



## Newpark Resources Reports First Quarter Earnings of 1 Cent Per Share; Uses Cash Flow to Continue Debt Reduction During Drilling Downturn

April 29, 2002

METAIRIE, La., Apr 29, 2002 /PRNewswire-FirstCall via COMTEX/ -- Newpark Resources, Inc. (NYSE: NR) today reported that it earned \$521,000, equal to \$.01 per diluted share, on revenue of \$75.1 million for the first quarter ended March 31, 2002. This compares to net income of \$7.0 million, or \$.10 per share, on revenue of \$99.4 million in the same quarter of last year. The 25% revenue decline mirrors the reduction in business activity in Newpark's key markets, as measured by the rig count, which fell 28% over the last 12 months. Earnings before interest, taxes, depreciation and amortization totaled \$11.5 million, or 15.4% of revenue.

During the quarter, Newpark reduced its outstanding borrowings by \$15 million and reduced its leverage ratio to 35.3% from 37.6% at year-end and 40.5% a year ago. This was accomplished from operating cash flow and an \$8.4 million reduction in net working capital compared to 2001 year-end levels. Depreciation in the quarter totaled \$6.1 million and capital expenditures were \$3.2 million.

### Drilling Fluids

Revenue from drilling fluids was \$42.1 million during the quarter, compared to \$50.4 million a year ago. Operating income of \$4 million, represented a 9.5% margin, compared to \$6 million or 11.9% in the 2001 quarter. Revenues declined 16.5% compared to the larger rig count decline as the company began to benefit from its focus on deeper drilling projects in key markets. As a result, drilling fluids revenue per rig increased 26% from \$1.0 million a year ago to \$1.3 million per average rig serviced in the recent quarter.

Newpark Chairman and CEO James D. Cole commented that: "In March, we began to experience an increase in programming requests for new drilling fluids projects, which are beginning to turn into revenue opportunities in the current quarter and bode well for the second half of 2002. We anticipate that fluids revenue will lead the company's revenue growth over the remainder of the year, with improving drilling activity in subsequent quarters."

### Mat Rental

Mat rental revenue for the quarter was \$22.0 million compared to \$34.3 million a year ago. Operating contribution from the segment was \$2.3 million, equal to 10.5% of revenue, compared to \$9 million or 26.2% a year ago. Both pricing and volume of mats rented in the core Gulf Coast market declined substantially compared to a year ago due to reduced land drilling activity and the absence of activity in the marsh and transition zone market during the recent quarter. Average rental pricing declined to \$.61 from \$1.39 per square foot, and the volume of mats installed declined 35% to 3.2 million square feet. "In addition to the decline in new installation volume and pricing, the volume of extended rentals -- mats continuing in use by our customers beyond the initial contract terms and carrying the highest margins in the segment -- declined by more than 50% in the quarter. Highly competitive pricing in the Gulf Coast mat rental market is expected to persist until land and marsh drilling activity improves, which should occur later in the year," Mr. Cole indicated.

Newpark sold approximately 3,800 of its patented composite mats, generating revenue of \$5.9 million in the recent quarter, compared to \$8.9 million of revenue on 5,700 units in the year-ago period. These sales were outside the company's historic oilfield markets and included the first shipment of composite mats to Alaska. "We are developing improved visibility of composite mat sales for several large projects outside of our primary North American oil service market, and expect that these new markets will be the source of increasing revenue during the remainder of 2002," he added.

### E&P Waste

E&P Waste revenue of \$11.1 million dropped 25% from the 2001 quarter on a 32% decline in volume. Newpark processed 730 thousand barrels of waste in the recent quarter, in line with the decline in drilling activity, while the average revenue per barrel improved 11% to \$12.94 on favorable changes in mix. Quarterly operating cost and expense of \$10.5 million was unchanged from the comparable quarter of 2001, but decreased \$1.3 million from the fourth quarter, as cost reduction efforts began to take effect. "We have fully implemented measures to reduce the annual operating cost in the waste segment by more than \$10 million per year," Cole said, "and the full benefit of these measures should begin to be realized starting July 1. We expect to see substantial recovery of segment margins from the effect of the cost reduction program and as volume recovers with anticipated increases in market activity."

