



Newpark Resources Reports Full Year and Fourth Quarter 2005 Results

March 6, 2006

*** Total Revenues Increase 28.5% * Net Income Grows 440% Year Over Year * Hurricanes Impact Earnings By \$0.08 Per Share**

METAIRIE, La., March 6, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Newpark Resources, Inc. (NYSE: NR) today reported net income for the year ended December 31, 2005 of \$21.6 million, or \$0.25 per common share, on revenue of \$557.0 million. This compares to 2004 net income of \$4.0 million, or \$0.05 per common share, on revenue of \$433.4 million.

For the fourth quarter of 2005, Newpark reported net income of \$6.9 million or \$0.08 per share, on revenue of \$147.3 million. This compares to net income of \$526,000 or \$0.01 per share, on revenue of \$113.7 million in the 2004 quarter. Amounts for 2004 include \$4.2 million of non-cash charges, equal to \$0.03 per share, affecting both the year and the fourth quarter results.

The quarterly and annual net income reported are in line with analyst estimates and our 2005 guidance.

Consolidated revenue and segment operating income gains in both the year and fourth quarter were driven by continued growth in the company's drilling fluids segment, which increased revenue by 42% during 2005 notwithstanding the impact in the third and fourth quarters of hurricanes in the Gulf of Mexico.

James D. Cole, Newpark's Chief Executive Officer commented: "We believe that Hurricanes Katrina and Rita, which directly affected both the drilling fluids and E&P waste business, reduced reported revenue by more than \$21.0 million, impacting reported earnings by approximately \$0.08 per share. To date, Newpark has recovered approximately \$8.3 million of its insured losses, including principally property damage and a portion of its business interruption claims related to Hurricanes Katrina and Rita. Determination of the additional amount of the business interruption claims has not yet been completed."

Drilling Fluids Segment

Drilling fluids revenue for 2005 totaled \$386.2 million, an increase of 42% from \$272.9 million the prior year. Segment operating margin increased 90% to \$41.4 million in 2005 compared to \$21.8 million the prior year. This equates to a 10.7% operating margin in 2005, up from 8.0% in the year-ago period.

Fourth quarter 2005 revenue of \$103.7 million increased 34.9% from \$76.9 million in the year-ago period, the result of continued strong growth in markets outside of the storm-impacted Gulf Coast, as the number of rigs serviced by Newpark in the fourth quarter increased 25% compared to a year ago. Segment operating income rose by over 44% to \$11.6 million, or 11.2% of revenue, compared to \$8.1 million, equal to 10.5% of revenue, in the 2004 quarter.

Cole commented, "Much of the fourth quarter revenue growth came from the unconventional gas markets in the Mid-Continent region made possible by advances in drilling and fracture stimulation technology. Newpark began to develop a position in these markets several years ago and has made considerable progress deploying the NewPhase(TM) product, a component of the company's high performance water-based product line, to create high performance fluid systems tailored to the drilling problems created by the reactive shale strata encountered in that market. With the continued development of shale plays in various U.S. basins, such as in the Mid Continent and the Rockies, we are optimistic about further market penetration for NewPhase(TM)."

E&P Waste Services

E&P waste segment revenue declined 5% to \$61.3 million in 2005 compared to \$64.5 million in 2004, the combined effect of adverse tropical weather and the focus of key personnel on the start-up of the new water treatment technology project. The Gulf Coast component of revenue suffered a volume decline from 3.2 million barrels in 2004 to 3.1 million in 2005 due to the late season storms. This was offset by a 10% increase in average revenue per barrel to \$12.96 arising from favorable changes in mix. The segment operating contribution for 2005 was \$6.4 million, equal to 10.4% of revenue, compared to \$8.2 million, or 12.6% of revenue in 2004.

Fourth quarter 2005 revenue totaled \$16.4 million, substantially unchanged from \$16.9 million in the final quarter of 2004. Segment operating profit of \$2.8 million equaled 16.9% of revenue as compared to 14.8%, or \$2.5 million, a year ago. Gulf Coast market waste volume in the fourth quarter rebounded sequentially to 803,000 from 683,000 barrels in the third quarter of 2005 as the company moved rapidly to reopen storm-damaged facilities and captured increased market share in the process.

Water Treatment Technology

Newpark is continuing work to commercialize a new proprietary water treatment technology, with current engineering efforts directed to improve the throughput capacity of the company's Boulder, Wyo. waste disposal site serving the Jonah and Pinedale fields in southwestern Wyoming, a very active North American natural gas market. In addition, Newpark has completed construction and is currently starting operation of its Gillette, Wyo. treatment facility which it will operate for a major independent

gas producer in the coal seam methane market.

"Testing is slated to begin this month near Fort McMurray, Alberta, applying our water treatment technology to recycle contaminated water generated with production from oil sands in that area," said Cole. "We believe that there is additional value to be created by capturing the heat energy contained in the water and returning it to the operator, potentially reducing their energy consumption in the production process. Application of this proprietary technology to the waste water problems within the oil and gas industry could create a major new business opportunity for Newpark."

