



## **Newpark Forms Water Solutions Unit; First Application of New Technology Under Way**

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METAIRIE, La., Dec 15, 2004 /PRNewswire-FirstCall via COMTEX/ -- Newpark Resources, Inc. (NYSE: NR), a provider of oilfield drilling fluids, environmental waste treatment solutions, and temporary work sites and access roads announced the formation of Newpark Environmental Water Solutions LLC, a new operating unit that will commercialize a patented water treatment technology to which Newpark holds the exclusive license rights.

On December 6, 2004, the company took delivery of the first production unit employing the new technology at its Boulder, Wyoming water treatment facility. The new plant is expected to be operational in the first quarter of 2005 and will enhance water processing capacity at the facility by providing beneficial reuse of the production water received from the Jonah-Pinedale Field, located in the Greater Green River Basin in southwest Wyoming. This will allow the beneficial reuse or discharge of water processed under an NPDES permit.

The new technology facilitates the removal of dissolved solids from the wastewater stream before introduction into conventional treatment processes, rendering those processes much more effective and economical. First revenues are forecast for receipt in the second quarter of 2005.

James D. Cole, Newpark's Chairman and CEO said: "We are actively pursuing other applications for this unique process technology within the oil and gas industry and in other selected markets. We expect that this market will begin to develop in 2005. Although it is premature to attempt to estimate the size of the market for this patented process, the clarification of water is a large and rapidly-growing worldwide market. We have concluded that sufficient market opportunity exists to support this as a fourth product line for Newpark. We will refine our outlook for this new business segment in future communications with investors."

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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 included in Newpark's Registration Statement on Form S-3 filed on May 8, 2002 (File No. 333-87840), 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 in the discharge regulations recently implemented, 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 <http://www.sec.gov>, as well as through our Website, <http://www.newpark.com>.

SOURCE Newpark Resources, Inc.

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