PARKER DRILLING COMPANY

CORPORATE GOVERNANCE PRINCIPLES

1. Director Qualifications

The Board of Directors (the "Board") of Parker Drilling Company (the "Company") will have a majority of directors who meet the criteria for independence required by the New York Stock Exchange (the "NYSE") and the Securities Exchange Act of 1934, as amended (the "SEC Act"). The Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics the director candidates for election to the Board should possess as well as the composition of the Board as a whole. This assessment will include members' qualifications as independent in accordance with the NYSE and the SEC Act, as well as consideration of diversity, age, skills, experience, and other relevant factors in the context of the needs of the Board. Candidates for nominees for directorship may be identified by any member of the Board and by any shareholder in accordance with the Company's By-laws and referred to the Corporate Governance Committee for review in accordance with its charter and these principles. The invitation to join the Board should be extended on behalf of the Board by the Chairman of the Board.

It is the sense of the Board that the appropriate size of the Board is between 7-10 members. However, the Board would be willing to increase or decrease the size if circumstances warrant based on the recommendation of the Corporate Governance Committee.

When a director's principal occupation or business associations changes substantially during his or her tenure as a director, the Corporate Governance Committee shall review the continued appropriateness of Board membership under the circumstances and make its recommendations to the Board. It is not the sense of the Board that in every instance a director who retires or changes the occupation or business associations he or she held when they became a Board member should necessarily leave the Board.

Directors and officers should advise the Chairman of the Board and the Chairman of the Corporate Governance Committee in advance of accepting an invitation to serve on another public company board. No director should serve on so many other public company boards that his or her ability to devote the time and attention to duties to the Board or the Company's affairs would be materially compromised. Determination of the existence of such a situation would be subject to the discretion of the Board.

2. Director Responsibilities

It is the general policy of the Company that all major decisions be considered by the Board as a whole. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders and to perform their duties of loyalty and care. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to: (a) have the Company purchase reasonable directors' and officers' liability insurance on their behalf; (b) indemnification to the fullest extent permitted by law and the Company's charter, by-laws and any indemnification agreements; and, (c) exculpation as provided by state law and the Company's charter.

Directors are expected, to the extent reasonably practicable, to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are also encouraged to attend the annual meeting of shareholders. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The Board does not require separation of the offices of Chairman and Chief Executive Officer ("CEO"); however, when both offices are filled by the same individual, the Board will appoint annually, upon the recommendation of the Corporate Governance Committee, a Presiding Director from the independent directors. The Presiding Director will coordinate the activities of the independent directors and serve as a liaison between the Board and management, in order to enhance the effectiveness of the independent directors and provide a channel for non-employee directors to raise issues or concerns for the Board's consideration. The defined duties of the Presiding Director include:

- **Board Leadership** – help foster effective Board oversight and chair meetings when the Chairman/CEO is absent;
- **Board Performance** – collaborate with the Chairman/CEO and Corporate Governance Committee to organize and communicate performance evaluations of the Board, its committees and members;
- **Management Oversight** – collaborate with the Compensation Committee to ensure the Board establishes objectives for the Chairman/CEO that are aligned with stockholders' interests;
- **Chairman/CEO Performance** – collaborate with the Corporate Governance Committee and the Compensation Committee to organize and communicate performance evaluations of the Chairman/CEO;
- **Independent Director Leadership** – call, set agendas for and chair independent director meetings, and serve as liaison between independent directors and the Chairman/CEO;
- **Director Succession Planning** – collaborate with the Chairman/CEO and the Corporate Governance Committee to implement effective director succession plans;
- **Executive Succession Planning** – collaborate with the Chairman/CEO and the Compensation Committee to implement effective executive succession plans;
- **Board Agendas and Schedule** – collaborate with the Chairman/CEO in setting Board meeting agendas and meeting schedules; and
- **Stockholder Communications** – be available for direct communication with major stockholders, as needed.

When the offices of the Chairman and CEO are combined, the Chairman/CEO, with input from the Presiding Director, will establish the agenda for each Board meeting. When the offices of the Chairman and CEO are separate, the Chairman, with input from the CEO, will establish the agenda for each Board meeting.

Board meeting agendas will be established with the understanding that the items necessary for the Board to perform its advisory and monitoring functions must be brought to it periodically for review and/or approval. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting.

The non-employee directors will meet in executive session on a regular basis at least four times a year and the independent directors shall meet separately at least one time per year. The director who presides at these executive sessions will be the Chairman, if he or she is an independent director; otherwise, the Presiding Director, or if he or she is not present, an independent director chosen by a vote of the non-employee directors or independent directors, as the case may be, will preside over these executive sessions.

When the offices of Chairman and CEO are separate, the CEO with input from the Chairman is responsible for establishing effective communications with the Company's shareholders, customers, company associates, communities, suppliers, creditors, governments and corporate partners. When the offices are combined, the Chairman/CEO and Presiding Director shall collaborate to ensure effective lines of communication are in place. It is the Company's policy that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. But it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

3. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee and a Corporate Governance Committee. All of the members of these committees will be "independent directors" under the applicable criteria established by the NYSE and the SEC Act. Committee members will be appointed by the Board after recommendation of the Corporate Governance Committee.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its performance.