Mat Sales and Mat Rentals

Mat segment revenue totaled \$109.5 million for fiscal 2005, generating \$11.1 million in operating contribution. This compares to \$96.0 million in 2004 revenue, and \$4.4 million in segment operating profit. The earnings improvement reflects, in part, operating cost reductions implemented during the year.

"The mat segment was less directly impacted by the storms than drilling fluids and E&P waste, and suffered much less physical damage to facilities and equipment," Cole explained. "However, we encountered numerous delays in the start-up of new projects as customers revised their priorities following the storms, and this held revenue below our expectations in the fourth quarter."

Increased sales of wooden and composite mats accounted for \$10.3 million of the revenue increase. Total site volume for 2005 was 13.5 million square feet at an average price of \$1.08 per square foot, and compares to 15.9 million square feet in 2004 averaging \$1.00 per square foot.

Fourth quarter mat segment revenues totaled \$27.2 million, compared to \$19.9 million in the 2004 quarter. Mat sales contributed \$8.8 million of the total segment revenue, and \$6.2 million of the year-over-year revenue change, on the strength of increased units sold in both the DuraBase(TM) and Bravo(TM) product lines. Segment operating contribution improved from \$182,000 in the 2004 quarter to \$2.0 million in the recent period, principally from mat sales operations. Total mat rental installations in the quarter amounted to 3.6 million square feet, with average pricing at \$0.98 per square foot.

Cole commented: "As in the third quarter, fourth quarter operating results were impaired by the effects of severe tropical weather affecting our Gulf Coast rental market. We expect earnings from the segment to improve in 2006, led by an expected 25% increase in mat rental pricing and improved volume as market conditions return to normal, coupled with completion of our cost reduction program now fully in place. Finally, we anticipate that 2006 will demonstrate growth of non-oilfield rentals, principally to the utility industry, which declined in the second half of last year in the wake of tropical weather in the Gulf."

Balance Sheet Data

Newpark ended the year with \$8.0 million in cash and borrowings of \$32.7 million outstanding under its bank credit facility. Working capital increased by \$19.0 million during the year, principally due to the need to carry increased levels of accounts receivable due to the increase in revenue during the period. Cash used for capital expenditures within the existing operating units totaled \$18.3 million for the year, net of \$4.7 million of financed additions and \$1.5 million of asset sales. In addition, the Company invested \$11.2 million implementing the new water treatment technology during the period.

Investor Conference Call

Newpark will host a conference call at 10:00 AM EST, Tuesday, March 7. Investors may access the call by dialing 800-862-9098; the access code is Newpark. The call will be webcast live and can be accessed from the Investor Relations page of the Company's web site at "<http://www.newpark.com>."

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

THREE PAGES OF FINANCIAL DATA FOLLOW

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 Exchange 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, we refer you 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), to the section entitled "Forward Looking Statements" on page 17 of that Prospectus and to our periodic reports filed with the Securities and Exchange Commission, including our Report on Form 10-K for the year ended December 31, 2004. 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, 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. We strongly urge you to review these filings 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>.

Fourth Quarter Comparison (Unaudited) (In thousands, except per share data)	Quarter Ended December 31,	
	2005	2004
Segment revenues		
Fluids sales and engineering	\$103,668	\$76,895
E&P waste disposal	16,439	16,858
Mat and integrated services	27,239	19,936
Total Segment Revenues	147,346	113,689
Segment operating income		
Fluids sales and engineering	11,578	8,059
E&P waste disposal	2,791	2,543
Mat and integrated services	1,958	182
Total Segment Operating Income	16,327	10,784
General and administrative expenses	2,357	2,391
Provision for uncollectible accounts	(189)	800
Impairment of long-lived assets	---	3,399
Operating income	14,159	4,194
Foreign currency exchange (gain) loss	(178)	(518)
Interest and other (income) expense	92	(90)
Interest expense	3,757	3,912
Income before income taxes	10,488	890
Provision for income taxes	3,562	139
Net income	6,926	751
Less: □		
Preferred stock dividends	---	225
Net income applicable to common shares	\$6,926	\$526
Weighted average common shares outstanding (diluted)	88,966	84,194
Net income per common share (diluted)	\$0.08	\$0.01
EBITDA □		
Pretax income	\$10,488	\$890
Depreciation and amortization	6,823	5,461
Interest expense	3,757	3,912
Other non-cash charges:		
Provision for uncollectible accounts	(189)	800
Impairment of long-lived assets	---	3,399
Total	\$20,879	\$14,462
% of Revenue	14.2%	12.7%
Drilling Fluids Data		
Average rigs - Newpark's domestic market	1,079	929
Average rigs serviced	210	175
Rig share	19.5%	18.8%
Annualized revenue per rig (000's)	\$1,568	\$1,441
Waste Data (in thousands, except per barrel amounts)		
Gulf Coast E&P waste volume (000's)	803	872
Gulf Coast average revenue per barrel	\$12.95	\$11.59
Gulf Coast E&P revenue	\$10.4	\$10.5
NORM	0.9	1.0
Industrial	0.7	0.9
Total Gulf Coast market	12.0	12.4
Non-Gulf Coast markets	4.4	4.5

Total revenue	\$16.4	\$16.9
Mat Rental Data - Gulf Coast (dollars in millions, except per square foot amounts)		
Installation	\$3.5	\$3.6
Re-rental	1.4	2.0
Total U.S. oilfield mat rental	\$4.9	\$5.6
Non-oilfield mat rental	0.7	1.7
Integrated services and other	12.8	10.5
Canadian operations	0.4	0.2
Composite mats	8.4	1.9
Total revenue	\$27.2	\$19.9
Average price per square foot	\$0.98	\$1.05
Square feet installed (MM)	3.6	3.4

Newpark Resources, Inc.