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

(TWO PAGES OF FINANCIAL DATA FOLLOW)

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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, any 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. Newpark's SEC filings can be obtained at no charge at [www.sec.gov](http://www.sec.gov), as well as through our Website, [www.newpark.com](http://www.newpark.com).

Newpark Resources, Inc.  
Year-Ago Quarter Comparison  
(in thousands, except per share amounts)

	1Q02	1Q01
Revenue □		
Mat & Integrated Services	\$21,967	\$34,324
Drilling Fluids	42,079	50,401
E&P Waste Disposal	11,064	14,672
	\$75,110	\$99,397
Operating Income		
Mat & Integrated Services	\$2,252	\$9,008
Drilling Fluids	4,004	6,025
E&P Waste Disposal	554	4,228
	6,810	19,261
Corporate G&A	(1,517)	(1,070)
Goodwill Amortization	---	(1,234)
Foreign Currency gain (loss)	(4)	(491)
Interest Income	171	233
Interest Expense	(3,122)	(4,215)
Pre-Tax	2,338	12,484
Income tax	(842)	(4,495)
Net income	1,496	7,989
Preferred Dividends	(975)	(975)
Net income to common	\$521	\$7,014
Common share equiv's. (dil.)	70,941	71,363
Diluted EPS	\$0.01	\$0.10
EBITDA □		
Pre-tax	\$2,338	\$12,484
Interest	3,122	4,215
Depreciation & Amortization	6,076	6,413
Total	\$11,536	\$23,112
% of Revenue	15.4%	23.3%
Waste Data (in thousands, except per barrel amounts)		
E&P Waste Volume	730	1,078
Average Revenue per Barrel	\$12.94	\$11.70
E&P Revenue	\$10,105	\$13,345
NORM	573	882

Industrial	386	445
	\$11,064	\$14,672
Mat Rental Data - Gulf Coast (in millions, except per square foot amounts)		
Installation	\$2.0	\$6.8
Re-rental	1.8	3.7
Total	\$3.8	\$10.5
Average price per square foot	\$0.61	\$1.39
Square feet installed	3.2	4.9
Drilling Fluids Data		
Average Rigs Serviced	130	196
Annualized Rev. per Rig (000's)	\$1,292	\$1,029

Consolidated Balance Sheets (Unaudited) (In thousands)	March 31, 2002	December 31, 2001
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ASSETS □

Current assets:

Cash and cash equivalents	\$5,496	\$7,504
Trade accounts receivable, less allowance of \$2,177 in 2002 and \$2,159 in 2001	75,428	86,702
Notes and other receivables	3,778	2,567
Inventories	44,541	44,144
Deferred tax asset	6,372	4,272
Other current assets	10,293	9,131
Total current assets	145,908	154,320

Property, plant and equipment, at cost, net of accumulated depreciation	205,984	208,476
Goodwill, net of accumulated amortization	105,767	105,767
Deferred tax asset	16,668	19,609
Other intangible assets, net of accumulated amortization	12,193	12,437
Other assets	21,362	21,879
	\$507,882	\$522,488

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Current maturities of long-term debt	\$3,189	\$3,355
Accounts payable	22,972	26,588
Accrued liabilities	22,695	21,018
Arbitration settlement payable	---	---
Total current liabilities	48,856	50,961

Long-term debt	162,015	176,954
Other non-current liabilities	551	619
Commitments and contingencies	---	---

Stockholders' equity:

Preferred Stock, \$.01 par value, 1,000,000 shares authorized, 390,000 shares outstanding	74,082	73,970
Common Stock, \$.01 par value, 100,000,000 shares authorized, 70,713,759 shares outstanding in 2002 and 70,332,017 in 2001	707	703
Paid-in capital	336,813	335,117

Unearned restricted stock compensation	(786)	(940)
Accumulated other comprehensive income	(2,013)	(2,032)
Retained deficit	(112,343)	(112,864)
Total stockholders' equity	296,460	293,954
	\$507,882	\$522,488
Ratio of long-term debt to total capital	35.3%	37.6%

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