

# EXHIBIT 1

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

<b>SECURITIES AND EXCHANGE COMMISSION,</b>	§	
	§	
<b>Plaintiff,</b>	§	<b>Civil Action No.</b>
	§	
<b>vs.</b>	§	
	§	
<b>PARKER DRILLING COMPANY,</b>	§	
	§	
<b>Defendant.</b>	§	
	§	

**CONSENT OF DEFENDANT PARKER DRILLING COMPANY**

1. Defendant Parker Drilling Company (“Defendant”) waives service of a summons and the complaint in this action, enters a general appearance, and consents to the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Defendant has entered into a deferred-prosecution agreement that acknowledges responsibility for criminal conduct relating to certain matters alleged in the complaint in this action. Specifically, in *United States v. Parker Drilling Company*, filed in the United States District Court for the Eastern District of Virginia, Defendant acknowledged responsibility for violations of the Anti-Bribery Provisions of the Foreign Corrupt Practices Act [15 U.S.C. § 78dd-1(a)(3)]. In connection with that deferred-prosecution agreement, Defendant acknowledged the facts set out in the deferred-prosecution agreement that is attached as Exhibit A to this Consent. This Consent shall remain in full force and effect regardless of the existence or outcome of any further proceedings in *United States v. Parker Drilling Company*.

3. Defendant hereby consents to the entry of the Final Judgment in the form attached hereto as Exhibit B (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violations of Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78dd-1, 78m(b)(2)(A), and 78m(b)(2)(B)]; and
- (b) orders Defendant to pay disgorgement in the amount of \$3,050,000, plus prejudgment interest thereon in the amount of \$1,040,818, to the Securities and Exchange Commission (“Commission”), as directed in the Final Judgment.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

6. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

7. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

10. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this

action, Defendant understands that it shall not be permitted to contest the factual allegations of the complaint in this action.

11. Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendant acknowledges the deferred-prosecution agreement for related criminal conduct described in paragraph 2 above, and agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

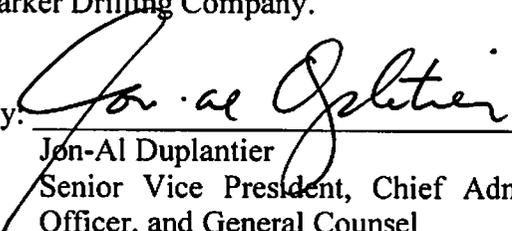
13. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Defendant (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena.

14. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

15. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: April 08, 2013

Parker Drilling Company.

By: 

Jon-Al Duplantier  
Senior Vice President, Chief Administrative  
Officer, and General Counsel  
5 Greenway Plaza, Suite 100  
Houston, TX 77046

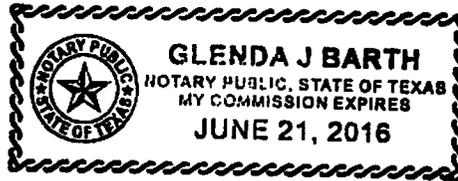
On April 8, 2013, Jon-Al Duplantier a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of Parker Drilling Company as its Senior Vice President, Chief Administrative Officer, and General Counsel.

Glenda J. Barth  
Notary Public  
Commission expires:

Approved as to form:

Mitchell S. Ettinger

Mitchell S. Ettinger  
Saul M. Pilchen (ret.)  
Stephanie F. Cherny  
Skadden, Arps, Slate, Meagher & Flom LLP  
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ATTORNEYS FOR DEFENDANT



# EXHIBIT A

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)	
	)	
v.	)	Criminal Case No. 1:13CR
	)	
PARKER DRILLING COMPANY,	)	
	)	
Defendant.	)	

**DEFERRED PROSECUTION AGREEMENT**

Defendant Parker Drilling Company (the “Company”), by its undersigned representatives, pursuant to authority granted by the Company’s Board of Directors, and the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney’s Office for the Eastern District of Virginia (collectively, the “Department”), enter into this deferred prosecution agreement (the “Agreement”). The terms and conditions of this Agreement are as follows:

**Criminal Information and Acceptance of Responsibility**

1. The Company acknowledges and agrees that the Department will file in the United States District Court for the Eastern District of Virginia the attached one-count criminal Information, charging the Company with knowingly and willfully violating the anti-bribery provisions of the Foreign Corrupt Practices Act, Title 15, United States Code, Section 78dd-1(a). In so doing, the Company: (a) knowingly waives its right to indictment on this charge, as well as all rights to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and

(b) knowingly waives for purposes of this Agreement and any charges by the United States arising out of the conduct described in the attached Statement of Facts any objection with respect to venue and consents to the filing of the Information, as provided under the terms of this Agreement, in the United States District Court for the Eastern District of Virginia.

2. The Company admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as charged in the Information, and as set forth in the Statement of Facts attached hereto as Attachment A and incorporated by reference into this Agreement, and that the allegations described in the Information and the facts described in Attachment A are true and accurate. Should the Department pursue the prosecution that is deferred by this Agreement, the Company agrees that it will neither contest the admissibility of nor contradict the Statement of Facts in any such proceeding, including without limitation any trial, guilty plea, or sentencing proceeding. Neither this Agreement nor the criminal Information is a final adjudication of the matters addressed in such documents.

#### **Term of the Agreement**

3. This Agreement is effective for a period beginning on the date on which the Information is filed and ending three (3) years and seven (7) calendar days from that date (the "Term"). However, the Company agrees that, in the event that the Department determines, in its sole discretion, that the Company has knowingly violated any provision of this Agreement, an extension or extensions of the term of the Agreement may be imposed by the Department, in its sole discretion, for up to a total additional time period of one year, without prejudice to the Department's right to proceed as provided in Paragraphs 14 through 17 below. Any extension of the Agreement extends all terms of this Agreement, including the terms of the reporting

requirement in Attachment D, for an equivalent period. Conversely, in the event the Department finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the reporting requirement in Attachment D, and that the other provisions of this Agreement have been satisfied, the Term of the Agreement may be terminated early.

