

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 FEBRUARY 28, 1998

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
incorporation or organization)

(I.R.S. Employer Identification No.)

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 March 31, 1998, 76,722,674 common shares were outstanding.

<TABLE>

PARKER DRILLING COMPANY

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PART 1. FINANCIAL INFORMATION

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

<CAPTION>

	February 28, 1998	August 31, 1997
ASSETS		

	<C>	<C>
Current assets:		
Cash and cash equivalents	\$ 4,061	\$ 209,951
Other short-term investments	-	2,838
Accounts and notes receivable	131,814	103,808
Rig materials and supplies	21,204	19,130
Other current assets	12,794	16,227
	-----	-----
Total current assets	169,873	351,954
Property, plant and equipment less accumulated depreciation, depletion and amortization of \$401,779 at February 28, 1998, and \$375,236 at August 31, 1997	647,669	439,651
Goodwill, net of accumulated amortization of \$6,560 at February 28, 1998 and \$3,822 at August 31, 1997	209,249	139,467
Other noncurrent assets	46,829	53,064
	-----	-----
Total assets	\$1,073,620	\$ 984,136
	-----	-----

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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Current portion of long-term debt	\$ 15,010	\$ 16,084
Accounts payable and accrued liabilities	83,854	55,717
Accrued income taxes	9,199	4,904
	108,063	76,705
Long-term debt	544,786	551,042
Other long-term liabilities	48,431	7,666
Common stock, \$.16 2/3 par value	12,786	12,780
Capital in excess of par value	340,687	340,243
Retained earnings (accumulated deficit)	18,885	(4,023)
Other	(18)	(277)
	372,340	348,723
Total liabilities and stockholders' equity	\$1,073,620	\$ 984,136

See accompanying notes to consolidated condensed financial statements.

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<TABLE>

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

<CAPTION>

	Three Months Ended		Six Months Ended	
	Feb. 28, 1998	Feb. 28, 1997	Feb. 28, 1998	Feb. 28, 1997
Revenues:				
Land drilling	\$70,990	\$45,189	\$136,373	\$ 82,774
Offshore drilling	45,194	26,214	81,211	31,500
Rental tools	8,641	7,087	16,730	8,800
Other	392	552	783	1,166
	125,217	79,042	235,097	124,240
Operating expenses:				
Land drilling	47,759	33,637	90,227	60,905
Offshore drilling	27,466	16,474	48,324	19,650
Rental tools	3,824	1,686	6,610	2,025
Other	546	1,494	1,040	2,417
Depreciation, depletion and amortization	17,114	12,714	31,673	19,612
General and administrative	4,430	3,403	8,545	6,801
	101,139	69,408	186,419	111,410
Operating income	24,078	9,634	48,678	12,830
Other income and (expense):				
Interest expense	(12,753)	(9,497)	(24,778)	(12,107)
Interest income	1,185	896	3,973	2,017
Other income (expense) - net	6,166	1,017	6,394	2,087
	(5,402)	(7,584)	(14,411)	(8,003)
Income before income taxes	18,676	2,050	34,267	4,827
Income tax expense	6,450	714	11,359	2,012

Net income	\$12,226	\$ 1,336	\$ 22,908	\$ 2,815
Earnings per share, Basic	\$.16	\$.02	\$.30	\$.04
Diluted	\$.16	\$.02	\$.29	\$.04

Number of common shares used
in computing earnings per share:

Basic	76,636,335	68,107,501	76,574,870	66,753,770
Diluted	78,034,737	68,813,466	78,380,903	67,504,241

See accompanying notes to consolidated condensed financial statements.

/TABLE

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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)

<CAPTION>

	Six Months Ended February 28,	
	1998	1997
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 22,908	\$ 2,815
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	31,673	19,612
Expenses not requiring cash	2,529	628
Change in operating assets and liabilities	15,244	(23,078)
Other-net	(6,246)	(1,807)
Net cash provided by (used in) operating activities	66,108	(1,830)
Cash flows from investing activities:		
Capital expenditures	(81,420)	(31,776)
Acquisition of Mallard, net of cash acquired	-	(309,922)
Acquisition of Quail	-	(66,888)
Acquisition of Hercules, net of cash acquired	(195,552)	-
Proceeds from sale of On-site investment	7,998	-
Proceeds from the sale of equipment	2,794	9,316
Decrease (increase) in short-term investments	2,838	13,096
Other-net	(828)	(5,126)
Net cash provided (used) by investing activities	(264,170)	(391,300)
Cash flows from financing activities:		
Proceeds from issuance of debt	32,828	387,274
Principal payments under debt obligations	(40,511)	(1,523)
Other	(145)	238
Net cash provided (used) by financing activities	(7,828)	385,989
Net change in cash and cash equivalents	(205,890)	(7,141)
Cash and cash equivalents at beginning of period	209,951	61,738

