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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1995

Commission File No. 1-2960

Newpark Resources, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

72-1123385
(I.R.S. Employer
Identification No.)

3850 N. Causeway, Suite 1770
Metairie, Louisiana
(Address of principal executive offices)

70002
(Zip Code)

(504) 838-8222
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$.01 par value

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy of information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [].

At March 4, 1996, the aggregate market value of the voting stock held by non-affiliates of the registrant is \$242,707,025. The aggregate market value has been computed by reference to the price at which the stock was sold, as reported by The New York Stock Exchange.

As of March 4, 1996, a total of 10,658,453 shares of Common Stock, \$.01 par value, were outstanding.

Documents Incorporated by Reference

Portions of the registrant's Proxy Statement for the upcoming 1996 Annual Meeting of Shareholders are incorporated by reference into Part III hereof.

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PART I

ITEM 1. Business

The Company

Newpark Resources, Inc. ("Newpark" or the "Company") provides integrated environmental services to the oil and gas exploration and production industry in the Gulf Coast area, principally in Louisiana and Texas. Those services are concentrated in three key product lines: (i) mat rental services—the use of patented prefabricated wooden mats as temporary worksites in oilfield and other construction applications; (ii) processing and disposal of nonhazardous oilfield waste ("NOW"); and (iii) processing and disposal of NOW which is contaminated with naturally occurring radioactive material ("NORM"). In its waste disposal operations, the Company utilizes proprietary technology.

The Company's mat rental services have been provided primarily to the oil and gas exploration and production industry. The mats provide temporary worksites in unstable soil conditions typically found along the Gulf Coast. In addition to the installation and rental of mats, the Company also provides for the management and treatment of nonhazardous oilfield waste on the well site, the remediation of waste pits, and general oilfield services. In 1994, the Company began marketing these temporary worksites to other industries. Increasing environmental regulation affecting the construction of pipelines, electrical distribution systems and highways in and through wetlands environments has provided a substantial and rapidly growing new market for these services and have broadened the geographic market served by the Company to include the coastal areas of the Southeastern states, particularly Florida and Georgia, in addition to its traditional Gulf Coast market. The Company believes that heightened environmental concern in other markets and other countries, such as that developing in Venezuela, will continue to provide opportunities for the mat rental business.

In its NOW processing and disposal business, Newpark processes the majority of the NOW received at its facilities for injection into geologically secure formations deep underground and creates from the remainder a reuse product which is used as intermediate daily cover material or cell liner material at municipal waste landfills. Since the fourth quarter of 1994, the Company has provided processing and disposal of NOW waste that is contaminated with NORM, processing the waste for injection disposal in wells owned by the Company. In

addition, the Company provides laboratory and consulting services for its customers in connection with its NOW and NORM services.

The Company offers these services individually and as an integrated package. The recent trend toward more strict environmental regulation of both drilling and production operations conducted by the Company's customers has resulted in greater synergy between the Company's mat rental and oilfield general construction services and its other environmental services. The Company provides a comprehensive integrated combination of in-situ waste management and construction services for both the drilling of new sites and the remediation of existing sites. This integration provides it a competitive advantage in an era of downsizing by its major customers, which has made those customers more reliant upon outside suppliers for many services. By providing a broad array of integrated services, Newpark reduces the number of contractors necessary to provide these services, decreasing the customer's administrative workload.

Newpark's offsite waste processing operations utilize a combination of proprietary preparation technology to blend the waste into an injectible slurry and specific underground geology into which injection is effected, and patent applications have been filed to protect this proprietary methodology. The Company's mat rental business uses a patented interlocking wooden mat system, patent protection of which extends to the year 2003. Newpark believes that the proprietary aspects of these businesses cannot be easily duplicated, thereby providing a competitive advantage.

In anticipation of increased demand for hardwood lumber used in construction of its rental mats, the Company purchased a sawmill in Batson, Texas, in October 1992. Newpark has since doubled the capacity of the facility, and expects to fully utilize such capacity in serving its mat rental business.

The following table sets forth for the years ended December 31, 1995, 1994, and 1993, respectively, the amount of revenues for each class of similar products and services.

	Year ended December 31,		
	1995	1994	1993
	(Dollars in thousands)		
Revenues:			
Offsite waste processing	\$31,126	\$20,738	\$11,354
Mat rental	30,775	23,048	21,042
General oilfield services	14,511	13,452	11,358
Wood products sales	12,609	13,105	7,947
Onsite environmental management	7,361	7,689	4,629
Other	1,600	1,600	-
Total revenues	\$97,982	\$79,632	\$56,330
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Newpark was organized in 1932 as a Nevada corporation and in April 1991 changed its state of incorporation to Delaware. The Company's principal executive offices are located at 3850 North Causeway Boulevard, Suite 1770, Metairie, Louisiana 70002, and its telephone number is (504) 838-8222.

Development of the Business

Since 1990, the Company has concentrated on expanding and further integrating its environmental service capabilities. Through acquisitions in 1990 and 1991, Newpark extended its environmental services into the Texas Gulf Coast region. In May 1991, the Company expanded its processing capacity by constructing a new NOW processing plant in Port Arthur, Texas, replacing a smaller facility. The Company has further increased plant capacity through subsequent equipment additions and improvements in process technology and procedures. Beginning in 1992, the Company accelerated the development of its deep well injection program and, in November 1993, opened its first facility for underground disposal of NOW, at Big Hill, Texas.

Significant developments in 1995 included:

- The Company's license to process NORM waste was amended to increase the maximum level of radioactive contamination permitted and to increase the capacity of the facility.

- . The trend toward a more strict regulation of NOW and NORM waste continued. NORM regulations were adopted in several states, most importantly New Mexico and Texas. The NORM regulations were revised in Louisiana and are under revision in the state of Mississippi. Draft regulations have been prepared, but are not yet proposed in Oklahoma.
- . The volume of NOW processed by the Company grew by 25% to 2.9 million barrels despite lower drilling activity as measured by the rig count.
- . A second NOW facility, located near Fannett, Texas, was opened in the third quarter of 1995, and additional wells were drilled at the Big Hill facility, providing a further increase in waste disposal capacity.
- . The market for the Company's mat rental services in non-oilfield markets expanded into Florida and Georgia.
- . The Company initiated a joint venture to provide its proprietary mat rental services to the exploration and production market in Venezuela.
- . The effect on the Company's services of a decline in the number of active drilling rigs was substantially offset by deeper drilling by the Company's customers.

NOW and NORM are defined as follows:

NOW - Nonhazardous Oilfield Waste or NOW is waste generated in the exploration or production of oil and gas. These wastes typically contain levels of oil and grease, salts or chlorides, and heavy metals in excess of concentration limits defined by state regulators. NOW also includes soils which have become contaminated by these materials. In the environment, oil and grease and chlorides disrupt the food chain and have been determined by regulatory authorities to be harmful to plant and animal life. Heavy metals are toxic and can become concentrated in living tissues.

NORM - Naturally Occurring Radioactive Material or NORM is present throughout the earth's crust at very low levels. Among the radioactive elements, only Radium 226 and Radium 228 are slightly

soluble in water. Because of their solubility, which can carry them into living plant and animal tissues, these elements present a hazard.

Radium 226 and Radium 228 can be leached out of hydrocarbon bearing strata deep underground by salt water which is produced with the hydrocarbons. Radium generally precipitates out of the production stream as it is drawn to the surface and encounters a pressure or temperature change in the well tubing or production equipment, forming a rust-like scale. This scale contains radioactive elements which, over many years, can become concentrated on tank bottoms or at water discharge points at production facilities. Thus, NORM waste is NOW that has become contaminated with these radioactive elements above concentration levels defined by state regulatory authorities.

Amendment to NORM waste license - During 1994, Newpark became a licensed NORM contractor in Louisiana and Texas. The Company built a NORM waste treatment plant adjacent to its NOW treatment plant in Port Arthur, Texas, at which the Company uses a proprietary process to slurry the material and reduce the NORM concentration below the level at which it is regulated as NORM in preparation for underground injection. Newpark applied for U.S. patents on certain aspects of its treatment and disposal processes. The facility began operations in October 1994, and is one of only four commercial offsite facilities in the United States that is licensed to process and dispose of NORM waste. The license was modified during 1995 to increase the maximum permitted concentration of Radium 226 present in the waste received at the facility from 400 picocuries per gram to 6,000, and the total concentration of radioactive isotopes from 2,000 picocuries per gram to 30,000.

Developments related to NOW - The Company processed and disposed of 2,905,000 barrels of NOW in 1995, of which 2,364,000 barrels were generated from current drilling and production operations and 541,000 barrels were generated from the remediation of old pits and production facilities, compared with 2,329,000 barrels in 1994, of which 1,974,000 were from current drilling and production operations and 355,000 were from remediation activities. The increase resulted principally from the further tightening of state and federal regulations limiting the discharge of waste into inland waterways and offshore and, to a lesser extent, from changes in the type and mix of drilling activity.

During 1995, Newpark further expanded its NOW injection facility, located at Big Hill, Texas, drilling two additional injection wells and constructing a grinding mill at the site to more efficiently handle the large quantities of waste resulting from the growing

remediation market. The mill is used to reduce and make uniform the size of the particles in the waste stream to maintain desired flow

characteristics in the Company's injection wells. In September 1995, the Company opened its second injection site, at Fannett, Texas, drilling two wells at that facility, and in the fourth quarter, completed a bulk barge unloading facility adjacent to the original Port Arthur processing plant. Together with additions to personnel and equipment at its receiving facilities, this increased its NOW processing capacity to approximately 500,000 barrels per month.

Services to wetlands construction projects - Many of the environmental concerns that have affected drilling in the environmentally sensitive marshes of the Gulf Coast are now beginning to affect other construction activities in the Gulf Coast and other geographic areas. Federal and state regulatory agencies have begun to require increased precautions to prevent construction-related damage to the environment in wetlands areas throughout the United States. Newpark believes that its prefabricated mat technology is well-suited for use in construction projects in wetlands areas. During 1995, the Company performed projects in connection with pipeline, electrical utility and highway construction projects in Georgia, Florida, Texas and Louisiana. The Company anticipates that similar opportunities will allow it to continue to diversify its geographic base, following the wetlands activity to construction related markets in other states.

Venezuela joint venture - During the first quarter of 1995, the Company invested in a joint venture providing mat rental services in Venezuela in support of oil and gas exploration and production activities. A total of 7,000 mats were shipped to the market during the year and, by year end, substantially all were under contract to a customer. The government of Venezuela has made increasing its output of oil over the next several years a national priority, and has begun attracting outside investment partners from among the international oil companies, many of which are Newpark's customers in the domestic market. Subsequent to December 31, 1995, the joint venture arranged shipment of an additional 5,000 mats to Venezuela, and expects that activity there will continue to increase as further exploration concessions are granted. Newpark holds a 38.8% interest in the venture.

Drilling activity - The level of drilling activity in Newpark's key market declined 4% to an average of 195 rigs running in 1995 compared to 202 during 1994. This mirrored the decline in the U.S. rig count, which averaged 723 in 1995 compared to 774 in 1994. The 1995 activity level was the second lowest since 1940, after an average

of 717 recorded in 1992. In much of the coastal marsh and inland waters, termed the "transition zone," the high cost associated with access to the site and lack of seismic data has been an obstacle to

development, and as a result, the area has been less actively drilled compared to the offshore and land areas. High quality seismic data has become available only through recent improvements in technology. The increased use of advanced seismic data and the computer-enhanced interpretation of that data has enabled Newpark's customers to select exploratory drilling sites with greater likelihood of success. This enables them to undertake more expensive projects, such as drilling in the transition zone along the Gulf Coast region.

Such projects rely heavily on services such as the Company's integrated environmental services. Deeper wells require the construction of larger locations to accommodate the drilling equipment and the equipment for handling drilling fluids and associated wastes; such locations generally are in service for significantly longer periods and generate additional mat rental revenues. Deeper wells also require more chemically complex drilling fluids programs, which are more difficult and costly to dispose of than the simpler systems used in shallower wells. The Company believes that, in 1995, deeper drilling contributed significantly to the increased demand for the Company's services.

Regulatory Background

The oilfield market for environmental services has increased as regulations have increased. Louisiana, Texas, and other states have enacted comprehensive laws and regulations governing the proper handling of NOW and NORM. This has also heightened the awareness of both the generators of waste and landowners of the need for proper treatment and disposal of such waste in both the drilling of new wells and the remediation of production facilities.

For many years, prior to current regulation, industry practice was to allow NOW to remain in the environment. Onshore, surface pits were used for the disposal of NOW; offshore, NOW was discharged directly into the water. As a result of increasing public concern over the environment, NOW has in recent years become subject to public scrutiny and governmental regulation. Operators of exploration and production facilities, including major and independent oil companies, have found themselves subject to a multiplicity of laws and regulations issued by numerous jurisdictions and agencies. These laws and regulations have imposed strict requirements for ongoing drilling and production activities in certain geographic areas, as well as for the remediation of sites contaminated by past disposal practices and,

in many respects, have prohibited the prior disposal practices. In

addition, operators have become increasingly concerned about possible long-term liability for remediation, and landowners have become more aggressive about land restoration. For these reasons, operators are increasingly retaining service companies, such as Newpark, to devise and implement comprehensive waste management techniques to handle waste on an ongoing basis and to remediate past contamination of oil and gas properties.

Late in 1992, the Louisiana Department of Environmental Quality ("DEQ") began to promulgate and enforce new, stricter limits on the level of radium concentration above which NOW became categorized as NORM. NORM regulations require more stringent worker protection, handling and storage procedures than those required of NOW under Louisiana Statewide Executive Order 29-B. Uncertainty in measuring NORM concentration was created by apparent inconsistencies in the results produced by alternative testing methodologies allowed in then current regulations. Early in 1994, DEQ published draft NORM regulations which, with minor modification, became effective January 20, 1995, as LAC 33:XV.1401-1420, Chapter 14. In Texas, the Railroad Commission adopted final rules ("Rule 94") effective February 1, 1995. Adoption of these regulations has resolved the regulatory uncertainty associated with NORM.

The primary laws that have helped to create the market for Newpark's environmental services in the Gulf Coast region, and which apply to Newpark in the conduct of its business, are the Resource Conservation and Recovery Act of 1976, as amended in 1984 ("RCRA"), the Comprehensive Environmental Response, Compensation, and Liability Act, as amended in 1986 ("CERCLA"), the laws and regulations promulgated by the states of Louisiana, Texas and Alabama, the Federal Water Pollution Control Act, as amended (the "Clean Water Act"), and the Federal Oil Pollution Act of 1990 ("OPA"). These laws are discussed under "Environmental Regulation".

Description of Business

The principal services and products provided by the Company are classified as follows:

Offsite Waste Processing

NOW Waste Processing. Under state regulation, if NOW cannot be treated for discharge or disposed of on the oil or gas lease location where it is generated, it must be transported to a licensed NOW disposal or treatment facility. There are three primary alternatives for offsite disposal of NOW available to generators in the Gulf Coast: (i) land-farming, provided by the Company's competitors; (ii) processing and conversion of the NOW into a reuse product; and (iii) underground injection (See "Injection Wells"). The Company processes NOW waste at a facility located at Port Arthur, Texas, which was opened in 1991. Newpark also operates six other receiving and transfer facilities located along the Gulf Coast from Venice, Louisiana, to Corpus Christi, Texas. Waste products are collected at the transfer facilities from three distinct markets: offshore exploration and production; land and inland waters exploration and production; and remediation of existing or inactive well sites and production facilities. These facilities are supported by a fleet of 42 double-skinned barges certified by the U. S. Coast Guard to transport NOW. Waste received is transported by barge through the Gulf Intracoastal Waterway to the Company's processing facility at Port Arthur, Texas, or trucked to facilities at Fannett or Big Hill, Texas.

The Company has historically converted the waste stream to a commercial reuse product meeting the specifications under applicable federal and state regulations for reuse as a covering material or cell liner material at sanitary landfills. Under these regulations, landfills must cover the solid waste deposited daily with earth or other inert material. The Company's reuse product is deposited at either the City of Port Arthur Municipal Landfill or the City of Beaumont Municipal Landfill for use as such cover material pursuant to contracts with the respective cities. This reuse is conducted under authorization from the Texas Natural Resources Conservation Commission and is permitted by the Texas Railroad Commission, under a permit that was renewed in January 1994, for a three year period. The Company has also developed alternative uses for the product as roadbase material or construction fill material.

Currently, only a portion of the waste received by the Company is processed into a reuse product. Since November 1994, the Company has disposed of a majority of the waste received at its processing facility by injection of the waste into disposal wells at its Big Hill

facility and, since the third quarter of 1995, its Fannett Facility.

NORM Processing and Disposal. Newpark's entry into the onsite remediation (1993) and disposal (1994) of NORM waste is discussed under "Business - Development of the Business." Many alternatives are available to the generator for the treatment and disposal of NORM. These include both chemical and mechanical methods designed to achieve volume reduction, in-situ burial of encapsulated NORM within old well bores, and soil washing and other techniques of dissolving and suspending the radium in solution for onsite injection of NORM liquids. When the application of these techniques are insufficient to bring the site into compliance with applicable regulations, the NORM must be transported to a licensed storage or disposal facility.

Newpark's NORM processing facility was licensed in September 1994 and began operations October 21, 1994. The facility receives NORM waste from production operations and remediation sites, generally by barge, truck, in drums or other containers. The material, which is similar to NOW in virtually all respects other than its elevated level of Radium 226 or Radium 228, is processed to achieve a uniform particle size and, through the introduction of viscosifiers and carrying agents, is suspended in a liquid stream suitable for disposal in Class II injection wells operated by the Company. Such processing also reduces the concentration of radioactive material to a level at which the material is no longer regulated as NORM, but reverts to NOW characteristics. The processed waste meets the criteria for injection disposal under Texas Railroad Commission Rule 9 and Rule 94 and is transported by truck to the Company's injection well facility. During 1995, the facility license was modified to increase the level of total radioactive contamination permitted in the waste received at the facility from 2,000 picocuries per gram to 30,000, and the level of Radium 226, upon which most regulation is primarily focused, from 400 to 6,000 picocuries per gram.

During 1995, the Company received 70,000 barrels of NORM contaminated waste. Much of the growth in the market can be attributed to increased litigation on the part of landowners concerned over the past practices of the oil and gas industry which have resulted in numerous instances of radioactive contamination of the surface. In some cases, settlement of the litigation has mandated the remediation of such sites.

Injection Wells. In February 1993, upon receipt of a permit from the Texas Railroad Commission, the Company began development of a 50 acre injection well facility in the Big Hill Field in Jefferson

County, Texas. Newpark's injection technology is distinguished from conventional methods in that it utilizes very low pressure, typically

under 100 pounds per square inch, to move the waste into the injection zone. Conventional wells typically use pressures as high as 2,000 pounds per square inch. In the event of a formation failure or blockage of the face of the injection zone, such pressure can force waste material beyond the intended zone, posing a hazard to the environment. The low pressure used by Newpark is inadequate to drive the injected waste from its intended injection zone.

Three wells were initially installed at this facility and two additional wells were successfully completed during 1995. Disposal operations began at this site in November 1993. During 1995, the Company licensed and constructed a new injection well facility at a 400 acre site near Fannett, Texas, which was placed in service in September 1995. Because of differences between the geology and physical size of the two sites, the Fannett site is expected to provide greater capacity than the Big Hill site.

The injection wells at Big Hill and Fannett receive NOW waste from the Company's processing facilities at Port Arthur, as well as from customers in the surrounding area. Newpark anticipates that it will open additional injection facilities for both NOW and NORM waste in Louisiana and Texas over the next two to three years. The Company has identified a number of sites in the Gulf Coast region as suitable for development of such disposal facilities, has received permits for one additional site in Texas, and plans to file for additional permit authority in Louisiana.

The Company believes that its proprietary injection technology has application to other markets and waste streams, and has begun preliminary work and analysis to enter the nonhazardous industrial waste market in the future.

The Company also operates an analytical laboratory in Lafayette, Louisiana, which supports all phases of its environmental services and provides independent laboratory services to the oil and gas industry. These services include analytical laboratory and sampling services, permit application and maintenance services and environmental site assessment and audit services.

Mat Rental

In 1988, the Company acquired the right to use, in Louisiana and Texas, a patented prefabricated interlocking mat system for the

construction of drilling and work sites, which has displaced use of individual hardwood boards. This system is quicker to install and

remove, substantially reducing labor costs. It is also stronger, easier to repair and maintain, and generates less waste material during construction and removal than conventional board roads. In 1994, the Company acquired the exclusive right to use this system in the Continental U.S. for the life of the patent, which expires in 2003. Newpark provides this service to two markets:

Oilfield market: Newpark provides this patented interlocking mat system to the oil and gas industry to ensure all-weather access to exploration and production sites in the unstable soil conditions common along the onshore Gulf of Mexico. These sites are generally rented to the customer for an initial period of 60 days; after that time, additional rentals are earned on a monthly basis until the mats are released by the customer.

Wetlands market: Beginning in 1994, the Company recognized the development of another market for its patented mat system in providing access roads and temporary work sites to the pipeline, electrical utility and highway construction industries. Demand for these services was spurred by Federal Energy Regulatory Commission orders requiring compliance with environmental protection rules under the Clean Water Act in the pipeline construction business. In 1994, the Company received approximately \$2.4 million in revenue from this source. During 1995, approximately \$7.0 million in revenues were received in this market.

Rentals. Drilling and work sites are typically rented by the customer for an initial period of 60 days. Often, the customer extends the rental term for additional 30 day periods, resulting in additional revenues to the Company. These rental revenues provide high margins because only minimal incremental depreciation and maintenance costs accrue to each rental period. Factors which may increase rental revenue include: (i) the trend toward increased activity in the "transition zone" along the Gulf of Mexico, an area in which the Company's mat system provides the primary means of access; (ii) a trend toward deeper drilling, taking a longer time to reach the desired target; and, (iii) the increased frequency of commercial success, requiring logging, testing, and completion (hook-up), extending the period during which access to the site is required. In the opinion of industry analysts, application of advanced technologies, particularly the use of three-dimensional seismic data, has contributed to these trends.

Onsite Environmental Management

Promulgation and enforcement of increasingly stringent environmental regulations affecting drilling and production sites has increased the scope of services required by the oil companies. Often it is more efficient for the site operator to contract with a single company that can provide all-weather site access and provide the required onsite and offsite environmental services on a fully integrated basis. The Company provides a comprehensive range of environmental services necessary for its customers' oil and gas exploration and production activities. These services include:

Site Assessment: Site assessment work begins prior to installation of mats on a drilling site, and generally begins with a study of the proposed well site, which includes site photography, background soil sampling, laboratory analysis and investigation of flood hazards and other native conditions. The assessment determines whether the site has previously been contaminated and provides a baseline for later restoration to pre-drilling condition.

Pit Design, Construction and Drilling Waste Management. Under its Environmentally Managed Pit ("EMP") Program, the Company constructs waste pits at drilling sites and monitors the waste stream produced in drilling operations and the contents and condition of the pits with the objective of minimizing the amount of waste generated on the site. Where possible, the Company disposes of waste onsite by land-farming, through chemical and mechanical treatment of liquid waste and by annular injection into a suitably permitted underground formation. Waste water treated onsite may be reused in the drilling process or, where permitted, discharged into adjacent surface waters.

Regulatory Compliance. Throughout the drilling process, the Company assists the operator in interfacing with the landowner and regulatory authorities. The Company also assists the operator in obtaining necessary permits and in complying with record maintenance and reporting requirements.

Site Remediation.

NOW (Drilling). At the completion of the drilling process, under applicable regulations, waste water on the site may be

chemically or mechanically treated and discharged into surface waters. Other waste that may not remain on the surface of the site may be land-farmed on the site or injected under permit into geologic formations to minimize the need for offsite disposal. Any waste that cannot, under regulations, remain onsite is manifested (in Louisiana) and transported to an authorized facility for processing and disposal at the direction of the generator or customer (See "Description of Business- NOW Waste Processing").

NOW (Production). The Company also provides services to remediate production pits and inactive waste pits including those from past oil and gas drilling and production operations. The Company provides the following remediation services: (i) analysis of the contaminants present in the pit and a determination of whether remediation is required by applicable state regulation; (ii) treatment of waste onsite, and where permitted, reintroduction of that material into the environment, (iii) removal, containerization and transportation to the Company's processing facility of NOW waste not treated onsite.

NORM. In January 1994, Newpark became a licensed NORM contractor, allowing the Company to perform site remediation work at NORM contaminated facilities in Louisiana and Texas. Because of the need for increased worker-protective equipment, extensive decontamination procedures and other regulatory compliance issues at NORM sites, the cost of providing such services are materially greater than at NOW facilities, and generates proportionately higher revenues than similar work at a NOW facility.

Site Closure. The location is restored to its pre-drilling condition and reseeded with native grasses. Closure also involves delivery of test results indicating that closure has been completed in compliance with applicable regulations. This information is important to the customer because the operator is subject to future regulatory review and audits. In addition, the information may be required on a current basis if the operator is subject to a pending regulatory compliance order.

Wood Product Sales

By the end of 1991, the Company had become aware of increasing environmental regulation affecting wetlands areas. These regulations have affected the oil and gas drilling industry as well as pipeline,

electrical distribution and highway projects. In anticipation of increased demand for hardwood lumber used in providing access to such

wetlands sites, the Company purchased a sawmill in Batson, Texas, in October 1992. The mill's products include lumber, timber, and wood chips, as well as bark and sawdust. Pulp and paper companies in the area supply a large proportion of the hardwood logs processed at the sawmill and, in turn, are the primary customers for wood chips created in the milling process. During 1993, Newpark invested approximately \$1.0 million in expansion of the sawmill to increase its capacity for producing wood chips. During 1995, the Company invested an additional \$750,000 to: (i) install a log watering system to maintain the level of moisture in the wood chips produced, as desired by its customers, and; (ii) for expanded and improved sawing capacity, which improved both production and efficiency.

General Oilfield Services

The Company performs general oilfield services throughout the Gulf Coast area between Corpus Christi, Texas and Pensacola, Florida. General oilfield services performed by the Company include preparation of work sites for installations of mats, connecting wells and placing them in production, laying flow lines and infield pipelines, building permanent roads, grading, lease maintenance (the maintenance and repair of producing well sites), cleanup and general roustabout services. General oilfield services are typically performed under short-term time and material contracts, which are obtained by direct negotiation or bid.

The Company manufactures and sells a line of American Petroleum Institute certified wellheads and valves (flow and pressure control equipment, principally installed above ground) to oil and gas exploration and production companies. Most of the Company's wellhead sales include installation and service for which the Company earns additional revenues. The Company also repairs and refurbishes customer-owned wellheads. Newpark has entered into an agreement to sell this operating unit to an unrelated third party, and expects to consummate that transaction before mid-1996.

International Expansion

During the first quarter of 1995, the Company initiated participation in a venture which provides mat rental services to the oil and gas industry in Venezuela. Revenue from foreign operations has been immaterial in each of the past three years.

Sources and Availability of Raw Materials and Equipment

Newpark believes that its sources of supply for any materials or equipment used in its businesses are adequate for its needs and that it is not dependent upon any one supplier. No serious shortages or delays have been encountered in obtaining any raw materials.

Patents and Licenses

Newpark seeks patents and licenses on new developments whenever feasible, and has recently applied for U.S. patents on its new NOW and NORM waste processing and injection disposal system. Newpark has the exclusive license for the life of the patent (which expires in 2003) to use, sell and lease the prefabricated mats that it uses in connection with its site preparation business in the 48 contiguous states of the United States. The licensor has the right to sell mats in states where Newpark is not engaged in business, but only after giving Newpark the opportunity to take advantage of the opportunity itself. The license is subject to a royalty which Newpark can satisfy by purchasing specified quantities of mats annually from the licensor.

The utilization of proprietary technology and systems is an important aspect of the Company's business strategy. For example, the Company relies on a variety of unpatented proprietary technologies and know-how in the processing of NOW. Although the Company believes that this technology and know-how provide it with significant competitive advantages in the environmental services business, competitive products and services have been successfully developed and marketed by others. The Company believes that its reputation in its industry, the range of services offered, ongoing technical development and know-how, responsiveness to customers and understanding of regulatory requirements are of equal or greater competitive significance than its existing proprietary rights.

Working Capital Practice

Newpark does not have any special working capital practices which differ significantly from those generally practiced in the oil and gas or environmental services industries. For additional information on Newpark's current borrowings see "Management's Discussion and Analysis

of Results of Operations and Financial Condition-Liquidity and Capital Resources," and "Note E. Credit Arrangements and Long-Term Debt," in the "Notes to Consolidated Financial Statements."

Dependence Upon Limited Number of Customers

The Company's customers are principally major and independent oil and gas exploration and production companies operating in the Gulf Coast area, with the vast majority of the Company's customers concentrated in Louisiana and Texas.

During the year ended December 31, 1995, approximately 30% of the Company's revenues were derived from 14 major oil companies, and one other customer accounted for approximately 16% of consolidated revenues. Given current market conditions and the nature of the products involved, management does not believe that the loss of this customer would have a material adverse effect upon the Company.