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board and each Board committee have the power to hire, at the expense of the Company, independent legal, financial or other advisors as it may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance. The Company shall provide for appropriate funding for payment of compensation to any such advisors.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

4. Director Access to Officers and Employees

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. If the CEO wishes to have additional Company personnel attend on a regular basis, this suggestion should be brought to the Board for approval.

5. Director Compensation

The form and amount of non-employee director compensation will be annually reviewed and recommended by the Corporate Governance Committee and approved by the Board.

6. Director Orientation and Continuing Education

All new directors shall be provided with a director orientation packet that describes the various operations of the Company, the officers and their respective duties and other information to adequately inform the director of the nature of the Company's business. The Company will make members of the Company's management available to new Board members and existing Board members at corporate headquarters in order to receive presentations by senior management to familiarize the directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its principal officers and its internal and independent auditors.

Board members are encouraged to attend conferences and other programs that will increase their knowledge of board functions and duties as well as other board responsibilities. The Company will reimburse each Board member for attending one conference or program each year.

It is the sense of the Board that off-site Board retreats may be beneficial from time to time to address strategic planning and other critical decisions to be made by the Board.

7. CEO Evaluation and Management Succession

The Compensation Committee is responsible for setting annual and long-term performance goals for the CEO and will conduct an annual review of the CEO's performance against such goals, as set forth in its charter. The Compensation Committee shall meet annually with the CEO to receive his or her recommendations concerning such goals. Both the goals and the evaluation are then submitted for consideration by the Board at an executive session.

The Compensation Committee should make an annual report to the Board on succession planning, which shall include its recommendations on development of potential candidates so that the Company is adequately prepared in the event that a successor is needed. The entire Board will work with the Compensation Committee to evaluate development plans for potential successors to the CEO. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

8. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether the Board, each committee and individual directors are functioning effectively. The Corporate Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

9. Reporting of Accounting/Auditing and Other Irregularities; Communications with the Board

Anyone who has a concern about the Company's accounting, internal accounting controls or auditing matters or other irregularities, may communicate that concern directly to the Company's Director of Internal Audit or its General Counsel, or to a third party hotline established by the Company for this purpose, the contact information for each to be provided on the Company's Web site. Such communications may be confidential and/or anonymous. Concerns relating to accounting, internal controls or auditing shall be reviewed by the Director of Internal Audit and/or General Counsel and, if credible and if confirmed would warrant remedial or disciplinary action, will be reported to the Audit Committee and addressed by the Company in the same way as other concerns, including the retention of outside advisors or counsel to investigate or advise on such concerns.

Anyone, including shareholders of the Company, may communicate with the Board or the non-employee directors about officer conduct or other concerns or matters by submitting such concerns or matters in writing to the Presiding Director at the special address published on the Company's Web site. Such communications may be confidential and/or anonymous.

The concerns or matters will be reviewed by the Presiding Director pursuant to the criteria approved by a majority of the non-employee directors. Any matter which falls within the criteria approved by the non-employee directors shall be presented to the Audit Committee or the Board and addressed in the same way as other concerns, including the retention of outside advisors or counsel to investigate or advise on such matters or concerns.

The Company’s policies prohibit any retaliation or taking any adverse action against anyone for raising or helping to resolve reports of misconduct or ethical violations.

10. Director and Officer Stock Ownership Guidelines

The Board believes that all non-employee directors and executive officers should own and hold common stock of the Company to further align their interests and actions with the interests of the Company's stockholders and further promote the Company’s commitment to sound corporate governance. Therefore, the Board has adopted the following guidelines (the “Stock Ownership Guidelines”).

A. Participation

The Company's Stock Ownership Guidelines apply to all non-employee directors (each a “Non-Employee Director”) and executive officers (each a “Covered Executive”), whether now existing in office or later appointed or elected. The phrase, "Covered Person," includes Non-Employee Directors and Covered Executives.

B. Qualifying Shares for Stock Ownership Guidelines

Shares of stock that count toward satisfaction of the Stock Ownership Guidelines (“Qualifying Shares”) include:

- shares owned outright by the Covered Person;
- shares representing net after tax proceeds (using a 25% tax rate) of unvested restricted stock units;
- shares held in the Company's Stock Bonus Plan; and
- shares held in a partnership or in a trust for the benefit of such Covered Person or his or her spouse and/or minor children.

Stock options (whether or not vested), performance units and shares in which the Covered Person has publicly disclaimed a beneficial interest are NOT included as Qualifying Shares for Stock Ownership Guidelines purposes.