**Relevant Considerations**

4. The Department enters into this Agreement based on the individual facts and circumstances presented by this case and the Company. Among the facts considered were the following: (a) the Company's cooperation, including conducting an extensive internal investigation and collecting, analyzing, and organizing voluminous evidence and information for the Department; (b) the Company has engaged in extensive remediation, including ending its business relationships with officers, employees, or agents primarily responsible for the corrupt payments, enhancing its due diligence protocol for third-party agents and consultants, increasing training and testing requirements, and instituting heightened review of proposals and other transactional documents for all the Company's contracts; (c) the Company has retained a full-time Chief Compliance Officer and Counsel who reports to the Chief Executive Officer and Audit Committee, as well as staff to assist the Chief Compliance Officer and Counsel; (d) the Company has already significantly enhanced and is committed to continue to enhance its compliance program and internal controls, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment C to this Agreement; (e) the Company has implemented a compliance-awareness improvement initiative and program that includes issuance of periodic anti-bribery compliance alerts; (f) the Company has already implemented many of the elements described below in paragraphs 8 and 9 and in Attachment C; and (g) the Company has agreed to continue to cooperate with the Department in any ongoing investigation

of the conduct of the Company and its officers, directors, employees, agents, and consultants relating to violations of the FCPA as provided in Paragraph 5 below.

5. The Company shall continue to cooperate fully with the Department in any and all matters relating to corrupt payments and any related false books and records and inadequate internal controls, subject to applicable law and regulations. At the request of the Department, the Company shall also cooperate fully with other domestic or foreign law enforcement authorities and agencies, as well as the Multilateral Development Banks (“MDBs”), in any investigation of the Company, its parent company or its affiliates, or any of its present and former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to corrupt payments. The Company agrees that its cooperation shall include, but is not limited to, the following:

a. The Company shall truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine with respect to its activities, those of its parent company and affiliates, and those of its present and former directors, officers, employees, agents, and consultants concerning all matters relating to corrupt payments about which the Company has any knowledge or about which the Department may inquire. This obligation of truthful disclosure includes the obligation of the Company to provide to the Department, upon request, any document, record or other tangible evidence relating to such corrupt payments about which the Department may inquire of the Company.

b. Upon request of the Department, with respect to any issue relevant to its investigation of corrupt payments in connection with the operations of the Company and related books and records of the Company, or any of its present or former subsidiaries or affiliates, the Company shall designate knowledgeable employees, agents or attorneys to provide to the

Department the information and materials described in Paragraph 5(a) above on behalf of the Company. It is further understood that the Company must at all times provide complete, truthful, and accurate information.

c. With respect to any issue relevant to the Department's investigation of corrupt payments, related false books and records, and inadequate controls in connection with the operations of the Company or any of its present or former subsidiaries or affiliates, the Company shall use its best efforts to make available for interviews or testimony, as requested by the Department, present or former officers, directors, employees, agents and consultants of the Company. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement and regulatory authorities. Cooperation under this Paragraph shall include identification of witnesses who, to the knowledge of the Company, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Department pursuant to this Agreement, the Company consents to any and all disclosures, subject to applicable law and regulations, to other governmental authorities, including United States authorities and those of a foreign government, and the MDBs, of such materials as the Department, in its sole discretion, shall deem appropriate.

**Payment of Monetary Penalty**

6. The Department and the Company agree that application of the United States Sentencing Guidelines ("USSG" or "Sentencing Guidelines") to determine the applicable fine range yields the following analysis:

- a. The 2012 USSG are applicable to this matter.
- b. Offense Level. Based upon USSG § 2C1.1, the total offense level is 30, calculated as follows:

(a)(2) Base Offense Level	12
(b)(2) Value of benefit received more than \$2,500,000, less than \$7,000,000	+18
<b>TOTAL</b>	<u>30</u>

- c. Base Fine. Based upon USSG § 8C2.4(a)(1), the base fine is \$10,500,000.
- d. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 7, calculated as follows:

(a) Base Culpability Score	5
(b)(2) the organization had 1,000 or more employees and an individual within high-level personnel of the organization participated in, condoned, or was willfully ignorant of the offense	+4
(g)(2) the organization fully cooperated in the investigation and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	-2
<b>TOTAL</b>	<u>7</u>

Calculation of Fine Range:

Base Fine	\$10,500,000
Multipliers	1.4(min)/2.8(max)
Fine Range	\$14,700,000 / \$29,400,000

The Company agrees to pay a monetary penalty in the amount of \$11,760,000, an approximately 20 percent reduction off the bottom of the fine range, to the United States Treasury within ten (10) days of the filing of the Information. The Company and the Department agree that this fine is appropriate given the facts and circumstances of this case, including the Company's cooperation, extensive remediation, commitment to continue to enhance its compliance program, and culpability relative to other companies examined in this investigation. The \$11,760,000 penalty is final and shall not be refunded. Furthermore, nothing in this Agreement shall be deemed an agreement by the Department that \$11,760,000 is the maximum penalty that may be imposed in any future prosecution, and the Department is not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Department agrees that under those circumstances, it will recommend to the Court that any amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment. The Company acknowledges that no United States tax deduction may be sought in connection with the payment of any part of this \$11,760,000 penalty.

#### **Conditional Release from Liability**

7. Subject to Paragraphs 14 through 17, the Department agrees, except as provided herein, that it will not bring any criminal or civil case against the Company or its subsidiaries related to the conduct described in the attached Statement of Facts or relating to information that the Company disclosed to the Department prior to the date on which this Agreement was signed. However, the Department may use any information related to the conduct described in the attached Statement of Facts against the Company: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other

proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code.

a. This Paragraph does not provide any protection against prosecution for any future corrupt payments, false books and records, or inadequate controls by the Company.

b. In addition, this Paragraph does not provide any protection against prosecution of any present or former officer, director, employee, shareholder, agent, consultant, contractor, or subcontractor of the Company for any violations committed by them.

#### **Corporate Compliance Program**

8. The Company represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout its operations including those of its affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials or other high-risk activities. Implementation of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not disclosed to the Department as of the date of signing of this Agreement for which the Company would otherwise be responsible.

9. In order to address any deficiencies in its internal controls, policies, and procedures, the Company represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws. If necessary and appropriate, the Company will adopt new or modify existing internal controls, policies, and procedures in order to ensure that the Company maintains: (a) a system of internal accounting controls designed to ensure the making and

keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. The internal controls system and compliance code, standards, and procedures will include, but not be limited to, the minimum elements set forth in Attachment C, which is incorporated by reference into this Agreement.

**Enhanced Compliance Undertaking**

10. The Company represents that it has or will also undertake, at a minimum, the enhanced compliance obligations described in Attachment C, for the duration of this Agreement.

11. The Company agrees that it will report to the Department annually during the term of the Agreement regarding remediation and implementation of the compliance measures described in Attachment C. These reports will be prepared in accordance with Attachment D.