The Company performs services either pursuant to standard contracts or under longer term negotiated agreements. As most of the Company's agreements with its customers are cancelable upon limited notice, the Company's backlog is not significant. For the year ended December 31, 1995, approximately half of the revenues of the environmental services segment were obtained on a bid basis, and half of its revenues were derived on a negotiated or contractual basis.

Newpark does not derive a significant portion of its revenues from government contracts of any kind.

Competition

The Company operates in highly competitive industry segments. The Company believes that the principal competitive factors in its businesses are reputation, technical proficiency, reliability, quality and breadth of services offered, managerial experience and price. The Company believes that it effectively competes on the basis of these factors, and that its competitive position benefits from its proprietary position with respect to the patented mat system used in its site preparation business, its proprietary treatment and disposal methods for both NOW and NORM waste streams and its ability to provide its customers with an integrated well site management program including environmental and general oilfield services.

It is often more efficient for the site operator to contract with a single company that can prepare the well site and provide the required onsite and offsite environmental services. The Company believes that its ability to provide a number of services as part of a comprehensive program enables the Company to price its services competitively.

The Company believes that there are certain barriers to entry in the environmental and oilfield services industry in the Gulf Coast region. These barriers include formalized procedures for customer acceptance, licenses, and permits, and the need for specially equipped facilities and trained personnel. Facilities disposing of NOW are subject to permitting and regulatory requirements which pose a barrier to entry into the market. The market, however, is very large. Only a small portion of the total waste generated is taken to a commercial disposal facility and many other methods exist for dealing with the waste stream. In the market served by the Company there are over one hundred permitted commercial facilities, including landfarms, landfills, and injection facilities authorized to dispose of NOW.

For additional information concerning the markets that Newpark serves and the effects of competition, see "Description of Business" and "Management's Discussion and Analysis of Results of Operations and Financial Condition."

Environmental Disclosures

Newpark has sought to comply with all applicable regulatory requirements concerning environmental quality. The Company has made, and expects to continue to make, the necessary capital expenditures for environmental protection at its facilities, but does not expect that these will become material in the foreseeable future. No material capital expenditures for environmental protection were made during 1995.

Newpark derives a significant portion of its revenue from providing environmental services to its customers. These services have become necessary in order for these customers to comply with regulations governing the discharge of materials into the environment. Substantially all of Newpark's capital expenditures made during 1994 and 1995, and those planned for 1996, are directly or indirectly the result of such regulation.

Employees

At February 16, 1996, Newpark employed approximately 565 full and part-time personnel, none of which are represented by unions. Newpark considers its relations with its employees to be satisfactory.

Environmental Regulation

The Company's business is affected both directly and indirectly by governmental regulations relating to the oil and gas industry in general, as well as environmental, health and safety regulations that have specific application to the Company's business. The Company, through the routine course of providing its services, handles and profiles hazardous regulated material for its customers. Newpark also handles, processes and disposes of nonhazardous regulated materials. This section discusses various federal and state pollution control and health and safety programs that are administered and enforced by regulatory agencies, including, without limitation, the U. S. Environmental Protection Agency ("EPA"), the U.S. Coast Guard, the Department of the Interior's Office of Surface Mining, the U.S. Army Corps of Engineers, the Texas Natural Resource Conservation Commission, the Texas Department of Health, the Texas Railroad Commission, the Louisiana Department of Environmental Quality and the Louisiana Department of Natural Resources. These programs are applicable or potentially applicable to the Company's current operations. Although the Company intends to make capital expenditures to expand its environmental services capabilities, the Company believes that it is not presently required to make material capital expenditures to remain in compliance with federal, state and local provisions relating to the protection of the environment.

RCRA. The Resource Conservation and Recovery Act of 1976, as amended in 1984, ("RCRA"), is the principal federal statute governing hazardous waste generation, treatment, storage and disposal. RCRA and EPA-approved state hazardous waste management programs govern the handling of "hazardous wastes". Under RCRA, liability and stringent operating requirements are imposed on a person who is either a "generator" or "transporter" of hazardous waste or an "owner" or "operator" of a hazardous waste treatment, storage or disposal facility. The EPA and the states have issued regulations pursuant to RCRA for hazardous waste generators, transporters and owners and operators of hazardous waste treatment, storage or disposal facilities. These regulations impose detailed operating, inspection, training and emergency preparedness and response standards and

requirements for closure, continuing financial responsibility,

manifesting of waste, record-keeping and reporting, as well as treatment standards for any hazardous waste intended for land disposal.

The Company's primary operations involve NOW, which is exempt from classification as a RCRA-regulated hazardous waste. However, extensive state regulatory programs govern the management of such waste. In addition, in performing other services for its customers, the Company is subject to both federal (RCRA) and state solid or hazardous waste management regulations as contractor to the generator of such waste.

Proposals have been made to rescind the exemption of NOW from regulation as hazardous waste under RCRA. Repeal or modification of this exemption by administrative, legislative or judicial process could require the Company to change significantly its method of doing business. There is no assurance that the Company would have the capital resources available to do so, or that it would be able to adapt its operations.

Subtitle I of RCRA regulates underground storage tanks in which liquid petroleum or hazardous substances are stored. States have similar regulations, many of which are more stringent in some respects than federal programs. The implementing regulations require that each owner or operator of an underground tank notify a designated state agency of the existence of such underground tank, specifying the age, size, type, location and use of each such tank. The regulations also impose design, construction and installation requirements for new tanks, tank testing and inspection requirements, leak detection, prevention, reporting and cleanup requirements, as well as tank closure and removal requirements.

The Company has a number of underground storage tanks that are subject to the requirements of RCRA and applicable state programs. Violators of any of the federal or state regulations may be subject to enforcement orders or significant penalties by the EPA or the applicable state agency. The Company is not aware of any instances in which it has incurred liability under RCRA. Cleanup costs or costs associated with changes in environmental laws or regulations could be substantial and could have a material adverse effect on the Company.

CERCLA. The Comprehensive Environmental Response, Compensation and Liability Act, as amended in 1986, ("CERCLA"), provides for

immediate response and removal actions coordinated by the EPA for

releases of hazardous substances into the environment and authorizes the government, or private parties, to respond to the release or threatened release of hazardous substances. The government may also order persons responsible for the release to perform any necessary cleanup. Liability extends to the present owners and operators of waste disposal facilities from which a release occurs, persons who owned or operated such facilities at the time the hazardous substances were released, persons who arranged for disposal or treatment of hazardous substances and waste transporters who selected such facilities for treatment or disposal of hazardous substances. CERCLA has been interpreted to create strict, joint and several liability for the costs of removal and remediation, other necessary response costs and damages for injury to natural resources.

Among other things, CERCLA requires the EPA to establish a National Priorities List ("NPL") of sites at which hazardous substances have been or are threatened to be released and that require investigation or cleanup. The NPL is constantly expanding. In addition, the states in which the Company conducts operations have enacted similar laws and keep similar lists of sites which may be in need of remediation.

Although Newpark primarily handles oilfield waste classified as NOW under relevant laws, this waste typically contains constituents designated by the EPA as hazardous substances under RCRA, despite the current exemption of NOW from hazardous substance classification. Where the Company's operations result in the release of hazardous substances, including releases at sites owned by other entities where the Company performs its services, the Company could incur CERCLA liability. Previously owned businesses also may have disposed or arranged for disposal of hazardous substances that could result in the imposition of CERCLA liability on the Company in the future. In particular, divisions and subsidiaries previously owned by the Company were involved in extensive mining operations at facilities in Utah and Nevada. In addition, divisions and subsidiaries previously owned by the Company were involved in waste generation and management activities in numerous states. These activities involved substances that may be classified as RCRA hazardous substances. Any of those sites or activities potentially could be the subject of future CERCLA damage claims.

With the exception of the sites discussed in "Legal Proceedings - Environmental Proceedings" below, the Company is not aware of any

instances in which it has incurred liability under CERCLA.
Nonetheless, the identification of additional sites at which clean-up

action is required could subject the Company to liabilities which could have a material adverse effect on the Company.

The Clean Water Act. The Clean Water Act regulates the discharge of pollutants, including NOW, into waters. The Clean Water Act establishes a system of standards, permits and enforcement procedures for the discharge of pollutants from industrial and municipal waste water sources. The law sets treatment standards for industries and waste water treatment plants and provides federal grants to assist municipalities in complying with the new standards. In addition to requiring permits for industrial and municipal discharges directly into waters of the United States, the Clean Water Act also requires pretreatment of industrial waste water before discharge into municipal systems. The Clean Water Act gives the EPA the authority to set pretreatment limits for direct and indirect industrial discharges.

In addition, the Clean Water Act prohibits certain discharges of oil or hazardous substances and authorizes the federal government to remove or arrange for removal of such oil or hazardous substances. The Clean Water Act also requires the adoption of the National Contingency Plan to cover removal of such materials. Under the Clean Water Act, the owner or operator of a vessel or facility may be liable for penalties and costs incurred by the federal government in responding to a discharge of oil or hazardous substances.

The Company treats and discharges waste waters at certain of its facilities. These activities are subject to the requirements of the Clean Water Act and federal and state enforcement of these regulations.

The EPA Region 6 Outer Continental Shelf ("OCS") permit covering oil and gas operations in federal waters in the Gulf (seaward of the Louisiana and Texas territorial seas) was reissued in November, 1992 and modified in December, 1993. This permit includes stricter limits for oil and grease concentrations in produced waters to be discharged. These limits are based on the Best Available Treatment ("BAT") requirements contained in the Oil and Gas Offshore Subcategory national guidelines which were published March 3, 1993. Additional requirements include toxicity testing and bioaccumulation monitoring studies of proposed discharges.

EPA Region 6, which includes the Company's market, continues to issue new and amended National Pollution Discharge Elimination System ("NPDES") general permits further limiting or restricting substantially all discharges of produced water from the Oil and Gas Extraction Point Source Category into Waters of the United States. These permits include:

1) Onshore subcategory permits for Texas, Louisiana, Oklahoma and New Mexico issued in February, 1991 (56 Fed. Reg. 7698). This permit completely prohibits the discharge of drilling fluids, drill cuttings, produced water or sand, and various other oilfield wastes generated by onshore operations into waters of the U.S. This provision has the effect of requiring that most oilfield wastes follow established state disposal programs.

2) Permits for produced water and produced sand discharges into coastal waters of Louisiana and Texas issued on January 9, 1995 (60 Fed. Reg. 2387). Coastal means "any water landward of the territorial seas... or any wetlands adjacent to such waters". All such discharges must cease by January 1, 1997.

3) The Outer Continental Shelf (OCS) permit for the western Gulf of Mexico, covering oil and gas operations in federal waters (seaward of the Louisiana and Texas territorial seas) was reissued in November 1992 and modified in December 1993. It is expected to be combined with an OCS general permit covering new sources at its next revision.

4) Permits for the territorial seas of Louisiana and Texas were scheduled to be proposed in the spring of 1995. The most recent information from the EPA indicates the permits should be proposed in the spring of 1996. The territorial seas part of the Offshore Subcategory begins at the line of ordinary low water along the part of the coast which is in direct contact with the open sea, and extends out three nautical miles. These permits will cover both existing sources and new sources. All discharges in state waters must comply with any more stringent requirements contained in Louisiana Water Quality Regulations, LAC 33.IX.7.708.

The combined effect of all these regulations will closely approach a "zero discharge standard" affecting all waters except those of the OCS. The Company and many industry participants believe that these permits may ultimately lead to a total prohibition of overboard discharge in the Gulf of Mexico.

The Clean Air Act. The Clean Air Act provides for federal, state and local regulation of emissions of air pollutants into the atmosphere. Any modification or construction of a facility with regulated air emissions must be a permitted or authorized activity. The Clean Air Act provides for administrative and judicial enforcement against owners and operators of regulated facilities, including substantial penalties. In 1990, the Clean Air Act was reauthorized and amended, substantially increasing the scope and stringency of the Clean Air Act's regulations. The Clean Air Act has very little impact on the Company's operations.

Oil Pollution Act of 1990. The Oil Pollution Act of 1990 contains liability provisions for cleanup costs, natural resource damages and property damages as well as substantial penalty provisions. The OPA also requires double hulls on all new oil tankers and barges operating in waters subject to the jurisdiction of the United States. All marine vessels operated by the Company already meet this requirement.

State Regulation. In 1986, the Louisiana Department of Natural Resources promulgated Order 29-B. Order 29-B contains extensive rules governing pit closure and the generation, treatment, storage, transportation and disposal of NOW. Under Order 29-B, onsite disposal of NOW is limited and is subject to stringent guidelines. If these guidelines cannot be met, NOW must be transported and disposed of offsite in accordance with the provisions of Order 29-B. Moreover, under Order 29-B, most, if not all, active waste pits must be closed or modified to meet regulatory standards; those pits that continue to be allowed may be used only for a limited time. A material number of these pits may contain sufficient concentrations of NORM to become subject to regulation by the DEQ. Rule 8 of the Texas Railroad Commission also contains detailed requirements for the management and disposal of NOW and Rule 94 governs the management and disposal of NORM. In addition, the Texas Legislature recently enacted a law that has established an Oilfield Cleanup Fund to be administered by the Texas Railroad Commission to plug abandoned wells if the Commission deems it necessary to prevent pollution, and to control or clean up certain oil and gas wastes that cause or are likely to cause pollution of surface or subsurface water.

The Railroad Commission of Texas Rule 91 (16 TAC 3.91) became effective November 1, 1993. This rule regulates the cleanup of spills of crude oil and gas exploration and production activities including

transportation by pipeline. In general, contaminated soils must be remediated to oil and grease content of less than 1%.

Many states maintain licensing and permitting procedures for the construction and operation of facilities that emit pollutants into the air. In Texas, the Texas Natural Resource Conservation Commission (the "TNRCC") requires companies that emit pollutants into the air to apply for an air permit or to satisfy the conditions for an exemption. The Company has obtained certain air permits and believes that it is exempt from obtaining other air permits at its facilities including its Port Arthur, Texas, NOW processing facility. The Company met with the TNRCC and filed for an exemption in the fall of 1991. A subsequent renewal letter was filed in 1995. Based upon its feedback from the TNRCC, the Company expects that it will continue to remain exempt. However, should it not remain exempt, the Company believes that any remedial actions that the TNRCC may require with regard to non-exempt air emissions would not have a material adverse effect on the financial position or operation of the Company.

Other Environmental Laws. Newpark may be subject to other federal and state environmental protection laws, including without limitation, the Toxic Substances Control Act, the Surface Mining Control and Reclamation Act ("SMCRA") and the Super Fund Amendments and Reauthorization Act, including the Emergency Planning and Community Right-To-Know-Act. In particular, SMCRA established a nationwide program to regulate surface mining and reclamation, and the surface effects of underground mining. It sets strict reclamation standards and a mandatory enforcement system. While the Company does not currently conduct mining activities, SMCRA reclamation responsibility and corresponding state regulatory programs could apply to any of the facilities in which the Company participated in mining activities in the past. In addition, the Company is subject to the Occupation Safety and Health Act that imposes requirements for employee safety and health and applicable state provisions adopting worker health and safety requirements. Moreover, it is possible that other developments, such as increasingly stricter environmental, safety and health laws, and regulations and enforcement policies thereunder, could result in substantial additional regulation of the Company and could subject to further scrutiny the Company's handling, manufacture, use or disposal of substances or pollutants. The Company cannot predict the extent to which its operations may be affected by future enforcement policies as applied to existing laws or by the enactment of new statutes and regulations.

Risk Management

The Company's business exposes it to substantial risks. For example, the Company's environmental services routinely involve the handling, storage and disposal of nonhazardous regulated materials and waste, and in some cases, handling of hazardous regulated materials and waste for its customers which are generators of such waste. The Company could be held liable for improper cleanup and disposal, which liability could be based upon statute, negligence, strict liability, contract or otherwise. As is common in the oil and gas industry, the Company often is required to indemnify its customers or other third-parties against certain risks related to the services performed by the Company, including damages stemming from environmental contamination.

The Company has implemented various procedures designed to ensure compliance with applicable regulations and reduce the risk of damage or loss. These include specified handling procedures and guidelines for regulated waste, ongoing training and monitoring of employees and maintenance of its insurance coverage.

The Company carries a broad range of insurance coverages that management considers adequate for the protection of its assets and operations. This coverage includes general liability, comprehensive property damage, workers' compensation and other coverage customary in its industries; however, this insurance is subject to coverage limits. The Company could be materially adversely affected by a claim that is not covered or only partially covered by insurance. There is no assurance that insurance will continue to be available to the Company, that the possible types of liabilities that may be incurred by the Company will be covered by its insurance, that the Company's insurance carriers will meet their obligations or that the dollar amount of such liabilities will not exceed the Company's policy limits.

ITEM 2. Properties

Lease of Principal Facilities

With few exceptions, the Company leases its principal facilities and certain equipment.

Newpark's corporate offices in Metairie, Louisiana, are occupied at an annual rental of approximately \$127,000 under a lease expiring in December 1997.

Its NOW processing facility in Port Arthur, Texas, is occupied at a current annual rental of \$168,000 under a lease of which the Company entered, during 1995, the first of three 4-year renewal options. The facility, which is located on 2.9 acres near the Intracoastal Waterway, was constructed by the landowner to the Company's specifications beginning late in 1990 and began operations in mid 1991.

The Company's NORM processing facility is also located in Port Arthur, Texas on 3.0 acres of leased land adjacent to the NOW facility. Annual property rentals are currently \$37,000. The lease expires in July of 1997 and has two 5-year renewal options available. The Company constructed the processing facility during 1994.

The Company owns two injection disposal sites in Jefferson County, Texas, one on 50 acres of land and the other on 400 acres. Seven wells are currently operational at these sites.

The Company maintains a fleet of forty-two barges of which twenty-one are owned by the Company, fifteen are on daily rental agreements, six are under 10-year lease terms, and four are under 7-year terms. The barges are used to transport waste to processing stations and are certified for this purpose by the U. S. Coast Guard. Annual rentals under the barge leases totaled approximately \$1,500,000 during 1995.

Additional facilities are held under short-term leases with annual rentals aggregating approximately \$800,000 during 1995. The Company believes that its facilities are suitable for their respective uses and adequate for current needs.

The Company owns property leased to others and used as a marine repair facility occupying approximately 23 acres on an island in the Houston Ship Channel. In December 1993, the property was leased to a third party that also obtained the option to purchase the facility as part of the lease agreement. Early in 1994, the Company entered into a new financing of the property.

The Company also owns 80 acres occupied as a sawmill facility near Batson, Texas. The Company believes this facility is adequate for current production needs.

ITEM 3. Legal Proceedings

Newpark and its subsidiaries are involved in litigation and other claims or assessments on matters arising in the normal course of business. In the opinion of management, any recovery or liability in these matters should not have a material effect on Newpark's consolidated financial statements.

Environmental Proceedings

In the ordinary course of conducting its business, the Company becomes involved in judicial and administrative proceedings involving governmental authorities at the federal, state and local levels, as well as private party actions. Pending proceedings that may involve liability for violation of environmental matters are described below. The Company believes that none of these matters involves material exposure. There is no assurance, however, that such exposure does not exist or will not arise in other matters relating to the Company's past or present operations.

The Company was identified by the EPA as a minor or "de minimus" contributor of waste to a disposal site requiring cleanup under CERCLA, as amended in 1986. That facility, the French Limited site, located in Southeast Texas, is currently undergoing a voluntary cleanup by those parties identified as waste contributors. Five related private party suits have been filed against the Company and the other potentially responsible parties at the French Limited site. The Company has settled its potential liability in four of those suits. Management does not anticipate that the outcome of the remaining suit will have a material adverse impact upon the Company, and anticipates either a nominal settlement or dismissal from the action.

The Company has been identified by the EPA as a potentially responsible party in two other CERCLA actions, based on its contribution of oilfield waste to three disposal sites. In the first case, the Company was the largest volume contributor of waste to the Disposal Services, Inc. Clay Point site, located in southern Mississippi. The Company has resolved its liability by its voluntary participation in a consent decree with the EPA, and payment of \$158,900 in 1992 as its pro rata share of the removal costs. Two other facilities operated by the same company, the Lee Street and Woolmarket sites, are not subject to any enforcement action by a federal regulatory agency, and the EPA has specifically declined pursuing an action for remediation of these two facilities. However, the Mississippi Department of Environmental Quality is overseeing a continued, voluntary cleanup at the three sites.

In the second CERCLA action, the Company has taken the position that it has been incorrectly identified by the EPA as a potentially responsible "de minimus" party for the cleanup of an abandoned oilfield site in Louisiana referred to as the PAB site. The Company settled its potential liability on a "de minimus" buy-out.

The Company has been identified as one of 600 contributors of material to the MAR Services facility, a state voluntary cleanup site. Because the Company delivered only processed solid meeting the requirements of Louisiana Statewide Executive Order 29-B to the site, it does not believe it has material financial liability for the site cleanup cost. The Louisiana Department of Environmental Quality is overseeing voluntary cleanup at the site.

Recourse against its insurers under general liability insurance policies for reimbursement of cost and expense in the foregoing CERCLA actions is uncertain as a result of conflicting court decisions in similar cases. In addition, certain insurance policies under which coverage may be afforded contain self-insurance levels that may exceed the Company's ultimate liability.

The Company believes that any liability incurred in the foregoing matters will not have a material adverse effect on the Company's consolidated financial statements. However, a material adverse outcome in any of the foregoing matters could have an adverse effect on the Company.

ITEM 4. Submission of Matters to a Vote of Shareholders

None

PART II

ITEM 5. Market for the Registrant's Common Equity and Related Stockholder Matters

Newpark's common stock traded on The Nasdaq Stock Market under the symbol "NPRS" through December 5, 1995, and commenced trading on the New York Stock Exchange on December 6, 1995 under the symbol "NR".

The following table sets forth the range of the high and low sales prices for the periods indicated.

Period	High	Low
1994		
1st Quarter	\$14.50	\$ 8.25
2nd Quarter	\$16.75	\$13.50
3rd Quarter	\$19.75	\$15.75
4th Quarter	\$25.00	\$18.25
1995		
1st Quarter	\$26.00	\$14.75
2nd Quarter	\$24.25	\$20.25
3rd Quarter	\$23.25	\$17.00
4th Quarter	\$22.86	\$15.50

At December 31, 1995, the Company had 4,230 stockholders of record. Newpark paid a 5% stock dividend on the Common Stock on December 30, 1995 to shareholders of record on November 30, 1995.

ITEM 6. SELECTED FINANCIAL DATA

selected consolidated financial information

The following tables set forth selected consolidated financial information with respect to Newpark for the five years ended December 31, 1995. The selected consolidated financial information for the five years ended December 31, 1995 is derived from the audited consolidated financial statements of Newpark. Information with respect to this item can also be found in "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Notes to Consolidated Financial Statements."

For information regarding dispositions, see "Note B. Discontinued Operations," in the "Notes to Consolidated Financial Statements."

	Years Ended December 31,				
	1995	1994	1993	1992	1991
	(Dollars in thousands, except Per Share data)				
Consolidated Statements of Income Data:					
Revenues	\$ 97,982	\$ 79,632	\$ 56,330	\$ 49,457	\$ 44,635
Cost of services provided	64,467	56,259	42,581	36,860	34,703
Operating costs	9,414	7,277	6,557	5,519	3,799
General and administrative expenses	2,658	3,231	2,129	1,963	1,305
Provision for uncollectible accounts and notes receivable	463	974	671	154	94
Operating income from continuing operations	20,980	11,891	4,392	4,961	4,734
Interest income	(183)	(78)	-	(18)	(47)
Interest expense	3,740	2,660	1,274	847	1,562
Non-recurring expense	436	-	-	-	-
Financial restructure costs	-	-	-	-	155
Income from continuing operations before provision for income taxes	16,987	9,309	3,118	4,132	3,064
Provision (benefit) for income taxes	4,751	(85)	(1,670)	51	73
Income from continuing operations	12,236	9,394	4,788	4,081	2,991
Income (loss) from discontinued operations	-	-	(2,366)	1,205	877
Income before extraordinary items	12,236	9,394	2,422	5,286	3,868
Extraordinary items	-	-	-	-	1,365
Net income	\$ 12,236	\$ 9,394	\$ 2,422	\$ 5,286	\$ 2,503
Income (loss):					
Continuing operations	\$ 1.16	\$.90	\$.49	\$.43	\$.46
Discontinued operations	-	-	(.24)	.12	.13
Extraordinary items	-	-	-	-	(.21)
Net income per common share	\$ 1.16	\$.90	\$.25	\$.55	\$.38
Weighted average shares outstanding	10,568	10,422	9,690	9,564	6,521

	December 31,				
(In thousands)	1995	1994	1993	1992	1991
Consolidated Balance Sheet Data:					
Working capital	\$ 32,108	\$ 13,585	\$ 5,361	\$ 4,900	\$ 12,121
Total assets	152,747	110,756	90,316	75,478	53,454
Short-term debt	7,911	10,032	14,928	12,212	1,377
Long-term debt	46,724	28,892	12,446	10,432	3,774

Shareholders' equity

77,518

63,699

53,353

45,658

40,239

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of the Company's financial condition, results of operations, liquidity and capital resources should be read in conjunction with the "Consolidated Financial Statements" and the "Notes to Consolidated Financial Statements" included elsewhere in this report.

Overview

Since 1990, Newpark has concentrated on expanding and further integrating its environmental service capabilities. The Company has made several acquisitions to extend its integrated environmental services into the Texas Gulf Coast region. During 1991, the Company completed a NOW processing plant and in 1993 opened its first injection well facility for underground disposal of NOW. During 1994, Newpark obtained a permit to process NORM waste for disposal and thus became a participant in the NORM disposal business.

In 1994, the Company began to offer temporary worksite installation and mat rental services utilizing its proprietary prefabricated mat system outside of the oil and gas industry in connection with pipeline construction, electrical power distribution and highway construction projects, in environmentally sensitive "wetlands" and other areas where unstable soil conditions exist.

The Baker-Hughes Rotary Rig Count has historically been viewed as the most significant single indicator of oil and gas drilling activity in the domestic market. In 1993, the United States rig count averaged 754 rigs in operation, and increased to 774 in 1994. In 1995, the rig count averaged 723, the second lowest on record since the advent of the indicator in the early 1940's.

Newpark's key market area includes the (i) South Louisiana Land, (ii) Texas Railroad Commission Districts 2 and 3, (iii) Louisiana and Texas Inland Waters and (iv) the Offshore Gulf of Mexico rig count measurement areas. The rig count trend in the Company's primary market has tracked these national trends as set forth in the table below:

	1995	1994	1993	1Q95	2Q95	3Q95	4Q95
	—	—	—	—	—	—	—
U.S. Rig Count	723	774	754	705	677	745	765
Newpark's key market	195	202	176	191	187	201	199
Newpark's key market to total	27.0%	26.1%	23.3%	27.1%	27.6%	27.0%	26.0%

Management believes that the improved natural gas drilling activity, as evidenced by the rig count in its key market, was an important factor which allowed a trend of increasing prices in its site preparation and mat rental business to continue through 1994. The upward trend in pricing abated with the decline in the rig count within the Company's key market during 1995.

Despite this decline in rig activity, the volume of waste received by Newpark increased at a compound rate of 44% from 1993 to 1995, primarily due to: (i) the recovery of the remediation market following implementation of NORM regulations; and, (ii) new, more stringent regulations governing the discharge of drilling and production waste in the coastal and inland waters and in the offshore Gulf of Mexico. Since 1993, the total volume of waste in Newpark's key market has grown at a compound rate of 24% for the same reasons.

The Company's financial statements do not include any provision for possible contingent liabilities, such as liability for violation of environmental laws or other risks noted under "Business - Risk Management." To the best of the Company's knowledge, it has conducted its business in compliance with applicable laws and, except as noted under "Legal Proceedings," is not involved in any material litigation with respect to violations of such laws.

Results of Operations

The following table represents revenue by product line, for each of the three years ended December 31, 1995, 1994 and 1993. The product line data has been reclassified from prior years' presentation in order to more effectively distinguish the offsite waste processing and mat rental services, in which the Company maintains certain proprietary advantages, from its other service offerings.