Cash and cash equivalents at end of period	\$ 4,061	\$54,597
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PARKER DRILLING COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (continued)
Increase (Decrease) in Cash and Cash Equivalents
(Dollars in Thousands)
(Unaudited)

<CAPTION>

<S>	<C>	<C>
Supplemental cash flow information:		
Interest paid	\$ 24,111	\$ 3,086
Taxes paid	\$ 5,988	\$ 2,047

Business acquisition in December, 1997: Hercules

Working capital, net of cash acquired	\$ 694
Property, plant and equipment	156,327
Purchase price in excess of net assets acquired	72,520
Other assets	36
Noncurrent liabilities	(58)
Deferred tax liability	(33,967)
	\$195,552

Supplemental noncash financing activity:

In November 1996, the Company issued \$25,000,000 of preferred stock, subsequently converted to common stock in December 1996, as a part of the acquisition of Mallard. (See Note 4.)

See accompanying notes to consolidated condensed financial statements.

</TABLE>

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 28, 1998 and August 31, 1997, (2) the results of operations for the three and six months ended February 28, 1998 and February 28, 1997, and (3) cash flows for the six months ended February 28, 1998 and February 28, 1997. Results for the six months ended February 28, 1998, are not necessarily indicative of the results which

will be realized for the year ending August 31, 1998. 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, 1997.

- In February 1997, Statement of Financial Accounting Standards No. 128, "Earnings per Share," was issued. This statement replaced the previously required presentation of primary earnings per share (EPS) with a presentation of basic EPS that excludes dilutive securities from the computation. It also requires a presentation of diluted EPS that is computed similarly to the fully diluted EPS calculation previously required. The requirements of this statement have been followed for all earnings per share figures included in this Form 10-Q.

<TABLE>
 RECONCILIATION OF INCOME AND NUMBER OF SHARES USED
 TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE (EPS)

<CAPTION>

For the Three Months Ended Feb. 28, 1998

<S>	<C> Income (Numerator)	<C> Shares (Denominator)	<C> Per-Share Amount
	-----	-----	-----
Basic EPS:			
Income available to common stockholders	\$12,226,000	76,636,335	\$.16
Effect of Dilutive Securities:			
Stock options and grants		1,398,402	
Diluted EPS:			
Income available to common stockholders + assumed conversions	\$12,226,000	78,034,737	\$.16
	-----	-----	---
	-----	-----	---

</TABLE>
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NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

RECONCILIATION OF INCOME AND NUMBER OF SHARES USED
 TO CALCULATE BASIC AND DILUTED EARNINGS PER SHARE (EPS)

<CAPTION>

For the Six Months Ended Feb. 28, 1998

<S>	<C> Income (Numerator)	<C> Shares (Denominator)	<C> Per-Share Amount
	-----	-----	-----
Basic EPS:			
Income available to common stockholders	\$22,908,000	76,574,870	\$.30
Effect of Dilutive Securities:			
Stock options and grants		1,806,033	
Diluted EPS:			

Income available to common stockholders + assumed conversions	\$22,908,000	78,380,903	\$.29
	-----	-----	---
	-----	-----	---

Options to convert \$175,000,000 of Convertible Subordinated Notes into 11,371,020 shares of common stock at \$15.39 per share were outstanding during the six months ended February 28, 1998 but were not included in the computation of diluted EPS because the assumed conversion of the options would have had an anti-dilutive effect on EPS. In addition, options to purchase 1,000,500 shares of common stock at \$12.1875 which were outstanding during part of the period were not included in the computation of diluted EPS because the options' exercise price was greater than the average market price of the common shares.