**Deferred Prosecution**

12. In consideration of: (a) the past and future cooperation of the Company described in Paragraphs 4 and 5 above; (b) the Company's payment of a criminal penalty of \$11,760,000; and (c) the Company's implementation and maintenance of remedial measures as described in Paragraphs 8 through 11 above, the Department agrees that any prosecution of the Company for the conduct set forth in the attached Statement of Facts, and for the conduct that the Company or its subsidiaries disclosed to the Department prior to the signing of this Agreement, be and hereby is deferred for the Term of this Agreement.

13. The Department further agrees that if the Company fully complies with all of its obligations under this Agreement, the Department will not continue the criminal prosecution against the Company described in Paragraph 1 or initiate any prosecution against the Company or its subsidiaries for any conduct that the Company disclosed to the Department before the

signing of this Agreement, and, at the conclusion of the Term, this Agreement shall expire.

Within thirty (30) days of the Agreement's expiration, the Department shall seek dismissal with prejudice of the criminal Information filed against the Company described in Paragraph 1.

#### **Breach of the Agreement**

14. If, during the Term of this Agreement, the Department determines, in its sole discretion, that the Company has (a) committed any felony under U.S. federal law subsequent to the signing of this Agreement; (b) at any time provided in connection with this Agreement deliberately false, incomplete, or misleading information; (c) failed to cooperate as set forth in Paragraph 5 of this Agreement; (d) failed to implement an enhanced compliance program as set forth in Paragraphs 10 and 11 of this Agreement and Attachment C; or (e) otherwise breached the Agreement, the Company shall thereafter be subject to prosecution for any federal criminal violation of which the Department has knowledge, including the charges in the Information described in Paragraph 1, which may be pursued by the Department in the U.S. District Court for the Eastern District of Virginia or any other appropriate venue. Any such prosecution may be premised on information provided by the Company. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Company notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, the Company agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year.

15. In the event that the Department determines that the Company has breached this Agreement, the Department agrees to provide the Company with written notice of such breach

prior to instituting any prosecution resulting from such breach. The Company shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the Department in writing to explain the nature and circumstances of such breach, as well as the actions the Company has taken to address and remediate the situation, which explanation the Department shall consider in determining whether to institute a prosecution.

16. In the event that the Department determines that the Company has breached this Agreement: (a) all statements made by or on behalf of the Company to the Department or to the Court, including the attached Statement of Facts, and any testimony given by the Company before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Department against the Company; and (b) the Company shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that statements made by or on behalf of the Company prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed. The decision whether conduct or statements of any current director or employee, or any person acting on behalf of, or at the direction of, the Company will be imputed to the Company for the purpose of determining whether the Company has violated any provision of this Agreement shall be in the sole discretion of the Department.

17. The Company acknowledges that the Department has made no representations, assurances, or promises concerning what sentence may be imposed by the Court if the Company breaches this Agreement and this matter proceeds to judgment. The Company further

acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

**Sale or Merger of Company**

18. The Company agrees that in the event it sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, or transfer, it shall include in any contract for sale, merger, or transfer a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement.

**Public Statements by Company**

19. The Company expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents or any other person authorized to speak for the Company make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights of the Company described below, constitute a breach of this Agreement, and the Company thereafter shall be subject to prosecution as set forth in Paragraphs 14 through 17 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to the Company for the purpose of determining whether it has breached this Agreement shall be at the sole discretion of the Department. If the Department determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Department shall so notify the Company, and the Company may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after notification. The Company shall be permitted to raise defenses and to assert affirmative

claims in other proceedings relating to the matters set forth in the Statement of Facts provided that such defenses and claims do not contradict, in whole or in part, a statement contained in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former officer, director, employee, or agent of the Company in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking on behalf of the Company.

20. The Company agrees that if it or any of its direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Company shall first consult the Department to determine (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Department and the Company; and (b) whether the Department has no objection to the release.

21. The Department agrees, if requested to do so, to bring to the attention of governmental and other debarment authorities the facts and circumstances relating to the nature of the conduct underlying this Agreement, including the nature and quality of the Company's cooperation and remediation. By agreeing to provide this information to debarment authorities, the Department is not agreeing to advocate on behalf of the Company, but rather is agreeing to provide facts to be evaluated independently by the debarment authorities.

**Limitations on Binding Effect of Agreement**

22. This Agreement is binding on the Company and the Department but specifically does not bind any other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the Department will bring the cooperation

of the Company and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company.

**Notice**

23. Any notice to the Department under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to the Deputy Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, Fourth Floor, 1400 New York Avenue, N.W., Washington, D.C. 20005. Any notice to the Company under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, addressed to Jon-Al Duplantier, Senior Vice President, Chief Administrative Officer, and General Counsel, Parker Drilling Company, 5 E Greenway Plaza #100, Houston, TX 77046. Notice shall be effective upon actual receipt by the Department or the Company.

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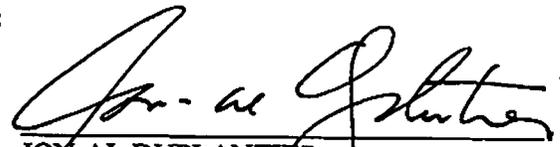
**Complete Agreement**

24. This Agreement sets forth all the terms of the agreement between the Company and the Department. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Department, the attorneys for the Company and a duly authorized representative of the Company.

**AGREED:**

**FOR PARKER DRILLING COMPANY:**

Date: April 9, 2013

By:   
JON-AL DUPLANTIER  
Senior Vice President, Chief Administrative  
Officer, and General Counsel  
Parker Drilling Company

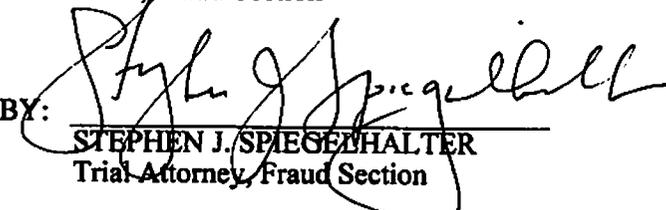
Date: April 10, 2013

By:   
MITCHELL S. ETTINGER  
SAUL M. PILCHEN (ret.)  
STEPHANIE F. CHERNY  
Skadden, Arps, Slate, Meagher & Flom LLP  
Counsel for Parker Drilling Company

**FOR THE DEPARTMENT OF JUSTICE:**

Date: 4/15/13

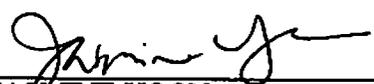
JEFFREY H. KNOX  
Chief, Fraud Section

BY:   
STEPHEN J. SPIEGELHALTER  
Trial Attorney, Fraud Section

United States Department of Justice  
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1400 New York Avenue, N.W.  
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NEIL H. MacBRIDE  
UNITED STATES ATTORNEY

