

March 14, 2008



# Parker Drilling Announces Final Resolution of Kazakhstan Tax Case and Saudi Joint Venture Update

HOUSTON, March 14 /PRNewswire-FirstCall/ -- Parker Drilling Company (NYSE: PKD) ("Parker"), a global drilling contractor and service provider, today announced a \$20 million reduction in the interest assessment in accordance with the recent ruling of the Kazakhstan court. The payment today of the reduced assessment of \$13 million is the final resolution of the pending Kazakhstan tax case and will result in the Company recognizing net income of approximately \$11 to \$12 million.

Mr. Robert L. Parker Jr., chairman and chief executive officer said: "We are pleased to report that this long-pending matter in Kazakhstan has been resolved."

Separately, the Company stated that a subsidiary is currently engaged in negotiations with its Saudi Arabian partner regarding the subsidiary's interest in the joint venture, including terms for the subsidiary to no longer provide funds to the joint venture. The Company can provide no assurances that the negotiations will result in an agreement or transaction with the Saudi Arabian partner.

## Kazakhstan Tax Case History

The final resolution of the amount of interest payable relates to the tax case that originated in 2001 when the Tax Committee of the Ministry of Finance of the Republic of Kazakhstan ("MinFin") assessed income taxes on the Kazakhstan branch of the Company's subsidiary, based on reimbursements that the subsidiary received from its customer for performing modifications to barge rig 257 prior to its mobilization into Kazakhstan. The branch objected to this assessment and the Supreme Court of Kazakhstan ("SCK") ruled in favor of the branch on two occasions, holding that the income tax assessments were improper under the U.S.-Kazakhstan Tax Treaty ("Treaty") as U.S. taxes had already been paid on these improvements. In October 2005 MinFin re-assessed income taxes on the branch, based on the same reimbursements and the SCK ultimately ruled in favor of MinFin in July 2007. As previously reported, when efforts to resolve the matter pursuant to the mutual agreement procedure of the Treaty were not successful, in December 2007 the branch paid US\$26 million in income taxes to the Republic of Kazakhstan pursuant to a previously reported tax assessment. The payment was exclusive of interest and net of estimated taxes previously paid of approximately US\$12 million. The Company will receive a foreign tax credit for this payment against future tax payments which would otherwise be paid to the United States Treasury, excluding any currency exchange losses. In response to the appeal by the branch of the interest assessed, in February 2008 the Atyrau Economic Court ruled that interest was only payable from and after the date of the October 2005 assessment, instead of the original 2001 assessment date.

This release contains certain statements that may be deemed to be "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities, events or developments that the Company expects, projects, believes or anticipates will or may occur in the future, including any statements regarding the Company's negotiations with its Saudi Arabian joint venture partner, are forward-looking statements. Although the Company believes that its expectations stated in this release are based on reasonable assumptions, actual results may differ materially from those expressed or implied in the forward-looking statements. The factors that could affect actual results include those relating to the negotiations with its Saudi Arabian partner and the fulfillment or waiver of conditions under any agreement. For a detailed discussion of risk factors that could cause actual results to differ materially from the Company's expectations, please refer to the Company's reports filed with the SEC, and in particular, the Annual Report on Form 10-K for the year ended December 31, 2007. Each forward-looking statement speaks only as of the date of this release, and the Company undertakes no obligation to publicly update or revise any forward-looking statement.

SOURCE Parker Drilling Company