</TABLE>

3. On May 9, 1997, the Company executed a definitive stock purchase agreement (the "HOC Agreement") to acquire all of the outstanding capital stock of Hercules Offshore Corporation, a Texas corporation ("HOC"), and a definitive stock purchase agreement (the "HRC Agreement") to acquire all of the outstanding capital stock of Hercules Rig Corp., a Texas corporation ("HRC") and an affiliate of HOC (HOC and HRC being collectively referred to as "Hercules"), for \$145 million and \$50 million, respectively. The purchase prices for the acquisitions were subject to adjustment for certain debt assumed by the Company, for capital expenditures incurred and for levels of working capital at closing. Hercules owns three self-erecting platform rigs and seven offshore jackup rigs.

The acquisition of Hercules was completed on December 30, 1997 for \$195.6 million, which includes capital expenditures made subsequent to the purchase agreement date and additional adjustments based on the level of working capital at closing. The acquisition has been accounted for by the purchase method of accounting. The excess of purchase price over the fair values of the net assets acquired was \$72.5 million and has been recorded as goodwill, which is being amortized on a straight-line basis over 30 years.

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

The acquisition of Hercules was primarily funded with proceeds from the July 1997 issuance of the Company's \$175 million 5 1/2% Convertible Subordinated Notes.

4. On November 12, 1996, the Company acquired Mallard Bay Drilling, Inc. ("Mallard") and Quail Tools, Inc. ("Quail"). Both were accounted for by the purchase method of accounting.

The Company acquired all of the outstanding stock of Mallard from Energy Ventures, Inc. ("EVI") for \$336.8 million, including acquisition costs, for cash of \$311.8 million and \$25.0 million of preferred stock which was converted into 3,056,600 shares of common stock during the second quarter of fiscal 1997. Mallard owns and operates 34 drilling and workover barges in the shallow waters of the Gulf of Mexico and Nigeria, four platform rigs in the Gulf of Mexico and four land drilling rigs in Argentina.

The Company acquired all of the outstanding stock of Quail for \$66.9 million, including acquisition costs. Quail is a provider of premium rental tools used in well drilling, production and workover primarily to companies working in the Gulf of Mexico and Gulf Coast land regions. The excess of purchase price over the fair values of the net assets acquired was \$99.7 million for Mallard and \$43.6 million for Quail and has been recorded as goodwill, which is being amortized on a straight-line basis over 30 years.

The Company financed the acquisitions of Mallard and Quail through the issuance of \$300 million of Senior Notes and a term loan of \$100 million. The balance of the term loan outstanding at February 28, 1998, \$83 million, was paid in full with proceeds from the issuance of an additional

\$150 million of 9 3/4% Senior Notes, as discussed in Note 7. Additionally, the Company issued \$25 million of preferred stock which was converted to 3,056,600 shares of common stock during the second quarter of fiscal 1997.

The following unaudited pro forma information presents a summary of the second quarter consolidated results of operations of the Company and the acquired entities as if the acquisitions had occurred September 1, 1996.

<TABLE>

<CAPTION>

(Thousands except per share amounts)

	Three Months Ended		Six Months Ended	
	Feb. 28, 1998	Feb. 28, 1997	Feb. 28, 1998	Feb. 28, 1997
<S>	<C>	<C>	<C>	<C>
Revenues	\$131,631	\$ 93,467	\$260,501	\$181,318
Net income	\$ 12,741	\$ 345	\$ 25,692	\$ (848)
Diluted earnings per share	\$.16	\$.01	\$.33	\$ (.01)

</TABLE>

NOTES TO UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (continued)

5. In July 1997, the Company acquired substantially all of the assets of Bolifor, a leading provider of contract drilling services in Bolivia, for \$25.0 million, of which \$2.7 million will be paid in fiscal 1998. The assets of Bolifor primarily consist of 11 land rigs located in Bolivia, Paraguay and Argentina.
6. Information regarding the Company's operations by industry segment for the three and six months ended February 28, 1998 is as follows (dollars in thousands):

