

COMPENSATION COMMITTEE CHARTER

Purpose

The purpose of the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Parker Drilling Company (the "Company") shall be (i) to discharge the responsibilities of the Board relating to (a) overall oversight of compensation and benefits philosophy and (b) compensation of the Company's CEO and other executive officers, (ii) to review and discuss with the Company's management the Compensation Discussion and Analysis ("CD&A") to be included in the Company's annual proxy statement and determine whether to recommend to the Board that the CD&A be included in the proxy statement, and (iii) to provide the Committee Report for inclusion in the Company's proxy statement that complies with the rules of the Securities and Exchange Commission (the "Commission").

Committee Membership

The Committee shall consist of a number of directors fixed from time to time by the Board, not less than two. All members of the Committee shall (a) meet the independence requirements of the New York Stock Exchange ("NYSE") and the rules and regulations of the Commission; (b) satisfy the requirements of an "outside director" as defined by Section 162(m) of the Internal Revenue Code of 1986, as amended; and (c) shall either (i) be "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934 ("Exchange Act") or (ii) refrain from Committee votes where his or her vote would cause any transaction between the Company and an officer or director of the Company to not be exempt from Section 16(b) of the Exchange Act.

The members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance Committee, and shall serve for such term as the Board determines or until their successors are duly elected or appointed or until their earlier death, resignation or removal. Committee members may be replaced by a majority vote of the Board in its discretion. The Committee shall appoint a Chairman unless such Chairman has been appointed by the Board. The Chairman of the Committee shall be responsible for scheduling all meetings of the Committee and, together with other members of the Committee as appropriate, developing a written agenda for each meeting. The Chairman shall preside at the meetings of the Committee. In the absence of the Chairman, the majority of the members of the Committee present at a meeting shall appoint a member to preside at the meeting.

Meetings

The Committee shall meet in person or telephonically as often as it determines, usually at least four times each year. A majority of the Committee members shall be present in person or by telephone at each meeting to establish a quorum for the transaction of business by the Committee, and a vote of a majority of the members of the Committee present will constitute an act of the Committee. The Committee may request any director, officer or employee of the Company or the Company's outside counsel or other consultants of the Company to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee will hold executive sessions without participation by management. The meetings of the Committee are open to all directors.

Committee Authority, Duties and Responsibilities

1. The Committee is directly responsible for establishing annual and long-term performance goals and objectives for the Company's executive officers, as well as setting the overall compensation philosophy for the Company. This responsibility includes:
 - evaluating the performance of the CEO and the other executive officers in light of performance goals and objectives established by the Committee;
 - setting, either as the Committee or together with the other independent directors as directed by the Board, the compensation of the CEO based upon the evaluation of the performance the CEO in light of the goals and objectives the Committee has established, including the long-term incentive component of the CEO's compensation, which evaluation may also consider the Company's performance and relative stockholder return, the value of similar incentive awards to officers in similar positions at comparable companies and the awards given to the CEO in past years;
 - reviewing annually the long-term incentive plan performance measures and assessing whether or not the performance measures are achieving the goals and objectives of the plan;
 - recommending to the Board for approval the cash-based compensation of the other executive officers, based upon the evaluation by the Committee of the performance of the other executive officers and the recommendation of the CEO; and
 - reviewing the current compensation plans and making recommendations to the Board with respect to new cash-based and equity-based compensation plans.
2. In addition, the Committee:
 - administers the Company's equity-based and bonus plans in accordance with the terms and conditions of such plans;
 - determines the awards made under corporate performance-based plans;
 - grants options and awards under equity-based plans, except where such authority is granted to another committee of the Board under the terms and conditions of the plans or by the Board;
 - reviews periodically the succession plans relating to the Chief Executive Officer and other executive officers;
 - monitors compliance with the Company's policies regarding compensation;
 - reviews the Company's incentive compensation policies, plans and their components for any provisions that may create risks that are reasonably likely to have a material adverse effect on the Company. If the Committee determines that such a risk exists,

- the Committee will inform the Audit Committee and request a detailed review of the provisions as implemented; and
- reviews and discusses with the Company's management the CD&A, and determines whether to recommend the CD&A for inclusion in the Company's proxy statement.
3. The Committee may form and delegate authority to subcommittees comprised of members of the Committee as the Committee may deem appropriate in its sole discretion.
 4. The Committee may, in its sole discretion, retain, obtain the advice of and terminate any compensation consultant, independent legal counsel or other advisor (collectively, "Compensation Advisors"), including the sole authority to approve the fees and other retention terms and to oversee the work of such Compensation Advisors, to assist the Committee in the discharge of its duties and responsibilities under this Charter. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for the payment of compensation to the Compensation Advisors. Prior to selecting any Compensation Advisors, the Committee shall take into consideration any factors regarding independence required by Section 303A.05(c) of the NYSE Listed Company Manual, as amended from time to time, and the applicable rules of the Commission. The Committee may retain or obtain advice from any Compensation Advisor preferred by the Committee, including any that are not independent, after considering such specified factors. On an annual basis, the Committee shall review and assess the independence and performance of any Compensation Advisor for the prior year and make a determination of whether such Compensation Advisor will be retained to provide services to the Committee. In addition, the Committee shall evaluate whether any Compensation Advisor retained or to be retained by it has any conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K promulgated by the Commission.
 5. The Committee shall make regular reports to the Board.
 6. The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee shall annually review its own performance.

Additional Committee Powers

The Committee shall also have the following powers:

1. To interview and meet with any employee of the Company without the presence of any officer of the Company.
2. To investigate any matter brought to its attention within the scope of its duties.
3. Such other powers as may be necessary or desirable to fulfill its purposes as defined in this Charter.