C. Stock Ownership Guidelines

i.Achievement of Required Market Value for Non-Employee Directors

The Company's Stock Ownership Guidelines require each Non-Employee Director to achieve ownership of a number of Qualifying Shares with a market value equal to a multiple of five (5) times the Non-Employee Director's annual cash retainer (in effect upon the later of December 31 of the preceding year or the date he or she first becomes a Non-Employee Director). The market value of the Qualifying Shares each Non-Employee Director is required to own or hold shall be referred to as the Non-Employee Director's “Required Market Value.”

The Corporate Governance Committee will review and re-calculate a Non-Employee Director's Required Market Value as a result of a change in annual cash retainer. Subject to the following, once established, a Non- Employee Director's Required Market Value will not change as a result of any fluctuations in the market price of the Company's common stock.

Non-Employee Directors are required to achieve ownership of a number of Qualifying Shares meeting the Required Market Value within five (5) years after first becoming a Non-Employee Director. If a Non-Employee Director's Required Market Value increases because of an increase in annual cash retainer, a three (3) year period to achieve share ownership meeting any incremental increase in the applicable Required Market Value begins with the effective date of the increase in annual cash retainer, but such Non-Employee Director must still meet the Required Market Value applicable to his or her prior annual cash retainer amount within the original five-year period.

ii.Achievement of Required Market Value for Covered Executives

The Company's Stock Ownership Guidelines require each Covered Executive to achieve ownership of a number of Qualifying Shares with a market value equal to a multiple of the Covered Executive's annual base salary as of the date he or she first becomes a Covered Executive and thereafter when he or she is promoted to a level requiring a different multiple. The market value of the Qualifying Shares each Covered Executive of the Company is required to own or hold (the Covered Executive's “Required Market Value”) is as follows:

- executive vice presidents and higher: a multiple of five (5) times the officer's annual base salary;
- senior vice presidents: a multiple of three (3) times the officer's annual base salary;
- vice presidents: a multiple of two (2) times the officer's annual base salary; and
- all other executive officers: a multiple of one (1) times the officer's annual base salary.

The Corporate Governance Committee will review and re-calculate a Covered Executive's Required Market Value as a result of a change in office that increases the multiple of annual base salary the Covered Executive must own or hold. Otherwise, once established, a Covered Executive's Required Market Value will not change as a result of any fluctuations in annual base salary or the market price of the Company's common stock.

Covered Executives are required to achieve ownership of a number of Qualifying Shares meeting the Required Market Value within five (5) years after first becoming a Covered Executive. If the multiple of annual base salary for a Covered Executive increases because of a change in office, then a three (3) year period to achieve share ownership meeting any incremental increase in the applicable Required Market Value begins with the date of the change in office, but such Covered Executive must still meet the Required Market Value applicable to his or her prior position within the original five-year period.

D. Failure to Timely Achieve Required Market Value

Failure to meet or, in unique circumstances, to show sustained progress toward meeting the ownership requirement, will result in a requirement to retain all shares of common stock in the Company obtained through the vesting or exercise of equity grants until the ownership requirement is met. Additionally, the Covered Person may be subject to a reduction in future long-term incentive equity grants and/or payment of future annual and/or long term cash incentive payouts in the form of stock.

E. Ownership of Required Share Level for Covered Persons

Periodically but not less than twice per year, the Corporate Governance Committee shall make a determination as to whether a Covered Person owned or held sufficient Qualifying Shares to meet the Required Market Value based on the closing price of the Company's common stock as reported on the NYSE on a date determined by the Corporate Governance Committee (the "Determination Date"). Once a Covered Person's Qualifying Shares satisfy his or her Required Market Value (the "Achievement Date"), the Covered Person must maintain ownership of the number of Qualifying Shares held on the Achievement Date (the "Required Share Level") for so long as he or she remains a Covered Person. The Covered Person's Required Share Level will not increase except in connection with a change in the Covered Person's Required Market Value as set forth in 10.C. above.

In the event of a stock split, reverse stock split, stock dividend or other similar change in the Company's outstanding capital stock, the Corporate Governance Committee will evaluate whether to adjust the Required Market Value and/or Required Share Level for any Covered Person.

F. Exceptions

There may be instances where these Stock Ownership Guidelines would place a severe hardship on a Covered Person, as determined in the sole discretion of the Corporate Governance Committee. In such instances, the Corporate Governance Committee will have the authority, but not the obligation, to make the final decision as to developing an alternative approach for such Covered Person that reflects both the intention of these Stock Ownership Guidelines and the personal circumstances of the affected Covered Person.

G. Administration

The Corporate Governance Committee shall be responsible for monitoring the application of these Stock Ownership Guidelines. This policy supersedes any previous policy of the Company concerning stock ownership guidelines. In the event of any conflict or inconsistency between this policy and any other materials previously distributed by the Company, this policy shall govern.

11. Review of the Corporate Governance Principles

The operation of the Board is a dynamic and evolving process. Accordingly, these Corporate Governance Principles should be reviewed by the Board or the Corporate Governance Committee and any recommended revisions should be submitted to the Board for full consideration.