	Years Ended December 31, (Dollars in thousands)					
	1995		1994		1993	
Revenues by product line:						
Offsite waste processing	31,126	31.8%	\$ 20,738	26.0%	\$ 11,354	20.2%
Mat rental services	30,775	31.4	23,048	28.9	21,042	37.4
General oilfield services	14,511	14.8	13,452	16.9	11,358	20.1
Wood product sales	12,609	12.9	13,105	16.5	7,947	14.1
Onsite environmental management	7,361	7.5	7,689	9.7	4,629	8.2
Other	1,600	1.6	1,600	2.0	-	-
Total revenues	<u>\$97,982</u>	<u>100.0%</u>	<u>\$ 79,632</u>	<u>100.0%</u>	<u>\$ 56,330</u>	<u>100.0%</u>
	=====	=====	=====	=====	=====	=====

Year Ended December 31, 1995 Compared to Year Ended December 31, 1994

Revenues

Total revenues increased to \$98.0 million in 1995 from \$79.6 million in 1994, an increase of \$18.4 million or 23.0%. The components of the increase by product line are as follows: (i) offsite waste processing revenues increased \$10.4 million, as NOW revenue increased \$5.5 million, due almost exclusively to additional volume, and NORM processing revenue increased to \$6.0 million on approximately 70,000 barrels in 1995 from \$1.2 million and 15,000 barrels in 1994; (ii) mat rental revenue increased \$7.7 million, or 34% due to two factors: (a) increased volume installed at similar pricing compared to the prior year, and, (b) an increase in revenues from extended rentals of \$3.6 million resulting from the longer use of sites, consistent with the trend toward deeper drilling. The size of the average location installed in 1995 grew 17% from the prior year, primarily the result of the trend toward deeper drilling in more remote locations, requiring larger sites to accommodate increased equipment and supplies on the site; (iii) general oilfield service revenue increased \$1.1 million or 7.9%. The increase resulted primarily from the increased level of site preparation work incident to the rental of mats in the oilfield segment of that business; (iv) onsite environmental management service revenue declined approximately \$300,000 or 4% with the reduced level of current drilling-related projects more than offsetting increased activity in the remediation of old sites; and (v) revenue from wood product sales decreased approximately \$500,000 due in part to production inefficiency during the start-up of a new processing line and the inclusion of a large non-recurring order in prior year revenue.

Operating Income from Continuing Operations

Operating income from continuing operations increased by \$9.1 million or 76.4% to total \$21.0 million in the 1995 period compared to \$11.9 million in the prior year, representing an improvement in operating margin to 21.4% in 1995 compared to 14.9% in 1994.

Primary components of the increase included: (i) approximately \$2.9 million related to the effect of volume increases in both NOW and NORM processing; (ii) \$3.6 million from increased mat rentals, and, (iii) \$1.3 million resulting from the increase in the volume of mats rented, to approximately 220 million board feet compared to 157 million in 1994, at similar margins, and, (iv) an approximate \$200,000 increase in operating profit on better gross margin mix from wood product sales.

The decline of \$573,000 in general and administrative expenses reflects, primarily, the impact of approximately \$600,000 of prior year charges for legal costs incurred in an appeal of an expropriation matter. Additionally, the provision for uncollectible accounts was \$511,000 less in the 1995 period as compared to the 1994 period.

Interest Expense

Interest expense increased to \$3.7 million in 1995 from \$2.7 million in 1994. The increase is a result of an increase in borrowings, proceeds of which were used to fund continued additions to productive capacity, including the Company's waste processing facilities, its prefabricated board road mats, and additions to inventory, primarily at the sawmill facility.

Non-recurring Expense

Results for the current period include \$436,000 of non-recurring cost associated with a proposed merger which was not completed.

Provision for Income Taxes

During 1995, the Company recorded an income tax provision of \$4.8 million equal to 28% of pre-tax income. While the Company's net operating loss carryforwards remain to be used for income tax return purposes, for financial reporting purposes, substantially all of the remaining net operating loss and tax credit carryforwards applicable to federal taxes were recognized in the first half of the year, which reduced the effective tax rate for that portion of the year. During 1994, the Company recorded a tax benefit of \$85,000 as a result of the availability of net operating loss carryforwards.

Net Income

Net income increased by \$2.8 million or 30% to \$12.2 million in 1995 compared to \$9.4 million in 1994.

Year Ended December 31, 1994 Compared to Year Ended December 31, 1993

Revenues

Total revenues increased from \$56.3 million in 1993 to \$79.6 million in 1994, an increase of \$23.3 million or 41.4%. Components of the increase by product line included: (i) a \$9.4 million increase in offsite waste processing, composed of (a) an increase of \$8.2 million the result of a 72.5% increase in the number of barrels of NOW waste received, which grew to 2.3 million in 1994 from 1.3 million in 1993; and (b) \$1.2 million from NORM processing which began in the fourth quarter of 1994; (ii) an increase of \$5.2 million of wood product sales revenue due to an increase in the total tonnage of products sold at similar pricing; (iii) a \$3.0 million increase in onsite environmental management revenue reflecting the recovery of this market during 1994 once definitive NORM regulations were effected in both Louisiana and Texas. A total of 355,000 barrels of remediation waste was handled in 1994 compared to only 22,000 in 1993; (iv) a \$2.0 million increase in mat rental revenue, the net effect of a 29% increase in average pricing to approximately \$93 per thousand board feet installed and a 4% decline in total volume to 157 million board

feet in 1994 compared to 164 million board feet in 1993; and, (v) an increase of approximately \$2.1 million in general oilfield service revenue, which primarily reflects the increased site construction services related to the increased volume of mats installed on customer's sites. Other revenue included \$1.6 million in 1994 from the lease of the facility formerly operated as a marine repair yard in Houston, Texas.

Operating Income from Continuing Operations

Operating income from continuing operations increased \$7.5 million from \$4.4 million or 7.8% of revenue in 1993 to \$11.9 million or 14.9% of revenue in the current period. Factors contributing to the increase included: (i) a \$3.1 million increase in operating income from offsite waste processing, of which approximately \$600,000 relates to receipt of 14,711 barrels of NORM waste, solely during the fourth quarter of 1994, with the remainder attributable to increased volume and substantially unchanged profit contribution per barrel of NOW processed; (ii) \$2.7 million from increased mat rental revenue, (iii) a \$2.5 million increase resulting from the increase in the volume of mats rented; and, (iv) a profit of approximately \$800,000 (before related interest expense) from the lease of the Company's former marine repair facility; net of (v) a \$258,000 decrease in operating income from wood products sales due to higher inventory costs relative to 1993; (vi) a \$1.1 million increase in general and administrative expenses and (vii) a \$300,000 increase in the provision for uncollectible accounts and notes receivable.

General and administrative expenses as a proportion of revenue rose to 4.1% in 1994 from 3.8% in 1993, while rising in total by \$1.1 million to \$3.2 million in 1994 from \$2.1 million in 1993. The principal items associated with the increase included a charge for legal costs of approximately \$600,000 incurred due to the appeal of an expropriation matter and a \$130,000 provision for additional franchise taxes, as a result of a recently completed audit.

Interest Expense

Interest expense increased \$1.4 million to \$2.7 million in 1994 compared to \$1.3 million in 1993, as the Company added approximately \$17.5 million in net borrowings to finance new and existing facilities and equipment during 1994.

Income from Continuing Operations

Income from continuing operations increased 96.2% or \$4.6 million to \$9.4 million in the 1994 period from \$4.8 million in the 1993 period.

Provision for Income Taxes

During 1994, the Company recorded a net deferred tax benefit of \$200,000 as a result of recognizing the future benefit of the income tax carryforwards available to offset the estimated future earnings (See "Note F. Income Taxes", in the "Notes to Consolidated Financial

Statements"). The net deferred tax benefit was partially offset by current tax expense of \$115,000.

Net Income

Net income increased to \$9.4 million in 1994 from \$2.4 million in 1993, an increase of \$7.0 million or 288% equal to 29.9% of incremental revenues.

Liquidity and Capital Resources

The Company's working capital position increased by \$18.5 million during the year ended December 31, 1995. Key working capital data is provided below:

	Year Ended December 31,	
	1995	1994
Working Capital (000's)	\$32,108	\$13,585
Current Ratio	2.3	1.8

During 1995, the Company's working capital needs were met primarily from operating cash flow.

Throughout 1995, the company invested heavily to provide future capacity within key product lines. These improvements included addition of two additional injection wells and a grinding mill at the Big Hill plant, construction of a new injection facility which includes two injection wells at the Fannett site, construction of a bulk waste unloading facility adjacent to the existing Port Arthur plants, and additions to its inventory of rental mats in the domestic market and in the expansion into Venezuela. As a result of these asset additions, long term debt increased to \$46.7 million at year end, representing 36.3% of total long-term capital. A total of \$43.4 million of the debt was funded within a \$50 million commitment which was completed during the second quarter of the year.

On June 29, 1995, the Company entered into a new credit agreement with a group of three banks, providing a total of up to \$50 million of term financing. This facility included the refinancing of \$25 million of existing debt amortized over a five year term. At the Company's option, these borrowings bear interest at either a specified prime rate or LIBOR rate, plus a spread which is determined quarterly based upon the ratio of the Company's funded debt to cash flow.

In addition, up to \$25 million is available under a revolving line of credit which matures December 31, 1998. Availability under this facility is tied to the level of the Company's accounts receivable and certain inventory. Advances under the line bear interest, at the Company's option, at either a specified prime rate or the LIBOR rate, plus a spread calculated quarterly based upon the ratio of the Company's funded debt to cash flow; interest is payable monthly. At December 31, 1995, \$6.3 million of letters of credit were issued and outstanding within the facility and \$18.4 million had been

borrowed. The credit agreement requires that the Company maintain certain specified financial ratios and comply with other usual and customary requirements. The Company was in compliance with the agreement at December 31, 1995.

Subsequent to December 31, 1995, the banks providing the credit facility approved an increase of \$10 million in the term note portion of the facility, which will be used initially to reduce borrowings on the revolving line of credit of the credit facility.

Potential sources of additional funds, if required by the Company, would include additional borrowings and the sale of equity securities. The Company presently has no commitments beyond its bank lines of credit by which it could obtain additional funds for current operations; however, it regularly evaluates potential borrowing arrangements which may be utilized to fund future expansion plans.

Inflation has not materially impacted the Company's revenues or income.

Deferred Tax Asset

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes." This standard requires, among other things, recognition of future tax benefits measured by enacted tax rates, attributable to deductible temporary differences between the financial statement and income tax basis of assets and liabilities and to tax net operating loss and credit carryforwards to the extent that realization of such benefits is more likely than not. The Company has provided a valuation allowance (\$236,000 at December 31, 1995) for deferred tax assets which cannot be realized through future reversals of existing taxable temporary differences. Management believes that remaining deferred tax assets (\$10,450,000 at December 31, 1995) are realizable through reversals of existing taxable temporary differences. Management will continue to assess the adequacy of the valuation allowance on a quarterly basis.

Item 8. Financial Statements and Supplementary Data

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Newpark Resources, Inc.

We have audited the accompanying consolidated balance sheets of Newpark Resources, Inc. and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1995. Our audits also included the financial statement schedule for the years ended December 31, 1995, 1994 and 1993 listed in the Index at Item 14. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Newpark Resources, Inc. and subsidiaries at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedule for the years ended December 31, 1995, 1994 and 1993, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
March 1, 1996

Newpark Resources, Inc.
Consolidated Balance Sheets
December 31

(In thousands, except share data) 1995 1994

ASSETS

Current assets:			
Cash and cash equivalents	\$	1,018	\$ 1,404
Accounts and notes receivable, less allowance of \$768 in 1995 and \$455 in 1994		39,208	21,450
Inventories		11,996	7,099
Other current assets		4,088	1,544
Total current assets		<u>56,310</u>	<u>31,497</u>
Property, plant and equipment, at cost, net of accumulated depreciation		85,461	67,630
Cost in excess of net assets of purchased businesses, net of accumulated amortization		4,340	4,403
Deferred tax assets		-	2,271
Investment in joint venture		1,094	-
Other assets		5,542	4,955
	\$	<u>152,747</u> =====	\$ <u>110,756</u> =====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:			
Notes payable	\$	169	\$ 1,796
Current maturities of long-term debt		7,742	8,236
Accounts payable		11,664	5,022
Accrued liabilities		3,462	2,858
Current taxes payable		1,165	-
Total current liabilities		<u>24,202</u>	<u>17,912</u>
Long-term debt		46,724	28,892
Other non-current liabilities		285	253
Deferred taxes payable		4,018	-
Commitments and contingencies (Note J.)		-	-
Shareholders' equity:			
Preferred Stock, \$.01 par value, 1,000,000 shares authorized, no shares outstanding		-	-
Common Stock, \$.01 par value, 20,000,000 shares authorized, 10,634,177 shares outstanding in 1995 and 10,485,074 in 1994		105	99
Paid-in capital		144,553	134,252
Retained earnings (deficit)		(67,140)	(70,652)
Total shareholders' equity		<u>77,518</u>	<u>63,699</u>
	\$	<u>152,747</u> =====	\$ <u>110,756</u> =====

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
Consolidated Statements of Income
Years Ended December 31

(In thousands, except per share data)	1995	1994	1993
Revenues	\$ 97,982	\$ 79,632	\$ 56,330
Operating costs and expenses:			
Cost of services provided	64,467	56,259	42,581
Operating costs	9,414	7,277	6,557
	<u>73,881</u>	<u>63,536</u>	<u>49,138</u>
General and administrative expenses	2,658	3,231	2,129
Provision for uncollectible accounts and notes receivable	463	974	671
Operating income from continuing operations	20,980	11,891	4,392
Interest income	(183)	(78)	-
Interest expense	3,740	2,660	1,274
Non-recurring expense	436	-	-
Income from continuing operations before provision for income taxes	16,987	9,309	3,118
Provision (benefit) for income taxes	4,751	(85)	(1,670)
Income from continuing operations	<u>12,236</u>	<u>9,394</u>	<u>4,788</u>
Loss from discontinued operations	-	-	(2,366)
Net income	<u>\$ 12,236</u> =====	<u>\$ 9,394</u> =====	<u>\$ 2,422</u> =====
Weighted average shares outstanding	<u>10,568</u> =====	<u>10,422</u> =====	<u>9,690</u> =====
Income (loss) per common share:			
Continuing operations	\$ 1.16	\$ 0.90	\$ 0.49
Discontinued operations	-	-	(0.24)
Net income	<u>\$ 1.16</u> =====	<u>\$ 0.90</u> =====	<u>\$ 0.25</u> =====

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
Consolidated Statements of Shareholders' Equity
Years Ended December 31, 1993, 1994 and 1995

(In thousands)	Common Stock	Paid-In Capital	Retained Earnings (Deficit)	Total
Balance, January 1, 1993	\$ 91	\$ 128,035	\$ (82,468)	\$ 45,658
Employee stock options	-	136	-	136
Stock sale	7	5,130	-	5,137
Net income	-	-	2,422	2,422
Balance, December 31, 1993	98	133,301	(80,046)	53,353
Employee stock options	1	950	-	951
Other	-	1	-	1
Net income	-	-	9,394	9,394
Balance, December 31, 1994	99	134,252	(70,652)	63,699
Employee stock options	1	1,582	-	1,583
Stock dividend	5	8,719	(8,724)	-
Net income	-	-	12,236	12,236
Balance, December 31, 1995	\$ 105	\$ 144,553	\$ (67,140)	\$ 77,518

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31

(In thousands)	1995	1994	1993
Cash flows from operating activities:			
Net income	\$ 12,236	\$ 9,394	\$ 2,422
Adjustments to reconcile net income to net cash provided by continuing operations:			
Depreciation and amortization	9,967	7,370	5,929
Provision for doubtful accounts	463	974	671
Provision (benefit) from deferred income taxes	3,217	(200)	(1,700)
Loss (gain) on sales of assets	80	(9)	(237)
Change in assets and liabilities net of effects of acquisitions:			
Increase in accounts and notes receivable	(17,129)	(3,723)	(2,513)
(Increase) decrease in inventories	(4,897)	739	(3,418)
Increase in other assets	(1,536)	(1,839)	(211)
Increase (decrease) in accounts payable	2,577	(677)	282
Increase (decrease) in accrued liabilities and other	2,096	(937)	1,413
Net cash provided by operating activities	<u>7,074</u>	<u>11,092</u>	<u>2,638</u>
Cash flows from investing activities:			
Capital expenditures	(23,989)	(23,149)	(9,690)
Disposal of property, plant and equipment	564	97	124
Investment in joint venture	(1,094)	-	-
Payments received on notes receivable	249	30	144
Advances on notes receivable	(227)	(1,000)	-
Proceeds from sale of net assets of discontinued operations	-	661	-
Other	-	-	(79)
Decrease in net assets of discontinued operations	-	-	722
Net cash used in investing activities	<u>(24,497)</u>	<u>(23,361)</u>	<u>(8,779)</u>
Cash flows from financing activities:			
Net borrowings on lines of credit	20,796	492	1,720
Principal payments on notes payable, capital lease obligations and long-term debt	(20,170)	(10,109)	(4,825)
Proceeds from issuance of debt	14,828	21,167	9,728
Proceeds from conversion of stock options	1,266	897	136
Other	317	55	-
Net cash provided by financing activities	<u>17,037</u>	<u>12,502</u>	<u>6,759</u>
Net (decrease) increase in cash and cash equivalents	(386)	233	618
Cash and cash equivalents at beginning of year	1,404	1,171	553
Cash and cash equivalents at end of year	\$ <u>1,018</u> =====	\$ <u>1,404</u> =====	\$ <u>1,171</u> =====

See accompanying Notes to Consolidated Financial Statements.

NEWPARK RESOURCES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

Organization and Principles of consolidation. Newpark Resources, Inc. ("Newpark" or the "Company") provides comprehensive environmental management and oilfield construction services to the oil and gas industry in the Gulf Coast region, principally Louisiana and Texas. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany transactions are eliminated in consolidation.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash equivalents. All highly liquid investments with a remaining maturity of three months or less at the date of acquisition are classified as cash equivalents.

Fair Value Disclosures. Statement of Financial Accounting Standards ("SFAS") No. 107, "Disclosures about Fair Value of Financial Instruments", requires the disclosure of the fair value of all significant financial instruments. The estimated fair value amounts have been developed based on available market information and appropriate valuation methodologies. However, considerable judgment is required in developing the estimates of fair value. Therefore, such estimates are not necessarily indicative of the amounts that could be realized in a current market exchange. After such analysis, management believes the carrying values of the Company's significant financial instruments (consisting of cash and cash equivalents, receivables, payables and long-term debt) approximate fair values at December 31, 1995.

Inventories. Inventories are stated at the lower of cost (principally average and first-in, first-out) or market. The cost of lumber and related supplies for board roads is amortized on the straight-line method over their estimated useful life of approximately one year.

Depreciation and amortization. Depreciation of property, plant and equipment, including interlocking board road mats, is provided for financial reporting purposes on the straight-line method over the estimated useful lives of the individual assets which range from three to thirty years. For income tax purposes, accelerated methods of depreciation are used.

During the year ended December 31, 1993, the Company made a change in the estimated service lives of its board road mats from five years to seven years. The new lives were adopted to recognize the longer service life provided by the mats. The effect of the change for the

year ended December 31, 1993 was to increase income from continuing operations \$1,175,000 (\$0.12 per share).

The cost in excess of net assets of purchased businesses ("excess cost") is being amortized on a straight-line basis over forty years, except for \$2,211,000 relating to acquisitions prior to 1971 that is not being amortized. Management of the Company periodically reviews the carrying value of the excess cost in relation to the current and expected operating results of the businesses which benefit therefrom in order to assess whether there has been a permanent impairment of the excess cost of the net purchased assets. Accumulated amortization on excess cost was \$437,000 and \$374,000 at December 31, 1995 and 1994, respectively.

Revenue recognition. Revenues from certain contracts, which are typically of short duration, are reported as income on a percentage-of-completion method. Contract revenues are recognized in the proportion that costs incurred bear to the estimated total costs of the contract. When an ultimate loss is anticipated on a contract, the entire estimated loss is recorded. Included in accounts receivable are unbilled revenues in the amounts of \$8,600,000 and \$2,674,000 at December 31, 1995 and 1994, respectively, all of which are due within a one year period.

Income Taxes. Income taxes are provided using the liability method in accordance with SFAS No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are recorded based upon differences between the financial reporting and income tax basis of assets and liabilities and are measured using the enacted income tax rates and laws that will be in effect when the differences are expected to reverse.

Non-recurring Expense. Results for the current period include \$436,000 of non-recurring cost associated with a proposed merger which was not completed.

Interest Capitalization. For the years ended December 31, 1995, 1994 and 1993 the Company incurred interest cost of \$4,198,000, \$2,805,000, and \$1,359,000 of which \$458,000, \$145,000, and \$85,000 was capitalized, respectively, on qualifying construction projects.

Income per share. Income per share amounts are based on the weighted average number of shares outstanding during the respective year and exclude the negligible dilutive effect of shares issuable in connection with all stock plans. All per share and weighted average share amounts have been restated to give retroactive effect to a 5% stock dividend declared and paid during 1995.

New Accounting Standards. During 1995, SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" was issued. SFAS No. 121 establishes accounting standards for recording the impairment of long-lived assets, certain identifiable intangibles, goodwill, and assets to be disposed of. The Company is required to adopt SFAS No. 121 effective for fiscal 1996.

During 1995, SFAS No. 123 "Accounting for Stock-Based Compensation" was also issued. SFAS No. 123, which the Company is required to adopt effective for fiscal 1996, provides guidance relating to the recognition, measurement and disclosure of stock-based compensation.

Management believes that the implementation of SFAS No.'s 121 and 123 will not have a material impact on the Company's consolidated financial statements.

Reclassifications. Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

B. Discontinued Operations

On December 30, 1993, the operations of the Company's marine service subsidiary were sold to an unrelated third party for their estimated net book value of \$1,135,000 of which \$661,000 was received in cash during 1994 and a short term note was issued for the remainder. The Company leased the facility and certain equipment to the new operator through June 30, 1996, with an option to purchase these assets at specified times during the lease term. The new operator has notified the Company of their intent to exercise the purchase option before the expiration of the lease term. The Company also agreed to make available certain short-term financing of up to \$1.6 million through June 30, 1996, with annual interest at 7%; secured by, among other items, certain assets of the third party and the personal guarantee of one of its principals. Advances related to this financing arrangement amounted to \$1.6 million at December 31, 1995 and \$1.4 million at December 31, 1994. Revenue of the marine repair business was \$16,251,000 for the year ended December 31, 1993.

C. Inventories

The Company's inventories at December 31, 1995 and 1994 are summarized as follows:

(In thousands)	1995	1994
Raw materials and supplies (including logs and board road lumber)	\$11,641	\$ 6,752
Finished goods	355	347
	\$11,996	\$ 7,099

D. Property, Plant and Equipment

The Company's investment in property, plant and equipment at December 31, 1995 and 1994 is summarized as follows:

(In thousands)	1995	1994
Land	\$ 5,072	\$ 4,273
Buildings and improvements	30,172	19,554
Machinery and equipment	90,448	77,353
Other	2,537	2,208
	<u>128,229</u>	<u>103,388</u>
Less accumulated depreciation	(42,768)	(35,758)
	<u>\$85,461</u>	<u>\$67,630</u>

=====

As further discussed in Note B., the former marine repair facility is currently held for lease and included in the above table. The cost of this facility totaled \$19.9 million at December 31, 1995 and 1994, with related accumulated depreciation at \$6.3 million and \$5.6 million, respectively. The principal components of the cost of this facility include land of \$3.1 million, buildings and improvements of \$9.8 million, and machinery and equipment of \$6.4 million. Rentals received during 1995 and 1994 amounted to \$1.6 million annually.

E. Credit Arrangements and Long-Term Debt

Credit arrangements and long-term debt consisted of the following at December 31, 1995 and 1994:

(In thousands)	1995	1994
Bank - line of credit	\$18,378	\$ 8,767
Bank - term note	25,000	-
Assets subject to lease, financed through 2001 with an interest rate of 10.1%	8,075	8,558
Interim construction credit agreement	482	-
Acquisition financing due in 1996 with an interest rate of 8%	327	743
Bank - inventory line of credit	-	1,796
Term financing of board road mats	-	8,730
Term financing of barges	-	2,814
Other, principally installment notes secured by machinery and equipment, payable through 2000 with interest at 3.3% to 13.5%	2,373	7,516
	<u>54,635</u>	<u>38,924</u>
Less: current maturities of long-term debt	(7,911)	(8,236)
current maturities of lines of credit	-	(1,796)
Long-term portion	<u>\$46,724</u>	<u>\$28,892</u>

The Company maintains a \$50.0 million bank credit facility with \$25.0 million in the form of a revolving line of credit commitment and the remaining \$25.0 million in a term note. The line of credit is secured by a pledge of accounts receivable and certain inventory. It bears interest at either a specified prime rate (8.5% at December 31, 1995) or the LIBOR rate (5.63% at December 31, 1995) plus a spread which is determined quarterly based upon the ratio of the Company's funded debt to cash flow. The average interest rate for the year ended December 31, 1995 was 8.56%. The line of credit requires monthly interest payments and matures on December 31, 1998. At December 31, 1995, \$6.3 million of letters of credit were issued and outstanding and \$18.4 million had been borrowed. The term note was used to refinance existing debt and requires monthly interest installments and seventeen equal quarterly principal payments commencing March 31, 1996. The term note bears interest at the Company's option of either a specified prime rate or LIBOR rate, plus a spread which is determined quarterly based upon the ratio of the Company's funded debt to cash flow. The average interest rate for the year ended December 31, 1995 was 8.40%. The credit facility requires that the Company maintain certain specified financial ratios and comply with other usual and customary requirements. The Company was in compliance with the agreement at December 31, 1995.

Subsequent to December 31, 1995, the banks providing the credit facility approved an increase of \$10 million in the term note portion of the facility, which will be used initially to reduce borrowings on the revolving line of credit of the credit facility.

On December 1, 1995, the Company entered into an interim construction credit agreement in an aggregate amount not to exceed \$1,840,000 for the construction of an office building for two of its subsidiaries. The outstanding balance of this credit agreement was \$482,000 at December 31, 1995. The agreement provides for an interest rate of 8.75% during construction. At the completion of construction, the interim construction credit agreement will be converted to a term loan. The term loan will require monthly principal and interest payments to fully amortize the amount over 10 years. The term note will bear a fixed interest rate of 2.25% per annum in excess of the treasury rate in effect on the date the term loan is signed.

Maturities of Long-Term Debt are \$7,911,000 in 1996, \$7,438,000 in 1997, \$26,067,000 in 1998, \$7,638,000 in 1999, \$4,941,000 in 2000 and \$640,000 thereafter.

F. Income Taxes

The provision for income taxes charged to continuing operations (income taxes related to discontinued operations for 1993 were not segregated as the amounts were immaterial) is almost exclusively U. S. Federal tax as follows:

(In thousands)	Year Ended December 31,		
	1995	1994	1993
Current tax expense	\$ 1,534	\$ 115	\$ 30
Deferred tax expense (benefit)	3,217	(200)	(1,700)
Total provision (benefit)	\$ 4,751	\$ (85)	\$(1,670)

The deferred tax expense (benefit) includes a decrease in the valuation allowance for deferred tax assets of \$1,700,000, \$3,129,000, and \$2,407,000 for 1995, 1994 and 1993, respectively.

The effective income tax rate is reconciled to the statutory federal income tax rate as follows:

	Year Ended December 31,		
	1995	1994	1993
Income tax expense at statutory rate	34.0%	34.0%	34.0%
Non-deductible portion of business expenses	1.4	(2.5)	1.6
Tax benefit of NOL utilization	(10.0)	(33.6)	(90.1)
Other	2.6	1.2	0.9
Total income tax expense (benefit)	28.0%	(0.9%)	(53.6%)

For federal income tax return purposes, the Company has net operating loss carryforwards ("NOLs") of \$22,835,000 (net of amounts disallowed pursuant to IRC Section 382) that, if not used, will expire in 1998 through 2009. The Company also has \$1,592,000 of alternative minimum tax credit carryforwards available to offset future regular income taxes subject to certain limitations. Substantially all of these carryforwards have been recognized for financial reporting purposes.

Temporary differences and carryforwards which give rise to a significant portion of deferred tax assets and liabilities at December 31, 1995 and 1994 are as follows:

(In thousands)	1995	1994
Deferred tax assets:		
Net operating losses	\$ 8,696	\$ 9,893
Alternative minimum tax credits	1,592	295
All other	398	444
	-----	-----
Total deferred tax assets	10,686	10,632
Valuation allowance	(236)	(967)
	-----	-----
Net deferred tax assets	\$ 10,450	\$ 9,665
Deferred tax liabilities:		
Depreciation	\$ 8,767	\$ 6,244
Amortization	1,823	1,074
All other	1,177	447
	-----	-----
Total deferred tax liabilities	11,767	7,765
	-----	-----
Total net deferred tax (liabilities) assets	\$ (1,317)	\$ 1,900

Under SFAS No. 109 a valuation allowance must be established to offset a deferred tax asset if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. At December 31, 1994, the Company evaluated the available evidence and believed that it was more likely than not that a portion of the deferred tax asset would not be realized. A valuation allowance was recorded in the financial statements to offset NOLs which the Company believed would not be utilized. At December 31, 1994, the Company recorded a net deferred tax asset of \$1,900,000, of which \$2,271,000 was recorded in non-current assets and \$371,000 was recorded in current accrued liabilities, the realization of which was dependent on the Company's ability to generate taxable income in future periods. The Company believed that its estimate of future earnings based on contracts in place, the overall improved gas market, and its prior earnings trend supported the recorded net deferred tax asset.

