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Parker Drilling Announces Contract With BP for New Ultra Extended-Reach Drilling Rig

HOUSTON, July 14 /PRNewswire-FirstCall/ -- Parker Drilling Company (NYSE: PKD), a global drilling contractor and service provider, today announced a new contract to construct, deliver and commission a land-based rig for BP to drill ultra extended-reach wells to offshore targets in the Liberty field of the Alaskan Beaufort Sea.

Drilling will occur from an existing satellite pad that is part of BP's Endicott oil field. The rig will be owned by BP, and drilling is anticipated to start in 2010.

Although the Liberty field is nearly six miles offshore, the rig's ultra extended-reach drilling capability will enable development of the field with the least environmental impact, as the wells will produce directly into existing facilities without the need for an offshore platform, artificial drilling island or sub-sea pipeline.

The ultra extended-reach wells, guided by 3-D seismic imagery, will extend nearly two miles deep and as far as eight miles out, some with measured depths exceeding the current record.

The construction and commissioning contract with BP is the second phase of the Liberty field development project. Parker anticipates that gross margins through phase two will be in the \$14 - \$18 million range. Phase one was a technical service project awarded to Parker Drilling in 2006 by BP to provide a conceptual design for the purpose-built rig.

Robert L. Parker Jr., Parker Drilling's chairman and chief executive officer, said: "Backed by 40 years of arctic drilling expertise and record-setting performances, Parker's drilling solutions are enabling our customers to unlock exploration and development opportunities previously classified as inaccessible due to their remote locations, harsh climate conditions, environmental concerns and complex geological formations.

"To conquer these barriers, we leveraged our arctic and extended-reach drilling technologies to design one of the world's most sophisticated land rigs, designed to operate in temperatures down to -50 degrees F and featuring a state-of-the-art equipment package which reduces emissions, noise and personnel hazards; increases fuel efficiencies and reliability; automates drilling processes and enhances power delivery.

"These features enable development in a safe, effective and environmentally conscious manner," Parker continued.

"The Liberty project is the newest addition to our Alaskan operations, which also include two Parker-owned newbuild land rigs for a development drilling program for BP on the North

Slope beginning in 2010. The Alaskan market is an excellent fit with our strategic plan, with long-term growth potential and a niche for our technologically advanced capabilities," Parker concluded.

Parker Drilling Company (NYSE: PKD) provides high-performance contract drilling solutions, rental tools and project management services to the worldwide energy industry. Parker operates 28 land rigs in strategic international markets and 17 offshore barge rigs, primarily in the U.S. Gulf of Mexico transition zone. The Company's Quail Tools division rents premium equipment to operators in active land and offshore markets in North America. Founded in 1934, Parker has set numerous world records for deep and extended-reach drilling and is an industry leader in safety performance. More information about Parker Drilling can be found at <http://www.parkerdrilling.com>.

This release contains certain statements that may be deemed to be "forward-looking statements" within the meaning of the Securities Acts. 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 gross margins for construction and commissioning, anticipated extended-reach drilling depths, and long-term growth opportunities in Alaska and other such matters, 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. 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 report on Form 10-K for the year ended December 31, 2007 and Form 10-Q for the period ended March 31, 2008. 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