	(27,281)	(28,307)
Other	(3,651)	(2,698)
	-----	-----
Total stockholders' equity	183,566	180,583
	-----	-----
Total liabilities and stockholders' equity	\$207,846	\$209,348
	-----	-----

See accompanying notes to consolidated condensed financial statements.

- 2 -

</TABLE>

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Dollars in Thousands Except Per Share Amounts)
(Unaudited)

<CAPTION>

	Three Months Ended		Nine Months Ended	
	May 31,		May 31,	
	1995	1994	1995	1994

<S>

<C>	<C>	<C>	<C>
-----	-----	-----	-----

Revenue:

Drilling contracts	\$42,193	\$35,631	\$111,973	\$114,721
Other	1,066	1,048	3,307	2,733
	-----	-----	-----	-----
Gross operating revenue	43,259	36,679	115,280	117,454
	-----	-----	-----	-----

Operating expense:

Drilling	31,023	28,595	82,890	87,060
Other	1,114	1,275	3,779	3,802
Depreciation, depletion and amortization	5,456	5,698	16,382	15,687
General and administrative	4,650	4,047	14,805	13,010
	-----	-----	-----	-----
	42,243	39,615	117,856	119,559
	-----	-----	-----	-----

Operating income (loss)

	1,016	(2,936)	(2,576)	(2,105)
	-----	-----	-----	-----

Other income and (expense):

Interest expense	(27)	(2)	(62)	(9)
Interest income	327	251	904	806
Other income (expense) - net	1,694	70	4,975	502
	-----	-----	-----	-----
	1,994	319	5,817	1,299
	-----	-----	-----	-----

Income (loss) before
income taxes

	3,010	(2,617)	3,241	(806)
	-----	-----	-----	-----

Income tax expense

	960	174	2,215	1,127
	-----	-----	-----	-----

Net income (loss)

	2,050	(2,791)	1,026	(1,933)
	-----	-----	-----	-----

Net income (loss) per share \$.04 \$ (.05) \$.02 \$ (.04)

Number of common shares used in computing earnings (loss) per share	54,856,901	54,325,100	54,693,610	54,209,089
	-----	-----	-----	-----
	-----	-----	-----	-----

See accompanying notes to consolidated condensed financial statements.

- 3 -

</TABLE>

<TABLE>

PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
(Dollars in Thousands)
(Unaudited)

<CAPTION>

	Nine Months Ended May 31,	
	1995	1994
	-----	-----
	<C>	<C>
Cash flows from operating activities:		
Net income (loss)	\$ 1,026	\$(1,933)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	16,382	15,687
Expenses not requiring cash	389	2,259
Change in operating assets and liabilities	(1,755)	(14,989)
Other-net	(3,051)	(705)
	-----	-----
Net cash provided by operating activities	12,991	319
	-----	-----
Cash flows from investing activities:		
Capital expenditures	(12,992)	(31,841)
Proceeds from the sale of equipment	6,198	1,247
Decrease (increase) in short-term investments	(2,315)	26,442
Other-net	121	(30)
	-----	-----
Net cash provided (used) by investing activities	(8,988)	(4,182)
	-----	-----
Cash flows from financing activities:		
Other	(226)	(304)
	-----	-----
Net cash provided (used) by financing activities	(226)	(304)
	-----	-----
Net change in cash and cash equivalents	3,777	(4,167)
Cash and cash equivalents at beginning of period	10,660	12,570
	-----	-----
Cash and cash equivalents at end of period	\$14,437	\$ 8,403
	-----	-----
Supplemental disclosure:		
Interest paid	\$ 2	\$ 9
Taxes paid	\$ 2,248	\$ 2,330

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.

See accompanying notes to consolidated condensed financial statements.

- 4 -

/TABLE

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 May 31, 1995 and August 31, 1994, (2) the results of operations for the three and nine months ended May 31, 1995 and May 31, 1994, and (3) cash flows for the nine months ended May 31, 1995 and May 31, 1994. Results for the nine months ended May 31, 1995, are not necessarily indicative of the results which will be realized for the year ending August 31, 1995. The August 31, 1994 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, 1994.