At December 31, 1995, the deferred tax liabilities of the consolidated group exceeded the deferred tax assets, therefore a deferred tax benefit was recorded for the full amount of the remaining federal NOLs. The valuation allowance recorded at December 31, 1995 relates to certain state NOLs which have not to date been recognized for financial reporting purposes. At December 31, 1995, the Company has recorded a net deferred tax liability of \$1,317,000, of which \$2,701,000 has been recorded in other current assets and \$4,018,000 has been recorded as long-term deferred taxes payable.

G. Preferred Stock

The Company has been authorized to issue up to 1,000,000 shares of Preferred Stock, \$.01 par value, none of which are issued or outstanding at December 31, 1995.

H. Common Stock and Stock Options

Changes in outstanding Common Stock for the three years ended December 31, 1995, 1994, and 1993 were as follows:

(In Thousands of Shares)	1995	1994	1993
Outstanding, beginning of year	9,986	9,858	9,130
Shares issued in exchange for extinguishment of debt	-	-	700
Dividend shares issued	505	-	-
Shares issued upon exercise of Options	143	128	28
Outstanding, end of year	<u>10,634</u>	<u>9,986</u>	<u>9,858</u>

The Amended and Restated Newpark Resources, Inc. 1988 Incentive Stock Option Plan (the "1988 Plan") was adopted by the Board of Directors on June 22, 1988 and thereafter was approved by the shareholders. The 1988 Plan was amended and restated by the Board of Directors and shareholders in 1992 to increase the number of shares of Common Stock issuable thereunder from 100,000 to 450,000; was further amended by the Board of Directors and shareholders in 1994 to increase the number of shares of Common Stock issuable thereunder from 450,000 to 650,000, and was further amended by the Board of Directors and shareholders in 1995 to increase the number of shares of Common Stock issuable thereunder from 650,000 to one million shares. An option may not be granted for an exercise price less than the fair market value on the date of grant and may have a term of up to ten years.

Stock option transactions for the 1988 Plan for the three years ended December 31, 1995, 1994 and 1993 are summarized below:

Years Ended December 31,	1995	1994	1993
Outstanding, beginning of year	374,981	303,149	215,191
Options granted	387,000	191,000	117,500
Dividend options granted	32,610	-	-
Options exercised	(87,667)	(119,168)	(27,542)
Options canceled	(22,166)	-	(2,000)
Outstanding, end of year	<u>684,758</u>	<u>374,981</u>	<u>303,149</u>
	=====	=====	=====
Option price per share:			
Outstanding, end-of-year	\$3.80-\$18.88	\$3.00-\$18.75	\$3.00-\$9.25
	=====	=====	=====

At December 31, 1995 and 1994, the total number of outstanding exercisable options were 145,979 and 54,144, respectively.

The 1992 Directors' Stock Option Plan (the "1992 Directors' Plan") was adopted on October 21, 1992 by the Compensation Committee and, thereafter, was approved by the shareholders in 1993.

The purpose of the 1992 Directors' Plan was to provide two directors ("Optionees") additional compensation for their services to Newpark and to promote an increased incentive and personal interest in the welfare of Newpark by such directors. The Optionees were each granted a stock option to purchase 50,000 shares of Common Stock at an exercise price of \$8.75 per share, the fair market value of the Common Stock on the date of grant for a term of ten years. No additional options may be granted under the Directors' Plan. At December 31, 1995, 50,000 options had been exercised under this plan.

The 1993 Non-Employee Directors' Stock Option Plan (the "1993 Non-Employee Directors' Plan") was adopted on September 1, 1993 by the Board of Directors and, thereafter, was approved by the shareholders in 1994.

The 1993 Non-Employee Directors' Plan is intended to allow each non-employee director of Newpark to purchase 15,000 shares of Common Stock. Non-employee directors are not eligible to participate in any other stock option or similar plan currently maintained by Newpark. The purpose of the 1993 Non-Employee Directors' Plan is to promote an increased incentive and personal interest in the welfare of Newpark by those individuals who are primarily responsible for shaping the long-range plans of Newpark, to assist Newpark in attracting and retaining on the Board persons of exceptional competence and to provide additional incentives to serve as a director of Newpark.

Upon the adoption of the 1993 Non-Employee Directors' Plan, the five non-employee directors were each granted a stock option to purchase 15,000 shares of Common Stock at an exercise price of \$9.00 per share, the fair market value of the Common Stock on the date of grant. In addition, each new Non-Employee Director, on the date of

his or her election to the Board of Directors automatically will be granted a stock option to purchase 15,000 shares of Common Stock at an exercise price equal to the fair market value of the Common Stock on the date of grant. The determination of fair market value of the Common Stock is based on market quotations. On November 2, 1995, the Board of Directors adopted, subject to shareholder approval, amendments to the Non-Employee Directors' Plan to increase the maximum number of shares issuable thereunder from 150,000 to 200,000 and to provide for the automatic grant at five year intervals of additional stock options to purchase 10,000 shares of Common Stock to each non-employee director who continues to serve on the Board. At December 31, 1995, 15,000 options had been exercised.

On November 2, 1995, the Board of Directors adopted, subject to shareholder approval, the Newport Resources, Inc. 1995 Incentive Stock Option Plan (the "1995 Plan"), pursuant to which the Compensation Committee may grant incentive stock options and nonstatutory stock options to designated employees of Newport. Initially, a maximum of 500,000 shares of Common Stock may be issued under the 1995 Plan, with such maximum number increasing on the last business day of each fiscal year of Newport, commencing with the last business day of the fiscal year ending December 31, 1996, by a number equal to 1.25% of the number of shares of Common Stock issued and outstanding on the close of business on such date, with a maximum number of shares of Common Stock that may be issued upon exercise of options granted under the 1995 Plan being limited to 1,250,000.

I. Supplemental Cash Flow Information

During 1994, the Company's noncash transactions included the consummation of the sale of the operations of the Company's marine repair business for \$661,000 in cash and a \$400,000 note receivable.

During 1993, the Company's noncash transactions included the issuance of 700,000 shares of the Company's common stock for extinguishment of certain notes payable issued in connection with the assets purchased from Quality Mill, Inc. and accrued liabilities incurred with the purchase of other fixed assets. Additionally, the Company sold property with a book value of \$250,000 in exchange for \$100,000 in cash and a \$400,000 note receivable.

Included in accounts payable and accrued liabilities at December 31, 1995, 1994 and 1993, were equipment purchases of \$4,141,000, \$774,000, and \$933,000 respectively. Also included are notes payable for equipment purchases in the amount of \$257,000 and \$635,000 for 1995 and 1993, respectively.

Interest of \$4,235,000, \$2,713,000, and \$1,912,000 was paid in 1995, 1994 and 1993, respectively. Income taxes of \$51,000, \$90,200, and \$82,000 were paid in 1995, 1994 and 1993, respectively.

J. Commitments and Contingencies

Newpark and its subsidiaries are involved in litigation and other claims or assessments on matters arising in the normal course of business. In the opinion of management, any recovery or liability in these matters will not have a material adverse effect on Newpark's consolidated financial statements.

During 1992, the State of Texas assessed additional sales taxes for the years 1988-1991. The Company has filed a petition for redetermination with the Comptroller of Public Accounts. The Company believes that the ultimate resolution of this matter will not have a material adverse effect on the consolidated financial statements.

In the normal course of business, in conjunction with its insurance programs, the Company has established letters of credit in favor of certain insurance companies in the amount of \$2,825,000 at December 31, 1995 and December 31, 1994. At December 31, 1995, the Company had outstanding guaranty obligations totaling \$469,000 in connection with facility closure bonds issued by an insurance company.

Since May 1988, the Company has held the exclusive right to use a patented prefabricated mat system with respect to the oil and gas exploration and production industry within the State of Louisiana. On June 20, 1994, the Company entered into a new license agreement by which it obtained the exclusive right to use the same patented prefabricated mat system, without industry restriction, throughout the continental United States. The license agreement requires, among other things, that the company purchase a minimum of 20,000 mats annually through 2003. The Company has met this annual mat purchase requirement since the inception of the agreement. Any purchases in excess of that level may be applied to future annual requirements. The Company's annual commitment to maintain the agreement in force is currently estimated to be \$4,600,000.

At December 31, 1995, the Company had outstanding a letter of credit in the amount of \$3,816,000 issued to a state regulatory agency to assure funding for future site closure obligations at its NORM processing facility.

The Company leases various manufacturing facilities, warehouses, office space, machinery and equipment and transportation equipment under operating leases with remaining terms ranging from one to ten years with various renewal options. Substantially all leases require payment of taxes, insurance and maintenance costs in addition to rental payments. Total rental expenses of continuing operations for all operating leases were \$5,210,000, \$4,049,000, and \$4,226,000, 1995, 1994 and 1993, respectively.

Future minimum payments under noncancelable operating leases, with initial or remaining terms in excess of one year are: \$1,683,000 in 1996, \$1,192,000 in 1997, \$924,000 in 1998, \$859,000 in 1999, \$781,000 in 2000, and \$562,000 thereafter.

Capital lease commitments are not significant.

K. Business and Credit Concentration

During 1995, one customer accounted for approximately 16%, \$15,890,000, of total revenue. In 1993 and 1994, the Company did not derive ten percent or more of its revenues from sales to any single customer.

Export sales are not significant.

L. Concentrations of Credit Risk

Financial instruments which potentially subject the Company to significant concentrations of credit risk consist principally of cash investments and trade accounts and notes receivable.

The Company maintains cash and cash equivalents with various financial institutions. These financial institutions are located throughout the Company's trade area and company policy is designed to limit exposure to any one institution. The Company performs periodic evaluations of the relative credit standing of these financial institutions which are considered in the Company's investment strategy.

Concentrations of credit risk with respect to trade accounts and notes receivable are limited due to the large number of entities comprising the Company's customer base, and for notes receivable, the required collateral. The Company maintains an allowance for losses based upon the expected collectibility of accounts and notes receivable.

M. Supplemental Selected Quarterly Financial Data (Unaudited)

	Quarter Ended			
	Mar 31	Jun 30	Sep 30	Dec 31
(In thousands, except per share amounts)				
<hr/>				
Fiscal Year 1995				
Revenues	\$22,209	\$22,454	\$24,793	\$28,526
Operating income	3,711	4,789	5,529	6,951
Net income	2,490	3,206	2,700	3,840
Net income per share	0.24	0.30	0.26	0.36
Fiscal Year 1994				
Revenues	\$17,146	\$19,396	\$21,169	\$21,921
Operating income	2,288	2,843	3,165	3,595
Net income	1,740	2,273	2,436	2,945
Net income per share	0.17	0.22	0.23	0.28

ITEM 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None

PART III

ITEM 10. Directors and Officers of the Registrant

The information required by this Item is incorporated by reference to the registrant's Proxy Statement to be filed pursuant to Regulation 14A under the Securities Act of 1934 in connection with the Company's 1996 Annual Meeting of Shareholders.

ITEM 11. Executive Compensation

The information required by this Item is incorporated by reference to the registrant's Proxy Statement to be filed pursuant to Regulation 14A under the Securities Act of 1934 in connection with the Company's 1996 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item is incorporated by reference to the registrant's Proxy Statement to be filed pursuant to Regulation 14A under the Securities Act of 1934 in connection with the Company's 1996 Annual Meeting of Shareholders.

ITEM 13. Certain Relationships and Related Transactions

The information required by this Item is incorporated by reference to the registrant's Proxy Statement to be filed pursuant to Regulation 14A under the Securities Act of 1934 in connection with the Company's 1996 Annual Meeting of Shareholders.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1. Financial Statements

Reports of Independent Auditors

Consolidated Balance Sheets as of December 31, 1995 and 1994

Consolidated Statements of Income for the years ended December 31, 1995, 1994 and 1993

Consolidated Statements of Shareholders' Equity for the years ended December 31, 1995, 1994 and 1993

Consolidated Statements of Cash Flows for the years ended December 31, 1995, 1994 and 1993

Notes to Consolidated Financial Statements

2. Financial Statement Schedules

The following financial statement schedule is included:

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

3. Exhibits

3.1 Certificate of Incorporation

3.1.1 Certificate of Amendment to Certificate of Incorporation**

3.2 Bylaws

10.1 Employment Agreement, dated as of October 23, 1990, between the registrant and James D. Cole. *

10.2 Lease Agreement, dated as of May 17, 1990, by and between Harold F. Bean Jr. and Newpark Environmental Services, Inc. ("NESI").

- 10.3 Building Lease Agreement, dated April 10, 1992, between the registrant and The Traveler' Insurance Company.
- 10.4 Building Lease Agreement, dated May 14, 1992, between State Farm Life Insurance Company, and SOLOCO, Inc.
- 10.5 Operating Agreement, dated June 30, 1993, between Goldrus Environmental Services, Inc. and NESI.
- 10.6 1992 Directors' Stock Option Plan. *
- 10.7 1993 Non-Employee Directors' Stock Option Plan. *
- 10.7.1 Amendment to the 1993 Non-Employee Directors' Stock Option Plan.**
- 10.8 Amended and Restated 1988 Incentive Stock Option Plan.
*
- 10.8.1 1995 Incentive Stock Option Plan**
- 10.9 Loan Agreements, dated December 30, 1993, between the registrant and SFA Industries, Inc.
- 10.10 Continuing Guaranty, dated December 30, 1993, between the registrant and Sam Eakin.
- 10.11 Pledge Agreement, dated December 30, 1993, between the registrant and SFA Industries, Inc.
- 10.12 Security Agreement, dated December 30, 1993, between the registrant and SFA Industries, Inc.
- 10.13 Lease and Security Agreement, dated December 30, 1993, between the registrant and SFA Industries, Inc.
- 10.14 Guaranty of Lease, dated December 30, 1993, between the registrant and SFA Industries, Inc.
- 10.15 Equipment Lease Agreement, dated March 11, 1994, among Republic Financial Corporation ("RFC"), the registrant and Newpark Shipholding, Inc.
- 10.16 Guaranty, dated March 11, 1994, by the registrant in favor of RFC.
- 10.17 First Note, dated March 11, 1994, by the registrant in favor of RFC.

- 10.18 Special Guaranty, dated March 11, 1994, by the registrant in favor of Lockwood National Bank of Houston.
- 10.19 Exclusive License Agreement, dated June 20, 1994, between SOLOCO, Inc. and Quality Mat Company.
- 10.20 Lease Agreement, dated as of July 29, 1994, by and between Harold F. Bean Jr. and NESI.
- 10.21 Credit Agreement by and among Newpark Resources, Inc., SOLOCO, Inc., Newpark Environmental Services, Inc., SOLOCO Texas, L. P., Batson Mill, L.P., Newpark Environmental Water Services, Inc., Newpark Shipholding Texas, L.P., Mallard and Mallard of La., Inc., SOLOCO, L. L. C., Newpark Texas, L. L. C., Newpark Holdings, Inc., Hibernia National Bank, Bank One Texas, N. A., and Premier Bank, National Association.
- 10.21.1 Second Amendment and Supplement to the Credit Agreement, dated March 5, 1996 to Credit Agreement by and among Newpark Resources, Inc., SOLOCO, L. L. C., Newpark Environmental Services, L. L. C., Newpark Shipholding Texas, L.P., SOLOCO Texas, L. P., Batson Mill, L. P., Newpark Environmental Water Services, Inc., Mallard and Mallard of La., Inc., Newpark Texas, L. L. C., Newpark Holdings, Inc., Hibernia National Bank, Bank One Texas, N. A., and Premier Bank, National Association. **
- 10.22 Credit Agreement, dated December 1, 1995, between SOLOCO, Inc., and Hibernia National Bank**
- 21.1 Subsidiaries of the Registrant **
- 23.1 Consent of Deloitte & Touche **
- 24.1 Powers of Attorney **

* Management Compensation Plan or Agreement.

** Filed herewith.

Previously filed in the exhibits to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1991, and incorporated by reference herein.

Previously filed in the exhibits to the registrant's Registration Statement on Form S-1 (File No. 33-40716) filed on June 21, 1991, and incorporated by reference herein.

Previously filed in the exhibits to the registrant's Registration Statement on Form S-8 (File No. 33-67284) filed on August 12, 1993, and incorporated by reference herein.

Previously filed in the exhibits to the registrant's Registration Statement on Form S-8 (File No. 33-83680) filed on August 12, 1993, and incorporated by reference herein.

Previously filed in the exhibits to the registrant's Current Report on Form 8-K, dated January 14, 1994, and incorporated by reference herein.

Previously filed in the exhibits to the registrant's Current Report on Form 8-K, dated March 25, 1994, and incorporated by reference herein.

Previously filed in the exhibits to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated by reference herein.

Previously filed in the exhibits to the registrant's Current Report on Form 8-K, dated July 18, 1995, and incorporated by reference herein.

Previously filed as Exhibit B to the registrant's Definitive Proxy Materials relating to its Annual Meeting of Shareholders held on June 28, 1995 and incorporated by reference herein.

(b) Reports on Form 8-K

The registrant did not file a report on Form 8-K during the fourth quarter of 1995.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 8, 1996

NEWPARK RESOURCES, INC.

By: /s/ James D. Cole
James D. Cole, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the date indicated.

Signatures	Title	Date
/s/ James D. Cole James D. Cole	President and Chief Executive Officer and Director	March 8, 1996
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President of Finance and Chief Financial Officer	March 8, 1996
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Controller	March 8, 1996
/s/ Philip S. Sassower* Philip S. Sassower	Chairman of the Board and Director	March 8, 1996
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Director	March 8, 1996
/s/ W. W. Goodson* W. W. Goodson	Director	March 8, 1996
/s/David P. Hunt* David P. Hunt	Director	March 8, 1996
/s/ Dr. Alan Kaufman* Dr. Alan Kaufman	Director	March 8, 1996
/s/ James H. Stone* James H. Stone	Director	March 8, 1996

By /s/ James D. Cole
* James D. Cole
Attorney-in-Fact

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Other Additions	Other Deductions	Balance at End of Year
1995					
Allowance for doubtful accounts	\$ 455	\$ 463	\$ 13 (a)	\$ (163)(b)	\$ 768
	=====	=====	=====	=====	=====
Valuation allowance for deferred tax assets	\$ 967	-	\$ 969 (d)	\$ (1,700)(c)	\$ 236
	=====	=====	=====	=====	=====
1994					
Allowance for doubtful accounts	\$ 354	\$ 974	\$ 44 (a)	\$ (917)(b)	\$ 455
	=====	=====	=====	=====	=====
Valuation allowance for deferred tax assets	\$ 4,096	-	-	\$ (3,129)(c)	\$ 967
	=====	=====	=====	=====	=====
1993					
Allowance for doubtful accounts	\$ 352	\$ 671	-	\$ (669)(b)	\$ 354
	=====	=====	=====	=====	=====
Valuation allowance for deferred tax assets	\$ 6,503	-	-	\$ (2,407)(c)	\$ 4,096
	=====	=====	=====	=====	=====

(a) Recovery of amounts previously written off and other adjustments.

(b) Write-offs.

(c) Change in valuation allowance reflecting the future benefit of net operating losses.

(d) Initial set-up of valuation allowance.

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
NEWPARK RESOURCES, INC.

MATTHEW W. HARDEY AND EDAH KEATING, hereby certify that:

1. They are the Chief Financial Officer and the Secretary, respectively, of NEWPARK RESOURCES, INC., a Delaware corporation (the "Corporation").

2. The Corporation filed its original Certificate of Incorporation with the Delaware Secretary of State on June 3, 1988 (the "Certificate of Incorporation").

3. Paragraph A of Article FOURTH of the Certificate of Incorporation of the Corporation is amended in its entirety to read as follows:

"FOURTH:A.The corporation is authorized to issue two classes of shares to be designated, respectively, "Preferred Stock" and "Common Stock". The total number of shares which this corporation shall have authority to issue is Twenty-One Million (21,000,000), of which One Million (1,000,000) shares shall be Preferred Stock and Twenty Million (20,000,000) shall be Common Stock. The Preferred Stock and the Common Stock shall each have a par value of \$.01 per share."

4. The foregoing Certificate of Amendment of Certificate of Incorporation has been duly approved and adopted by the Board of Directors of the Corporation pursuant to Section 242 of the Delaware General Corporation Law and has been duly approved and adopted by the stockholders of the Corporation, pursuant to Section 242 of the Delaware General Corporation Law, at the 1995 annual meeting of stockholders of the Corporation.

Dated: July 3, 1995

MATTHEW W. HARDEY, Chief
Financial Officer

EDAH KEATING, Secretary

AMENDMENT NO. 1 TO
NEWPARK RESOURCES, INC.

1993 NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN

WHEREAS, the Corporation has a 1993 Non-Employee Directors' Stock Option Plan (the "Plan") under which each "Non-Employee Director" (as defined in the Plan) has received or, upon being elected, will receive a stock option ("Stock Option") exercisable for the purchase of 15,000 shares of Common Stock of the Corporation; and

WHEREAS the Board of Directors has determined to amend the Plan to provide for the granting of additional Stock Options each time a Non-Employee Director completes an additional five years of service.

NOW, THEREFORE, BE IT RESOLVED that, subject to stockholder approval, as provided below, the Board of Directors hereby adopts the following amendment (the "First Amendment") to the Plan:

A. Paragraph 4 of the Plan is hereby amended in its entirety to read as follows:

"4. Grants.

4.1 Each Non-Employee Director serving on the Board on the date the Board adopted this Plan (September 1, 1993) was granted a Stock Option to purchase 15,000 shares of Common Stock automatically on that date. Each Non-Employee Director who is first elected a director after this Plan was adopted by the Board shall be granted an option to purchase 15,000 shares of Common Stock automatically on the date of such election. Subject to the provisions of paragraph 11, the number of shares of Common Stock issued and issuable upon the exercise of Stock Options granted under this Plan shall not exceed 200,000."

4.2 Subject to stockholder approval of the First Amendment: (i) each Non-Employee Director who has been a director continuously for at least five years on the date the First Amendment is approved by the Board (the "First Amendment Effective Date"), shall be granted a Stock Option to purchase 10,000 shares of Common Stock automatically on the First Amendment Effective Date, and, provided such Non-Employee Director continues to be a Non-Employee Director, shall be granted a Stock Option to purchase 10,000 additional shares of Common Stock automatically at the expiration of each five year period thereafter during such Non-Employee Director's continuous service; and (ii) each director who completes five continuous years as a Non-Employee Director after the First Amendment Effective Date shall be granted a Stock Option to purchase 10,000 shares of Common Stock automatically on the day following the completion of such five year period, and, provided such Non-Employee Director continues to be a Non-Employee Director, shall be granted a Stock Option to purchase 10,000 additional shares of Common Stock automatically at the expiration of each five year period thereafter during such Non-Employee Director's continuous service. Except as otherwise provided herein, the period of continuous service for any Non-Employee Director shall be deemed to include continuous periods prior to the adoption of the Plan in which the director was not an employee of Newpark or any of its Subsidiaries or any parent corporation."

B. Paragraph 6 of the Plan is hereby amended in its entirety to read as follows:

"6. Option Period.

The term of each Stock Option shall commence on the Date of Grant of the Stock Option and shall be ten years. Subject to the other provisions of the Plan, (i) each initial Stock Option granted pursuant to paragraph 4.1 shall be exercisable during its term as to 20% of the Option Shares during the twelve months beginning on the first anniversary of the Date of Grant; 20% of the Option Shares during the twelve months beginning on the second anniversary of the Date of Grant; 20% during the twelve months beginning on the third anniversary of the Date of Grant; 20% during the

twelve months beginning on the fourth anniversary of the Date of Grant; and 20% during the twelve months beginning on the fifth anniversary of the Date of Grant; and (ii) each stock option granted pursuant to paragraph 4.2 shall be exercisable during its term as to one-third of the Option Shares during the six months beginning six months and one day following the date of grant; one-third of the Options Shares during the twelve-months beginning on the first anniversary of the date of grant; and one-third of the Option Shares during the twelve months beginning on the second anniversary of the date of grant; provided, however, that the initial Stock Option granted to each Non-Employee Director serving on the Board on the date this Plan was adopted by the Board (as now described in paragraph 4.1) shall be exercisable from time to time after the actual Date of Grant as to the number of Option Shares determined in accordance with the foregoing schedule as if the Date of Grant were the date such Non-Employee Director first became a director; provided, further, however, that no stock option granted pursuant to paragraph 4.2 shall be exercisable until the expiration of six months and one day following stockholder approval of the First Amendment. If an optionee shall not in any period purchase all of the Option Shares which the optionee is entitled to purchase in such period, the optionee may purchase all or any part of such Option Shares at any time after the end of such period and prior to the expiration of the Option. Notwithstanding the foregoing, subject to the provisions of paragraph 11.3, Stock Options granted under this Plan shall not be exercisable until at least six months and one day after the actual Date of Grant."

C. Except as hereby amended, the Plan is and shall remain in full force and effect in accordance with its terms. Subject to stockholder approval of this First Amendment, all references in the Plan to "the Plan" or "this Plan," or words of similar import shall refer to the Plan as amended by the First Amendment.

D. No Stock Option granted in accordance with paragraph 4.2 of the Plan shall be exercisable unless and until, on or before November 2, 1996, holders of a majority of the Common Stock of the Corporation present or represented at a meeting at which the First Amendment is presented for approval (and provided a quorum is present or represented at the meeting), shall have approved the First Amendment. If stockholder approval is not timely obtained, the First Amendment and all such Stock Options shall be null and void.

NEWPARK RESOURCES, INC.
1995 INCENTIVE STOCK OPTION PLAN

1. Purpose.

This Amended and Restated Newpark Resources, Inc., 1995 Incentive Stock Option Plan (the "Plan") is intended to allow designated employees, executive officers and other corporate and divisional officers (all of whom are sometimes collectively referred to herein as "Employees") of Newpark Resources, Inc., a Delaware corporation ("Newpark"), and Subsidiaries which it may have from time to time (Newpark and such Subsidiaries being together referred to herein as the "Company") to receive certain options ("Stock Options") to purchase Newpark's common stock, \$.01 par value ("Common Stock"), as herein provided. "Subsidiary" shall mean each corporation which is a "subsidiary corporation" of Newpark, within the definition contained in Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The purpose of the Plan is to provide Employees with additional incentives to make significant and extraordinary contributions to the long-term performance and growth of the Company and to attract and retain Employees of exceptional ability.

2. Administration.

1.b The Plan shall be administered by the Compensation Committee (the "Committee") of the Board of Directors of Newpark (the "Board"). Each member of the Committee shall be a "disinterested person" as that term is defined in Rule 16b-3 promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"), but no action of the Committee shall be invalid if this requirement is not met. The Committee shall select one of its members as Chairman and shall act by vote of a majority of a quorum or by unanimous written consent. A majority of its members shall constitute a quorum. The Committee shall be governed by the provisions of Newpark's By-Laws and of Delaware law applicable to the Board, except as otherwise provided herein or determined by the Board.

2.b The Committee shall have full and complete authority, in its discretion, but subject to the express provisions of the Plan: to approve the Employees nominated by the management of the Company to be granted Stock Options; to determine the number of Stock Options to be granted to an Employee; to determine the time or times at which Stock Options shall be granted; to establish the terms and conditions upon which Stock Options may be exercised; to remove or adjust any restrictions and conditions upon Stock Options; to specify, at the time of grant, provisions relating to the exercisability of Stock Options and to accelerate or otherwise modify the exercisability of any Stock Options; and to adopt such rules and regulations and to make all other determinations deemed necessary or desirable for the administration of the Plan. All interpretations and constructions of the Plan by the Committee, and all of its actions hereunder, shall be binding and conclusive on all persons for all purposes.

3.b The Company hereby agrees to indemnify and hold harmless each Committee member and each employee of the Company, and the estate and heirs of such Committee member or employee, against all claims, liabilities, expenses, penalties, damages or other pecuniary losses, including legal fees, which such Committee member or employee or his or her estate or heirs may suffer as a result of his or her responsibilities, obligations or duties in connection with the Plan, to the extent that insurance, if any, does not cover the payment of such items.

3. Eligibility and Participation.

Employees eligible under the Plan shall be approved by the Committee from those Employees who, in the opinion of the management of the Company, are in positions which enable them to make significant and extraordinary contributions to the long-term performance and growth of the Company. In selecting Employees to whom Stock Options may be granted, consideration shall be given to factors such as employment position, duties and responsibilities, ability, productivity, length of service, morale, interest in the Company and recommendations of supervisors. No member of the Committee shall be eligible to participate under the Plan or under any other Company plan if such participation would contravene the standard of paragraph 2.1 above relating to "disinterested persons".

