



Newpark Earnings Increase 550% On 80% Revenue Growth

July 30, 2001

METAIRIE, La., Jul 30, 2001 /PRNewswire/ -- Newpark Resources, Inc. (NYSE: NR) today reported that it earned net income of \$9.2 million, equal to \$.13 per share, on total revenue of \$108.3 million in the quarter ended June 30, 2001. This compares to net income of \$1.3 million, equal to \$.02 per share, (before the effect of a non-cash charge of \$3.5 million or \$.05 per share) on revenue of \$60.2 million in the corresponding quarter of 2000.

For the six months ended June 30, Newpark reported net income of \$16.2 million, or \$.23 per share, on revenue of \$207.7 million, compared to net income of \$1.8 million or \$.03 per share, (before the effect of a non-cash charge of \$3.5 million or \$.05 per share) on \$117.5 million of revenue in the first half of fiscal 2000.

Newpark's net income amounted to 9.4% of revenue in the recent quarter, compared to 2.9% in the second quarter of 2000. James D. Cole, Newpark's Chairman and CEO, attributed the earnings gain to improved operating results in the company's Mat and Integrated Services and Drilling Fluids businesses.

Mat and Integrated Services revenue of \$38.3 million in the quarter rose 12% sequentially and 139% compared to the year-ago quarter. "During the recent quarter, we sold over 6,300 Dura-Base(TM) composite mats, generating revenue of \$10.1 million. The remaining revenue growth resulted from higher mat rental pricing in the Gulf Coast market; improved mat utilization as customers extended rentals beyond the initial installation period -- which is the result of deeper drilling and increased site construction activity in the Transition Zone; and increased rig activity in western Canada," Cole said. Average pricing in the Gulf Coast market was \$1.69 per square foot in the recent quarter, compared to \$1.39 in the first quarter of the year and \$.71 in the year-ago quarter.

Drilling Fluids revenue increased 77% to \$53.9 million from \$30.4 million in the year-ago period and 7% from first quarter levels, aided by the sustained high level of drilling activity in the Gulf Coast market and increased penetration of the U.S. market. During the recent quarter, Newpark serviced an average of 193 rigs in North America and 168 rigs in the U.S. market, up 49.6% and 51.4%, respectively, from the same quarter a year ago. Annualized average revenue per rig rose 19% to \$1.116 million from \$940,000, and drilling fluids operating margins increased to 13% from 7% last year and 12% in the first quarter of this year. "The improvement in profitability," Cole emphasized, "was attributable to the broadening acceptance of DeepDrill(TM) and its related specialty products, which continue to positively affect product mix and market penetration."

Total waste disposal revenue in the quarter of \$16.2 million increased 17.5% from \$13.8 million in the second quarter a year ago. E&P waste volume increased 7.7% to 1.144 million barrels compared to 1.062 million in the 2000 quarter while average revenue per barrel rose 6.3% in the period, resulting in a 14.1% year-over-year increase in E&P waste revenue. Second quarter E&P waste volume was up 6.2% sequentially, while average revenue per barrel gained 4.2% from the first quarter level. Operating profit contribution from Waste Disposal in the second quarter totaled \$4.3 million compared to \$4.4 million in the year-ago period. "Major regulatory changes that lie ahead are making the industry undergo an important structural change. For its part, Newpark has implemented a plan to respond to the new market opportunity while reducing its operating costs by \$1.2 million per quarter, and looks for improved financial performance in this business over the balance of this year as these new regulations begin to take effect," Cole stated.

During the first six months, Newpark's earnings before interest, taxes, depreciation and amortization totaled \$50.1 million or 24% of revenue. Since December, aggregate borrowings have been reduced by \$23 million and the company's debt ratio has improved from 44% to 39%.

Cole concluded: "Over the past year, we have made substantial progress in a strong market. Given what we see in the marketplace today, we anticipate a mild correction later this year or early in 2002. We view this as positive and will position Newpark to take full advantage of any correction and the industry growth cycle that we believe will follow."

Newpark Resources, Inc. provides integrated fluids management, environmental and oilfield services to the exploration and production industry.

The foregoing discussion contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. There are risks and uncertainties that could cause future events and results to differ materially from those anticipated by management in the forward-looking statements included in this press release. For further information regarding these and other factors, risks and uncertainties affecting Newpark, reference is made to the risk factors set forth in the Prospectus dated March 27, 2001, included in Newpark's Registration Statement on Form S-3 (File No. 333-53824), and to the section entitled "Forward Looking Statements" on page 17 of that Prospectus. In particular, as described on page 9 of that Prospectus, any material decline in the level of oil and gas exploration and production activity could result in fewer opportunities being available for the service industry in general and Newpark in particular, and may adversely affect the demand for our services. In addition, as described on page 13 of that Prospectus, and rescission or relaxation of governmental regulations, including any delays in implementing the new discharge regulations, could reduce the demand for Newpark's services and reduce Newpark's revenues and income. You are strongly urged to review these sections for a more

detailed discussion of these risks and uncertainties. Newport's SEC filings can be obtained at <http://www.sec.gov>, as well as through our Website, <http://www.newpark.com>.