The Company reclassified division office expenses of \$6,689,000 and \$6,901,000 from general and administrative expense to either drilling or other operating expense for the nine months ended May 31, 1995 and 1994, respectively. Division office expenses of \$2,215,000 and \$2,255,000 were similarly reclassified for the three months ended May 31, 1995 and 1994, respectively.

2. Earnings per common share is based on the weighted average number of common shares outstanding during the period.

For the periods presented, potentially dilutive securities do not have a material dilutive effect.

3. In November 1994, the Company acquired a limited partner's ownership interest in two consolidated partnerships, PCA I Limited ("PCA I") and PCA II Limited ("PCA II"), in exchange for a promissory note of \$1.8 million. The promissory note is payable in seven equal annual installments beginning November 1995, with interest at 5 3/4%. Through this transaction the Company acquired all of the limited partnership interest in PCA I and the partnership was dissolved.

The acquisition was accounted for under the purchase method of accounting. The estimated fair value of the net assets acquired exceeded the cost of acquisition. After the net book value of long-term assets acquired was written down to zero, negative goodwill of \$1.2 million was recorded. This negative goodwill is being amortized on the straight-line basis over 3 years, which is the remaining estimated useful life of the assets acquired.

In December 1994, the Company acquired the remaining limited partnership interest in PCA II and dissolved the partnership.

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 May 31, 1995, and the related consolidated condensed statements of operations for the three and nine month periods ended May 31, 1995 and 1994 and consolidated condensed statements of cash flows for the nine month periods ended May 31, 1995 and 1994. 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 auditing standards, the consolidated balance sheet as of August 31, 1994, 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 18, 1994, 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, 1994, 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
July 12, 1995

- 6 -

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

RESULTS OF OPERATIONS

Third Quarter of Fiscal 1995 Compared with Third Quarter of Fiscal 1994

The Company recorded net income of \$2.0 million in the third quarter of fiscal 1995 compared to a net loss of \$2.8 million in the corresponding quarter of fiscal 1994. The improvement of \$4.8 million was due primarily to improved drilling margins and an increase in other income (expense).

Drilling revenue increased \$6.6 million to \$42.2 million in fiscal 1995's third quarter from \$35.6 million in the third quarter of fiscal 1994. Utilization of the Company's entire rig fleet was 40 percent in the third quarter of the current fiscal year compared to 37 percent in the prior year's third quarter. Utilization of the Company's international and domestic rig fleets in the third quarter of fiscal 1995, was 55 percent and 20 percent, respectively. This compares to 53 percent for the international fleet and 16 percent for the domestic fleet in the same quarter of the prior fiscal year. (Fiscal 1994 utilization has been adjusted to reflect rigs removed from the rig fleet at the end of fiscal 1994.)

Western Hemisphere international drilling revenue increased \$7.3 million in the third quarter of fiscal 1995 when compared to the same quarter of fiscal 1994. Increased utilization in Colombia and Peru was partially responsible for the increase. In Argentina, the Company also experienced an increase in revenue as additional utilization in the northern and middle regions of the country more than offset decreased utilization in the country's southern region. These revenue increases were offset somewhat in Ecuador, where the Company's rig which was operating in the third quarter of the prior fiscal year was not operating in the current quarter.

Drilling revenue in Africa, the Middle East and Commonwealth of Independent States declined \$1.4 million primarily due to a reduction in revenue from a labor contract in the country of Kazakhstan offset somewhat by revenue from a one-rig contract in the same country. This rig completed drilling operations in the third quarter.

The Asia Pacific region recorded an increase in drilling revenue of \$.5 million in the third quarter of fiscal 1995 when compared to the same quarter of fiscal 1994, primarily due to increased utilization in New Zealand and revenue earned from a labor contract in China. Domestic drilling revenue was essentially flat when comparing the same two periods.

Drilling margins (drilling revenue less drilling expense) improved \$4.1 million when comparing the third quarter of fiscal 1995 with the third quarter of fiscal 1994, primarily due to improved drilling margins in Colombia and Argentina. As noted in the Company's Form 10-Q for last year's third quarter, margins in those countries had been negatively impacted by increased operating costs associated with the start-up of rigs and drilling problems on some of the footage rate contracts. Some of the improvement in Argentina's margins in fiscal 1995 was attributable to the obtaining of daywork contracts in the northern and middle regions of that country.