4. Grants.

The Committee may grant Stock Options in such amounts, at such times, and to such Employees nominated by the management of the Company as the Committee, in its discretion, may determine; provided, however, that, subject to adjustment as provided in paragraph 11, the maximum number of shares of Common Stock for which Stock Options may be

granted to any one Employee during any one calendar year shall be \$100,000. Stock Options granted under the Plan shall constitute "incentive stock options" within the meaning of Section 422 of the Code, if so designated by the Committee on the date of grant. The Committee shall also have the discretion to grant Stock Options which do not constitute incentive stock options and any such Stock Options shall be designated non-statutory stock options by the Committee on the date of grant. The aggregate fair market value (determined as of the time an incentive stock option is granted) of the Common Stock with respect to which incentive stock options are exercisable for the first time by any Employee during any one calendar year (under all plans of the Company and any parent or subsidiary of the Company) may not exceed the maximum amount permitted under Section 422 of the Code (currently \$100,000.00). Non-statutory stock options shall not be subject to the limitations relating to incentive stock options contained in the preceding sentence. Subject to the provisions of paragraph 11 hereof, the number of shares of Common Stock issued and issuable pursuant to the exercise of Stock Options granted hereunder shall not exceed 500,000; provided, however, that on the last business day of each fiscal year of the Company, commencing with the last business day of the fiscal year ending December 31, 1996, such maximum number shall be increased by a number equal to 1.25% of the number of shares of Common Stock issued and outstanding on the close of business on such day; provided, further, that in no event shall the aggregate number of shares issued and issuable pursuant to the exercise of Stock Options granted hereunder exceed 1,250,000. Each Stock Option shall be evidenced by a written agreement (the "Option Agreement") in a form approved by the Committee, which shall be executed on behalf of the Company and by the Employee to whom the Stock Option is granted. If a Stock Option expires, terminates or is cancelled for any reason without having been exercised in full, the shares of Common Stock not purchased thereunder shall again be available for purposes of the Plan.

5. Purchase Price.

The purchase price (the "Exercise Price") of shares of Common Stock subject to each Stock Option ("Option Shares") shall equal the fair market value ("Fair Market Value") of such shares on the date of grant of such Stock Option. Notwithstanding the foregoing, the Exercise Price of Option Shares subject to an incentive stock option granted to an Employee who at the time of grant owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any parent or Subsidiary shall be at least equal to 110% of the Fair Market Value of such shares on the date of grant of such Stock Option. The Fair Market Value of a share of Common Stock on any date shall be equal to the closing price of the Common Stock for the last preceding day on which Newpark's shares were traded, and the method for determining the closing price shall be determined by the Committee.

6. Option Period.

The Stock Option period (the "Term") shall commence on the date of grant of the Stock Option and shall be ten years or such shorter period as is determined by the Committee. Notwithstanding the foregoing, the Term of an incentive stock option granted to an Employee who at the time of grant owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of any parent or subsidiary shall not exceed five years. Each Stock Option shall provide that it is exercisable over its term in such periodic installments as the Committee in its sole discretion may determine. Such provisions need not be uniform. Notwithstanding the foregoing, but subject to the provisions of paragraphs 2.2 and 11.3, Stock Options granted to Employees who are subject to the reporting requirements of Section 16(a) of the Exchange Act ("Section 16 Reporting Persons") shall not be exercisable until at least six months and one day from the date the Stock Option is granted, or, if later, from the date of stockholder approval of the Plan. If an Employee shall not in any period purchase all of the Option Shares which the Employee is entitled to purchase in such period, the Employee may purchase all or any part of such Option Shares at any time prior to the expiration of the Stock Option.

7. Exercise of Options.

1.b Each Stock Option may be exercised in whole or in part (but not as to fractional shares) by delivering it for surrender or endorsement to the Company, attention of the Corporate Secretary, at the principal office of the Company, together with payment of the Exercise Price and an executed Notice and Agreement of Exercise in the form prescribed by paragraph 7.2. Payment may be made in cash, by cashier's or certified check or by surrender of previously owned shares of the Company's Common Stock valued pursuant to paragraph 5 (if the Committee authorizes payment in stock).

2.b Exercise of each Stock Option is conditioned upon the agreement of the Employee to the terms and conditions of this Plan and of such Stock Option as evidenced by the Employee's execution and delivery of a Notice and Agreement of Exercise in a form to be

determined by the Committee in its discretion. Such Notice and Agreement of Exercise shall set forth the agreement of the Employee that: (a) no Option Shares will be sold or otherwise distributed in violation of the Securities Act of 1933 (the "Securities Act") or any other applicable federal or state securities laws, (b) each Option Share certificate may be imprinted with legends reflecting any applicable federal and state securities law restrictions and conditions, (c) the Company may comply with said securities law restrictions and issue "stop transfer" instructions to its Transfer Agent and Registrar without liability, (d) if the Employee is a Section 16 Reporting Person, the Employee will furnish to the Company a copy of each Form 4 or Form 5 filed by said Employee and will timely file all reports required under federal securities laws, and (e) the Employee will report all sales of Option Shares to the Company in writing on a form prescribed by the Company.

3.b No Stock Option shall be exercisable unless and until any applicable registration or qualification requirements of federal and state securities laws, and all other legal requirements, have been fully complied with. The Company will use reasonable efforts to maintain the effectiveness of a Registration Statement under the Securities Act for the issuance of Stock Options and shares acquired thereunder, but there may be times when no such Registration Statement will be currently effective. The exercise of Stock Options may be temporarily suspended without liability to the Company during times when no such Registration Statement is currently effective, or during times when, in the reasonable opinion of the Committee, such suspension is necessary to preclude violation of any requirements of applicable law or regulatory bodies having jurisdiction over the Company. If any Stock Option would expire for any reason except the end of its term during such a suspension, then if the exercise of such Stock Option is duly tendered before its expiration, such Stock Option shall be exercisable and exercised (unless the attempted exercise is withdrawn) as of the first day after the end of such suspension. The Company shall have no obligation to file any Registration Statement covering resales of Option Shares.

8. Continuous Employment.

Except as provided in paragraph 10 below, an Employee may not exercise a Stock Option unless from the date of grant to the date of exercise such Employee remains continuously in the employ of the Company. For purposes of this paragraph 8, the period of continuous employment of an Employee with the Company shall be deemed to include (without extending the term of the Stock Option) any period during which such Employee is on leave of absence with the consent of the Company, provided that such leave of absence shall not exceed three (3) months and that such Employee returns to the employ of the Company at the expiration of such leave of absence. If such Employee fails to return to the employ of the Company at the expiration of such leave of absence, such Employee's employment with the Company shall be deemed terminated as of the date such leave of absence commenced. The continuous employment of an Employee with the Company shall also be deemed to include any period during which such Employee is a member of the Armed Forces of the United States, provided that such Employee returns to the employ of the Company within ninety (90) days (or such longer period as may be prescribed by law) from the date such Employee first becomes entitled to discharge. If an Employee does not return to the employ of the Company within ninety (90) days (or such longer period as may be prescribed by law) from the date such Employee first becomes entitled to discharge, such Employee's employment with the Company shall be deemed to have terminated as of the date such Employee's military service ended.

9. Restrictions on Transfer.

Incentive stock options granted under this Plan shall be transferable only by will or the laws of descent and distribution. The Committee shall have discretion to grant non-statutory stock options that are not subject to the restrictions on transfer relating to incentive stock options contained in the preceding sentence; provided, however, that non-statutory stock options granted to a Section 16 Reporting Person shall be subject to such restrictions on transfer as may be required to qualify for the exemption provided for in Section 16b-3 of the Exchange Act or otherwise imposed by the Committee in its sole and absolute discretion. No interest of any Employee under the Plan shall be subject to attachment, execution, garnishment, sequestration, the laws of bankruptcy or any other legal or equitable process. Each Stock Option granted under this Plan shall be exercisable during an Employee's lifetime only by such Employee and, in the case of non-statutory stock options, such Employee's permitted transferees.

10. Termination of Employment.

1.b Upon an Employee's Retirement, Disability or death, (a) all Stock Options to the extent then presently exercisable shall remain in full force and effect and may be exercised pursuant to the provisions thereof, including expiration at the end of the fixed term thereof, and (b) unless otherwise provided by the Committee, all Stock

Options to the extent not then presently exercisable by such Employee shall terminate as of the date of such termination of employment and shall not be exercisable thereafter.

2.b Upon the termination of the employment of an Employee with the Company for any reason other than the reasons set forth in paragraph 10.1 hereof, unless otherwise provided by the Committee, (a) all Stock Options to the extent then presently exercisable by such Employee shall remain exercisable only for a period of ninety (90) days after the date of such termination of employment (except that the ninety (90) day period shall be extended to twelve (12) months if the Employee shall die during such ninety (90) day period), and may be exercised pursuant to the provisions thereof, including expiration at the end of the fixed term thereof, and (b) all Stock Options to the extent not then presently exercisable by such Employee shall terminate as of the date of such termination of employment and shall not be exercisable thereafter.

3.b For purposes of this Plan:

(a) "Retirement" shall mean an Employee's retirement from the employ of the Company on or after the date on which such Employee attains the age of sixty-five (65) years; and

(b) "Disability" shall mean total and permanent incapacity of an Employee, due to physical impairment or legally established mental incompetence, to perform the usual duties of such Employee's employment with the Company, which disability shall be determined: (i) on medical evidence by a licensed physician designated by the Committee, or (ii) on evidence that the Employee has become entitled to receive primary benefits as a disabled employee under the Social Security Act in effect on the date of such disability.

11. Adjustments Upon Change in Capitalization.

1.b The number and class of shares subject to each outstanding Stock Option, the Exercise Price thereof (but not the total price) and the maximum number of Stock Options that may be granted under the Plan shall be proportionately adjusted in the event of any increase or decrease in the number of the issued shares of Common Stock which results from a split-up or consolidation of shares, payment of a stock dividend or dividends exceeding a total of two and one-half percent (2.5%) for which the record dates occur in any one fiscal year, a recapitalization (other than the conversion of convertible securities according to their terms), a combination of shares or other like capital adjustment, so that upon exercise of the Stock Option, the Employee shall receive the number and class of shares such Employee would have received had such Employee been the holder of the number of shares of Common Stock for which the Stock Option is being exercised upon the date of such change or increase or decrease in the number of issued shares of the Company.

2.b Upon a reorganization, merger or consolidation of the Company with one or more corporations as a result of which Newpark is not the surviving corporation or in which Newpark survives as a wholly-owned subsidiary of another corporation, or upon a sale of all or substantially all of the property of the Company to another corporation, or any dividend or distribution to shareholders of more than ten percent (10%) of the Company's assets, adequate adjustment or other provisions shall be made by the Company or other party to such transaction so that there shall remain and/or be substituted for the Option Shares provided for herein, the shares, securities or assets which would have been issuable or payable in respect of or in exchange for such Option Shares then remaining, as if the Employee had been the owner of such Option Shares as of the applicable date. Any securities so substituted shall be subject to similar successive adjustments.

3.b In the sole discretion of the Committee, Stock Options may include provisions, on terms (which need not be uniform) authorized by the Committee in its sole discretion, that accelerate the Employees' rights to exercise Stock Options upon a sale of substantially all of the Company's assets, the dissolution of Newpark or upon a change in the controlling shareholder interest in Newpark resulting from a tender offer, reorganization, merger or consolidation or from any other transaction or occurrence, whether or not similar to the foregoing (each, a "Change in Control").

12. Withholding Taxes.

The Company shall have the right at the time of exercise of any Stock Option to make adequate provision for any federal, state, local or foreign taxes which it believes are or may be required by law to be withheld with respect to such exercise ("Tax Liability"), to ensure the payment of any such Tax Liability. The Company may provide for the payment of any Tax Liability by any of the following means or a combination of such means, as determined by the Committee in its sole and absolute discretion in the particular case: (i) by requiring the Employee to tender a cash payment to the Company, (ii) by withholding from the Employee's salary, (iii) by withholding from the Option Shares

which would otherwise be issuable upon exercise of the Stock Option that number of Option Shares having an aggregate fair market value (determined in the manner prescribed by paragraph 5) as of the date the withholding tax obligation arises that is equal to the Employee's Tax Liability or (iv) by any other method deemed appropriate by the Committee. Satisfaction of the Tax Liability of a Section 16 Reporting Person may be made by the method of payment specified in clause (iii) above upon satisfaction of such additional conditions as the Committee shall deem in its sole and absolute discretion as appropriate in order for such withholding of Option Shares to qualify for the exemption provided for in Section 16b-3 of the Exchange Act.

13. Relationship to Other Employee Benefit Plans.

Stock Options granted hereunder shall not be deemed to be salary or other compensation to any Employee for purposes of any pension, thrift, profit-sharing, stock purchase or any other employee benefit plan now maintained or hereafter adopted by the Company.

14. Amendments and Termination.

The Board of Directors may at any time suspend, amend or terminate this Plan. No amendment or modification of this Plan may be adopted, except subject to shareholder approval, which would: (a) materially increase the benefits accruing to Employees under this Plan, (b) materially increase the number of securities which may be issued under this Plan (except for adjustments pursuant to paragraph 11 hereof) or (c) materially modify the requirements as to eligibility for participation in the Plan.

15. Successors in Interest.

The provisions of this Plan and the actions of the Committee shall be binding upon all heirs, successors and assigns of the Company and of Employees.

16. Other Documents.

All documents prepared, executed or delivered in connection with this Plan shall be, in substance and form, as established and modified by the Committee or by persons under its direction and supervision; provided, however, that all such documents shall be subject in every respect to the provisions of this Plan, and in the event of any conflict between the terms of any such document and this Plan, the provisions of this Plan shall prevail. All Stock Options granted under the Plan shall be evidenced by written agreements executed by the Company and the Employees to whom the Stock Options have been granted. Each agreement shall specify whether a Stock Option is an incentive stock option or a non-statutory stock option.

17. No Obligation to Continue Employment.

This Plan and grants hereunder shall not impose any obligation on the Company to continue to employ any Employee. Moreover, no provision of this Plan or any document executed or delivered pursuant to this Plan shall be deemed modified in any way by any employment contract between an Employee (or other employee) and the Company.

18. Misconduct of an Employee.

Notwithstanding any other provision of this Plan, if an Employee commits fraud or dishonesty toward the Company or wrongfully uses or discloses any trade secret, confidential data or other information proprietary to the Company, or intentionally takes any other action materially inimical to the best interests of the Company, as determined by the Committee, in its sole and absolute discretion, such Employee shall forfeit all rights and benefits under this Plan.

19. Term of Plan.

This Plan was adopted by the Board effective November 2, 1995. No Stock Options may be granted under this Plan after November 2, 2005.

20. Governing Law.

This Plan shall be construed in accordance with, and governed by, the laws of the State of Delaware.

21. Stockholder Approval.

No Stock Option shall be exercisable unless and until the stockholders of the Company have approved this Plan and all other legal requirements have been fully complied with.

22. Privileges of Stock Ownership.

The holder of a Stock Option shall not be entitled to the privileges of stock ownership as to any shares of the Company common stock not actually issued to such holder.

IN WITNESS WHEREOF, this Plan has been executed effective as of the 2nd day of November, 1995.

NEWPARK RESOURCES, INC.

By

James D. Cole, President

SECOND AMENDMENT AND SUPPLEMENT
TO CREDIT AGREEMENT

This Second Amendment and Supplement to Credit Agreement (herein called the "Second Amendment") is dated and effective as of March 5, 1996, by and among NEWPARK RESOURCES, INC., a Delaware corporation (the "Borrower"), SOLOCO L.L.C., a Louisiana limited liability company and the successor by merger to SOLOCO, Inc. ("SOLOCO L.L.C."), NEWPARK SHIPHOLDING TEXAS, L.P., a Texas limited partnership ("Newpark Shipholding"), SOLOCO TEXAS, L.P., a Texas limited partnership ("SOLOCO Texas"), BATSON-MILL, L.P., a Texas limited partnership ("Batson"), MALLARD & MALLARD OF LA., INC., a Louisiana corporation ("Mallard"), NEWPARK TEXAS, L.L.C., a Louisiana limited liability company ("Newpark Texas"), NEWPARK HOLDINGS, INC., a Louisiana corporation ("Holdings"), NEWPARK ENVIRONMENTAL SERVICES, L.L.C., a Louisiana limited liability company and the successor by merger to Newpark Environmental Services, Inc. ("Environmental L.L.C."), and NEWPARK ENVIRONMENTAL SERVICES, L.P., a Texas limited partnership ("Environmental L.P."; SOLOCO L.L.C., Newpark Shipholding, SOLOCO Texas, Batson, Mallard, Newpark Texas, Holdings, Environmental L.L.C. and Environmental L.P. are herein collectively called the "Guarantors"), and HIBERNIA NATIONAL BANK ("Hibernia"), BANK ONE TEXAS, N.A. ("Bank One"), and PREMIER BANK, NATIONAL ASSOCIATION ("Premier") (Hibernia, Bank One, and Premier are hereinafter referred to individually as "Bank" and collectively as the "Banks"), and PREMIER BANK, NATIONAL ASSOCIATION as agent for the Banks (hereinafter in such capacity referred to as the "Agent").

RECITALS:

1. The Borrower, the Guarantors (except Environmental L.L.C. and Environmental L.P.), Newpark Environmental Services, Inc., Newpark Environmental Water Services, Inc., SOLOCO, Inc., the Banks, and the Agent are parties to that certain Credit Agreement dated as of June 29, 1995, as amended and modified by letter agreements thereto dated October 9, 1995 and January 8, 1996 (the said letter agreements are herein referred to as the "First Amendment"). The Credit Agreement, as amended by the First Amendment, is herein referred to as the Credit Agreement.

2. The Credit Agreement provides for (i) a revolving Line of Credit in the aggregate principal amount of \$25,000,000.00, subject however, to a Line of Credit Borrowing Base limit of \$22,500,000.00 less issued and outstanding letters of credit, and (ii) a Term Loan in the aggregate principal amount of \$25,000,000.00.

3. Subsequent to the execution of the Credit Agreement, the following mergers and transfer of operations and assets occurred: SOLOCO, Inc. was merged into SOLOCO L.L.C.; Newpark Environmental Water Services, Inc. was merged into Newpark Environmental Services, Inc.; Newpark Environmental Services, Inc. was then merged into Environmental L.L.C.; and the Texas operations and assets of Environmental L.L.C. were contributed to Environmental L.P.

4. Each of SOLOCO, Inc., Newpark Environmental Services, Inc., and Newpark Environmental Water Services, Inc. were Guarantors under the Credit Agreement.

5. The Borrower and the Guarantors have requested that the Banks (i) increase the Term Loan from \$25,000,000.00 to \$35,000,000.00 and (ii) revise the Line of Credit Borrowing Base so that the Line of Credit Borrowing Base equals Eligible Receivables times eighty percent (80%) plus Batson's inventory of lumber and logs on which the Banks have a first ranking security interest times fifty percent (50%), up to the maximum amount of \$25,000,000.00 less the sum of the face amount of all outstanding letters of credit issued under the Line of Credit Borrowing Base; provided, however, the aggregate amount of all advances under the Line of Credit based upon Batson's inventory of lumber and logs times fifty percent (50%) shall not exceed \$4,000,000.00.

6. The Banks are willing to accommodate the aforesaid requests, subject to the following conditions and requirements: (i) the execution of this Second Amendment for the purpose of evidencing (a) the Term Loan increase of \$10,000,000.00 and the revision to the calculation of the Line of Credit Borrowing Base, (b) a revision of Section 8.06 of the Credit Agreement to reflect the revised calculation of the Line of Credit Borrowing Base, (c) an additional limitation on advances and borrowings under the Line of Credit to reflect that no more than twenty percent (20%) of the outstanding balance at any particular time under the Line

of Credit can be dependent on Eligible Receivables owed by a single account debtor, and (d) all other necessary or contemplated changes; (ii) the execution by the Borrower of additional Term Notes in the aggregate amount of \$10,000,000.00; (iii) the execution by the Borrower and the Guarantors of new Continuing Guaranty agreements in favor of the Agent for the pro rata benefit of the Banks in the amount of \$60,000,000.00 plus interest, costs, and attorney's fees; (iv) the execution of UCC-3 financing statement amendments to evidence the mergers and transfer of operations and assets mentioned above; (v) the execution of Security Agreements and Financing Statements by each of Environmental L.L.C. and Environmental L.P. in favor of the Agent for the pro rata benefit of the Banks, and affecting all accounts, general intangibles, inventory, equipment, and deposit accounts; (vi) the execution by the Borrower, SOLOCO Texas, Mallard, SOLOCO L.L.C., and Batson of amendments to the Security Agreements dated June 29, 1995 executed by each of the aforesaid parties in favor of the Agent for the pro rata benefit of the Banks, to make it clear that the indebtedness arising under or pursuant to the Credit Agreement, as amended by this Second Amendment, continues to be secured by the Security Agreements; and (vii) payment of a facility fee in the amount of .375% of \$12,500,000.00, by the Borrower to the Agent for the pro rata benefit of Premier and Hibernia.

7. Under the Credit Agreement the present Ratable Share of each of the Banks in the Line of Credit and Term Loan is as follows: Premier - 40%; Hibernia - 30%; and Bank One - 30%.

8. Subsequent to the execution of the Credit Agreement, Premier became part of the Banc One Corporation family of banks.

9. Premier and Bank One have agreed that Premier will purchase from Bank One and Bank One will sell, assign, and transfer to Premier: (i) Bank One's obligation to make loans and advances under the Line of Credit, the existing indebtedness of the Borrower to Bank One under Bank One's Revolving Note dated June 29, 1995 in the face amount of \$7,500,000.00, and Bank One's unfunded liabilities associated with outstanding letters of credit issued under the Credit Agreement, to be effective upon execution of this Second Amendment; and (ii) the indebtedness of the Borrower to Bank One under Bank One's Term Note dated June 29, 1995 in the face amount of \$7,500,000.00, to be effective on December 20, 1996.

10. The Term Loan increase of \$10,000,000.00 will be funded 70% by Premier and 30% by Hibernia.

11. Upon the execution of this Second Amendment, the Ratable Share of each of the Banks in the Line of Credit and Term Loan (as increased) will be: Premier - 57-1/2%; Bank One - 12-1/2%; and Hibernia - 30%. On December 20, 1996, the effective date of the transaction between Premier and Bank One discussed in part (ii) of RECITAL 9 above, Bank One will no longer be a party to the Credit Agreement, and the Ratable Share of Premier and Hibernia in the Line of Credit and Term Loan (as increased) will be: Premier - 70%; and Hibernia - 30%.

12. All capitalized terms used herein are used as defined in the Credit Agreement, except as otherwise expressly provided in this Second Amendment.

NOW THEREFORE, in consideration of the premises, the parties hereto do hereby amend and supplement the Credit Agreement, and agree and obligate themselves as follows:

A. RATABLE SHARE REVISION. The second and third sentences in the second paragraph on page 1 of the Credit Agreement are hereby deleted and replaced with the following:

Notwithstanding any provision herein contained to the contrary, the Banks' agreement is limited to the Ratable Share of each Bank in the Line of Credit and the Term Loan. The term "Ratable Share" shall mean: (i) from June 29, 1995 through March 4, 1996, in the case of Premier, 40%, in the case of Hibernia, 30%, and in the case of Bank One, 30%; (ii) from March 5, 1996 through December 19, 1996, in the case of Premier, 57-1/2%, in the case of Hibernia, 30%, and in the case of Bank One, 12-1/2%; and (iii) effective December 20, 1996, in the case of Premier, 70%, and in the case of Hibernia, 30%. In addition, the parties hereto agree that as of March 5, 1996, the Line of Credit Ratable Share is as follows: Premier - 70%, Hibernia - 30%, and Bank One - 0%. The Borrower and the Guarantors hereby acknowledge and consent

to the transactions described in RECITAL 9 above, and agree that Bank One is no longer a party to the Line of Credit and that as of December 20, 1996, Bank One shall no longer be a party to this Agreement.

B. LINE OF CREDIT REVISIONS. Section 1.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

1.01 Revolving Line of Credit Commitment. Subject to the terms and conditions of this Agreement, Premier and Hibernia agree to continue the establishment in favor of the Borrower of a revolving line of credit in the aggregate principal amount of \$25,000,000.00 (herein called the "Line of Credit"), and the Borrower may request credit advances under the Line of Credit and make borrowing and re-borrowings thereunder; provided, however, (a) direct advances to the Borrower shall be limited to a maximum aggregate principal amount equal to the Line of Credit and (b) the aggregate principal amount outstanding under the Line of Credit shall never exceed at any time the lesser of (i) the Line of Credit Borrowing Base or (ii) \$25,000,000.00. The Line of Credit shall terminate on December 31, 1998 and no further advances shall be made to the Borrower after such termination date. The commitment of Premier and Hibernia to extend funds to the Borrower under the Line of Credit is limited to each of their Line of Credit Ratable Share of \$25,000,000.00. In addition, the Line of Credit shall remain subject to a sublimit of \$6,500,000.00 as provided in Section 1.07 below.

Section 1.02 of the Credit Agreement also is amended and supplemented to reflect that the references to Bank or Banks therein shall henceforth mean Premier and Hibernia. In addition, the Borrower and the Guarantors acknowledge that the Revolving Note dated June 25, 1995 by the Borrower in the amount of \$7,500,000.00 payable to the order of Bank One is now owned and held by Premier.

Section 1.03 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

1.03. Borrowing Base. The Line of Credit is subject to a borrowing base (hereinafter referred to as the "Line of Credit Borrowing Base"), calculated according to the following formula: The Line of Credit Borrowing Base equals Eligible Receivables times eighty percent (80%) plus Batson's inventory of lumber and logs on which the Banks have a first ranking security interest times fifty percent (50%), up to the maximum amount of \$25,000,000.00 less the sum of the face amounts of all outstanding letters of credit issued under the Line of Credit Borrowing Base; provided, however, (i) the aggregate amount of all advances under the Line of Credit based upon Batson's inventory of lumber and logs times fifty percent (50%) shall not exceed \$4,000,000.00 and (ii) no more than twenty percent (20%) of the outstanding principal balance under the Line of Credit can be dependent on Eligible Receivables owed by a single account debtor. The term "Eligible Receivables" is herein defined as the Accounts Receivable of the Borrower, Environmental L.L.C., Mallard, SOLOCO Texas, Batson, Environmental L.P., and SOLOCO, L.L.C. (collectively the "Accounts Grantors"), aged less than ninety (90) days from the respective invoice dates thereof less any related company accounts, potential offsets, foreign accounts, discounts offered and finance charges reasonably set aside by the Agent; provided, however, Eligible Receivables shall not include (i) the entire current balance of those Accounts Receivable not classified as Major Accounts in which twenty percent (20%) of the aggregate of the account balances owed by a particular account

debtor is aged ninety (90) days or more from the date of invoice, and (ii) that portion of any Major Account which is aged 90 days or more from the date of invoice. Any Accounts Receivable rendered ineligible due to the 20% rule stated in (i) above shall render all Accounts Receivable from that particular account debtor ineligible. The term "Accounts Receivable" is herein defined as the accounts of Accounts Grantors now and hereafter existing which are approved by the Agent. The term "Major Accounts" is herein defined as those accounts owed to any of the Accounts Grantors by account debtors that are major oil and industrial companies determined in the sole discretion of Premier and Hibernia to be Major Accounts based on the credit quality of the account debtors. The Agent will notify the Borrower in writing of the periodic determination of Major Accounts. The Agent reserves the right to exclude accounts that are not Eligible Receivables. If the Agent excludes any such account or accounts, the Agent will provide the Borrower with written notice thereof 30 days prior to exclusion of the account or accounts. Any credit balances arising from accounts that are not Eligible Receivables will be excluded from the Line of Credit Borrowing Base. The initial determination of Major Accounts is attached hereto as Exhibit A.

Section 1.08 of the Credit Agreement is hereby amended and supplemented to reflect that the outstanding letter of credit issued by Premier to Gray & Company, as of December 31, 1995, is in the amount of \$2,000,000.00.

Sections 1.04, 1.05, 1.06, 1.10, 1.11, 1.12, and 1.13 of the Credit Agreement are hereby amended and supplemented to reflect that all references therein to Bank or Banks shall henceforth mean Hibernia and Premier.

C. TERM LOAN REVISIONS. Section 2.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

2.01. Term Loan Commitment.

(a) Subject to the terms and conditions of the Credit Agreement, each of the Banks extended a term loan to the Borrower in the aggregate principal amount of \$25,000,000.00 (the "Original Term Loan"). The Original Term Loan by each Bank was limited to each Bank's original Ratable Share of \$25,000,000.00. The purpose of the Original Term Loan was to refinance existing indebtedness of the Borrower, including indebtedness owed to Premier. The indebtedness to be refinanced by the Original Term Loan and, as necessary, the Line of Credit, is described in Exhibit E attached to the Credit Agreement.

(b) Subject to the terms and conditions of the Credit Agreement, as amended by the Second Amendment, Premier and Hibernia have agreed to extend an additional term loan to the Borrower in the aggregate principal amount of \$10,000,000.00 (the "Additional Term Loan"). Hibernia's portion of the Additional Term Loan is \$3,000,000.00 or 30% and Premier's portion is \$7,000,000.00 or 70%. The proceeds of the Additional Term are to be used by the Borrower to pay down the outstanding balance owed under the Line of Credit.

(c) All references in the Credit Agreement to the Term Loan shall henceforth be deemed references to both the Original Term Loan and the Additional Term Loan.