Fiscal Year Comparison

(Unaudited)

(In thousands, except per share data)

	Year Ended December 31,	
	2005	2004
Segment revenues		
Fluids sales and engineering	\$386,228	\$272,937
E&P waste disposal	61,285	64,477
Mat and integrated services	109,525	96,008
Total Segment Revenues	557,038	433,422
Segment operating income		
Fluids sales and engineering	41,427	21,837
E&P waste disposal	6,350	8,156
Mat and integrated services	11,080	4,414
Total Segment Operating Income	58,857	34,407
General and administrative expenses	9,537	9,384
Provision for uncollectible accounts	843	800
Impairment of long-lived assets	---	3,399
Operating income	48,477	20,824
Foreign currency exchange (gain) loss	(521)	(301)
Interest and other (income) expense	(158)	(1,345)
Interest expense	16,155	14,797
Income (loss) before income taxes	33,001	7,673
Provision for income taxes	10,862	2,717
Net income (loss)	22,139	4,956
Less: □		
Preferred stock dividends and accretion	509	938
Net income (loss) applicable to common shares	\$21,630	\$4,018
Weighted average common shares outstanding (diluted)	86,454	83,892
Net income (loss) per common share	\$0.25	\$0.05
EBITDA □		
Pretax income	\$33,001	\$7,673
Depreciation and amortization	25,798	20,801
Interest expense	16,155	14,797
Other non-cash charges:		
Provision for uncollectible accounts	843	800
Impairment of long-lived assets	---	3,399
Total	\$75,797	\$47,470
% of Revenue	13.6%	11.0%

Drilling Fluids Data		
Average rigs - Newpark's domestic market	1,029	899
Average rigs serviced	204	160
Rig share	19.8%	17.8%
Annualized revenue per rig (000's)	\$1,537	\$1,378

Waste Data (in thousands, except per barrel amounts)		
Gulf Coast E&P waste volume (000's)	3,070	3,226
Gulf Coast average revenue per barrel	\$12.96	\$11.82

Gulf Coast E&P revenue	\$40.6	\$39.8
NORM	3.5	3.2
Industrial	2.9	2.9
Total Gulf Coast market	47.0	45.9
Non-Gulf Coast markets	14.3	18.6
Total revenue	\$61.3	\$64.5

Mat Rental Data - Gulf Coast (dollars in millions, except per square foot amounts)		
Installation	\$14.6	\$15.9
Re-rental	8.5	6.4
Total U.S. oilfield mat rental	\$23.1	\$22.3
Non-oilfield mat rental	4.9	4.7
Integrated services and other	46.4	44.2
Canadian operations	9.9	5.1
Composite mats	25.2	19.7
Total revenue	109.5	96.0
Average price per square foot	\$1.08	\$1.00
Square feet installed (MM)	13.5	15.9

Consolidated Balance Sheets		
(Unaudited)	December 31,	December 31,
(In thousands)	2005	2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$7,989	\$7,022
Trade accounts receivable, less allowances	139,194	100,587
Notes and other receivables	12,623	7,321
Inventories	86,299	84,044
Deferred tax asset	16,231	12,501
Prepaid expenses and other current assets	13,448	13,275
Total current assets	275,784	224,750
Property, plant and equipment, net	239,774	210,514
Goodwill	116,841	117,414
Deferred tax asset	---	4,063
Other intangible assets, net of accumulated amortization	18,199	15,355
Other assets	7,301	18,018
	\$657,899	\$590,114
LIABILITIES AND STOCKHOLDERS' EQUITY		
Foreign bank lines of credit	\$10,890	\$8,017
Current maturities of long-term debt	12,696	5,031
Accounts payable	42,984	38,822
Accrued liabilities	44,190	26,875
Total current liabilities	110,760	78,745

Long-term debt, less current portion	185,933	186,286
Deferred tax liability	8,031	---
Other noncurrent liabilities	2,737	2,118
Preferred Stock	---	20,000
Common Stock	884	840
Paid-in capital	428,393	402,248
Unearned restricted stock compensation	(235)	(472)
Accumulated other comprehensive income	7,616	8,199
Retained deficit	(86,220)	(107,850)
Total stockholders' equity	350,438	322,965
	\$657,899	\$590,114
Ratio of long term debt to total capital	34.7%	36.6%

SOURCE Newpark Resources, Inc.

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