Date: 4/15/13

BY:   
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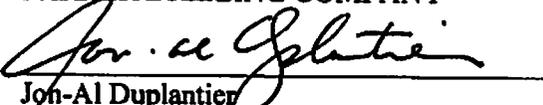
**COMPANY OFFICER'S CERTIFICATE**

I have read this Agreement and carefully reviewed every part of it with outside counsel for Parker Drilling Company (the "Company"). I understand the terms of this Agreement and voluntarily agree, on behalf of the Company, to each of its terms. Before signing this Agreement, I consulted outside counsel for the Company. Counsel fully advised me of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed the terms of this Agreement with the Board of Directors of the Company. I have advised and caused outside counsel for the Company to advise the Board of Directors fully of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me, or to my knowledge any person authorizing this Agreement on behalf of the Company, in any way to enter into this Agreement. I am also satisfied with outside counsel's representation in this matter. I certify that I am the Senior Vice President, Chief Administrative Officer, and General Counsel for the Company and that I have been duly authorized by the Company to execute this Agreement on behalf of the Company.

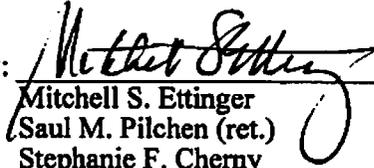
Date: April 9th, 2013

PARKER DRILLING COMPANY  
By:   
Jon-Al Duplantier  
Senior Vice President, Chief Administrative Officer, and  
General Counsel  
Parker Drilling Company

**CERTIFICATE OF COUNSEL**

I am counsel for Parker Drilling Company (the "Company") in the matter covered by this Agreement. In connection with such representation, I have examined relevant Company documents and have discussed the terms of this Agreement with the Company Board of Directors. Based on our review of the foregoing materials and discussions, I am of the opinion that the representative of the Company has been duly authorized to enter into this Agreement on behalf of the Company and that this Agreement has been duly and validly authorized, executed, and delivered on behalf of the Company and is a valid and binding obligation of the Company. Further, I have carefully reviewed the terms of this Agreement with the Board of Directors and the Senior Vice President, Chief Administrative Officer, and General Counsel of the Company. I have fully advised them of the rights of the Company, of possible defenses, of the Sentencing Guidelines' provisions and of the consequences of entering into this Agreement. To my knowledge, the decision of the Company to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: April 10, 2013

By:   
\_\_\_\_\_  
Mitchell S. Ettinger  
Saul M. Pilchen (ret.)  
Stephanie F. Cherny  
Skadden, Arps, Slate, Meagher & Flom LLP  
Counsel for Parker Drilling Company

ATTACHMENT A

**STATEMENT OF FACTS**

The following Statement of Facts is incorporated by reference as part of the Deferred Prosecution Agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the Eastern District of Virginia (collectively, the "Department") and Parker Drilling Company ("Parker Drilling"). Parker Drilling hereby agrees and stipulates that the following information is true and accurate. Parker Drilling admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below. Should the Department pursue the prosecution that is deferred by this Agreement, Parker Drilling agrees that it will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding. If this matter were to proceed to trial, the Department would prove beyond a reasonable doubt, by admissible evidence, the facts alleged below and set forth in the criminal Information attached to this Agreement. This evidence would establish the following:

At all relevant times, unless otherwise specified:

***The Foreign Corrupt Practices Act***

1. The Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. § 78dd-1, *et seq.* ("FCPA"), prohibited certain classes of persons and entities from corruptly offering, paying, promising to pay, or authorizing the payment of any money or anything of value, directly or indirectly, to a foreign government official for the purpose of obtaining or retaining business for, or directing business to, any person.

***The Defendant and Defendant's Subsidiaries***

2. **PARKER DRILLING COMPANY** ("PARKER DRILLING"), a provider of contract drilling and drilling-services, was incorporated in Delaware, headquartered in Houston, Texas, operated in numerous countries around the world, and employed more than 3,000 people.

PARKER DRILLING's shares were registered with the Securities and Exchange Commission ("SEC") pursuant to Section 12(b) of the Securities Exchange Act of 1934. PARKER DRILLING's shares traded on the New York Stock Exchange under the symbol "PKD."

3. As an issuer of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, Title 15, United States Code, Section 781, PARKER DRILLING was required to file periodic reports with the SEC under Section 13 of the Securities Exchange Act, Title 15 United States Code, Section 78m. Accordingly, PARKER DRILLING was an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

4. PARKER DRILLING disclosed financial information to the public through various means, including through the electronic filing of periodic and annual reports. PARKER DRILLING electronically transmitted its filings to the SEC's Electronic Gathering, Analysis, and Retrieval System ("EDGAR") at the Management Office of Information and Technology in Alexandria, Virginia, within the Eastern District of Virginia.

5. PARKER DRILLING operated through various subsidiaries throughout the world. In Nigeria, PARKER DRILLING operated oil-drilling rigs owned by **Parker Drilling (Nigeria) Limited**, a Nigerian entity and wholly-owned subsidiary of **Parker Drilling Offshore International, Inc.**, a Cayman Islands corporation and wholly-owned PARKER DRILLING subsidiary. PARKER DRILLING ceased drilling operations in Nigeria in 2006.

#### *The Defendant's Employees and Agents*

6. **Executive A**, a United States citizen based in Houston, Texas, was a senior PARKER DRILLING officer who performed financial and compliance functions for PARKER DRILLING from in or around 2002 until in or around 2005.

7. **Executive B**, a United States citizen based in Houston, Texas, was a senior PARKER DRILLING officer who performed in the legal function for PARKER DRILLING.

8. **Employee A**, a United States citizen based in Warri, Nigeria, was a PARKER DRILLING employee and officer of Parker Drilling Nigeria. From in or around January 2001 through in or around December 2002, Employee A was the General Manager of PARKER DRILLING's operations in Nigeria.

9. **Employee B**, a United States citizen based in Lagos, Nigeria, was a PARKER DRILLING employee, officer of Parker Drilling Nigeria, and the General Manager of PARKER DRILLING's operations in Nigeria.

10. **Law Firm** was a United States limited liability partnership with multiple offices in the United States. Law Firm served as outside counsel to PARKER DRILLING and provided legal and business advice to PARKER DRILLING on a number of issues, including resolution of PARKER DRILLING's customs and related issues in Nigeria. Law Firm invoiced PARKER DRILLING and was paid for its services in the United States.