Section 2.02 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

2.02 Term Notes. Each Bank's Ratable Share of the Original Term Loan is evidenced by a Term Note of the Borrower dated June 29,

1995, in the principal face amount of such Bank's Ratable Share of \$25,000,000.00, payable to the order of such Bank. In addition, the Additional Term Loan shall be evidenced by two separate promissory notes of the Borrower. One such note shall be in the principal amount of \$7,000,000.00 payable to the order of Premier and the other note shall be in the principal amount of \$3,000,000.00 payable to the order of Hibernia. Each of the notes evidencing a portion of the Original Term Loan and Additional Term Loan will be or are payable in monthly interest installments and seventeen equal quarterly principal payments commencing March 31, 1996 and continuing each quarter thereafter with a final eighteenth quarterly principal installment on June 30, 2000, at which time the final quarterly principal payment shall be due, together with all accrued and unpaid interest (singly, a "Term Note"; collectively the "Term Notes"). Notwithstanding the foregoing, the Borrower understands and agrees that the Term Notes shall be due and payable on December 31, 1998 if the Line of Credit is not renewed on or before such date by Premier and Hibernia. The quarterly principal payments will be in an amount necessary to amortize the principal amount thereof over a five year period commencing June 29, 1995. The interest rate applicable to the Term Notes shall be at the option of the Borrower, either the Prime Rate or the LIBOR Rate plus 2.25%, as such term is defined in Section 3.01 below, subject to any applicable rate adjustment as provided in Section 3.02(e) below. All references in the Credit Agreement to a Term Note or the Term Notes shall henceforth be deemed references to a note or the notes evidencing both the Original Term Loan and the Additional Term Loan.

Section 2.03 of the Credit Agreement is hereby amended and supplemented to include the payment of a facility fee in the amount of .375% of the \$12,500,000.00 payable by the Borrower to the Agent for the pro rata benefit of Premier and Hibernia.

D. REVISIONS TO SECURITY INTERESTS; GUARANTEES.

The Borrower and the Guarantors do hereby confirm all prior grants of mortgages and security interests granted by them as described in Section 4.01 of the Credit Agreement. To evidence the agreement of the parties concerning the execution of new Continuing Guaranty agreements, amendments to Security Agreements, and the execution of a Security Agreement and Financing Statement by each of Environmental L.L.C. and Environmental L.P., subparagraphs (a) and (b) of Section 4.01 the Credit Agreement are hereby deleted and replaced with the following:

- (a). Security Agreement and Financing Statement executed on and dated June 29, 1995 by each of the Borrower, SOLOCO, Inc., Newpark Environmental Services, Inc., Newpark Environmental Water Services, Inc., SOLOCO Texas, Mallard, SOLOCO L.L.C., and Batson in favor of the Agent for the pro rata benefit of the Banks affecting all accounts, general intangibles, equipment, and inventory of the said parties, whether now or hereafter existing, together with all proceeds therefrom, as amended by First Amendment to Security Agreement dated March 5, 1996 by each of the Borrower and the Account Grantors; Security Agreement and Financing Statement by each of Environmental L.L.C. and Environmental L.P. in favor of the Agent for the pro rata benefit of the Banks affecting all accounts, general intangibles, equipment, and inventory, whether now or hereafter existing, together with all proceeds therefrom; which foregoing

documents shall constitute a first ranking lien and security interest affecting the aforesaid collateral except with respect to existing liens securing indebtedness set forth on Exhibit "G" or liens permitted by the Banks;

- (b). Continuing Guaranty agreements in the amount of \$60,000,000.00 (plus interest, costs, and attorney's fees) by each of the Borrower and the Guarantors in favor of the Agent for the pro rata benefit of the Banks;

The Guarantors confirm the acknowledgment contained in Section 4.02 of the Credit Agreement.

E. REVISION TO REPRESENTATIONS AND WARRANTIES. Section 5.14 of the Credit Agreement is hereby deleted and replaced with the following:

5.14. Generation of Accounts. As of March 5, 1996, the only subsidiaries and affiliates of the Borrower generating accounts are SOLOCO Texas, SOLOCO L.L.C., Batson, Environmental L.L.C. and Environmental L.P.

F. REVISION TO REPRESENTATIONS AND WARRANTIES BY THE GUARANTORS. Section 6.06 of the Credit Agreement is hereby deleted and replaced with the following:

6.06 Chief Executive Offices; Employer Identification Numbers. The chief executive office and employer identification number of each Guarantor is as shown on the revised Exhibit H attached to the Second Amendment.

G. REVISION TO FINANCIAL COVENANTS. Section 8.06 of the Credit Agreement is hereby deleted and replaced with the following:

8.06 Debt Service Ratio. The Borrower shall maintain a minimum total consolidated net income plus depreciation, amortization and interest expense (adjusted cash flow calculated on the trailing four quarters) of 1.25 times total annual debt service (total of all principal and interest payments due in one year). For purposes of this calculation annual debt service will also include the principal and interest payments necessary to repay \$23,000,000.00 (total available to be drawn under the Line of Credit Borrowing Base less the \$2,000,000.00 outstanding letter of credit to Gray & Company) over a five year period at the LIBOR Rate plus 2.00% (or the applicable rate in accordance with the rate adjustment grid attached hereto as Exhibit F). This covenant shall be monitored and measured quarterly by the Agent for compliance.

H. AFFIRMATION OF CREDIT AGREEMENT BY ENVIRONMENTAL L.L.C. AND ENVIRONMENTAL L.P. Environmental L.L.C. and Environmental L.P. do hereby acknowledge all obligations, covenants, agreements, and duties imposed on the Guarantors by the Credit Agreement, as amended by this Second Amendment. The said obligations, covenants, agreements, and duties are applicable to Environmental L.L.C. and Environmental L.P., as Guarantors. All references in the Credit Agreement to the Guarantors shall henceforth be deemed a reference to the Guarantors as defined in the preamble to this Second Amendment.

I. REVISED BORROWING BASE AND COMPLIANCE CERTIFICATES. Revised Borrowing Base and Compliance Certificates are attached hereto as Revised Exhibits B and I.

J. MISCELLANEOUS PROVISIONS.

1. The Borrower agrees that nothing contained in this Second Amendment shall constitute a novation.

2. In consideration of the Bank's execution of this Second Amendment, the Borrower and the Guarantors do hereby irrevocably waive any and all claims and/or defenses to payment on the indebtedness owed by any of them to the Banks that may exist as of the date of execution of this Second Amendment.

3. The Credit Agreement, as amended and supplemented by this Second Amendment, is hereby ratified and

confirmed.

4. THE INTERNAL LAWS OF THE STATE OF LOUISIANA AND OF THE UNITED STATES OF AMERICA SHALL GOVERN THE RIGHTS AND DUTIES OF THE PARTIES HERETO AND THE VALIDITY, CONSTRUCTION, ENFORCEMENT, AND INTERPRETATION OF THE CREDIT AGREEMENT, THE SECOND AMENDMENT, AND ALL LOAN PAPERS EXECUTED IN CONNECTION THEREWITH EXCEPT TO THE EXTENT OTHERWISE SPECIFIED IN THE CREDIT AGREEMENT, AS AMENDED BY THIS SECOND AMENDMENT, OR IN ANY OF THE RELATED LOAN PAPERS.

5. THE CREDIT AGREEMENT AND THIS SECOND AMENDMENT ARE CREDIT OR LOAN AGREEMENTS AS DESCRIBED IN LA. R.S. 6: Section 1121, ET. SEQ. THERE ARE NO ORAL AGREEMENTS BETWEEN THE BANKS AND THE BORROWER.

6. THE CREDIT AGREEMENT, AS AMENDED BY THIS SECOND AMENDMENT, SETS FORTH THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ALL PRIOR WRITTEN AND ORAL UNDERSTANDINGS BETWEEN THE BORROWER AND THE GUARANTORS ON ONE HAND, AND THE BANKS AND/OR THE AGENT ON THE OTHER HAND, WITH RESPECT TO THE MATTERS HEREIN SET FORTH. THE CREDIT AGREEMENT, AS AMENDED BY THIS SECOND AMENDMENT, MAY NOT BE MODIFIED OR AMENDED EXCEPT BY A WRITING SIGNED AND DELIVERED BY THE BORROWER, THE GUARANTORS, THE BANKS, AND THE AGENT. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

7. IN THE EVENT IT IS NECESSARY FOR THE AGENT AND/OR THE BANK TO RESORT TO JUDICIAL ACTION TO ENFORCE ITS/THEIR RIGHTS HEREUNDER, THEN THE BORROWER AND GUARANTORS HEREBY AGREE THAT TO THE EXTENT PERMITTED BY APPLICABLE LAW ANY SUCH JUDICIAL ACTION, INCLUDING ANY OPPOSITION TO SUCH ACTION, RECONVENTIONAL DEMANDS, AND CROSS CLAIMS, SHALL BE TRIED BEFORE A JUDGE WITHOUT A JURY, ALL PARTIES HERETO HEREBY WAIVING THEIR RIGHT TO A JURY TRIAL.

BORROWER:

NEWPARK RESOURCES, INC.

BY: _____
MATTHEW W. HARDEY, VICE
PRESIDENT OF FINANCE AND CHIEF
FINANCIAL OFFICER

GUARANTORS:

NEWPARK ENVIRONMENTAL SERVICES,
L.L.C.

By: _____
MATTHEW W. HARDEY, TREASURER

NEWPARK SHIPHOLDING TEXAS, L.P.
By: Newport Holdings, Inc., as
General Partner

By: _____
MATTHEW W. HARDEY,
VICE PRESIDENT

SOLOCO TEXAS, L.P.
By: Newport Holdings, Inc., as
General Partner

By: _____
MATTHEW W. HARDEY,
VICE PRESIDENT

BATSON-MILL, L.P.
By: Newport Holdings, Inc., as
General Partner

By: _____
MATTHEW W. HARDEY,
VICE PRESIDENT

NEWPARK ENVIRONMENTAL SERVICES,
L.P.

By: Newpark Holdings, Inc., as
General Partner

By: _____
MATTHEW W. HARDEY,
VICE PRESIDENT

MALLARD & MALLARD OF LA., INC.

By: _____
MATTHEW W. HARDEY, TREASURER

SOLOCO, L.L.C.

By: _____
MATTHEW W. HARDEY, TREASURER
NEWPARK TEXAS, L.L.C.

By: _____
MATTHEW W. HARDEY,
VICE PRESIDENT

NEWPARK HOLDINGS, INC.

By: _____
MATTHEW W. HARDEY,
VICE PRESIDENT

BANKS:

HIBERNIA NATIONAL BANK

By: _____
Title: _____

BANK ONE TEXAS, N.A.

By: _____
Title: _____

PREMIER BANK,
NATIONAL ASSOCIATION

By: _____
Title: Vice President

AGENT:

PREMIER BANK,
NATIONAL ASSOCIATION

By: _____
Title: Vice-President

REVISED EXHIBIT B

Borrowing Base Certificate

Borrower: Newpark Resources, Inc.

Date: _____

A. Eligible Accounts Receivable as Described in the Credit Agreement Between Banks, the Agent and Newpark Resources, Inc., Dated June 29, 1995, as amended \$

B.	Advance Rate		x.80
C.	Accounts Receivable Portion of Borrowing Base (80% of "A")	\$	
D.	Eligible Batson-Mill inventory	\$	
E.	Advance Rate		x.50
F.	Inventory Portion of Borrowing Base (not to exceed \$4,000,000.00)	\$	
G.	Total Collateral Base Available ("C" + "F", but not to exceed \$25,000,000.00)	\$	
H.	LESS: Outstanding Letters of Credit included in borrowing base	\$	
I.	LESS: Existing Line Balance	\$	
J.	Excess Net Collateral Base	\$	
K.	LESS: Requested Draw Amount	\$	

I hereby certify that I am authorized to submit this Line of Credit request and Borrowing Base Certificate on behalf of Newpark Resources, Inc. and that the above information is accurate and conforms to the terms and conditions set forth in the Credit Agreement dated June 29, 1995, as amended, and is based upon the Accounts Receivable Aging dated _____. The Requested Draw Amount is to be a _____ Prime Rate Loan or a _____ LIBOR Loan. If a LIBOR Loan, the requested Rate Period is _____ 30 days, _____ 60 days, or _____ 90 days.

I further certify that as of the date hereof, no condition, event, or act which, with or without notice or lapse of time or both, would constitute an event of default under the Restated Credit Agreement. Also, the best of our knowledge, Newpark Resources, Inc. and the Guarantors (as defined in the Credit Agreement) have complied with all provisions of the Credit Agreement, as amended.

As Authorized Agent for Newpark
Resources, Inc.

REVISED EXHIBIT I

Compliance Certificate

(Date)

Premier Bank, National Association
P. O. Box 3248
Lafayette, Louisiana 70502

Attention: Mrs. Rose M. Miller

Re: Compliance Certificate

Dear Mrs. Miller:

This compliance certificate is submitted pursuant to Section 7.11 of that certain Credit Agreement dated as of June 29, 1995, as amended by letter agreements dated October 9, 1995 and January 8, 1996, and by Second Amendment and Supplement to Credit Agreement dated as of March 5, 1996 (the "Credit Agreement"), by and among the undersigned, Newpark Environmental Services, L.L.C., Newpark Environmental Services, L.P., Mallard & Mallard of La., Inc., Newpark Shipholding Texas, L.P., SOLOCO Texas, L.P., Batson-Mill, L.P., SOLOCO L.L.C., Newpark Texas, L.L.C., Newpark Holdings, Inc., Hibernia National Bank, Bank One Texas, N.A., and Premier Bank, National Association (individually, and as Agent for the said Banks).

Under the appropriate sections of the Credit Agreement, we certify that, to the best of our knowledge and belief, no condition, event, or act which, with or without notice or lapse of time or both, would constitute an event of default under the terms of the Credit Agreement, has occurred during the 3 month period ending (the "Reporting Period"). Also, to the best of our knowledge, the undersigned the Guarantors (as defined in the Credit Agreement) have complied with all provisions of the Credit Agreement.

Additionally, the undersigned submits the following financial information for the Reporting Period in accordance with the covenants contained in Section 8 of the Credit Agreement.

Current Ratio (Section 8.01)

Consolidated Current Assets.....\$
Consolidated Current Liabilities.....\$
Current Ratio\$
Minimum Current Ratio-Allowed..... 1.20X

Debt Worth Ratio (Section 8.02)

Total Consolidated Liabilities\$
Total Consolidated Tangible Net Worth\$
Ratio\$
Total Consolidated Liabilities to Total
Consolidated Tangible Net Worth Allowed 1.0X

Minimum Tangible Net Worth (Section 8.03)

Consolidated Tangible Net Worth\$
Annual Net Income for year ending
.....\$
75% of Annual Net Income\$
Minimum Tangible Net Worth Required
(\$58,796,000.00 + 75% of Annual Net Income.....\$

Book Value of Fixed Assets (Section 8.05)

Book Value of Fixed Assets of Borrower
and Guarantors\$
(excluding assets subject to outside
financing)
Outstanding Amount under Term Notes\$
Minimum Book Value Required\$1.75 X
Outstanding Term
Note Amount

Sale of Assets (Section 8.05)

Asset Sale for replacement purposes..... yes no
Amount\$
Permitted Amount\$ 250,000.00
Applied to Debt yes no

Debt Service Ratio (Section 8.06)

Total Consolidated Net Income Plus Depreciation
Plus Amortization and Interest Expense.....\$ _____
Total Annual Debt Service\$ _____
Ratio Required 1.25 X 1.0
(see Section 8.06
for calculation)

Sincerely,

NEWPARK RESOURCES, INC.

By: _____
Title: _____
Date: _____

REVISED EXHIBIT H

Chief Executive Office and
Employer Identification Numbers
of Guarantors

Mallard & Mallard of La., Inc.
EIN 74-2062791
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

Newpark Environmental Services, L.L.C.
EIN 72-0770718
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

Newpark Environmental Services, L.P.
EIN 72-1312748
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

Newpark Holdings, Inc.
EIN 72-1286594
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

Newpark Texas, L.L.C.
EIN 72-1286789
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

SOLOCO, L.L.C.
EIN 72-1286785
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

Batson-Mill, L.P.
EIN 72-1284721
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

Newpark Shipholding Texas, L.P.
EIN 72-1286763
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

SOLOCO Texas, L.P.
EIN 72-1284720
3850 N. Causeway Boulevard
Suite 1770
Metairie, LA 70002

CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of December 1, 1995, between SOLOCO, INC., a Louisiana corporation (the "Borrower"), and HIBERNIA NATIONAL BANK, a national banking association (the "Bank").

W I T N E S S E T H:

WHEREAS, the Borrower has applied to the Bank for a multiple advance loan in an aggregate amount not to exceed One Million Eight Hundred Forty Thousand and No/100 Dollars (\$1,840,000.00), convertible to a term loan not to exceed a term of ten years; and

WHEREAS, the Bank agrees to provide such credit facilities to Borrower subject to the terms and conditions set forth hereinbelow.

NOW, THEREFORE, in consideration of the premises, and the mutual agreements contained herein, the Borrower and the Bank do hereby agree as follows:

ARTICLE I.

DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms have the following meanings:

1.1.1 "Affiliate" shall mean any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, another Person. For purposes of this definition, a Person shall be deemed to be "controlled by" another Person if the other Person possesses, directly or indirectly, power either to (i) vote 10% or more of the securities having ordinary voting power for the election of directors of such Person or (ii) vote or hold 10% or more of the partnership interest of such Person or (iii) direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

1.1.2 "Agreement" shall mean this Credit Agreement, as amended, supplemented, or modified from time to time.

1.1.3 "Building" shall have the meaning ascribed to that term in the Purchase Agreement.

1.1.4 "Business Day" shall mean a day other than a Saturday, Sunday or other day on which commercial banks in New Orleans, Louisiana are authorized or required by law to close.

1.1.5 "Charges" shall mean all Federal, state, county, city, municipal, local, foreign or other governmental taxes at the time due and payable, levies, assessments, charges, liens, claims or encumbrances upon or relating to (i) the Mortgaged Property, (ii) the Obligations, (iii) the Borrower's employees, payroll, income or gross receipts, (iv) the Borrower's ownership or use of any of its assets, or (v) any other aspect of Borrower's business.

1.1.6 "Closing Date" shall mean the date of the Borrower's execution and delivery of the Note to the Bank.

1.1.7 "Code" shall mean the Louisiana Commercial Laws, La. R.S. 10:9-101 et seq., as in effect from time to time.

1.1.8 "Collateral" shall mean that portion of the Mortgaged Property which consists of personal property.

1.1.9 "Construction Documents" shall mean, collectively, (i) that certain Standard Form of Agreement between Owner and Contractor dated as of August 21, 1995, by and between Developer and J. B. Mouton and Sons, Inc., (ii) that certain Standard Form of Agreement between Owner and Architect dated as of June 30, 1995, by and between Developer and Guidry Beazley Ostteen, a Professional Corporation, (iii) that certain Contract for Professional Engineering Services dated as of July 26, 1995, by and between Developer and Randall J. Hebert & Associates, Inc., Consulting Engineers, and (iv) that certain Contract dated as of August 21, 1995, by and between Developer and Archie

Thibodeaux Construction Co., Inc., as each of the foregoing agreements may from time to time be amended and in effect, together with any and all payment and performance bonds securing the obligations of the parties with whom Developer has contracted under the foregoing agreements.

1.1.10 "Contractual Obligation" shall mean as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

1.1.11 "Current Assets" shall mean, at any date, the aggregate amount of all assets of Guarantor that would be classified as current assets at such date in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 5.1 hereof.

1.1.12 "Current Liabilities" shall mean, at any date, the liabilities (including proper accruals) of Guarantor that would be classified as current liabilities in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 5.1 hereof.

1.1.13 "Debt" shall mean at any date, Indebtedness of a Person as at such date.

1.1.14 "Debt Service Coverage Ratio" shall mean, with respect to Guarantor for any period, the sum of (a) Net Income for such period, (b) depreciation and other non-cash charges to the extent charged against Net Income, (c) interest expense and (d) estimated taxes, divided by the sum of interest expense of Guarantor on all of its Indebtedness for such period plus the amount of current maturities of long term indebtedness of Guarantor (determined in accordance with GAAP) for such period.

1.1.15 "Default" shall mean the occurrence of any event which but for the passage of time or giving of notice, or both, would constitute an Event of Default hereunder.

1.1.16 "Developer" shall mean Town Center Development, L.L.C., a Louisiana limited liability company.

1.1.17 "Environmental Complaint" shall mean any written complaint, order, citation, letter, notice or other communication, from any Person affecting or relating to:

- (a) the Borrower; or
- (b) the Mortgaged Property or any part thereof or any interest therein; or
- (c) any activity or operation at any time conducted by the Borrower or any other Person on or in connection with the Mortgaged Property or any part thereof or any interest therein,

with regard to the occurrence or presence of or exposure to or possible or threatened or alleged occurrence or presence of or exposure to Environmental Discharges, Hazardous Materials or any other environmental, health or safety matter which is the subject of any Relevant Environmental Law, including, without limitation,

- (1) existence of any contamination or possible or threatened contamination;
- (2) remediation of any Hazardous Materials or Environmental Discharge in connection with the the Mortgaged Property or any part thereof; and
- (3) any violation or alleged violation of any Relevant Environmental Law.

1.1.18 "Environmental Discharge" shall mean any discharge or release of pollutants or effluents or emissions of any kind in violation of any Relevant Environmental Law.

1.1.19 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.1.20 "Event of Default" shall mean any of the events specified in Article VII.

1.1.21 "GAAP" shall mean generally accepted

accounting principles in the United States of America in effect from time to time.

1.1.22 "Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

1.1.23 "Guarantee Obligation" shall mean as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which the guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such Person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such Person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

1.1.24 "Guaranty" shall mean that certain in solido Commercial Guaranty dated December 1, 1995, executed by the Guarantor in favor of the Bank, guaranteeing payment in full of the Obligations.

1.1.25 "Guarantor" shall mean Newpark Resources, Inc., a Delaware corporation, together with its successors and assigns.

1.1.26 "Hazardous Materials" shall mean asbestos and any toxic or hazardous substances, wastes or contaminants, medical wastes, infectious wastes, polychlorinated biphenyls, paint containing lead and urea formaldehyde foam insulation, as any of those terms is defined from time to time in or for the purposes of any Relevant Environmental Laws.

1.1.27 "Improvements" shall have the meaning ascribed to that term in the Purchase Agreement.

1.1.28 "Indebtedness" shall mean for a Person at a particular date, the sum (without duplication) at such date of (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services or which is evidenced by a note, bond, debenture or similar instrument, (b) all obligations of such Person under financing leases, (c) all obligations of such Person in respect of letters of credit, acceptances, or similar obligations issued or created for the account of such Person, and (d) all liabilities secured by a Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof (provided, in the event such liability secured by such a Lien is non-recourse to such Person, the amount of Indebtedness determined hereunder attributed to such liability shall be limited to the value of such property).

1.1.29 "Land" shall have the meaning ascribed to that term in the Purchase Agreement.

1.1.30 "Lien" shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic

effect as any of the foregoing, and the filing of any financing statement under the Code or comparable law of any jurisdiction in respect of any of the foregoing).

1.1.31 "Loan Documents" shall mean collectively this Agreement, the Note and the Security Documents.

1.1.32 "Loan" or "Loans" shall refer to the advance or advances made by the Bank to the Borrower pursuant to the terms of this Agreement.

1.1.33 "Material Adverse Effect" shall mean a material adverse effect on (i) the business, assets, operations, prospects or financial or other condition of the Borrower or of Guarantor, (ii) the Borrower's ability to pay the Loan and all of its other Debt in accordance with the terms thereof, (iii) the Mortgaged Property, or (iv) the Bank's Liens on the Mortgaged Property or the priority of any such Liens. In the determination of whether a Material Adverse Effect exists, all factors will be considered, such as insurance coverage.

1.1.34 "Mortgage" shall mean that certain Multiple Indebtedness Mortgage by Borrower in favor of Bank dated December 1, 1995, affecting that property acquired by Borrower pursuant to that certain Act of Credit Sale and Vendor's Lien by Developer to and in favor of Borrower dated August 21, 1995, recorded under entry no. 95-27651 of the records of Lafayette Parish, Louisiana more fully described therein, securing payment of the Note and all other obligations of the Borrower to the Bank, as the same may be amended, supplemented or modified from time to time, together with related financing statements executed by Borrower as debtor in favor of Bank as secured party executed in connection therewith.

1.1.35 "Mortgaged Property" shall mean, collectively, all land and improvements situated upon the real estate affected by the Mortgage, and all related interests of the Borrower in and to such property which are affected by the Mortgage.

1.1.36 "Net Income" shall mean, for any period, the aggregate net income (or net loss) of Guarantor for such period calculated in accordance with GAAP.

1.1.37 "Note" shall mean the master promissory note of the Borrower dated of even date herewith, payable to the order of the Bank in the principal sum of \$1,840,000.00, which note shall evidence the Loans, as said promissory note may be amended, renewed or extended from time to time, including, without limitation, any promissory note issued by the Borrower to Bank upon the conversion of the Loans to a term loan in accordance with Section 2.12 hereof.

1.1.38 "Obligations" shall mean the unpaid principal of and interest on (including interest accruing on or after the filing of any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding, related to the Borrower, whether or not a claim for post filing or post petition interest is allowed in such proceeding) the Note and all other obligations and liabilities of the Borrower to the Bank, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter incurred, which may arise under, out of, or in connection with this agreement, the Note, the other Loan Documents, or any other document made, delivered or given in connection therewith, whether on account of principal, interest, fees, indemnities, costs, expenses (including, without limitation, all reasonable fees and disbursements of counsel to the Bank) or otherwise.

1.1.39 "Permitted Liens" shall mean:

(a) Liens for current taxes, assessments or other governmental charges which are not delinquent or remain payable without penalty, or the validity or amount of which is being contested in good faith by appropriate proceedings and for which adequate reserves or other appropriate provisions are maintained on the books of Borrower in accordance with GAAP, provided, that no Mortgaged Property of Borrower has been seized, levied, attached, sequestered, foreclosed upon or garnished by reason of such Lien;

(b) non-consensual Liens imposed by operation of law such as landlord liens for rent not yet due and payable and those for vendors, materialmen, mechanics, warehousemen, carriers, employees, workmen and repairmen,

for current wages or accounts payable not yet delinquent and arising in the ordinary course of business which are being contested in good faith by appropriate proceedings and for which adequate reserves or other appropriate provisions are maintained on the books of Borrower in accordance with GAAP, provided, that no Mortgaged Property of Borrower has been seized, levied, attached, sequestered, foreclosed upon or garnished by reason of such Lien.

(c) deposits for workers' compensation and unemployment insurance;

(d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of like nature incurred in the ordinary course of business;

(e) Liens granted pursuant to the terms of the Security Documents;

(f) Purchase money security interests for equipment acquired by Borrower in the ordinary course of business; and

(g) the Lien evidenced that certain Act of Credit Sale and Vendor's Lien by Developer in favor of Borrower dated August 21, 1995, recorded under entry no.E95-27651 of the records of Lafayette Parish, Louisiana, but only to the extent that such Lien has been subordinated to the Mortgage upon terms and conditions satisfactory to Bank.

1.1.40 "Person" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

1.1.41 "Plan" shall mean at a particular time, any employee benefit plan which is covered by ERISA.

1.1.42 "Plans" shall mean the final architectural and engineering drawings and specifications, including any revisions, amendments and addenda required to complete the construction of the Building and Improvements, including off-site and on-site work.

1.1.43 "Presence" shall mean when used in connection with any Environmental Discharge or Hazardous Materials, the presence, generation, manufacture, installation, treatment, use, storage, handling, repair, encapsulation, disposal, transportation, spill, discharge and release.

1.1.44 "Prime Rate" shall mean, as of a particular date, the prime rate most recently officially announced by Citibank, N.A. Without notice to Borrower or any other Person, the Prime Rate shall change automatically from time to time as and in the amount by which said prime rate shall fluctuate, with each such change to be effective as of the date of each change in such prime rate. The Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer.

1.1.45 "Purchase Agreement" shall mean that certain Purchase Agreement by and between Borrower and Developer dated as of July 20, 1995, as the same may be amended or modified from time to time.

1.1.46 "Relevant Environmental Laws" shall mean all Requirements of Law from time to time applicable to the Borrower's interest in the Mortgaged Property or any part thereof or any interest therein imposing liability or standards of conduct concerning, or otherwise relating to:

- (a) the presence of or exposure to or remediation of Hazardous Materials;
- (b) the occurrence or remediation of any Environmental Discharge or any other environmental, health or safety matter;
- (c) any requirement or the determination of any requirement for remediation of the presence or occurrence of any Hazardous Materials or Environmental Discharge in connection with any transfer of the Mortgaged Property or any part thereof or any interest therein; and

- (d) effects on the environment of the Mortgaged Property or any part thereof or of any activity heretofore, now or hereafter conducted on the Mortgaged Property or any part thereof.

1.1.47 "Request for Advance" shall mean the Borrower's written request for a Loan issued to Bank in accordance with Sections 2.10 and 2.11 hereof.

1.1.48 "Requirement of Law" shall mean as to any Person, the certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject including, without limitation, any Relevant Environmental Laws.