- 7 -

RESULTS OF OPERATIONS (Continued)

Other income (expense) increased \$1.7 million due primarily to gains recorded on the disposition of assets, both domestic and international. The Company continued its efforts in selling assets that are no longer a part of its current marketing strategy. Income tax expense increased \$.8 million for the quarter comparison due in part to the fiscal 1994 reversal of an accrual in a country where the Company received a favorable tax treatment of earnings from prior years' operations.

First Nine Months of Fiscal 1995 Compared with First Nine Months of Fiscal 1994

The Company's net income of \$1.0 million for the first nine months of fiscal 1995 is a \$3.0 million improvement over the results of the first nine months of fiscal 1994. Increased drilling margins and other income (expense) were the primary reasons for the improvement in earnings, reduced somewhat by increased general and administrative, depreciation, and income tax expenses.

Drilling revenue for the first nine months of fiscal 1995 declined \$2.7 million compared with the first nine months of the prior fiscal year. Utilization of 39 percent for the Company's worldwide rig fleet for the first

three quarters of the current fiscal year compares to 41 percent utilization for the same period of the prior fiscal year. International utilization declined from 57 percent to 54 percent while domestic utilization declined from 22 percent to 21 percent when comparing the same periods.

Drilling revenue in the Company's Western Hemisphere international operations increased \$18.6 million due to increased utilization in Argentina and Colombia offset by a decline in utilization in Ecuador, where two rigs operating in that country completed contracts in fiscal 1994.

Drilling operations in Africa, the Middle East and the Commonwealth of Independent States recorded a decline in revenue of \$13.9 million when comparing the first nine months of fiscal 1995 with fiscal 1994. In fiscal 1994, the Company completed one-rig contracts in the Congo and Yemen and a two-rig contract in the Russian Republic. These completed contracts, together with reduced revenue from a labor contract in Kazakhstan, were the primary reasons for the decline in revenue. The rigs from the Congo and Yemen were redeployed to Argentina where both rigs are currently operating. In August the Company will resume drilling operations in Russia under a multi-well, three-year, one-rig contract.

The Asia Pacific region of the Company's operations recorded a decline in drilling revenue of \$3.1 million. A decline in utilization in New Guinea was the primary reason, offset somewhat by increased utilization in New Zealand and increased revenue from a labor contract in China.

Domestic drilling revenue declined \$4.7 million for the nine-month comparison due to less utilization in Alaska and the Rocky Mountain region offset to some degree by increased utilization in the Mid-Continent states.

Drilling margins as a percent of revenue increased from 24 percent for the first nine months of fiscal 1994 to 26 percent for the same period of the current fiscal year, due to improved margins from the Company's international

- 8 -

RESULTS OF OPERATIONS (Continued)

operations. Depreciation expense increased \$.7 million between the two periods due to fiscal 1994 capital expenditures. General and administrative expense for the first nine months of fiscal 1995 increased \$1.8 million over the same period in fiscal 1994 due primarily to increased amortization of deferred compensation and legal expenses. Other income (expense) increased \$4.5 million as the Company recognized a \$1.5 million gain on reversal of a prior year's foreign currency accrual in the current fiscal year. Additionally, gains recorded from the disposition of fixed assets have exceeded the prior fiscal year nine-month total by \$2.3 million. Income tax expense of \$2.2 million for fiscal 1995 exceeds the fiscal 1994 nine-month amount by \$1.1 million due primarily to the fiscal 1994 favorable tax treatment discussed in the quarter comparison.

LIQUIDITY AND CAPITAL RESOURCES

Cash and other short-term investments increased \$6.1 million in the first nine months of the fiscal year. Cash of \$13.0 million was provided by operating activities and \$6.2 million was received from the sale of fixed assets. Proceeds from the sale of fixed assets included \$2.9 million from the sale of one domestic and one international rig.