11. **U.S. Outside Counsel** was a United States citizen and a partner in Law Firm, who served as PARKER DRILLING's outside counsel. U.S. Outside Counsel provided legal and business advice to PARKER DRILLING on customs and other issues in Nigeria. U.S. Outside Counsel, through Law Firm, invoiced PARKER DRILLING from and was paid in the United States.

12. **Nigeria Outside Counsel**, a Nigerian citizen based in Nigeria, served as one of PARKER DRILLING's outside attorneys in Nigeria. Nigeria Outside Counsel advised PARKER DRILLING on customs and other matters in Nigeria. Nigeria Outside Counsel invoiced PARKER DRILLING from and was paid in Nigeria.

13. **Panalpina World Transport (Nigeria) Limited ("Panalpina")** was a Nigerian entity that provided a variety of logistics and customs services to PARKER DRILLING. Panalpina, on PARKER DRILLING's behalf, submitted to Nigerian customs officials false documents related to the temporary importation of drilling rigs that PARKER DRILLING owned or operated in Nigerian waters. Panalpina invoiced PARKER DRILLING and was paid for its services in Nigeria.

14. **Nigeria Agent** was a Nigerian and British citizen based in the United Kingdom. In or around January 2004, Law Firm and U.S. Outside Counsel retained Nigeria Agent to assist PARKER DRILLING in connection with customs matters in Nigeria. With one exception, PARKER DRILLING paid Nigeria Agent through Law Firm and U.S. Outside Counsel for Nigeria Agent's TI Panel-related services.

#### *Nigerian Officials*

15. **The Ministry of Finance of the Federal Republic of Nigeria** was responsible for assessing and collecting applicable duties and tariffs on goods imported into Nigeria and did so through a government agency called the **Nigeria Customs Service ("NCS")**. The NCS was an agency and instrumentality of the Government of Nigeria, and its employees were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

16. **The Panel of Inquiry for the Investigation of All Cases of Temporary Import Permits Issued Between 1984 to Year 2000 (the "TI Panel")** was a board empanelled for the purpose of examining certain duties and tariffs that the NCS collected or failed to collect between 1984 and 2000. The TI Panel was presidentially appointed, operated under the auspices of the Nigerian President's office, and possessed the power to issue subpoenas and levy fines. The TI Panel exercised its discretion when determining the fine amounts that it would levy. The TI Panel was an agency and instrumentality of the Government of Nigeria, and its employees were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

17. **Nigeria's State Security Service ("SSS")** was a Nigerian intelligence and law-enforcement agency that operated as a department within the Nigerian government's executive

branch. The SSS was a department, agency, and instrumentality of the Government of Nigeria, and its employees were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

### *Nigerian Customs*

18. Under Nigerian law, customs duties generally were required to be paid for goods imported into Nigeria, such as rigs and vessels imported into Nigerian waters. During the relevant time, the customs duties that were assessed to permanently import a rig into Nigerian waters were significant, between approximately 10-20% of the total value of the rig. In the alternative, companies could import rigs and other items on a temporary basis pursuant to which no customs duties would be assessed. If temporarily importing a rig, the company had to post a bond (“TIP bond”) with the Nigerian government as security for any duties or penalties that might be owed during the life of the TIP. Assuming no adverse events occurred during operations, the bond would be returned to the company once the rig was exported.

19. A rig, or other item, could be imported on a temporary basis only if the item: (a) was considered a high valued piece of special equipment, (b) was not available for sale in Nigeria, and (c) was being imported temporarily and was intended to be exported. If these requirements were met, a company, through a local customs agent, could apply for a temporary import permit (“TIP”).

20. Significantly, items imported under a TIP (and TIP extensions) could not remain in Nigeria longer than the period allowed by the TIP and/or TIP extensions. Upon the expiration of the TIP (and related TIP extensions), the owner could either choose to permanently import the rig (known as “nationalizing” or “converting to home use”) or export the rig and re-import it and obtain a new initial TIP. The failure to export the rig after the TIP expired could result in the assessment of Nigerian penalties of up to six times its cost.

### *PARKER DRILLING’s Nigerian Operations and the TIP “Paper Process”*

21. The drilling rigs that PARKER DRILLING operated in Nigeria were originally imported into Nigeria by Noble Drilling Corporation and were sold in or around 1996 to Mallard Drilling International, Inc. (“Mallard Drilling”). In or around late 1996, PARKER DRILLING acquired Mallard Drilling; a Mallard Drilling subsidiary, Energy Ventures International, Inc. (“EVI”); and all of Mallard Drilling and EVI’s Nigerian operations and drilling rigs.

22. By in or around 1998, PARKER DRILLING was operating five drilling rigs in Nigeria, each with a declared value of between \$2 million and \$18 million. Until it converted its drilling rigs to home use in or around 2004, PARKER DRILLING’s Nigerian rigs all operated under TIPs. Initially, PARKER DRILLING retained the customs agent that Mallard Drilling had used to obtain TIP extensions. In or around late 2001, this agent was no longer able to obtain TIP extensions, and PARKER DRILLING then retained Panalpina to obtain TIPs and TIP extensions on PARKER DRILLING’s behalf.

23. Between about late 2001 and about April 2002, Panalpina obtained new TIPs for PARKER DRILLING's rigs by submitting false paperwork on PARKER DRILLING's behalf to avoid the time, cost, and risks associated with exporting the rigs and re-importing them into Nigerian waters (a process that Panalpina referred to as the "paper process" or "recycling"). Panalpina created and caused to be presented to Nigerian officials documents that reflected that the rigs had been physically exported and re-imported. In reality, the drilling rigs never left Nigerian waters.

***The TI Panel's Inception and PARKER DRILLING's Proceedings Before the TI Panel***

24. In or around late 2002, Nigeria formed the TI Panel, a Nigerian government commission assembled to review the adequacy of the TIPs that had been granted previously. Among other things, the TI Panel reviewed particular rig operators' TIPs to see whether particular TIPs had lapsed, causing a gap between TIPs. The TI Panel exercised its discretion when, among other things, determining which companies to investigate and the fine amounts that the TI Panel would levy.

25. In or around December 2002, the TI Panel summonsed PARKER DRILLING. Beginning in or around January 2003, Nigeria Outside Counsel and PARKER DRILLING's local personnel appeared several times before the TI Panel concerning PARKER DRILLING's TIPs. On or about February 4, 2004, and thereafter, Nigeria Agent represented PARKER DRILLING before the TI Panel.