1.1.49 "Security Agreements" shall mean, collectively, (i) that certain Commercial Security Agreement by Borrower in favor of Bank dated December 1, 1995, affecting all of Borrower's rights in and to the Purchase Agreement, together with an appropriate financing statement evidencing the security interest granted to Bank thereunder, and (ii) that certain security agreement and/or collateral assignment of the Construction Documents to be executed by Developer in favor of Bank, together with any and all financing statements by Developer which Bank may require to evidence such security interest and/or collateral assignment of the Construction Documents.

1.1.50 "Security Documents" shall mean the Guaranty, the Security Agreements and the Mortgage, each as amended, supplemented, or modified from time to time.

1.1.51 "Solvent" shall mean, when used with respect to any Person on a particular day, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including without limitation, contingent liabilities, of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (iv) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (v) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all of the facts and circumstances existing at such time, represents the amount that can be reasonably expected to become an actual or matured liability.

1.1.52 "Subsidiary" shall mean as to any Person, a corporation of which shares of stock having ordinary voting power (other than stock having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

1.1.53 "Tangible Net Worth" shall mean, with respect to Guarantor as of the date of determination thereof, all amounts which would, in conformity with generally accepted accounting principles, be included under shareholders' equity on a balance sheet of Guarantor at such date; provided, however, such amounts are to be net of amounts carried on the books of Guarantor for (i) treasury stock, (ii) any cost of investments in excess of net assets acquired at any time of acquisition by such person or entity and (iii) patent applications, copyrights, trademarks, trade names, experimental or organizational expenses and other like intangibles.

1.1.54 "Termination Date" shall mean the earlier to occur of (i) June 1, 1996, or (ii) the earlier date of termination of the Bank's obligation to make Loans

hereunder.

1.1.55 "Treasury Rate" shall mean the effective yield on United States Treasury Notes maturing ten (10) years after the date of the term note described in Section 2.12 hereof, as reflected in the Wall Street Journal published on the date of such term note.

1.1.56 "Working Capital" shall mean, with respect to Guarantor as of the date of determination of same, an amount equal to Current Assets minus Current Liabilities, all determined in accordance with GAAP.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the Note or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Note, in any certificate or other document made or delivered pursuant hereto, accounting terms related to the Borrower and not defined in Section 1.1 and accounting terms properly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

ARTICLE II

LOANS

2.1 The Loans. Subject to the terms and conditions of this Agreement, the Bank agrees, from the date hereof through and including the Termination Date, to make Loans from time to time to Borrower in an aggregate amount not to exceed the principal sum of \$1,840,000.00.

2.2 Use of the Loans. The proceeds of the Loan shall be used solely to fund the obligations of the Borrower under the Purchase Agreement, pursuant to which the Borrower has acquired the Land and non-exclusive right-of-way described therein, and pursuant to which it will acquire the Building and Improvements described in said Purchase Agreement.

2.3 The Note. The Borrower's obligation to repay the Loans made by the Bank shall be evidenced by the Note.

2.4 Interest. The Note shall bear interest at the Prime Rate from time to time in effect, adjusted daily; provided, however, that upon the occurrence of an Event of Default hereunder, Bank shall have the right to prospectively increase the rate of interest to the default rate specified in the Note (the "Default Rate").

2.5 Prepayments. At any time prior to the Termination Date, the Borrower may, at its option at any time, prepay all or part of the Loans, provided any prepayment shall be applied to accrued interest first, then principal in the reverse order of maturity. In the event that Borrower fails to convert the Loans to a term loan in accordance with the requirements of Section 2.12 hereof on the Termination Date, or is unable to meet the requirements for the conversion of the Loans to a term loan in accordance with the requirements of Section 4.3 hereof on the Termination Date, then in addition to the payment of all outstanding principal and accrued interest on the Termination Date, Borrower shall pay to Bank a prepayment fee in the amount of \$36,800.00 on the Termination Date.

2.6 Commitment Fee. The Borrower shall pay to the Bank a Commitment Fee for the Loans (and for Bank's commitment to convert the Loans to a term loan in accordance with Section 2.12 hereof) in the amount of \$5,000.00, which Commitment Fee shall be due and payable upon the Termination Date. The Commitment Fee shall be due and payable upon the Termination regardless of whether the Loans are converted to a term loan, and shall be payable in addition to the prepayment fee described in Section 2.5 hereof in the event

the Loans are not converted to a Term Loan.

2.7 Computation of Interest. Interest in respect of the Loan shall be calculated on the actual days elapsed on the basis of a year of 360 days.

2.8 Payments; Late Charge. The Note shall be payable in five (5) installments of accrued and unpaid interest due and outstanding on the Note commencing on January 1, 1996, and continuing on the first day of each month thereafter until the Termination Date, at which time all accrued and unpaid interest and all outstanding principal shall be due and payable in full. All payments (including prepayments) to be made by the Borrower on account of principal, interest and fees shall be made to the Bank, at the Bank's main office set forth in Section 8.2, in lawful money of the United States of America and in immediately available funds. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal and interest thereon shall be payable at the then applicable rate during such extension. A five percent (5%) late charge shall be assessed (against the amount of any late payment) if a monthly payment under the Note is not received by the Bank within ten (10) calendar days of the payment due date. A late payment fee shall not be charged if a payment is late due to the fault of the Bank (it being understood and agreed, however, that Borrower shall have the burden of proof in establishing that it made any such payment on time).

2.9 Loan Advances. The Bank agrees to make Loans to the Borrower from time to time on any Business Day from the date hereof through the Termination Date in accordance with the provisions of this Article III up to an aggregate amount of \$1,840,000.00. This is not a revolving credit facility, and no further Loans shall be made after the total amount of the Loans equals \$1,840,000.00. The Bank or the Bank's copy of any cashier's check representing all or any part of the proceeds or a disbursement shall be deemed prima facie evidence of the Indebtedness of the Borrower to the Bank on such Loan.

2.10 Borrowing Procedure. (a) The proceeds of the Loans shall be advanced by the Bank as construction of the Building and Improvements progresses and as payments become due to Developer under the Purchase Agreement, provided, however, that (i) the Borrower shall submit a Request for Advance to the Bank at least 5 Business Days prior to the proposed funding date specifying the total amount of the proposed Loan and the proposed date on which said Advance is to be made; (ii) each Request for Advance shall be in substantially the form prescribed by the Bank and shall identify the intended use of such proceeds thereof; (iii) each advance shall be funded in an amount equal to the amounts then due by Borrower to Developer under the Purchase Agreement, all to the extent that Borrower's written Request for Advance is accompanied by an architect's inspection report (on AIA form G702) delivered to and addressed to Bank which evidences the percentage completion of the Building and Improvements required for such payment obligation of Borrower under the Purchase Agreement. All advances shall be made by cashier's checks payable to the order of Borrower and sent by Bank via overnight express courier to Borrower in the care of Town Center Development, L.L.C., 1001 Pinhook Road, Petroleum Center, Building 3, Suite 103, Attention: Mr. Cecil D. Trahan. The parties hereto agree that this advance procedure shall not be amended without the prior written consent of Developer.

2.11 Requests for Advances. (a) Each Request for Advance shall be submitted to the Bank in duplicate and shall be accompanied by, in addition to the items listed above in Section 2.10 hereof, the following:

- (i) Lien Waivers. Waivers of liens and receipts for payment by Developer from L. B Mouton and sons and Archie Thibodeaux Construction Co.

2.12 Commitment to Convert Loans to a Term Loan. Subject to the terms and conditions of this Agreement (including specifically the prior satisfaction of all conditions precedent set forth in Section 4.3 hereof), Bank agrees, at any time on or prior to the Termination Date, to convert that portion of the outstanding Loans up to an

amount equal to the lesser of (i) \$1,840,000.00, or (ii) 80% of the appraised value of the Land, Building and Improvements as shown by an MAI appraisal of the Land, Building and Improvements provided to Bank in connection with its initial Loan advance, as the same may be revised by such appraiser upon the completion of the Building and Improvements, to a term loan which shall be payable over a term of up to ten (10) years from the date of such term loan, and which shall be payable in monthly installments of interest in the amount of all accrued and unpaid interest plus additional monthly installments of principal in an amount necessary to fully amortize the amount of such term loan over the term of such term loan on a straight-line amortization basis. Upon the conversion of the Loans to a term loan, Bank shall have no further commitment to lend hereunder. The term loan shall be evidenced by a promissory note made by Borrower payable to the order of Bank in the amount of such term loan in form and substance which is satisfactory to Bank, shall be secured by the Security Documents, and shall be governed by the terms and conditions of this Agreement. Such term note shall bear interest at a fixed rate equal to 2.25% per annum in excess of the Treasury Rate in effect on the date of such term loan is made and the term note is signed. Any determination of the Treasury Rate by Bank, in the absence of manifest error, shall be binding and conclusive. If, with respect to the Treasury Rate, Bank shall determine that the sale of Treasury Securities by the United States Government has been suspended, or if Treasury Securities are no longer being offered for sale, or if the yield for such Treasury Securities are no longer printed in the Wall Street Journal, or for any other reason Bank is not able to obtain a quotation from the Federal Reserve for the sale of such Treasury Securities, then Bank shall forthwith give notice thereof to Borrower and advise Bank of a new index for determining the interest rate to be charged on such term note which, in the good faith judgment of Bank, shall be substantially equivalent to the Treasury Rate. No prepayments of the term note shall be allowed during the first three years of the term of the term note; thereafter, a prepayment penalty equal to the following percentages of the principal balance of the term note from time to time prepaid by Borrower shall be assessed by Bank:

Year	Prepayment Penalty
4	4%
5	3%
6	2%
7	1%
Years 8, 9 and 10	0%

Notwithstanding the foregoing, in no event shall the prepayment penalty exceed 1% at the time of any prepayment if upon the date of any such prepayment the effective yield on United States Treasury Notes maturing ten (10) years after the date of such prepayment, as reflected in the Wall Street Journal published on the date of such prepayment, exceeds the Treasury Rate in effect under the term note.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to Bank as follows:

Financial Condition.

3.1

(a) All balance sheets and other financial statements of the Borrower and the Guarantor furnished to the Bank prior to the date of this Agreement present fairly the financial positions of the Borrower and the Guarantor as at the dates thereof, and present fairly the results of operations and changes in financial position of the Borrower and of the Guarantor for the periods then ended.

(b) There has been no material adverse change in the business, assets, operations, prospects or financial or other condition of the Borrower or of the Guarantor since the date of the financial statements referred to in Section 3.1(a) above.

3.2 Existence; Compliance with Law. The Borrower (a) has the power and authority, and the legal right, to own and operate its property (including the Mortgaged Property) and to conduct the business in which it is currently engaged,

(b) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith would not, in the aggregate, have a Material Adverse Effect, and (c) has all licenses and permits, and is in compliance with all Requirements of Law, required to own and operate the Mortgaged Property and to otherwise operate its business as presently conducted.

3.3 Power; Authorization; Enforceable Obligations.

The Borrower and the Guarantor each has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party. The Borrower has the power and authority and the legal right to borrow hereunder, and has taken all necessary action to authorize the borrowings on the terms and conditions of this Agreement and the Note and to authorize the execution, delivery and performance of the Loan Documents to which it is a party. No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents. This Agreement has been, and each other Loan Document to which he is a party will be, duly executed and delivered on behalf of the Borrower. This Agreement constitutes, and each other Loan Document to which it is a party when executed and delivered will constitute, a legal, valid and binding obligation of each of the Borrower and the Guarantor enforceable against each of them in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

3.4 Corporate Status. The Borrower is a corporation duly organized, legally existing, and in good standing under the law of the State of Louisiana, and is duly qualified to do business in all other jurisdictions where the property it owns or the business it conducts makes such qualification necessary.

3.5 No Legal Bar. The execution, delivery and performance of the Loan Documents by the Borrower, the borrowings hereunder and the use of the proceeds thereof, will not violate any Requirement of Law or any Contractual Obligation of the Borrower, and, except as contemplated in the Loan Documents, will not result in, or require, the creation or imposition of any Lien on any of the Borrower's respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation, in each case that would have a Material Adverse Effect.

3.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or threatened by or against the Borrower or the Guarantor or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) which would have a Material Adverse Effect.

3.7 No Default. Neither the Borrower nor the Guarantor is in default under or with respect to any Contractual Obligation in any respect which would have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

3.8 Ownership of Property; Liens. The Borrower has good record and marketable title in full ownership to the Mortgaged Property, and good title to all its other property, and none of such Mortgaged Property is subject to any Lien except for Permitted Liens.

3.9 Security Documents. The provisions of the Security Documents are effective to create in favor of the Bank a legal, valid and enforceable Lien in all right, title and interest of the Borrower in the Mortgaged Property and all other property affected thereby. Each Security Document constitutes (upon proper filing, if applicable) a perfected first Lien on all right, title and interest of the Borrower (or other grantor thereof) in the collateral described therein, subject only to Permitted Liens.

3.10 Taxes. The Borrower has filed or caused to be filed all tax returns which to the knowledge of the Borrower are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any

Governmental Authority other than those that are not material, that are not yet delinquent, or that are being contested in good faith by appropriate proceedings and for which adequate reserves or security have been provided; and no tax lien has been filed and, no claim is being asserted with respect to any such tax, fee or other charge, other than those claims that are being contested in good faith by appropriate proceedings and for which adequate reserves or security have been provided.

3.11 ERISA. The Borrower is in compliance in all material respects with the applicable provisions of ERISA, and no "reportable event," as such term is defined in Section 4043 of ERISA, has occurred with respect to any Plan of the Borrower.

3.12 Construction. The Borrower hereby represents and warrants to the Bank (i) that the Plans are in final form and are satisfactory to the Borrower and its contractor (if applicable), and to the extent required by applicable law, to all applicable governmental authorities; (ii) that the Plans, together with the anticipated use of the Mortgaged Property, do not violate any zoning ordinance or restrictive covenant applicable to the Mortgaged Property; (iii) that the Borrower has obtained (or has caused others to obtain) all permits and approvals necessary to construct the Improvements from all applicable governmental authorities; (iv) that the Developer has not begun any work on the Improvements, delivered any materials to the Mortgaged Property or in any way commenced the construction of the Improvements unless the Bank has received title insurance insuring the Mortgage over any construction liens or other liens arising under the Louisiana Private Works Act, La. R.S. 9:4801, et seq., and (v) that the Purchase Agreement and the Construction Documents remain in full force and effect, with no amendments thereto which have not been provided to Bank, and no default exists under the Purchase Agreement and the Construction Documents.

3.13 No Burdensome Restrictions. No Requirement of Law or Contractual Obligation of the Borrower has a Material Adverse Effect.

3.14 Accuracy and Completeness of Information. All information, reports and other papers and data with respect to the Borrower or the Guarantor furnished to the Bank by the Borrower or the Guarantor, or on behalf of any of them, were, at the time the same were so furnished, complete and correct in all material respects, or have been subsequently supplemented by other information, reports or other papers or data, to the extent necessary to give the Bank a true and accurate knowledge of the subject matter in all material respects. No fact is known to the Borrower which materially and adversely affects or in the future may (so far as the Borrower can reasonably foresee) materially and adversely affect the business, assets or liabilities, financial condition, results of operations or business prospects of the Borrower or of the Guarantor, which has not been set forth in the financial statements referred to in Section 3.1(a). No document furnished or statement made in writing to the Bank by the Borrower or any of the Guarantor in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a material fact, or omits to state any such material fact necessary in order to make the statements contained therein not misleading.

3.15 Use of Proceeds; Margin Stock. The proceeds of the Loan will be used by the Borrower solely for the purposes specified in Section 2.2. None of such proceeds will be used for the purpose of purchasing or carrying any "margin stock" as defined in Regulation U, Regulation X or Regulation G of the Board of Governors of the Federal Reserve System.

3.16 Principal Office, Etc. The principal office, chief executive office and principal place of business of the Borrower is set forth in Section 8.2 hereof. The Borrower maintains his principal records and books at such address. The tax identification number of the Borrower is 72-0536201.

3.17 Hazardous Materials. (a) To the Borrower's knowledge and belief:

- (1) There are and have been no Hazardous Materials at, upon, under or within or discharged or emitted from the Mortgaged Property or any part thereof, including,

where applicable and without limitation, the air, soil, surface and ground water and aquifers of the Mortgaged Property or any part thereof;

- (2) No Hazardous Materials have flowed, blown or otherwise become present at the Mortgaged Property from other premises;
- (3) No Environmental Discharges have occurred at, upon, under, within or from the Mortgaged Property or any part thereof; and
- (4) No Hazardous Materials have been removed from the Mortgaged Property or any part thereof.

(b) No Environmental Complaint has been given or made or filed with respect to the Borrower or the Mortgaged Property or any part thereof or any interest therein.

(c) There are and have been no violations of any Relevant Environmental Laws at the Mortgaged Property or any part thereof or any interest therein.

(d) All transfers of the Mortgaged Property or any part thereof or any interest therein have been made in compliance with all Relevant Environmental Laws.

(e) No consent orders or decrees under Relevant Environmental Laws have been entered with respect to the Mortgaged Property or any activities heretofore or now conducted at the Mortgaged Property or any part thereof or any interest therein.

3.18 Additional Representations. Neither the Borrower nor the Guarantor is (i) a defendant in any suit or legal action, (ii) has any judgments, garnishments or attachments pending against any of them, or (iii) has ever been adjudicated a bankrupt. Each of the Borrower and the Guarantor is, and after consummation of this Agreement, and after giving effect to all Obligations incurred and Liens created by the Borrower in connection herewith will be, Solvent.

ARTICLE IV.

CONDITIONS PRECEDENT

4.1 Conditions of Initial Loan. The agreement of the Bank to make the initial Loan advance hereunder is subject to the satisfaction, immediately prior to or concurrently with the making of such Loan advance, the following conditions precedent:

- (a) Agreement; Note. The Bank shall have received (i) this Agreement, executed and delivered by the Borrower or the duly authorized agent of the Borrower, and (ii) the Note of the Borrower conforming to the requirements hereof and executed by the Borrower or the duly authorized agent of the Borrower.
- (b) Certain Other Loan Documents. The Bank shall have received the Mortgage, the Guaranty and the Security Agreements duly executed and delivered by the Borrower, the Guarantor and the Developer or the duly authorized agents of the Borrower, the Guarantor and the Developer, together with resolutions or unanimous consents of the boards of directors of the Borrower and of the Guarantor and of the members of Developer which authorize the Borrower and the Developer to enter into the transactions contemplated by this Agreement with the Bank, and to execute and deliver to the Bank all documents reasonably required by the Bank in connection herewith, and the Bank shall have received the Guaranty, duly executed by the Guarantor.
- (c) Representations and Warranties. The representations and warranties contained in Article III hereof and in each of the Loan Documents shall be true and correct in all respects on the date of making of

such Loan, with the same force and effect as though made on and as of that date.

- (d) No Defaults. As of the date of making such Loan, there shall exist no Event of Default, or default which but for the passage of time or giving of notice, would constitute an Event of Default.
- (e) Environmental Matters. The Bank shall have received a Phase I Environmental Inspection satisfactory to the Bank, all of which shall be reasonably satisfactory in form, substance and scope to the Bank, and the cost of the Phase I Environmental Inspection shall have been paid by the Borrower to the Bank.
- (f) Title Insurance Policy. The Bank shall have received a Mortgagee's Title Policy in the amount of \$1,840,000.00, insuring that the Mortgage creates a valid first Lien on the Mortgaged Property free and clear of all defects, encumbrances and Liens (except for Permitted Liens), naming the Bank as the insured thereunder, in the form of ALTA Loan Policy-1970 or such other similar form acceptable to the Bank, containing endorsements for lien protection, hazardous waste liens, REM, future advance, survey, zoning and such other endorsements as the Bank may request, and the Bank shall have also received evidence that all premiums with respect to such policy has been paid.
- (g) Survey. The Bank and the title insurance company issuing the title policy (the "Title Insurance Company") shall have received a survey satisfactory to them of the Mortgaged Property certified to the Bank and the Title Insurance Company in a manner satisfactory to them, by an independent professional licensed land surveyor satisfactory to the Bank and the Title Insurance Company, which shall be made in accordance with the minimum standards established by the State of Louisiana for the preparation of land surveys and for land surveyors, and shall include a survey certificate executed by the surveyor.
- (h) Fees. The Bank shall have received the all fees owed to Bank hereunder at such time.
- (i) Insurances. The Bank shall have received original or certified true copies of paid insurance policies in compliance with Section 5.5 hereof.
- (j) Release of and/or Subordination of Liens. The Bank shall have received evidence satisfactory to it that any and all Liens affecting the Mortgaged Property or the Collateral (if applicable) other than Permitted Liens shall have been released or subordinated to Bank's Liens.
- (k) Filings and Recordings. All filings, registrations and recordings shall have been properly filed, registered or recorded in each recording jurisdiction in order to create and perfect the Lien in favor of the Bank with respect to the Mortgage and the Security Agreement.
- (l) Appraisal. The Bank shall have received, at the Borrower's expense, an appraisal of the Land, Building and Improvements based upon the Plans, prepared by an MAI appraiser approved by Bank, which evidences a market value of not less than \$2,300,000.00.
- (p) Site Inspection Affidavit. The Bank shall have received an affidavit from a licensed architect, surveyor or civil engineer that

no work has begun and no materials have been delivered to the Mortgaged Property as of the Closing Date (unless Bank has received a mortgagee's policy of title insurance insuring the Mortgaged Property over construction liens).

- (q) Building Permit. Appropriate building permits and such other licenses and permits prerequisite to authorize construction of the Improvements in accordance with the Plans.
- (r) Plans. Final architectural and engineering drawings and specifications, including any revisions, amendments and addenda, required to complete the construction of the Building and the Improvements.
- (s) Contracts. If required by Bank, copies of all contracts, subcontracts and material supply agreements which relate to the construction of the Building and the Improvements, in form and substance satisfactory to the Bank.
- (t) Zoning Certificate. Proof satisfactory to Bank that the Land is zoned to permit construction of the Building and Improvements in accordance with the plans and use of the Building and Improvements for their intended purpose.
- (u) Execution of Co-Obligee Riders to Bonds. Evidence that Bank has been made a co-obligee with the Developer under the payment and performance bonds provided by the parties with whom Developer has contracted under the Construction Documents.
- (v) Consents to Assignments of Construction Documents. The Bank shall have received consents to the assignment of the Construction Documents under the Security Agreement to be executed by Developer, in form and substance satisfactory to the Bank.
- (w) Good Standing Certificates. The Bank shall have received Certificates of Good Standing of the Borrower and of Guarantor issued by the Louisiana Secretary of State (and from the Secretary of State of Delaware, with respect to Guarantor).
- (x) Corporate Certificates. The Bank shall have received a certificate of the secretaries of each of the Borrower and the Guarantor (i) setting forth the resolutions of their respective Boards of Directors in form and substance satisfactory to the Bank with respect to the authorization of all Loan Documents to which each of them is a party, and all agreements and instruments contemplated to be executed in connection herewith; (ii) attaching copies of the Articles of Incorporation and By-laws of each of them; (iii) stating the federal tax identification number of each of them; and (iv) setting forth the officers authorized to sign such instruments on behalf of each of them.
- (y) Opinions. The Bank shall have received favorable opinions of counsel for the Borrower and the Guarantor in form and substance satisfactory to the Bank and the Bank's counsel, which opinion will address, without limitation, the perfected status of Bank's Liens on the Mortgaged Property and the collateral affected by the Security Agreements, the binding nature and enforceable nature Loan Documents to which each of them is a party, and the due authorization and corporate power of each of them and their

representatives to execute and deliver the Loan Documents to which each of them is a party.

4.2 Each Additional Advance. The obligation of the Bank to make additional Loan is subject to the satisfaction of each of the following conditions:

- (a) Each of the representations and warranties of the Borrower contained in this Agreement and of the Guarantor in the Guaranty shall be true and correct on and as of the date of such subsequent advance.
- (b) At the time of each subsequent advance, no Default or Event of Default shall have occurred and be continuing.
- (c) There shall have occurred no material adverse changes, either individually or in the aggregate, in the assets, liabilities, financial conditions, business operations, affairs or circumstances of the Borrower or of the Guarantor from those reflected in the most recent financial statements furnished to the Bank prior to the date of such Loan, except to the extent that such changes are permitted by this Agreement.
- (d) Bank shall have received a Request for Advance from the Borrower, together with all documents to be submitted therewith under the provisions of Section 2.10 and/or Section 2.11 hereof.

4.3 Conditions Precedent to Conversion of the Loans to a Term Loan. The obligation of the Bank to convert the Loans to a term loan in accordance with the provisions of Section 2.12 hereof is subject to the satisfaction of each of the following conditions:

- (a) Bank shall have received the executed term note of the Borrower required by Section 2.12 hereof, resolutions of the Board of Directors of Borrower authorizing the execution and delivery of such term note, and opinions of counsel to Borrower regarding the due authorization of the officer of Borrower executing such note and the binding nature and enforceability of such promissory note as to Borrower.
- (b) Each of the representations and warranties of the Borrower contained in this Agreement and of the Guarantor in the Guaranty shall be true and correct on and as of the date of such term loan.
- (c) At the date of such term loan, no Default or Event of Default shall have occurred and be continuing.
- (d) There shall have occurred no material adverse changes, either individually or in the aggregate, in the assets, liabilities, financial conditions, business operations, affairs or circumstances of the Borrower or of the Guarantor from those reflected in the most recent financial statements furnished to the Bank prior to the date of such Loan, except to the extent that such changes are permitted by this Agreement.
- (e) Bank shall have received a certificate of occupancy issued by the appropriate governmental authority consenting to the use and occupancy of the Building and Improvements.
- (f) Bank shall have received a clear lien and privilege certificate issued by the Clerk of Court of Lafayette Parish, Louisiana.
- (g) Bank shall have received evidence that Borrower has obtained a multi-peril hazard insurance policy for the Building and the Improvements as required by this Agreement or as otherwise required by the Bank.

- (h) Bank shall have received a final report of the architect in form and substance satisfactory to the Bank stating that the Building and Improvements have been completed under the Construction Documents in accordance with the plans and specifications for the project.
- (i) Bank shall have received an update of the MAI appraisal provided to it prior to the initial Loan hereunder, based upon the Building and Improvements as completed, and the market value of the Land, at such time.

ARTICLE V.

AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as any Loan remains outstanding and unpaid or any other amount is owing to the Bank hereunder, the Borrower (or Guarantor, with respect to the financial ratios described in Sections 5.10 through 5.14 hereof) shall:

5.1 Financial Statements. Furnish, or cause to be furnished, to the Bank:

- (a) as soon as available, and in any event within 90 days after the end of each fiscal year of the Guarantor, a copy of the audited financial statements (consisting of at least a balance sheet and related statements of income, retained earnings and changes in financial condition) of the Guarantor prepared by a certified public accountant acceptable to Bank in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year, and certified by a proper financial officer of the Guarantor; and
- (b) as soon as available, and in any event within forty-five (45) days of the end of each fiscal quarter of each fiscal year of the Guarantor during the term hereof, interim financial statements of the Guarantor prepared and certified by a proper financial officer of the Guarantor prepared similarly to the annual statements referred to in clause (a) above (subject to normal year-end adjustments) and consisting of at least a balance sheet as at the close of such period and profit and loss statement for the quarter then ended and for the period from the beginning of such fiscal year to the close of such period.

The Borrower covenants and agrees that all financial statements described above shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with procedures applied consistently throughout the periods reflected therein.

5.2 Certificates; Other Information. Furnish to Bank:

- (a) concurrently with the delivery of the financial statements referred to in subsection 5.1(a), a certificate of the Borrower stating that in making the examination necessary to certify the correctness thereof no knowledge was obtained of any Default or Event of Default except as specified in such certificate;
- (b) promptly, such additional financial and other information as the Bank may from time to time reasonably request.

5.3 Performance of Contractual Obligations. Perform in all material respects all of its Contractual Obligations under the terms of any agreement to which it is

bound or to which it is a party, and pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its obligations of whatever nature, except when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves with respect thereto have been provided on the books of the Borrower in amounts satisfactory to Bank.

5.4 Conduct of Business and Maintenance of Existence. Continue its existence and good standing in each jurisdiction in which it is required to be qualified, continue to engage in business of the same general type as now conducted by it and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of his business; comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith would not, in the aggregate, have a Material Adverse Effect.

5.5 Insurance. Maintain, or cause to be maintained, with financially sound and reputable insurance companies licensed to do business in the State of Louisiana, the following insurances:

- (a) Builder's risk and/or multi-peril hazard insurance, covering against loss by fire, theft, vandalism, malicious mischief, explosion, windstorm, collapse and extended coverage, for 100% replacement cost, with an endorsement naming the Bank as mortgage loss payee;
- (b) If the Mortgaged Property is located within either flood zone "A" or "B," flood insurance in the amount equal to the replacement costs of the improvements or the maximum amount of flood insurance available, whichever is lesser, with an endorsement naming the Bank as mortgage loss payee;
- (c) comprehensive general liability naming the Bank as additional insured, with a minimum \$5,000,000.00 combined single limit bodily injury/property damage liability; and
- (d) worker's compensation and general liability insurance for all contractors.

Each policy shall contain a 30-day written notice to the Bank in the event of cancellation, non-renewal or material change.