<TABLE>

<CAPTION>

	Three Months	Six Months
<S>	<C>	<C>
Revenues:		
Land drilling	\$ 70,990	\$ 136,373
Offshore drilling	45,194	81,211
Rental tools	8,641	16,730
Other	392	783
Net revenues	\$ 125,217	\$ 235,097
Operating income (loss):		
Land drilling	12,088	24,620
Offshore drilling	9,478	18,533
Rental tools	3,014	6,598
Other	(502)	(1,073)
Total operating income(loss)	24,078	48,678
Interest expense	(12,753)	(24,778)
Other income (expense)-net	7,351	10,367
Income before income taxes	\$ 18,676	\$ 34,267

</TABLE>

7. In March 1998, the Company issued \$150 million of 9 3/4% Senior Notes, Series C maturing November 2006. The notes were issued at a premium yielding an effective rate of 8.97%. A portion of the proceeds was used to repay the \$83.0 million outstanding under the Company's term loan. The notes contain customary affirmative and negative covenants, including

restrictions on incurrence of debt, sales of assets and the payment of dividends.

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 28, 1998, and the related consolidated condensed statements of operations for the three and six month periods ended February 28, 1998 and 1997 and consolidated condensed statements of cash flows for the six month periods ended February 28, 1998 and 1997. 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, 1997, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report, dated October 14, 1997, 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, 1997, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

By: /s/ Coopers & Lybrand L.L.P.

COOPERS & LYBRAND L.L.P.

Tulsa, Oklahoma
April 14, 1998

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

RESULTS OF OPERATIONS

Second Quarter of Fiscal 1998 Compared with Second Quarter of Fiscal 1997

The Company recorded net income of \$12.2 million in the second quarter of fiscal 1998, an improvement of \$10.9 million when compared to the \$1.3 million of the prior fiscal year second quarter. Increased profit margins (revenue less direct operating expense) and a \$4.6 million gain recorded on the sale of the Company's investment in OnSite Technology L.L.C. were primarily responsible for the improvement in the current quarter.

Revenue of \$125.2 million reflects an increase of 58%, or \$46.2 million over the second quarter of fiscal 1997. Each of the Company's operating segments-land drilling, offshore drilling and rental tools, recorded an increase of revenue. A total of \$20.9 million was attributable to the Hercules and Bolifor rigs, none of which was included in the second quarter figures presented for fiscal 1997.

The land drilling segment's revenue of \$71.0 million reflects an increase of \$25.8 million when compared to the prior year. Latin American land drilling revenue increased \$11.4 million, of which \$8.2 million was attributable to the rigs purchased in the Bolifor acquisition. Increased operating days in several of the other Latin American countries in which the Company operates were primarily responsible for the balance of the increase. Land drilling revenue in the Asia Pacific region increased \$6.7 million, largely a reflection of an increase in operating days in Papua New Guinea. Revenues also increased in Indonesia although six rigs which had been performing geothermal drilling services ceased operations during the current quarter due to the current adverse economic conditions. One rig is currently being relocated to Peru and the other rigs are being remarketed within Indonesia and in other regions of the world. Land drilling revenue in Africa and the former Soviet Union increased \$6.1 million. Revenue provided by previously inactive rigs which were relocated from Chad to Niger and from the Russian Republic to Kazakhstan provided a significant portion of the increase.

Rigs purchased in the Hercules acquisition provided \$12.7 million of the \$19.0 million increase in offshore drilling revenue. The balance of the increase, \$6.3 million, was attributable to the rigs purchased in the Mallard acquisition of November 1996, in part due to higher average dayrates earned by these rigs.

Profit margins increased \$19.9 million in the second quarter of fiscal 1998 when compared to the 1997 second quarter. Land drilling profit margins increased in each of the Company's geographic operating areas due primarily to the increased revenues discussed previously. The newly acquired Hercules rigs provided \$5.0 million of the offshore drilling margin increase of \$8.0 million.

RESULTS OF OPERATIONS

Second Quarter of Fiscal 1998 Compared with Second Quarter of Fiscal 1997 (continued)

The \$4.4 million increase in depreciation and amortization expense was primarily a result of depreciation expense recorded in connection with the Hercules and Bolifor acquisitions, amortization expense associated with the excess of purchase price over fair market value of the Hercules assets and depreciation expense on capital expenditures made in the prior and current fiscal year.