26. On or about April 22, 2004, the TI Panel concluded that PARKER DRILLING had violated Nigeria's Customs & Excise Management Act of 1958 with respect to several of its TIPs.

27. In or around early May 2004, the TI Panel assessed a fine of \$3.8 million against PARKER DRILLING.

28. Following the corrupt conduct outlined below, on or about May 26, 2004, the TI Panel reduced PARKER DRILLING's fine to just \$750,000.

***Bribery Scheme***

29. From the beginning, the TI Panel posed a serious problem for PARKER DRILLING for at least two reasons. First, PARKER DRILLING failed to secure new TIPs and subsequent extensions in accordance with Nigerian law. As a January 2003 email among PARKER DRILLING personnel discussing the TI Panel noted, PARKER DRILLING's "main problem is going to be providing positive documentation showing that the TI Bonds were filed according to the requirements of the Customs laws in effect at the time."

30. Second, PARKER DRILLING personnel, including local personnel in Nigeria, Employees A and B, and Executives A and B were aware that the process by which PARKER DRILLING had kept its drilling rigs in Nigeria violated Nigerian law. In or around January 2003, Panalpina informed Nigeria Outside Counsel and local Nigeria personnel that the "paper

process” violated Nigerian law, and that, if the TI Panel were to find out about it, “both Panalpina and Parker [Drilling] will be in trouble.” Executives A and B also came to understand that the “paper process” violated Nigerian law.

31. By in or around December 2003, PARKER DRILLING wanted to resolve the TI Panel issues so that it could sell its drilling rigs and exit Nigeria altogether. Executives A and B were responsible for managing PARKER DRILLING’s exit.

32. U.S. Outside Counsel introduced PARKER DRILLING to one of U.S. Outside Counsel’s clients, which suggested that PARKER DRILLING retain Nigeria Agent to resolve its Nigerian customs issues. Nigeria Agent’s resume, which U.S. Outside Counsel provided to PARKER DRILLING, did not reflect any past experience working in Nigeria or handling customs issues; instead, Nigeria Agent had spent around 15 years as “Executive Managing Director” of his own group of companies and had spent 2 years before that as a mechanical engineer.

33. Nevertheless, although PARKER DRILLING conducted no additional diligence into Nigeria Agent’s qualifications, after Executives A and B and others interviewed Nigeria Agent, PARKER DRILLING indirectly retained Nigeria Agent. In or around January 2004, through Law Firm, PARKER DRILLING entered an agreement with Nigeria Agent whereby Nigeria Agent would “act as a consultant to [Law Firm] to provide professional assistance resolving these issues in Nigeria.” The agreement did not specify the amount or basis for calculating the fees and expenses that Nigeria Agent could charge PARKER DRILLING, other than to require an initial retainer of \$50,000 and to provide for an unexplained “success fee.” PARKER DRILLING wired Nigeria Agent \$50,000, as soon as Nigeria Agent signed the contract.

34. With one exception, PARKER DRILLING paid Nigeria Agent indirectly through Law Firm for all services related to the TI Panel. When Nigeria Agent required funds, PARKER DRILLING transferred funds to Law Firm by wire, and Law Firm in turn forwarded those funds to Nigeria Agent by international wire. Nigeria Agent’s funding requests typically first went by email to Law Firm and U.S. Outside Counsel and asked for large currency transfers, often \$100,000 or more at a time. Law Firm and U.S. Counsel then forwarded Nigeria Agent’s requests by email to Executive B, who discussed the requests with Executive A. Executives A and B were involved in approving Nigeria Agent’s payment requests related to the TI Panel.

35. The wire communications and transfers in furtherance of the scheme included:

- a. On or about January 26, 2004, U.S. Outside Counsel emailed Executive B that “we need to wire [Nigeria Agent] an additional \$50,000. The first tranche went in retainer fees and the entertainment of the [Nigerian presidential] delegation.”

- b. On or about February 2, 2004, Executive B and Nigeria Agent corresponded by email concerning Nigeria Agent's upcoming meeting with Nigeria's president.
- c. On or about February 9, 2004, Executives A and B corresponded by email to discuss Nigeria Agent's meetings with Nigeria's president and planned correspondence with the Minister of Finance.
- d. On or about February 24, 2004, Nigeria Agent emailed U.S. Outside Counsel, copying Executive B, writing that Nigeria Agent had been meeting with the SSS and Nigeria's Minister of Finance. Nigeria Agent asked for additional money and tied the expenditures to winning the concession he was seeking for PARKER DRILLING, writing that he was "spending on average about US\$3,000 a day for hotel accommodation, transport, food, entertainment, communication, and office work. . . . I need to spend another US\$60,000 on public relations for the intelligence work and this will be paid when the concession is given. We will need SSS in the future. It will help me if US\$100,000 is sent to my account by Friday 27 February 2004 as I plan to go to Nigeria on Sunday 29th February."
- e. On or about April 13, 2004, Nigeria Agent emailed U.S. Outside Counsel, copying Executive B, writing that "there is nothing more serious than landing in Nigeria without money to resolve the problems. . . . I have meeting tomorrow in Abuja to discuss the drilling contracts. This is my reason for making sure that I can entertain my hosts because of their promises. Therefore, please make sure that you transfer the funds today so that my Bank Officer can send to Nigeria tomorrow."
- f. On or about April 19, 2004, Executives A and B corresponded by email concerning an upcoming hearing of the TI Panel. Nigeria Agent previously informed PARKER DRILLING that, although Nigeria Outside Counsel represented PARKER DRILLING in connection with the TI Panel, Nigeria Agent did not want Nigeria Outside Counsel to attend a TI Panel hearing concerning PARKER DRILLING. In the exchange, Executive A wrote that Nigeria Agent would likely "respond negatively" to any PARKER DRILLING request to have Nigeria Outside Counsel attend the hearing with Nigeria Agent.
- g. On or about May 3, 2004, U.S. Outside Counsel emailed Executive B, writing that Nigeria Agent "will need \$100,000 in expense advances to cover various out of pocket expenses and social events that will occur on this trip." Executive B responded by email, pointing out that Nigeria Agent had not returned \$25,000 that PARKER DRILLING had previously inadvertently double-paid to Nigeria Agent. U.S. Outside Counsel told Executive B to take

it up with Nigeria Agent, who said that his expenses were running “about 4000 a day per person because of the entourage entertainment.”