5.6 Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of the Bank to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time during normal business hours, and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the Borrower with officers and employees of the Borrower and with the Persons conducting the annual review thereof.

5.7 Maintenance of Liens of the Security Documents. Promptly, upon the reasonable request of the Bank, at the Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgement and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Bank necessary or desirable for the continued validity, perfection and priority of the Liens on the collateral covered thereby.

5.8 Notices. Promptly give notice to the Bank:

- (a) of the occurrence of any Default or Event of Default;
- (b) of any (i) default or event of default under any Contractual Obligation of the Borrower, or (ii) litigation, investigation or proceeding which may exist at any time between the Borrower and

any Governmental Authority, which in the case of either clause (i) or (ii) above, if not cured or if adversely determined, as the case may be, would have a Material Adverse Effect;

- (c) of any litigation or proceeding affecting the Borrower in which the amount involved is \$100,000.00 or more and not covered by insurance or in which injunctive or similar relief is sought;
- (d) of any Environmental Complaint affecting the Borrower, any Mortgaged Property or any part thereof or the operations of the Borrower or any other Person on or in connection with any Mortgaged Property or any part thereof and any notice from any Person of (i) any violation or alleged violation of any Relevant Environmental Law relating to any Mortgaged Property or any part thereof or any activity at any time conducted on the Mortgaged Property or (ii) the occurrence of any release, spill or discharge in a quantity that is reportable under any Relevant Environmental Law or (iii) the commencement of any clean-up pursuant to or in accordance with any Relevant Environmental Law of any Hazardous Waste on or about the Mortgaged Property or any part thereof;
- (e) of (i) the incurrence of any Lien on, or claim asserted against any of the collateral security in the Security Documents or (ii) the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect;
- (f) of any default by any party under the terms of the Purchase Agreement or the Construction Documents; and
- (g) of a material adverse change in the business, operations, property or financial or other condition of the Borrower or of the Guarantor.

Each notice pursuant to this Section 5.8 shall be accompanied by a statement of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto.

5.9 Hazardous Materials.

- (a) Do the following:
 - (1) comply and cause the Mortgaged Property and every part thereof and every interest therein and all operations and activities conducted thereon to comply with any and all Relevant Environmental Laws, the noncompliance with which could give rise to any remedial obligation with any Relevant Environmental Laws or could have a Material Adverse Effect;
 - (2) take prompt action to remedy or remediation, whether or not under order or agreement to do so, the occurrence or presence or alleged or possible or threatened occurrence or presence of any Environmental Discharges and Hazardous Materials to the extent such action is required under any Relevant Environmental Laws; and
 - (3) pay immediately when due the costs of any such compliance and remediation; and
 - (4) keep the Mortgaged Property free of any Lien imposed as a result of any

Environmental Complaint or pursuant
to any Relevant Environmental Laws.

(b) Handle and dispose of all Hazardous Materials as may, from time to time, be located on the Mortgaged Property, in compliance with all Relevant Environmental Laws and in a commercially reasonable manner.

(c) Defend, indemnify and hold the Bank harmless from and against all liability, penalties, loss, costs, damage, claims, causes of action and expense, including, without limitation,

- (1) consequential, punitive and exemplary damages and injunctive or similar relief;
- (2) reasonable attorneys' fees and disbursements and costs;
- (3) reasonable fees, expenses and disbursements of expert witnesses, consultants, advisers and other Persons employed or engaged by or on behalf of the Bank in connection with any claim or response or other matter which is the subject of this indemnity; and
- (4) costs and expenses incurred in connection with any remediation, whether or not under order or agreement, of any Hazardous Materials or Environmental Discharges on or about the Mortgaged Property or any part thereof;

which the Bank may suffer or sustain by reason of or arising from or in connection with:

- (1) the imposition or recording of a Lien relating to Relevant Environmental Laws against the Mortgaged Property or any part thereof or any interest therein by any Governmental Authority;
- (2) any representation or warranty contained herein relating to Relevant Environmental Laws being incomplete or untrue or incorrect or misleading in any respect on or as of the date the same is made or deemed made;
- (3) any breach or failure of performance by the Borrower of any covenant contained in this Section;
- (4) claims, including, without limitation, any claim for consequential, punitive or exemplary damages or injunctive or similar relief, of any Person with respect to violation or alleged violations of Relevant Environmental Laws relating to the Mortgaged Property or any part thereof or any interest therein or any operation or activity conducted thereon;
- (5) any Environmental Complaint and any claims alleged or asserted therein; and
- (6) costs and expenses incurred by the Bank in connection with:
 - i) removal of any Lien of the kind described in clause (1) of this Section;
 - ii) any remedy or remediation, whether or not under order or agreement, of the occurrence or presence of or exposure to or alleged or possible or threatened occurrence or presence of or exposure to Environmental Discharges or Hazardous Materials;

- iii) compliance, whether or not under order or agreement, with any Relevant Environmental Laws; and
- iv) satisfaction or settlement of any claims alleged or asserted in any Environmental Complaint.

The obligations and indemnification in this paragraph shall survive payment and performance of the obligations secured by the Security Documents and release of the Liens of the Security Documents, shall be without limitation of time and shall be binding upon the Borrower's successors and assigns; provided, however, the indemnity contained herein shall not be applicable to any contamination or Environmental Discharge that originates (or which results from releases or discharges of Hazardous Materials) prior to the Borrower's acquisition or occupancy of the Mortgaged Property or that originates (or which results from releases or discharges of Hazardous Materials) after the Bank has foreclosed upon the Mortgaged Property.

5.10 Taxes. Promptly pay all taxes, assessments and other charges payable by the Borrower when due, the failure to pay which would have a Material Adverse Effect, other than those not yet delinquent or that are being contested in good faith by appropriate proceedings and for which adequate reserves or security have been provided.

5.11 Debt Service Coverage Ratio. Guarantor shall maintain a Debt Service Coverage Ratio of not less than 1.25 to 1.00 for each twelve-month period ending as of the close of each fiscal quarter of Guarantor during the term of this Agreement.

5.12 Tangible Net Worth. Guarantor shall maintain a Tangible Net Worth of not less than \$58,000,000.00 as of the close of each fiscal quarter of Guarantor during the term of this Agreement.

5.13 Ratio of Liabilities to Tangible Net Worth. Guarantor shall maintain a ratio of total Liabilities to Tangible Net Worth of less than 1.25 to 1.00 as of the close of each fiscal quarter of Guarantor during the term of this Agreement.

5.14 Working Capital. Guarantor shall at all times during the term of this Agreement maintain Working Capital of not less than \$5,000,000.00.

5.15 Updated Appraisals. The Borrower shall provide Bank with updated appraisals of the Mortgaged Property upon the demand of Bank, which Bank reserves the right to require not more than once every three (3) years.

ARTICLE VI.

NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as the the Notes remain outstanding and unpaid or any other amount is owing to the Bank hereunder, the Borrower shall not, directly or indirectly:

6.1 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon the Mortgaged Property, except for Permitted Liens.

6.2 Limitations of Fundamental Changes. Convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, or make any material change in the present method of conducting business.

6.3 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate unless such transactions are otherwise permitted under this Agreement, are in the ordinary course of the Borrower's business and are upon fair and reasonable terms no less favorable to the Borrower than it would obtain in a comparable arm's length transaction with a Person not an Affiliate. For purposes hereof, consolidated wholly-owned subsidiaries of Guarantor shall not be considered Affiliates of Borrower.

6.4 Hazardous Materials.

(a) Use or permit or suffer use of the

Mortgaged Property, or any part thereof or any interest therein or conduct any activity or operations thereon in any manner which:

- (1) would involve or result in occurrence or presence of or exposure to Hazardous Materials or toxic substances at, upon, under, across or within the Facilities or the Mortgaged Property or any part thereof, unless strictly in compliance with Relevant Environmental Laws, the noncompliance with which could give rise to any remedial obligation under any Relevant Environmental Laws or could have a Material Adverse Effect;
- (2) would violate, or support a cause of action or claim for injunctive relief under, any Relevant Environmental Laws; or
- (3) would or might result in the occurrence of any Environmental Discharge or other emission in such an amount that a permit would be required under any Requirement of Law, unless such permit has been obtained and is in full force and effect and such Environmental Discharge or emission is in accordance with such permit.

(b) Transfer or permit or suffer any transfer of the Mortgaged Property or any part thereof or any interest therein or of the interest of any tenant or lessee under any lease or of any Person entitled to operate or manage such property, unless such transfer is made in strict compliance with all Relevant Environmental Laws.

6.5 Ownership. Transfer any interest in the Mortgaged Property.

6.6 Principal Office, Etc. Change its name, principal office, chief executive office or principal place of business, or his taxpayer identification number, without giving the Bank at least sixty (60) days prior written notice of such change, and shall have taken such action as the Bank deems necessary to continue the perfection of the Liens securing payment of the Obligations.

6.7 Amendments to Purchase Agreement. Enter into or agree to enter into any material modification of the Purchase Agreement without the prior written consent of the Bank.

ARTICLE VII.

EVENTS OF DEFAULT

Upon the occurrence of any of the following events:

- (a) The Borrower shall fail to pay any principal or interest on the Note when due in accordance with the terms thereof, or any other Obligations when due, and such failure shall continue unremedied for ten (10) consecutive days after such due date;
- (b) Any representation or warranty contained herein or any representation or warranty made or deemed made by the Borrower hereunder or by the Borrower or either of the Developer or the Guarantor in the other Loan Documents to which they are a party or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or
- (c) The Borrower shall default in the observance or performance of any covenant, or agreement contained herein and such

default shall continue unremedied for thirty (30) consecutive days after receipt by the Borrower via certified mail of a notice to cure said default; or

- (d) The Borrower shall default in the observance or performance of any covenant or agreement contained in any Loan Document to which it is a party, and such default shall continue unremedied for thirty (30) consecutive days after receipt by the Borrower via certified mail of a notice to cure said default; or
- (e) (i) Any of the Security Documents shall cease, for any reason, to be in full force and effect, or the Borrower shall so assert or (ii) the security interests created by the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or
- (f) The occurrence of an Event of Default under any of the Loan Documents; or
- (g) The Borrower or the Guarantor shall (i) default in any payment of principal or interest of any Indebtedness or in the payment of any Guarantee Obligation, in either case where the principal amount thereof exceeds \$100,000.00, beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness or Guarantee Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or Guarantee Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) (in either case where the principal amount thereof exceeds \$100,000.00) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable; or
- (h) The Borrower or the Guarantor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Borrower or the Guarantor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or the Guarantor, in any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undischarged, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or the Guarantor, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or

similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or the Guarantor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or the Guarantor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

- (i) One or more judgments or decrees shall be entered against the Borrower or the Guarantor involving in the aggregate a liability (not paid or fully covered by insurance) of \$100,000.00 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or
- (j) The occurrence of any of the following with respect to the Borrower or the Guarantor: death (if an individual), or dissolution or cessation of business (if a partnership, limited liability company, corporation or other organization); or
- (k) The occurrence of any event which results in a Material Adverse Change; or
- (l) The occurrence of any material default under the Purchase Agreement or the Construction Documents;

then, and in any such event, (A) if such event is an Event of Default specified in Section (h) above, automatically the Bank shall have no further obligation to make Loans to the Borrower hereunder or to convert such Loans to a term loan, and all amounts owing under this Agreement and the Note shall immediately become due and payable, and (B) if such event is any other Event of Default, any or all of the following actions may be taken: (i) the Bank may, by notice of default to the Borrower, immediately cease making any Loans to the Borrower, and declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the Note to be due and payable forthwith, whereupon the same shall immediately become due and payable; (ii) the Bank may, but shall have no obligation to, perform any covenant or agreement of Borrower hereunder or under any of the Security Documents and any amounts expended by Bank shall constitute additional amounts secured by the Security Documents; and (iii) the Bank may exercise all rights and remedies granted it under the Loan Documents. Presentment, demand, and protest are hereby expressly waived by the Borrower. Notwithstanding anything contained herein to the contrary, in the event the Borrower shall have received a notice of default under subsections (c) and/or (d) three (3) times in any calendar year, an Event of Default hereunder may thereafter occur in such calendar year under any of subsections (c) or (d) without the requirement of any passage of time or giving of notice.

ARTICLE VIII.

MISCELLANEOUS

8.1 Amendments and Waivers. Neither this Agreement, the Note or any other Loan Document, nor any terms hereof of thereof may be changed, waived, discharged or terminated unless such change, waiver, discharge or termination is in writing signed by the Borrower and the Bank.

8.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telegraph or telefax), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or five days after being deposited in the mail, postage prepaid, or, in the case of telegraphic notice, when delivered to the telegraph company, or, in the case of

telefax notice, when sent, addressed as follows in the case of the Borrower and the Bank or to such other address as may be hereafter notified by the respective parties hereto:

The Borrower:

SOLOCO, Inc.
3850 N. Causeway Blvd.
Suite 1770
Metairie, LA 70002

Fax: (504) 838-9506

with a copy to:

Newpark Resources, Inc.
3850 N. Causeway Blvd., Suite 1770
Metairie, LA 70002

Attn: Mr. Matthew W. Hardey

Fax: (504) 838-9506

The Bank:

Hibernia National Bank
313 Carondelet Street
P.O. Box 61540
New Orleans, LA 70161
Attn: Mr. S. John Castellano

Fax: (504) 533-2060

8.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Bank, any right, remedy, power or privilege hereunder or under the Loan Documents, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided or provided in the Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

8.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Notes.

8.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Bank for all its out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Note and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, inspection fees, title insurance premiums, legal fees, brokerage fees, appraisal fees and travel expenses, (b) to pay or reimburse the Bank for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Note and the other Loan Documents, including, without limitation, reasonable fees and disbursements of counsel to the Bank and (c) to pay, indemnify, and hold the Bank harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Note and any such other documents, and (d) to pay, indemnify, and hold the Bank harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Note and any other Loan Documents (all the foregoing, collectively, the "indemnified liabilities"). The agreements in this subsection shall survive repayment of the Notes and all other amounts payable hereunder.

8.6 Security Interest and Right of Set-Off.

Borrower hereby grants Bank a continuing security interest in, as well as the right to set-off the Obligations of Borrower against, all funds which Borrower may maintain on deposit with Bank (with the exception of funds deposited in Borrower's accounts in trust for third parties of funds deposited in pension accounts, IRA's, Keogh accounts and All Saver Certificates), and Bank shall have a Lien upon and a security interest in all property of Borrower in Bank's possession or control which shall secure all such Obligations.

8.7 Invalid Provisions. If any provision of the Loan Document is held to be invalid, illegal or unenforceable under present or future laws during the terms of this Agreement, such provision shall be fully severable; such Loan Document shall be construed and enforced as if such invalid, illegal or unenforceable provision had never comprised a part of such Loan Document; and the remaining provisions of such Loan Document shall remain in full force and effect and shall not be affected by the invalid, illegal or unenforceable provision or by its severance from such Loan Document.

8.8 Further Assurances. At any time and from time to time upon the written request of the Bank, and at the sole expense of the Borrower, the Borrower shall promptly and duly execute and deliver such further instruments and documents and take such further action as the Bank may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and the Loan Documents and of the rights and powers herein and therein granted.

8.9 Inspections. Borrower hereby authorizes the Bank, or any agent, officer, employee or representative of the Bank to enter upon the Mortgaged Property to make inspections of the Building, Improvements, materials, plans and specifications, shop drawings, workmanship and construction of the Building and Improvements or to enter into possession of the Mortgaged Property upon any Default or Event of Default and perform any work necessary or desirable to complete the Improvements and to take all other action in connection therewith. The sole purpose of such inspections is to obtain information and to afford the Bank the opportunity to:

- (a) verify whether any Loans the Bank is obligated to make under this Agreement are due, and the correct amount of such advances;
- (b) determine whether there has been or may be any Default or Event of Default of the Obligations of Borrower under this Agreement; and
- (c) take any necessary or appropriate action to protect and preserve the Bank's security for the Loans.

None of the aforesaid actions by the Bank, or any agent, officer, employee or representative of the Bank, shall be or may be construed in such a manner as to impose any duty or obligation whatsoever on the Bank, or any agent, officer, employee or representative of the Bank, to protect or represent any owner, borrower, contractor, surety, or any other person whatsoever and shall not be considered or construed as having made any warranty whatsoever, whether express or implied, as to the adequacy, quality of fitness or purpose of any physical conditions, materials, workmanship, plans, specifications, drawings or other requirements pertaining to the construction of the Building and Improvements, or whether any such physical conditions, materials or workmanship comply with any plans, specifications, drawings, ordinances, statutes, or other governmental requirements pertaining to the property. Bank shall have no liability, obligation or responsibility whatsoever with respect to the construction of the Building and Improvements except to advance the Loans pursuant to this Agreement. Bank shall not be obligated to inspect the Mortgaged Property or the construction of the Mortgaged Property, nor be liable for the performance or Default of Event of Default of Borrower, any architect, contractor, subcontractor or materialmen, or any other party, or for any failure to construct, complete, protect, or insure the Building and Improvements, or for the payment of costs of labor, materials, or services supplied for the Improvements, or for the performance of any obligation of Borrower whatsoever. Nothing, including without limitation, any

advance or acceptance of any document or instrument, shall be construed as a representation or warranty, express or implied, to any party by Bank.

8.10 Final Agreement. This Agreement, the Note and the other Loan Documents embody the entire and final agreement between the parties with respect to the transactions contemplated hereby, and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties and supersedes all prior agreements and understandings, if any, related to the subject matter hereof and thereof. There are no oral agreements between the parties.

8.11 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Bank, all future holders of the Notes and their respective successors and assigns.

8.12 GOVERNING LAW. THIS AGREEMENT AND THE NOTE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF LOUISIANA. BORROWER AND BANK HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in New Orleans, Louisiana by their proper and duly authorized officers as of the day and year first above written.

SOLOCO, INC.

By: _____

Title: _____

HIBERNIA NATIONAL BANK

By: _____

Title: _____

NEWPARK CORPORATIONS, LIMITED LIABILITY COMPANIES
AND LIMITED PARTNERSHIPS
ADDRESS, ST INCORP., ID NO., NO. SHS. DIRS/PRES.

Entity	St. of Incorp	Sub. of	Emp. ID No.	No. Shs.	Dir.	Pres.
B.F.C. Oil Company 3850 N. Causeway Blvd., Ste. 1770 Metairie, LA 70002	Louisiana 12/15/78	Newpark Dormant	72-0868239	1,000	Cole Ballantine Hardey	James D. Cole
Chessher Construction, Inc. 3850 N. Causeway, Suite 1770 Metairie, LA 70002	Texas 1/4/95	Newpark	72-1286764	500	Cole Ballantine Hardey	James D. Cole
Consolidated Mayflower Mines, 3850 N. Causeway Blvd., Ste. 1770 Metairie, LA 70002	Utah 7/21/75	Newpark Dormant	87-0320149	55,000	Cole Ballantine Hardey	James D. Cole
Florida Mat Rental, Inc. 3850 N. Causeway Blvd., Ste. 1770 Metairie, LA 70002	Florida 8/24/94	SOLOCO Dormant	72-1277728	100	Cole Ballantine Latiolais	Ronald Latiol
George R. Brown Services, Inc. 3850 N. Causeway Blvd., Ste. 1770 Metairie, LA 70002	Texas 1/4/95	Newpark	72-1286782	3,000	Cole Ballantine Hardey	James D. Cole
Mallard & Mallard, Inc. 3850 N. Causeway Blvd., Ste. 1770 Metairie, LA 70002	Texas 7/5/95	Newpark	72-1286782	500	Cole Ballantine Hardey	James D. Cole
Mallard & Mallard of LA, Inc. 3850 N. Causeway Blvd., Ste. 1770 Metairie, LA 70002	Louisiana 7/5/79	Newpark Dormant	74-2062791	3,000	Cole Ballantine Latiolais	Ronald Latiol
Newpark Environmental Services L.L.C. P. O. Box 31480 Lafayette, LA 70593-1480	Louisiana 12/22/95	Newpark	72-0770718	10,000	Cole Ballantine Joubert	Charles Joubert

(Continued)

Entity	St. of Incorp	Sub. of	Emp. ID No.	No. Shs.	Dir.	Pres.
Newpark Holdings, Inc. 3850 N. Causeway Blvd., Suite 1770 Metairie, LA 70002	LA 12/22/94	Newpark	72-1286594	100	Cole Ballantine Hardey	James D. Cole
Newpark Texas, L.L.C. 3850 N. Causeway Blvd., Suite 1770 Metairie, LA 70002	LA 12/22/94	Newpark NP Holdings	72-1286789	99 1	Cole Ballantine Hardey	James D. Cole
Newpark Wellhead Services, Inc 3850 N. Causeway Blvd., Suite 1770 Metairie, LA 70002	LA 1/24/95	Newpark	72-1286763	1,000	Cole Ballantine Hardey	James D. Cole
SOLOCO, L.L.C. 3850 N. Causeway Blvd., Suite 1770 Metairie, LA 70002	LA 12/22/94	Newpark NP Holdings	72-1286785 72-0536201	99 1	Cole Ballantine Latiolais	James D. Cole

LIMITED PARTNERSHIPS-TEXAS

BATSON-MILL, L.P. 3850 N. Causeway Blvd., Suite 1770 Metairie, LA 70002	TEXAS	NP Holdings NP Texas LLC	72-1284721	1% 99%		Ed Doss Manager
NEWPARK ENVIRONMENTAL SERVICES, L.P.	TEXAS	NP Holdings NP Texas LLC	72-1312748	1% 99%		

NEWPARK SHIPHOLDING TEXAS, L.P
3850 N.Causeway Blvd., Suite 1770
Metairie, LA 70002

TEXAS	NP Holdings	72-1286763	1%
	NP Texas LLC		99%

SOLOCO TEXAS, L.P
3850 N.Causeway Blvd., Suite 1770
Metairie, LA 70002

TEXAS	NP Holdings	72-1284720	1%
	NP Texas LLC		99%

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 33-83680, 33-67284, 33-54060, 33-22291 and 33-62643 of Newpark Resources, Inc. on Form S-8 of our report dated March 1, 1996, appearing in this Annual Report on Form 10-K of Newpark Resources, Inc. for the year ended December 31, 1995.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
March 11, 1996

POWER OF ATTORNEY
WITH RESPECT TO THE ANNUAL REPORT ON FORM 10-K
OF NEWPARK RESOURCES, INC.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of NEWPARK RESOURCES, INC., does hereby constitute and appoint James D. Cole and/or Matthew W. Hardey, his true and lawful attorney and agent to do any and all acts and things and execute, in the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or by attesting the seal of Newpark Resources, Inc., or otherwise), any and all instruments which said attorney and agent may deem necessary or advisable in order to enable Newpark Resources, Inc. to comply with the Securities Exchange Act of 1934 and any requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 10-K for the fiscal year ended December 31, 1995, including specifically but without limitation thereto, power and authority to sign the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or by attesting to the seal of Newpark Resources, Inc., or otherwise) to the Annual Report on Form 10-K to be filed with the Securities and Exchange Commission, or any of the exhibits filed therewith, or any amendment or application for amendment of the Annual Report on Form 10-K, or any of the exhibits filed therewith, and to attest the seal of Newpark Resources, Inc. thereon and to file the same with the Securities and Exchange Commission; and the undersigned does hereby ratify and confirm all that said attorneys and agents, each of them, shall do or cause to be done by virtue hereof. Any one of said attorneys and agents shall have, and may exercise, all the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has signed his name hereto on the date set forth opposite his name.

Dated: February 28, 1996 /s/Philip S. Sassower
Philip S. Sassower, Director

WITNESSES

/s/ Edah Keating

/s/ Sandra B. Robert

EXHIBIT 24.1

POWER OF ATTORNEY
WITH RESPECT TO THE ANNUAL REPORT ON FORM 10-K
OF NEWPARK RESOURCES, INC.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of NEWPARK RESOURCES, INC., does hereby constitute and appoint James D. Cole and/or Matthew W. Hardey, his true and lawful attorney and agent to do any and all acts and things and execute, in the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or by attesting the seal of Newpark Resources, Inc., or otherwise), any and all instruments which said attorney and agent may deem necessary or advisable in order to enable Newpark Resources, Inc. to comply with the Securities Exchange Act of 1934 and any requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 10-K for the fiscal year ended December 31, 1995, including specifically but without limitation thereto, power and authority to sign the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or otherwise) to the Annual Report on Form 10-K to be filed with the Securities and Exchange Commission, or any of the exhibits filed therewith, or any amendment or application for amendment of the Annual Report on Form 10-K, or any of the exhibits filed therewith, and to attest the seal of Newpark Resources, Inc. thereon and to file the same with the Securities and Exchange Commission; and the undersigned does hereby ratify and confirm all that said attorneys and agents,

each of them, shall do or cause to be done by virtue hereof. Any one of said attorneys and agents shall have, and may exercise, all the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has signed his name hereto on the date set forth opposite his name.

Dated: February 28, 1996

/s/David P. Hunt
David P. Hunt, Director

WITNESSES

/s/ Edah Keating

/s/ Sandra B. Robert

POWER OF ATTORNEY
WITH RESPECT TO THE ANNUAL REPORT ON FORM 10-K
OF NEWPARK RESOURCES, INC.

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IN WITNESS WHEREOF, the undersigned has signed his name hereto on the date set forth opposite his name.

Dated: February 28, 1996

/s/James H. Stone
James H. Stone, Director

WITNESSES

/s/ Edah Keating

/s/ Sandra B. Robert

POWER OF ATTORNEY
WITH RESPECT TO THE ANNUAL REPORT ON FORM 10-K
OF NEWPARK RESOURCES, INC.

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IN WITNESS WHEREOF, the undersigned has signed his name hereto on the date set forth opposite his name.

Dated: February 28, 1996

/s/Alan J. Kaufman
Alan J. Kaufman, Director

WITNESSES

/s/ Edah Keating

/s/ Sandra B. Robert

POWER OF ATTORNEY
WITH RESPECT TO THE ANNUAL REPORT ON FORM 10-K
OF NEWPARK RESOURCES, INC.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of NEWPARK RESOURCES, INC., does hereby constitute and appoint James D. Cole and/or Matthew W. Hardey, his true and lawful attorney and agent to do any and all acts and things and execute, in the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or by attesting the seal of Newpark Resources, Inc., or otherwise), any and all instruments which said attorney and agent may deem necessary or advisable in order to enable Newpark Resources, Inc. to comply with the Securities Exchange Act of 1934 and any requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 10-K for the fiscal year ended December 31, 1995, including specifically but without limitation thereto, power and authority to sign the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or by attesting to the seal of Newpark Resources, Inc., or otherwise) to the Annual Report on Form 10-K to be filed with the Securities and Exchange Commission, or any of the exhibits filed therewith, or any amendment or application for amendment of the Annual Report on Form 10-K, or any of the exhibits filed therewith, and to attest the seal of Newpark Resources, Inc. thereon and to file the same with the Securities and Exchange Commission; and the undersigned does hereby ratify and confirm all that said attorneys and agents, each of them, shall do or cause to be done by virtue hereof. Any one of said attorneys and agents shall have, and may exercise, all the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has signed his name hereto on the date set forth opposite his name.

Dated: February 28, 1996

/s/William W. Goodson
William W. Goodson, Director

WITNESSES

/s/ Edah Keating

/s/ Sandra B. Robert

POWER OF ATTORNEY
WITH RESPECT TO THE ANNUAL REPORT ON FORM 10-K
OF NEWPARK RESOURCES, INC.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, a Director of NEWPARK RESOURCES, INC., does hereby constitute and appoint James D. Cole and/or Matthew W. Hardey, his true and lawful attorney and agent to do any and all acts and things and execute, in the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or by attesting the seal of Newpark Resources, Inc., or otherwise), any and all instruments which said attorney and agent may deem necessary or advisable in order to enable Newpark Resources, Inc. to comply with the Securities Exchange Act of 1934 and any requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 on Form 10-K for the fiscal year ended December 31, 1995, including specifically but without limitation thereto, power and authority to sign the name of the undersigned (whether on behalf of Newpark Resources, Inc., or as a Director of Newpark Resources, Inc., or by attesting to the seal of Newpark Resources, Inc., or otherwise) to the Annual Report on Form 10-K to be filed with the Securities and Exchange Commission, or any of the exhibits filed therewith, or any amendment or application for amendment of the Annual Report on Form 10-K, or any of the exhibits filed therewith, and to attest the seal of Newpark Resources, Inc. thereon and to file the same with the Securities and Exchange Commission; and the undersigned does hereby ratify and confirm all that said attorneys and agents, each of them, shall do or cause to be done by virtue hereof. Any one of said attorneys and agents shall have, and may exercise, all the powers hereby conferred.

IN WITNESS WHEREOF, the undersigned has signed his name hereto on the date set forth opposite his name.

Dated: February 28, 1996

/s/William Thomas Ballantine
Wm. Thomas Ballantine, Director

WITNESSES

/s/ Edah Keating

/s/ Sandra B. Robert

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1,000

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DEC-31-1995
DEC-31-1995 1,018
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39,976
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97,982 73,881
73,881
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