Newpark Resources, Inc.
Quarterly Comparison

(Unaudited, dollars in thousands, except per share amounts)

	2Q00	2Q01
Revenue □		
E&P waste disposal	\$13,775	\$16,185
Drilling fluids	30,386	53,870
Mat & integrated services	16,041	38,276
	\$60,202	\$108,331
Operating Income		
E&P waste disposal	\$4,426	\$4,268
Drilling fluids	2,178	7,098
Mat & integrated services	2,792	10,728
	9,396	22,094
Corporate G&A	696	1,197
Goodwill amortization	1,242	1,233
Foreign currency exchange (gain) loss	--	(246)
Interest income	(236)	(215)
Interest expense	4,757	4,190
Pre-tax	2,937	15,935
Income tax	1,175	5,737
Net income	1,762	10,198
Preferred dividends and accretion	3,942	975
Net income (loss) to common	\$(2,180)	\$9,223
Equivalent diluted common shares	69,127	72,620
EPS	\$(0.03)	\$0.13
Supplementary Statistical Data		
(Unaudited, dollars in thousands,		
except per barrel and per square		
foot amounts)		
EBITDA □		
Pre-tax	\$2,937	\$15,935
Interest	4,757	4,190
Depreciation & amortization	5,568	6,831
Total	\$13,262	\$26,956
% of revenue	22.0%	24.9%
Waste Data		
E&P waste volume (000 barrels)	1,062	1,144
Average revenue per barrel	\$11.47	\$12.19
E&P revenue	\$12,721	\$14,514
NORM	797	1,188
Industrial	257	483
	\$13,775	\$16,185
Mat Rental Data		
Installation	\$3,273	\$5,906
Re-rental	1,404	3,810
Total	\$4,677	\$9,716
Average price per square foot	\$0.71	\$1.69
Square feet installed (MM)	4.6	3.5
Drilling Fluids Data		
Average rigs serviced	129	193
Annualized revenue per rig	\$940	\$1,116

NM - Not meaningful

Newpark Resources, Inc.
Six Month Comparison
(Unaudited, dollars in thousands, except per share amounts)

	6MOS 00	6MOS 01
Revenue □		
E&P waste disposal	\$26,237	\$30,857
Drilling fluids	59,732	104,271
Mat & integrated services	31,509	72,600
	\$117,478	\$207,728
Operating Income		
E&P waste disposal	\$8,111	\$8,496
Drilling fluids	3,929	13,123
Mat & integrated services	5,239	19,736
	17,279	41,355
Corporate G&A	1,651	2,267
Goodwill amortization	2,490	2,467
Foreign currency exchange (gain) loss	--	244
Interest income	(458)	(448)
Interest expense	9,350	8,405
Pre-tax	4,246	28,420
Income tax	1,710	10,232
Net income	2,536	18,188
Preferred dividends and accretion	4,242	1,950
Net income (loss) to common	\$(1,706)	\$16,238
Equivalent diluted common shares	68,883	71,242
EPS	\$(0.02)	\$0.23
Supplementary Statistical Data (Unaudited, dollars in thousands, except per barrel and per square foot amounts)		
EBITDA □		
Pre-tax	\$4,246	\$28,420
Interest	9,350	8,405
Depreciation & amortization	11,158	13,244
Total	\$24,754	\$50,069
% of revenue	21.1%	24.1%
Waste Data		
E&P waste volume (000 barrels)	2,003	2,221
Average revenue per barrel	\$11.50	\$11.95
E&P revenue	\$24,113	\$27,859
NORM	\$1,468	\$2,070
Industrial	\$656	\$928
	\$26,237	\$30,857
Mat Rental Data		
Installation	\$6,500	\$12,751
Re-rental	\$2,205	\$7,475
Total	\$8,705	\$20,226
Average price per square foot	\$0.74	\$1.52
Square feet installed (MM)	8.7	8.4
Drilling Fluids Data		
Average rigs serviced	132	195
Annualized revenue per rig	\$907	\$1,072

NM -- Not meaningful

Newpark Resources, Inc.
Consolidated Balance Sheets
(Unaudited) □
(In thousands, except share data)

	June 30, 2001	December 31, 2000
ASSETS □		
Current assets:		
Cash and cash equivalents	\$3,842	\$31,245
Accounts and notes receivable, less allowance of \$2,382 in 2001 and \$2,482 in 2000	104,364	75,776
Inventories	27,945	24,998
Deferred tax asset	18,008	15,715
Other current assets	9,419	4,530
Total current assets	163,578	152,264
Property, plant and equipment, at cost, net of accumulated depreciation		
	188,981	184,755
Cost in excess of net assets of purchased businesses, net of accumulated amortization		
	108,724	111,487
Deferred tax asset	10,316	22,965
Other assets	35,514	35,972
	\$507,113	\$507,443
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$294	\$329
Accounts payable	24,421	25,816
Accrued liabilities	21,041	13,621
Arbitration settlement payable	-	2,448
Total current liabilities	45,756	42,214
Long-term debt	180,232	203,520
Other non-current liabilities	950	1,654
Commitments and contingencies	--	--
Stockholders' equity:		
Preferred Stock, \$.01 par value, 1,000,000 shares authorized, 390,000 shares outstanding	73,745	73,521
Common Stock, \$.01 par value, 100,000,000 shares authorized, 70,108,343 shares outstanding in 2001 and 69,587,725 in 2000	701	696
Paid-in capital	332,951	329,650
Unearned restricted stock compensation	(1,633)	(2,339)
Accumulated other comprehensive income	(953)	(607)
Retained deficit	(124,636)	(140,866)
Total stockholders' equity	280,175	260,055
	\$507,113	\$507,443

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SOURCE Newpark Resources, Inc.

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