- h. On or about May 7, 2004, Executive B emailed Executive A, reciting that Executive B “spoke with [U.S. Outside Counsel] this evening after [U.S. Outside Counsel] had a conversation with [Nigeria Agent.] [Nigeria Agent] said that he needs another \$150,000 to accomplish his objective. Apparently he was speaking in ‘code’ since he was on a hotel phone from Nigeria, but stated that he had previously advised you and I about this plan in London and made reference to the analogy of ‘a person being present and then leaving but if we agreed they were present all the time then they were’ or something along those lines. I remember the analogy but have no recollection of any discussion about it costing \$250,000 to accomplish the objective. Now he wants the balance of \$150,000 to complete this.” Executive A responded, “Let’s just tell [U.S. Outside Counsel] we need an invoice for the \$150,000 expenditure.”
- i. In response to the wire communications above, on or about January 9, February 3, February 27, April 14, May 4, May 11, and May 21, 2004, PARKER DRILLING transferred to Law Firm by wire U.S. currency for subsequent transfer by interstate and international wire to Nigeria Agent. On or about April 13, 2004, Parker Drilling Nigeria also transferred currency to Nigeria Agent by check. PARKER DRILLING transferred the U.S. currency so that Nigeria Agent could make the expenditures described above.

36. Until in or around May 2004, Executives A and B paid and caused to be paid all of Nigeria Agent’s expenses without receiving any invoices particularly describing the expenditures’ purposes. In or around May 2004, Executive B asked Law Firm for an invoice, when PARKER DRILLING’s treasurer informed Executive B that the lack of invoices could raise an issue in PARKER DRILLING’s ongoing Sarbanes Oxley audit, writing:

As you are fully aware, we are in the middle of SOX evaluation/documentation process. One item that is imperative for a wire transfer is a properly approved invoice to support a wire to a 3<sup>rd</sup> party. . . . We (Treasury) do not want to be written up for non compliance when we are audited and having wires to 3<sup>rd</sup> parties without an invoice will put us in non compliance.

37. To fulfill PARKER DRILLING’s request, on or about May 10, 2004, Nigeria Agent sent to U.S. Outside Counsel an invoice for \$350,000 in “professional fees for the period January – March 2004.” U.S. Outside Counsel forwarded the invoice to PARKER DRILLING and informed Executive B that he would reproduce the invoice on Law Firm letterhead. U.S. Outside Counsel also forwarded a separate invoice from Nigeria Agent for \$150,000 in “Professional fees for 1 April — 7 May 2004.” U.S. Outside Counsel then sent to Executive B a summary invoice in the amount of \$500,000, arbitrarily dividing the total \$500,000 charge into separate categories entitled “fees” and “expenses,” without any basis to do so. Executive B

accepted the invoice and retained it in PARKER DRILLING's files, knowing that the invoice did not accurately reflect the true purpose of PARKER DRILLING's wire transfers to Nigeria Agent.

38. Executives A and B later paid and caused to be paid additional TI Panel-related invoices, knowing that the description of fees and expenses on Law Firm's invoices did not accurately reflect Nigeria Agent's actual fees and expenses.

39. All told, PARKER DRILLING transferred and caused to be transferred to Nigeria Agent approximately \$1.25 million to address PARKER DRILLING's TI Panel issues.

40. Nigeria Agent succeeded in reducing PARKER DRILLING's TI Panel fines. Although the TI Panel previously notified PARKER DRILLING that PARKER DRILLING would be required to pay a fine of \$3.8 million, on or about May 26, 2004, the TI Panel reduced that fine to just \$750,000—a reduction of \$3.05 million, or just over 80 percent.

**CERTIFICATE OF CORPORATE RESOLUTIONS**

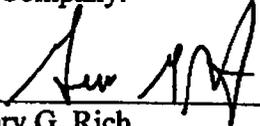
WHEREAS, Parker Drilling Company (the "Company") has been engaged in discussions with the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the Eastern District of Virginia (collectively, the "Department") regarding issues arising in relation to certain improper payments to foreign officials to facilitate the award of contracts and assist in obtaining business for the Company; and WHEREAS, in order to resolve such discussions, it is proposed that the Company enter into a certain agreement with the Department; and

WHEREAS, the Company's Senior Vice President, Chief Administrative Officer, and General Counsel, Jon-Al Duplantier, together with outside counsel for the Company, have advised the Board of Directors of the Company of its rights, possible defenses, the Sentencing Guidelines' provisions, and the consequences of entering into such agreement with the Department;

Therefore, the Board of Directors has RESOLVED that:

1. The Company (a) acknowledges the filing of the one-count Information charging the Company with violating the anti-bribery provisions of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1(a); (b) waives indictment on such charges and enters into a deferred prosecution agreement with the Department; and (c) agrees to accept monetary criminal penalties against Company totaling \$11,760,000, and to pay a total of \$11,760,000 to the United States Treasury with respect to the conduct described in the Information;
2. The Senior Vice President, Chief Administrative Officer, and General Counsel, Jon-Al Duplantier, is hereby authorized, empowered and directed, on behalf of the Company, to execute the Deferred Prosecution Agreement substantially in such form as reviewed by this Board of Directors at this meeting with such changes as the Senior Vice President, Chief Administrative Officer, and General Counsel of Company, Jon-Al Duplantier, may approve;
3. The Senior Vice President, Chief Administrative Officer, and General Counsel, Jon-Al Duplantier, is hereby authorized, empowered and directed to take any and all actions as may be necessary or appropriate and to approve the forms, terms or provisions of any agreement or other documents as may be necessary or appropriate, to carry out and effectuate the purpose and intent of the foregoing resolutions; and
4. All of the actions of the Senior Vice President, Chief Administrative Officer, and General Counsel of Company, Jon-Al Duplantier, which actions would have been authorized by the foregoing resolutions except that such actions were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as actions on behalf of the Company.

Date: 5 April, 2013

  
\_\_\_\_\_  
Gary G. Rich  
President, Chief Executive Officer, and Director  
Parker Drilling Company

ATTACHMENT C

**CORPORATE COMPLIANCE PROGRAM**

In order to address any deficiencies in its internal controls, compliance code, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anti-corruption laws, the Parker Drilling Company (the “Company”) agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, the Company agrees to adopt new or to modify existing internal controls, compliance code, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that the Company makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, policies, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company’s existing internal controls, compliance code, policies, and procedures:

*High-Level Commitment*

1. The Company will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

*Policies and Procedures*

2. The Company will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA and other applicable foreign law counterparts

(collectively, the “anti-corruption laws,”), which policy shall be memorialized in a written compliance code.