Capital expenditures in the first nine months of fiscal 1995 totalled \$13.0 million. The Company's capital spending is below the fiscal 1994 nine-month total of \$31.8 million, which included expenditures related to seven new rigs placed into service in South America. Management currently forecasts capital expenditures for fiscal 1995 to be approximately \$22.8 million, the result of obtaining several international drilling contracts. Any significant

increase in capital expenditures would be subject to restrictions imposed on the Company as specified below.

The Company has a credit agreement with a bank which provides for a \$7.5 million revolving credit facility, all of which was available for drawdown as of May 31, 1995. The credit agreement, amended in the fourth quarter of fiscal 1995 to extend the expiration date to May 31, 1996, contains restrictions on annual capital expenditures and certain senior and subordinated indebtedness which can be incurred by Parker Drilling Company and certain subsidiaries designated in the credit agreement. These designated subsidiaries comprise the operating subsidiaries through which the Company performs the majority of its drilling operations. The credit facility also limits payment of dividends on the Company's common stock to the lesser of 40% of consolidated net income for the preceding year, or \$2.6 million. The remaining subsidiaries of the Company are not a party to the credit facility and are able to make capital expenditures and obtain independent financing from lenders that have no recourse to Parker Drilling Company and the designated subsidiaries, subject only to an overall limitation of indebtedness.

- 9 -

LIQUIDITY AND CAPITAL RESOURCES (Continued)

The restrictions in the credit agreement are not anticipated to restrict growth or investment opportunities in the foreseeable future.

In November 1994, the Company acquired a limited partner's ownership interest in two consolidated partnerships in exchange for a promissory note totalling \$1.8 million. (See Note 3 of Notes to Unaudited Consolidated Condensed Financial Statements.) The promissory note is payable in seven equal annual installments beginning November 1995, with interest at 5 3/4%.

Management believes that the current level of cash and short-term investments, together with cash generated from operations, should be sufficient to meet the Company's immediate capital needs. However, in the event the Company obtains additional contracts requiring further significant capital expenditures or acquires equipment or companies in the drilling service industry, management believes the Company would likely meet both short-term and long-term capital needs through a combination of cash generated from operations, borrowings under the bank credit agreement and either equity or long-term debt financing.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 15 Letter re Unaudited Interim Financial Information

Exhibit 27 Financial Data Schedule

(b) Reports on Form 8-K - There were no reports on Form 8-K filed during the nine months ended May 31, 1995.

SIGNATURES

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

Parker Drilling Company

Registrant

Date: July 12, 1995

By: /s/James J. Davis

James J. Davis
Vice President, Finance and
Chief Financial Officer

By: /s/Randy Ellis

Randy Ellis
Controller and
Chief Accounting Officer

Exhibit 15

July 12, 1995

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 10549

Re: Parker Drilling Company
Registration on Form S-8

We are aware that our report dated July 12, 1995, on our review of the interim financial information of Parker Drilling Company for the period ended May 31, 1995, and included in this Form 10-Q is incorporated by reference in the Company's registration statements on Form S-8 (File No. 2-87944, 33-24155, 33-56698 and 33-57345). Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statement prepared or certified by us within the meaning of Section 7 and 11 of that Act.

COOPERS & LYBRAND L.L.P.

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED CONDENSED BALANCE SHEET AS OF MAY 31, 1995 AND THE CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS FOR THE NINE MONTHS ENDED MAY 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<MULTIPLIER> 1000

<S>	<C>
<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	AUG-31-1995
<PERIOD-END>	MAY-31-1995
<CASH>	14437
<SECURITIES>	6126
<RECEIVABLES>	33894
<ALLOWANCES>	826
<INVENTORY>	0
<CURRENT-ASSETS>	68604
<PP&E>	567474
<DEPRECIATION>	446365
<TOTAL-ASSETS>	207846
<CURRENT-LIABILITIES>	19439
<BONDS>	1586
<COMMON>	9283
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<OTHER-SE>	174283
<TOTAL-LIABILITY-AND-EQUITY>	207846
<SALES>	0
<TOTAL-REVENUES>	115280
<CGS>	0
<TOTAL-COSTS>	86669
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	62
<INCOME-PRETAX>	3241
<INCOME-TAX>	2215
<INCOME-CONTINUING>	1026
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	1026
<EPS-PRIMARY>	.02
<EPS-DILUTED>	.02

</TABLE>