Interest expense increased \$3.3 million in the current quarter due primarily to the \$175 million Convertible Notes issued in July 1997 to partially finance the Hercules acquisition. The \$5.1 million increase in other income (expense) - - net was due in large part to the \$4.6 million gain recorded on the Company's current quarter disposition of its interest in OnSite Technology L.L.C.

The Company's income tax expense reflected an increase of \$5.7 million due primarily to higher taxes on increased foreign earnings. With the improvement in the drilling industry and the previously discussed acquisitions, the Company anticipates that it will utilize its net operating loss carryforwards to offset U.S. federal income taxes. The Company therefore has reversed a portion of the valuation allowance on its deferred tax asset in the current quarter, as it is more likely than not that the deferred tax asset will be realized. The result of the above will be a charge to deferred tax expense as net operating loss carryforwards are utilized. The Company expects an effective tax rate of 40% for the remaining six months of fiscal 1998, resulting in a blended rate of 36% for the fiscal year 1998.

First Six Months of Fiscal 1998 Compared with First Six Months of Fiscal 1997 -----

The Company recorded net income of \$22.9 million in the first six months of

fiscal 1998, an increase of \$20.1 million when compared to the same period of fiscal 1997. The operations of Mallard and Quail reflected increased profit margins due in part to the inclusion of the entire six month's operations in the current fiscal year compared with approximately 3 1/2 months in the prior fiscal year. In addition, the current year includes two months of Hercules operating results. Increased profit margin percentage (as a percent of revenue) in the land drilling and offshore drilling segments also contributed to the improvement between the periods.

Revenue increased \$110.9 million between the periods with the following amounts attributable to the Company's acquisitions: Mallard, \$36.9 million; Quail, \$7.9 million; Hercules, \$12.7 million and Bolifor, \$15.9 million. The remainder of the increase, \$37.5 million, is primarily the result of increased land drilling revenue due in part to an increase in revenue days and increased daily rates earned by certain of the Company's rigs.

First Six Months of Fiscal 1998 Compared with First Six Months of Fiscal 1997

(continued)

Depreciation and amortization expense increased \$12.1 million as the fiscal 1998 period included six months of expense related to the Mallard and Quail acquisitions compared with approximately 3 1/2 months in fiscal 1997. In addition, the current year period includes depreciation and amortization expense related to the assets purchased in the Hercules acquisition which was completed in the current fiscal quarter and depreciation expense recorded on the assets purchased in the Bolifor acquisition which was completed in the fourth quarter of fiscal 1997. The increase in interest expense, \$12.7 million, is a result of the borrowings of November 1996 (\$300 million Senior Notes and \$100 million term loan under the Senior Credit Facility) to finance the Mallard and Quail acquisitions. This debt was outstanding the entire six months in fiscal 1998 as compared to the partial period in fiscal 1997. In addition, the issuance of \$175 million in Convertible Notes in July 1997 resulted in additional interest expense in the current fiscal year. Other income (expense) - net increased \$4.3 million as a \$4.6 million gain was recorded on the Company's current quarter disposition of its interest in OnSite Technology L.L.C. Income tax expense of \$11.4 million reflects an increase of \$9.3 million due primarily to increased foreign profits.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents totaling \$4.1 million at February 28, 1998, a decrease of \$205.9 million from the August 31, 1997 balance. The acquisition of Hercules in December 1997 for \$195.6 million was the primary reason for the decrease. For the first six months of fiscal 1998, operating activities have provided cash of \$66.1 million. Significant uses of cash include capital expenditures of \$81.4 million and \$7.7 million in net debt repayment. Significant capital additions include: (i) the purchase of the Gulf Explorer barge rig; (ii) the modification of barge Rig 71 for service in the Caspian Sea; and (iii) the conversion of barge Rig 15 from a workover rig into a drilling rig.

In anticipation of funding the Hercules acquisition, the Company issued in July 1997 \$175 million of Convertible Subordinated Notes due 2004. The Notes bear interest at 5.5% payable semi-annually in February and August. The Notes are convertible at the option of the holder into shares of common stock of Parker Drilling Company at any time prior to maturity at a conversion price of \$15.39 per share. The Convertible Subordinated Notes are redeemable at the option of the Company at any time after July 2000 at certain stipulated prices.

In March 1998, subsequent to the February 28, 1998 balance sheet date, the Company issued \$150 million of 9 3/4% Senior Notes due 2006, Series C at a premium yielding an effective interest rate of 8.97%. Net proceeds after expenses were \$152.2 million, of which \$83.0 million was used to repay the

LIQUIDITY AND CAPITAL RESOURCES (continued)

outstanding principal balance of the term loan portion of the Company's Senior Credit Facility. The balance of the net proceeds will be used for general corporate purposes, including capital expenditures.

In November 1996, the Company acquired Mallard for \$311.8 million in cash and \$25 million in convertible preferred stock (that converted into 3,056,600 shares of common stock in the second quarter of fiscal 1997) and Quail for \$66.9 million in cash. The Company financed the acquisitions of Mallard and Quail through the sale of \$300 million principal amount of 9 3/4% Senior Notes, Series B and the \$100 million term loan under the Senior Credit Facility, the remaining balance of which was repaid in March 1998.

The Company filed a registration statement on Form S-4 in April, 1998 which offers to exchange the Senior Notes, both Series B and C, for a new Series D Senior Note. The form and terms of the Series D notes are identical in all material respects to the form and terms of the Series B and C notes, except for certain transfer restrictions and registration rights relating to the Series C Notes. The Series D notes will have an interest rate of 9 3/4% and will mature in November 2006. The Senior Notes are guaranteed by the Company's principal subsidiaries.

The revolving credit facility under the Company's Senior Credit Facility is available for working capital requirements, general corporate purposes and to support letters of credit, of which \$12.1 million had been issued at February 28, 1998. Borrowing capacity under the revolving credit facility was increased from \$45 million to \$75 million in the quarter. Availability under the revolving credit facility is subject to certain borrowing base limitations based on 80% of eligible accounts receivable plus 50% of supplies in inventory. All advances to the Company under the revolving credit facility bear interest, at the option of the Company, at prime to prime plus 0.50% or at 1.75% to 2.25% above the one-, two-, three- and six-month reserve-adjusted LIBOR rate, depending on the percentage of the credit facility utilized. The revolving credit facility is collateralized by a lien on most of the Company's assets. In the current quarter, the Company drew down \$32 million of the revolving credit facility to partially fund the Hercules acquisition and provide for working capital. This amount was repaid in full in the quarter. The revolving credit facility matures on December 31, 1999.

Both the Senior Notes and the Senior Credit Facility contain customary affirmative and negative covenants, including restrictions on incurrence of debt and sales of assets. The Senior Credit Facility prohibits, among other things, payment of dividends and the indenture for the Senior Notes restricts the payment of dividends.

Management anticipates that the cash generated from operations, in addition to proceeds from the Senior Notes issued in March 1998 (after repayment of the outstanding balance of the Company's term loan) and cash available under the increased revolving credit facility, will be sufficient to fund the Company's working capital needs and estimated capital expenditures of \$180 million, in fiscal 1998. In addition, the Company may consider seeking additional equity or long-term debt financing should new opportunities requiring capital arise.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

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(a) Exhibits:

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Exhibit 15 Letter re Unaudited Interim Financial Information 17

Exhibit 27 Financial Data Schedule [Edgar Version Only]

- (b) Reports on Form 8-K - Parker Drilling Company filed a Form 8-K on January 8, 1998 which included unaudited pro forma financial statements after consummation of the Hercules Offshore Corporation and the Hercules Rig Corporation acquisitions.

</TABLE>

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: April 14, 1998

By: /s/ James J. Davis

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

By: /s/ W. Kirk Brassfield

W. Kirk Brassfield
Controller and
Chief Accounting Officer

INDEX TO EXHIBITS

Exhibit Number -----	Description -----
15	Letter re Unaudited Interim Financial Information
27	Financial Data Schedule [Edgar Version Only]

Exhibit 15

April 14, 1998

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

Re: Parker Drilling Company
Registration on Form S-8
and Form S-4

We are aware that our report dated April 14, 1998, on our review of the interim financial information of Parker Drilling Company for the period ended February 28, 1998, 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) and Form S-4 (File No. 333-49089). 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.

By: /s/Coopers & Lybrand L.L.P.

COOPERS & LYBRAND L.L.P.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED CONDENSED BALANCE SHEET AS OF FEBRUARY 28, 1998 AND THE CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED FEBRUARY 28, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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