3. The Company will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anti-corruption laws and the Company’s compliance code, and the Company will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anti-corruption laws by personnel at all levels of the Company. These anti-corruption policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, “agents and business partners”). The Company shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of the company. Such policies and procedures shall address:

- a. gifts;
- b. hospitality, entertainment, and expenses;
- c. customer travel;
- d. political contributions;
- e. charitable donations and sponsorships;
- f. facilitation payments; and
- g. solicitation and extortion.

4. The Company will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that:

- a. transactions are executed in accordance with management's general or specific authorization;
- b. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;
- c. access to assets is permitted only in accordance with management's general or specific authorization; and
- d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

*Periodic Risk-Based Review*

5. The Company will develop these compliance policies and procedures on the basis of a risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the Company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. The Company shall review its anti-corruption compliance policies and procedures no less than annually and update them as appropriate to ensure their continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

*Proper Oversight and Independence*

7. The Company will assign responsibility to one or more senior corporate executives of the Company for the implementation and oversight of the Company's anti-corruption compliance code, policies, and procedures. Such corporate official(s) shall have direct reporting obligations to independent monitoring bodies, including internal audit, the Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

*Training and Guidance*

8. The Company will implement mechanisms designed to ensure that its anti-corruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (e.g., internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk to the Company, and, where necessary and appropriate, agents and business partners; and (b) annual certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. The Company will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with the Company's anti-corruption compliance code, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the Company operates.

*Internal Reporting and Investigation*

10. The Company will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

11. The Company will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anti-corruption laws or the Company's anti-corruption compliance code, policies, and procedures.

*Enforcement and Discipline*

12. The Company will implement mechanisms designed to effectively enforce its compliance code, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. The Company will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and the Company's anti-corruption compliance code, policies, and procedures by the Company's directors, officers, and employees.

Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. The Company shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance code, policies, and procedures and making modifications necessary to ensure the overall anti-corruption compliance program is effective.

*Third-Party Relationships*

14. The Company will institute appropriate due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:
  - a. properly documented risk-based due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;
  - b. informing agents and business partners of the Company's commitment to abiding by anti-corruption laws, and of the Company's anti-corruption compliance code, policies, and procedures; and
  - c. seeking a reciprocal commitment from agents and business partners.
15. Where necessary and appropriate, the Company will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of

the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anti-corruption laws, the Company's compliance code, policies, or procedures, or the representations and undertakings related to such matters.

*Mergers and Acquisitions*

16. The Company will develop and implement policies and procedures for mergers and acquisitions requiring that the Company conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anti-corruption due diligence by legal, accounting, and compliance personnel. If the Company discovers any corrupt payments or inadequate internal controls regarding compliance with the FCPA and other applicable anti-corruption laws as part of its due diligence of newly acquired entities or entities merged with the Company, it shall report such conduct to the Department.

17. The Company will ensure that the Company's compliance code, policies, and procedures regarding the anti-corruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with the Company and will promptly:

- a. train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anti-corruption laws and the Company's compliance code, policies, and procedures regarding anti-corruption laws; and
- b. conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

*Monitoring and Testing*

18. The Company will conduct periodic reviews and testing of its anti-corruption compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and the Company's anti-corruption code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

**ATTACHMENT D**

**REPORTING REQUIREMENTS**

Parker Drilling Company (the "Company") agrees that it will report to the Department periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment C. Should the Company discover credible evidence that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any Company entity or person, or any entity or person working directly for the Company (including its affiliates and any agent), or that related false books and records have been maintained, the Company shall promptly report such conduct to the Department. During this three-year period, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two (2) follow-up reviews and reports, as described below:

a. By no later than one (1) year from the date this Agreement is executed, the Company shall submit to the Department a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the Company's internal controls, policies, and procedures for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to Deputy Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Eleventh Floor,

Washington, DC 20530. The Company may extend the time period for issuance of the report with prior written approval of the Department.

b. The Company shall undertake at least two (2) follow-up reviews, incorporating the Department's views on the Company's prior reviews and reports, to further monitor and assess whether the Company's policies and procedures are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

c. The first follow-up review and report shall be completed by no later than one (1) year after the initial review. The second follow-up review and report shall be completed by no later than one (1) year after the completion of the preceding follow-up review.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Department determines in its sole discretion, with appropriate notice in advance to the Company, that disclosure would be in furtherance of the Department's discharge of its duties and responsibilities or is otherwise required by law.

e. The Company may extend the time period for submission of any of the follow-up reports with prior written approval of the Department.

# EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
ALEXANDRIA DIVISION**

<b>SECURITIES AND EXCHANGE COMMISSION,</b>	§	
	§	
<b>Plaintiff,</b>	§	<b>Civil Action No.</b>
	§	
<b>vs.</b>	§	
	§	
<b>PARKER DRILLING COMPANY,</b>	§	
	§	
<b>Defendant.</b>	§	
	§	

**FINAL JUDGMENT AS TO DEFENDANT PARKER DRILLING COMPANY**

The Securities and Exchange Commission (“Commission”) having filed a Complaint and Defendant Parker Drilling Company (“Defendant”) having entered a general appearance; consented to this Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 30A of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78dd-1], which prohibits any issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or which is required to file reports under Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], or for any officer, director, employee, or agent of such

issuer or any stockholder thereof acting on behalf of such issuer, from making use of the mails or any means or instrumentality of interstate commerce corruptly, or by corruptly doing any act outside the United States, in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to:

- (1) any foreign official for purposes of
  - (a) (i) influencing any act or decision of such foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage; or
  - (b) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person;

- (2) any foreign political party or official thereof or any candidate for foreign political office for purposes of:

- (a) (i) influencing any act or decision of such party, official, or candidate in its or in his official capacity, (ii) inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or (iii) securing any improper advantage; or
- (b) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality;

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person; or

- (3) any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any

foreign political party or official thereof, or to any candidate for foreign political office for purposes of:

(a) (i) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, (ii) inducing such foreign official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, party official, or candidate, or (iii) securing any improper advantage; or

(b) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality;

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person.

## II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by failing to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

## III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by failing to devise and maintain a

system of internal accounting controls sufficient to provide reasonable assurances that:

- (a) transactions are executed in accordance with management's general or specific authorization;
- (b) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability for assets;
- (c) access to assets is permitted only in accordance with management's general or specific authorization; and
- (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$3,050,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$1,040,818. Defendant shall satisfy this obligation by paying \$4,090,818 to the Commission within 14 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Commission, which shall be delivered or mailed to

Enterprise Services Center  
Accounts Receivable Branch  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of

this Court; Parker Drilling Company as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: \_\_\_\_\_, 2013

\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE