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

FORM 10-K/A
AMENDMENT NO. 1

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996 COMMISSION FILE NO. 1-2960

NEWPARK RESOURCES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	72-1123385
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3850 N. CAUSEWAY, SUITE 1770 METAIRIE, LOUISIANA	70002
(Address of principal executive offices)	(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 [X].

At March 24, 1997, the aggregate market value of the voting stock held by non-affiliates of the registrant is $649,859,863. The aggregate market value has been computed by reference to the closing sales price on such date, as reported by The New York Stock Exchange.

As of March 24, 1997, a total of 15,175,438 shares of Common Stock, $.01 par value, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the upcoming 1997 Annual Meeting of Shareholders are incorporated by reference into Part III hereof.

EXPLANATORY NOTE:

On February 28, 1997, Newpark issued 582,000 shares of its common stock in exchange for all the outstanding common stock of Sampey Bilbo Meschi Drilling Fluids Management, Inc. ("SBM"). SBM is a full service drilling fluids company serving the onshore and offshore Louisiana and Texas Gulf Coast drilling markets.

This business combination has been accounted for as a pooling of interests and, in accordance with the rules of the Securities & Exchange Commission, the Selected Financial Data (Item 6.), Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 7.), Financial Statements and Supplementary Data (Item 8.), and Financial Statement Schedule (Item 14.) for the periods presented in Newpark's Annual Report on Form 10-K for the year ended December 31, 1996, are required to be restated to include the accounts and results of operations of SBM for such periods.

This 10-K/A includes all items that are significantly affected by the transaction.

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, 1996. The selected consolidated financial information for the five years ended December 31, 1996 is derived from the audited consolidated financial statements of Newpark which includes the effects of the Company's acquisition of Sampey Bilbo Meschi Drilling Fluids Management, Inc. ("SBM"), which was accounted for as a pooling of interests. Also included, for all periods presented, are the effects of a 2-for-1 stock split approved by the shareholders of the Company on May 14, 1997. 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."

	YEARS ENDED DECEMBER 31,				
	1996	1995	1994	1993	1992
	(In thousands, except Per Share data)				
CONSOLIDATED STATEMENTS OF INCOME DATA:					
Revenues	$ 135,974	$ 105,720	$ 86,625	$ 57,585	$ 49,457
Cost of services provided	87,081	70,360	60,901	43,389	36,860
Operating costs	10,784	10,693	9,124	9,120	5,519
General and administrative expenses	2,920	2,658	3,231	2,129	1,963
Restructure expense	2,432	--	--	--	--
Provision for uncollectible accounts and notes receivable	739	463	1,260	671	154
Operating income from continuing operations	32,018	21,546	12,109	2,276	4,961
Interest income	(223)	(222)	(80)	(5)	(18)
Interest expense	3,900	3,833	2,724	1,306	847
Non-recurring expense	--	436	--	--	--
Income from continuing operations before provision for income taxes	28,341	17,499	9,465	975	4,132
Provision (benefit) for income taxes	9,838	4,957	(252)	(1,837)	51
Income from continuing operations	18,503	12,542	9,717	2,812	4,081
Income (loss) from discontinued operations	--	--	--	(2,366)	1,205
Net income	$ 18,503	$ 12,542	$ 9,717	$ 446	$ 5,286
Income (loss) per common and common equivalent shares:					
Primary					
Continued operations	$ 0.70	$ 0.55	$ 0.45	$ 0.14	$ 0.20
Discontinued operations	--	--	--	(0.12)	0.06
Net income per common share	$ 0.70	$ 0.55	$ 0.45	$ 0.02	$ 0.26
Fully Diluted					
Continued operations	$ 0.70	$ 0.55	$ 0.45	$ 0.14	$ 0.20
Discontinued operations	--	--	--	(0.12)	0.06
Net income per common share	$ 0.70	$ 0.55	$ 0.45	$ 0.02	$ 0.26
Weighted average common and common equivalent shares outstanding					
Primary	26,396	22,820	21,386	20,544	20,292
Filly Diluted	26,496	22,904	21,548	20,544	20,292

(IN THOUSANDS)	DECEMBER 31, 1996	1995	1994	1993	1992
CONSOLIDATED BALANCE SHEET DATA:					
Working capital	$ 29,881	$ 32,563	$ 13,868	$ 5,099	$ 5,502
Total assets	289,884	154,132	112,572	91,329	75,375
Short-term debt	12,383	8,131	10,058	15,212	12,212
Long-term debt	34,918	47,106	29,404	15,329	11,034
Shareholders' equity	203,441	77,755	63,631	50,467	44,915

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 the following steps toward this goal:

- In 1991, the Company completed the current NOW processing plant at Port Arthur, Texas.

- In 1993, the Company placed in service its first injection well facility for underground disposal of NOW.

- In 1994, the Company obtained a permit to process NORM waste for disposal.

- 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.

- In 1995, the Company commenced offering mat rental services in foreign markets and in 1996 continued to expand and develop its presence in foreign markets.

- During 1996, the Company also entered into a joint venture to manufacture and market a synthetic mat for use in markets similar to those presently served as well as new markets.

- On May 22, 1996, the Company obtained a permit for the direct injection of NORM.

- On August 12, 1996, the Company purchased the marine-related NOW business of Campbell Wells, Ltd.

- On December 31, 1996, the Company obtained a patent on its injection process.

- On February 28, 1997, the Company purchased SBM through which the Company is recycling a portion of the material it receives as waste. The acquisition has been accounted for as a pooling of interest and all financial data presented has been restated to include the effects of the acquisition.

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

	1996	1995	1994	1Q96	2Q96	3Q96	4Q96
U.S. Rig Count	779	723	774	708	760	803	845
Newpark's key market	208	194	202	189	210	217	219
Newpark's key market to total	26.7%	26.8%	26.1%	26.7%	27.6%	27.0%	25.9%

The decline in the South Louisiana and Texas land rig count from 1994 through the first nine months of 1996 created downward price pressure on the site preparation and mat rerental businesses of the Company. Prices were also negatively impacted by a significant shift in land drilling activity toward the Austin Chalk area. The Austin Chalk is further inland and drilling locations less frequently require use of the Company's mat system. This downward price pressure did not begin to reverse until the fourth quarter of 1996 as shortages of equipment and supporting services in the land market began to appear as a result of increased land drilling activity. In addition, the Company was able to modify a portion of its mat fleet which allowed the Company to compete with native rock foundations typically used in the inland areas, such as the Austin Chalk.

Despite the decline in rig activity, the volume of waste received by Newpark increased 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. The volume of waste processed by the Company in 1996 increased significantly over 1995 primarily as a result of the acquisition of the Campbell Wells marine-related business.

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, 1996, 1995 and 1994 and has been restated to give effect to the acquisition of SBM on a pooling of interest basis. The product line data has been reclassified from prior years' presentation in order to more effectively distinguish the fluids management services and mat rental services, in which the Company maintains certain proprietary advantages, from its other service offerings.

	Years Ended December 31, (Dollars in thousands)					
	1996		1995		1994	
Revenues by product line:						
Fluids management services:						
NOW & NORM disposal	$ 44,905	33.0%	$ 31,126	29.5%	$ 20,738	23.9%
Product sales & engineering	14,432	10.6	7,738	7.3	6,993	8.1
Total fluids management services	59,337	43.6	38,864	36.8	27,731	32.0
Mat rental services	32,757	24.1	30,775	29.1	23,048	26.6
Integrated services	42,520	31.3	34,481	32.6	34,246	39.5
Other	1,360	1.0	1,600	1.5	1,600	1.9
Total revenues	$ 135,974	100.0%	$ 105,720	100.0%	$ 86,625	100.0%

YEAR ENDED DECEMBER 31, 1996 COMPARED TO YEAR ENDED DECEMBER 31, 1995

Revenues

Total revenues increased to $136.0 million in 1996 from $105.7 million in 1995, an increase of $30.3 million or 28.7%. The components of the increase by product line are as follows: (i) fluid management services revenues increased $20.5 million, as NOW revenue increased $11.1 million, NORM revenue increased $2.7 million, and product sales and engineering increased $6.7 million. The volume of NOW waste processing increased by 1,051,000 barrels or 36% to 3,956,000 barrels from 2,905,000 in 1995. In addition to the increased volume, the Company benefited from increased NOW prices. The volume of NORM waste processed grew to 143,500 barrels from 70,000 barrels in 1995 while pricing declined due to increased volume of lower priced remediation projects made possible by the new direct injection license; (ii) mat rental service revenue grew by $2.0 million or 6.4% due primarily to sales of mats for nonoilfield applications; (iii) integrated services increased $8.0 million due to increased onsite environmental management and other services incidental to site preparation activities coupled with increased wood product sales.

Operating Income

Operating income increased by $10.5 million or 48.6% to $32.0 million in 1996 compared to $21.5 million in 1995. Operating margin improved to 23.5% in 1996 as compared to 20.4% in 1995. The increase resulted primarily from increased profitability from NOW and NORM disposal operations.

General and administrative expenses decreased as a proportion of revenue to 2.1% in 1996 from 2.5% in 1995 and increased in absolute amount by $262,000.

During 1996, the Company recorded a restructure charge in the amount of $2.4 million. Approximately $1.8 million was related to the restructuring of certain of the Company's NOW processing operations and staffing changes to facilitate the integration of its operations with those recently acquired from Campbell Wells. The Company recognized an additional $.6 million of non-recurring costs associated with the termination of processing operations at its original NORM facility at Port Arthur, Texas and the partial closure of the site.

Interest Expense

Interest expense was substantially unchanged at $3.9 million in 1996 compared to $3.8 million in 1995.

Provision for Income Taxes

For 1996 and 1995, the Company recorded income tax provisions of $9.8 million and $5.0 million for effective rates of 34.7% and 28.3%, respectively. The 1995 provision reflects the benefit realized from federal tax carryforwards which were fully recognized in 1995.

YEAR ENDED DECEMBER 31, 1995 COMPARED TO YEAR ENDED DECEMBER 31, 1994

Revenues

Total revenues increased to $105.7 million in 1995 from $86.6 million in 1994, an increase of $19.1 million or 22.0%. The components of the increase by product line are as follows: (i) fluids management services revenues increased $11.1 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 the full year 1995 from $1.2 million and 15,000 barrels in the two months of operations during 1994. Product sales and engineering revenue increased $.8 million; (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 rerentals 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) integrated service revenue increased $.2 due to the increased level of site preparation work incident to the rental of mats in the oilfield segment of that business.

Operating Income

Operating income from continuing operations increased by $9.4 million or 77.9% to total $21.5 million in the 1995 period compared to $12.1 million in the prior year, representing an improvement in operating margin to 20.4% in 1995 compared to 14.0% 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 rerentals, and, (iii) $1.3 million resulting from the increase in the volume of mats rented 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 the effect 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 $797,000 less in the 1995 period as compared to the 1994 period.

Interest Expense

Interest expense increased to $3.8 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 1995 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 $5.0 million equal to 28.3% 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 $252,000 as a result of the availability of net operating loss carryforwards.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital position remained relatively constant during the year ended December 31, 1996 as compared to 1995. Key working capital data is provided below:

	Year Ended December 31,	
	1996	1995
Working Capital (000's)	$29,881	$32,563
Current Ratio	1.77	2.3

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

On August 12, 1996, the Company completed the sale of 3,450,000 shares of its common stock, generating net proceeds of $98.1 million. A total of $70.5 million was used to complete the acquisition of the marine-related nonhazardous oilfield waste NOW collection operations of Campbell Wells. The remaining proceeds were used to repay $19.0 million of borrowings under the Company's credit facility and provide working capital of $8.6 million. The Company has no plans to sell additional equity securities at this time.

During 1996, the Company's operating activities generated $24.9 million of cash flow. Net proceeds of the recent equity offering in excess of Campbell Wells asset purchase amount, coupled with the $24.9 million generated by operations and net new borrowings (since the offering) of $11.8 million were used to fund the Company's investing activities. Exclusive of the Campbell acquisition, the majority of the funds used in investing activities were utilized for the purchase of board road mats and the expansion of waste disposal facilities, which is reflected in the increase in property, plant and equipment. In addition, the Company purchased its joint venture partners' interest in international mat operations and purchased additional patent rights in the Company's proprietary business, which is reflected in the increase of other assets.

During the year ended December 31, 1996, the Company entered into two transactions which were primarily non-cash in nature for the acquisition of additional patent and other rights for use in the Company's proprietary business operations. The acquisition of these items is reflected in the increase in other assets and the increase in shareholders' equity coupled with the increase in deferred taxes payable.

The Company also sold the facility and certain equipment to the operator of the Company's former marine service business. These assets were being leased by the operator and were subject to debt obligations, which were assumed by the purchaser at closing. In addition to the extinguishment of these debt obligations, Newpark received $1.2 million in cash in the transaction. The Company has guaranteed certain of the debt obligations of the operator, which is limited to a maximum of $10 million and reduces proportionately with debt repayments made by the operator.

On June 29, 1995, Newpark entered into a new credit agreement with a group of three banks, providing a total of up to $50 million of term financing consisting of a $25 million term loan to be amortized over five years and a $25 million revolving line of credit. At Newpark'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 Newpark's funded debt to cash flow. The credit agreement requires that Newpark maintain certain specified financial ratios and comply with other usual and customary requirements. Newpark was in compliance with all of the convenants in the credit agreement at December 31, 1996.

The term loan was used to refinance existing debt and is being amortized over a five year term. In March 1996, the term loan was increased to $35 million, and the $10 million increase was used initially to reduce borrowings on the revolving line of credit portion of the facility. In June 1996, the Company increased its borrowing through the credit agreement in the form of a 60-day term loan in the amount of $2.0 million which was repaid out of proceeds from the offering. The funds were used to acquire board road mats.

The revolving line of credit matures December 31, 1998. In November 1996, an amendment to the credit facility was approved which: (i) eliminated the requirement of periodic borrowing base calculations; (ii) eliminated monthly financial reporting requirements; (iii) relaxed certain restrictions on guarantees and outside indebtedness; and, (iv) increased availability of borrowings under the facility. This amendment had the affect of increasing the availability to the full $25 million. At December 31, 1996, $1.8 million of letters of credit were issued and outstanding under the line and an additional $11.8 million had been borrowed and was outstanding thereunder.

Subsequent to December 31, 1996, the banks providing the credit facility approved a $10 million increase in the facility. The $10 million increase involves a new term note for $5 million with twenty equal quarterly payments of principal plus interest commencing June 30, 1997 with an initial maturity date of December 31, 1998. The proceeds of this new loan will be used to reduce the outstanding balance on the revolving line of credit portion of the facility. In addition, the revolving line of credit will increase from $25 million to $30 million.

Potential sources of additional funds, if required by the Company, would include additional borrowings. The Company presently has no commitments for credit facilities beyond its existing 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. Management believes that the recorded deferred tax assets ($12,889,000 at December 31, 1996) are realizable through reversals of existing taxable temporary differences.

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, 1996 and 1995, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. Our audits also included the financial statement schedule for the years ended December 31, 1996, 1995 and 1994 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, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedule for the years ended December 31, 1996, 1995 and 1994, 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
May 14, 1997

Newpark Resources, Inc.
CONSOLIDATED BALANCE SHEETS
December 31

(In thousands, except share data)	1996	1995
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,945	$ 1,500
Accounts and notes receivable, less allowance of $1,695 in 1996 and $768 in 1995	48,369	39,898
Inventories	7,470	12,039
Deferred tax asset	8,144	2,701
Other current assets	2,727	1,450
TOTAL CURRENT ASSETS	68,655	57,588
Property, plant and equipment, at cost, net of accumulated depreciation	114,670	85,519
Cost in excess of net assets of purchased businesses and identifiable intangibles, net of accumulated amortization	83,512	4,340
Other assets	23,047	6,685
	$ 289,884	$ 154,132
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 647	$ 287
Current maturities of long-term debt	11,736	7,844
Accounts payable	15,091	12,167
Accrued liabilities	9,835	3,562
Current taxes payable	1,465	1,165
TOTAL CURRENT LIABILITIES	38,774	25,025
Long-term debt	34,918	47,106
Other non-current liabilities	2,644	285
Deferred taxes payable	10,107	3,961
Commitments and contingencies (See Note J)	--	--
SHAREHOLDERS' EQUITY:		
Preferred Stock, $.01 par value, 1,000,000 shares authorized, no shares outstanding	--	--
Common Stock, $.01 par value, 80,000,000 shares authorized, 30,219,232 shares outstanding in 1996 and 22,432,354 in 1995	150	111
Paid-in capital	254,279	147,133
Retained earnings (deficit)	(50,988)	(69,489)
TOTAL SHAREHOLDERS' EQUITY	203,441	77,755
	$ 289,884	$ 154,132

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31

(In thousands, except per share data)	1996	1995	1994
Revenues	$ 135,974	$ 105,720	$ 86,625
Operating costs and expenses:			
Cost of services provided	87,081	70,360	60,901
Operating costs	10,784	10,693	9,124
	97,865	81,053	70,025
General and administrative expenses	2,920	2,658	3,231
Restructure expense	2,432	--	--
Provision for uncollectible accounts and notes receivable	739	463	1,260
Operating income	32,018	21,546	12,109
Interest income	(223)	(222)	(80)
Interest expense	3,900	3,833	2,724
Non-recurring expense	--	436	--
Income before income taxes	28,341	17,499	9,465
Provision (benefit) for income taxes	9,838	4,957	(252)
Net income	$ 18,503	$ 12,542	$ 9,717
Weighted average common and common equivalent shares outstanding:			
Primary	26,396	22,820	21,386
Fully diluted	26,496	22,904	21,548
Net income per common and common equivalent share:			
Primary	$ .70	$ .55	$ .45
Fully diluted	$ .70	$ .55	$ .45

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years Ended December 31, 1994, 1995 and 1996

(In thousands)	Common Stock	Paid-In Capital	Retained Earnings (Deficit)	Total
BALANCE, JANUARY 1, 1994	$ 208	$133,282	$(83,023)	$ 50,467
Employee stock options	2	949	--	951
Other	--	2,496	--	2,496
Net income	--	--	9,717	9,717
BALANCE, DECEMBER 31, 1994	210	136,727	(73,306)	63,631
Employee stock options	2	1,581	--	1,583
Stock dividend	10	8,714	(8,724)	--
Net income	--	--	12,541	12,541
BALANCE, DECEMBER 31, 1995	222	147,022	(69,489)	77,755
Employee stock options	6	4,950	(2)	4,954
Public offering	70	96,319	--	96,389
Acquisitions	2	5,838	--	5,840
Net income	--	--	18,503	18,503
BALANCE, DECEMBER 31, 1996	$ 300	$254,129	$(50,988)	$203,441

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31

(In thousands)	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 18,503	$ 12,542	$ 9,716
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	17,220	10,000	7,393
Provision for doubtful accounts	775	190	974
Provision (benefit) from deferred income taxes	4,738	3,326	(383)
Loss (gain) on sales of assets	36	79	(2)
Change in assets and liabilities net of effects of acquisitions:			
Increase in accounts and notes receivable	(10,410)	(16,410)	(4,003)
Decrease (increase) in inventories	188	(4,897)	702
Decrease (increase) in other assets	(1)	(1,509)	(1,875)
(Decrease) increase in accounts payable	1,395	1,896	(152)
(Decrease) increase in accrued liabilities and other	(7,579)	2,227	(864)
NET CASH PROVIDED BY OPERATING ACTIVITIES	24,865	7,444	11,506
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(44,521)	(24,024)	(23,160)
Disposal of property, plant and equipment	1,492	567	102
Investment in joint venture	(4,406)	(1,094)	30
Payments received on notes receivable	440	249	(1,000)
Advances on notes receivable	(112)	(227)	--
Purchase of Campbell Wells assets	(70,330)	--	--
Purchase of patents	(5,700)	--	--
Purchase of partners' joint venture interest	(1,131)	--	--
Proceeds from sale of net assets of discontinued operations	--	--	661
NET CASH USED IN INVESTING ACTIVITIES	(124,268)	(24,529)	(23,367)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net borrowings on lines of credit	5,749	20,796	492
Principal payments on notes payable and long-term debt	(12,294)	(20,784)	(10,709)
Proceeds from issuance of debt	3,374	15,328	21,617
Proceeds from exercise of stock options	4,953	1,266	897
Proceeds from issuance of stock, net of expenses	98,066	--	--
Other	--	317	55
NET CASH PROVIDED BY FINANCING ACTIVITIES	99,848	16,923	12,352
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	445	(162)	491
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,500	1,662	1,171
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,945	$ 1,500	$ 1,662

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 financial statements have been restated to include the effects of the Sampey Bilbo Meschi Drilling Fluids Management, Inc. ("SBM") acquisition that was accounted for as a pooling of interests. 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 judgement 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, 1996 and 1995.

INVENTORIES. Inventories are stated at the lower of cost (principally average and first-in, first-out) or market. Such inventories consist of logs, supplies, and board road lumber. Board road lumber is amortized on the straight-line method over its 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 forty years. For income tax purposes, accelerated methods of depreciation are used.

The cost in excess of net assets of purchased businesses ("excess cost") is being amortized on a straight-line basis over twenty-five to 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 $1,253,000 and $437,000 at December 31, 1996 and 1995, 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 $6,600,000 and $8,600,000 at December 31, 1996 and 1995, 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 1995 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, 1996, 1995 and 1994 the Company incurred interest cost of $4,415,000, $4,291,000, and $2,869,000 of which $515,000, $458,000, and $145,000 was capitalized, respectively, on qualifying construction projects.

INCOME PER SHARE. Primary and fully diluted net income per share is based on the weighted average number of shares of common stock and common stock equivalents outstanding during the year. Common stock equivalents consist of stock options. All per share and weighted average share amounts have been restated to give retroactive effect to a 2-for-1 stock split approved by the shareholders on May 14, 1997 and a 5% stock dividend declared and paid during 1995.

STOCK-BASED COMPENSATION. SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations and has adopted the disclosure-only provisions of SFAS 123. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. See Note H.

NEW ACCOUNTING PRONOUNCEMENTS. In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards Number 128 "Earnings per share" ("SFAS 128") which changes the method of calculating earnings per share (EPS). SFAS 128 requires the presentation of "basic" EPS and "diluted" EPS on the face of the statement of income. Basic EPS is computed by dividing the net income available to common shareholders by the weighted average shares of outstanding common stock. The calculation of diluted EPS is similar to basic EPS except that the denominator includes dilutive common stock equivalents such as stock options and warrants. The statement is effective for financial statements for periods ending after December 31, 1997. The Company will adopt SFAS 128 in the fourth quarter of 1997, as early adoption is not permitted. Management believes that the adoption of this standard will not have a significant impact on the financial statements.

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

B. ACQUISITIONS AND DISPOSITIONS

On August 12, 1996, the Company acquired from Campbell Wells, Ltd. ("Campbell") substantially all of the non-landfarm assets and certain leases associated with five transfer stations located along the Gulf Coast and three receiving docks at the landfarm facilities operated by Campbell for cash consideration of $70.5 million. This acquisition has been accounted for under the purchase method and the results of the operations of the acquired business have been included in the consolidated financial statements since the date of acquisition. The purchase price was allocated based on estimated fair values at the date of acquisition. This resulted in an excess of purchase price over assets acquired of $77.2 million, of which $68.7 million is being amortized on a straight-line basis over 35 years, and $8.5 million is being amortized on a straight-line basis over 25 years.

The following unaudited pro forma information presents a summary of consolidated results of operations of the Company and Campbell as if the acquisition and the related equity offering had occurred January 1, 1995.

(In thousands except per share amounts)	1996	1995
Revenues	$ 152,753	$ 124,557
Net income	20,460	16,018
Net income per common and common equivalent share:		
Primary	$ 0.78	$ 0.70
Fully diluted	0.77	0.70

These unaudited pro forma results have been prepared for comparative purposes only and include certain adjustments, such as additional amortization expense as a result of goodwill, the net effect on operating costs related to the combined operations, reduced

interest expense as a result of debt reduction from the proceeds of the offering, and the net impact of the above adjustments on income tax expense. They do not purport to be indicative of the results of operations which actually would have resulted had the combination been in effect on January 1, 1995, or of future results of operations of the consolidated entities.

Concurrent with the Campbell acquisition, the Company entered into an agreement to provide a certain volume of waste over a future period to Campbell. See further discussion in Note J.

In conjunction with this acquisition and the acquisition of a new waste disposal license, the Company recorded a third quarter restructure charge of $2.4 million, $1.6 million after taxes, or $0.06 per common share. A total of approximately $1.8 million was related to the restructuring of certain of the Company's NOW processing operations and staffing changes to facilitate the integration of its operations with those recently acquired by Campbell. The Company recognized an additional $.6 million of non-recurring costs associated with the termination of processing operations at its original NORM facility at Port Arthur, Texas and the partial closure of the site.

On August 29, 1996, the Company sold the land, buildings and certain equipment comprising substantially all of the assets of its former marine repair operation to the operator of the facility and refinanced certain advances previously made to the operator. The assets sold had previously been subject to an operating lease to the same party, and the purchase was made under the terms of a purchase option granted in the original lease. The sales price of approximately $16.0 million represents the net book value of the assets sold and refinanced. The consideration received included $1.2 million in cash, $7.2 million in notes receivable, and $7.6 million in debt obligations, which were assumed by the operator. The notes receivable are included in other assets and have been recorded at their estimated fair value which approximates the amount at which they can be prepaid at the operator's options during the term of the notes. The notes receivable include two notes, and one of which is in the face amount of $8,534,000, bears interest at 5.0% per annum, with interest and principal payable at September 30, 2003. The second note is in the face amount of $600,000, bears interest at 8.0% per annum and is payable in monthly and annual installments of principal and interest through September 30, 2003. Both notes are secured by a second lien on the assets sold as well as certain guarantees of the operator. The Company has guaranteed certain of the debt obligations of the operator, which is limited to a maximum of $10 million and reduces proportionately with debt repayments made by the operator.

On February 28, 1997, Newpark issued 582,000 shares of its common stock in exchange for all of the outstanding common stock of SBM. SBM is a full service drilling fluids company serving the onshore and offshore Louisiana and Texas Gulf Coast drilling markets. This business combination has been accounted for as a pooling of interests, and accordingly, the consolidated financial statements for periods prior to the combination have been restated to include the accounts and results of operations of SBM.

Prior to the combination SBM's fiscal year end was October 31. Newpark's fiscal year is December 31. In applying pooling of interests accounting, the December 31, Newpark consolidated financial statements were combined with the October 31 SBM financial statements for all years presented.

Operating results prior to the combination of the separate companies and the combined amounts presented in the consolidated financial statements are summarized below:

(In thousands of dollars)

	Year Ended December 31, 1996	1995
Revenues:		
Newpark	$ 121,542	$ 97,982
SBM	14,432	7,738
Combined	$ 135,974	$ 105,720
Net Earnings:		
Newpark	$ 18,453	$ 12,236
SBM	50	306
Combined	$ 18,503	$ 12,542

C. PROPERTY, PLANT AND EQUIPMENT

The Company's investment in property, plant and equipment at December 31, 1996 and 1995 is summarized as follows:

(In thousands)	1996	1995
Land	$ 2,411	$ 5,072
Buildings and improvements	17,258	30,172
Machinery and equipment	53,297	44,203
Board road mats	78,881	46,386
Other	2,579	2,584
	154,426	128,417
Less accumulated depreciation	(39,756)	(42,898)
	$ 114,670	$ 85,519

D. CREDIT ARRANGEMENTS AND LONG-TERM DEBT

Credit arrangements and long-term debt consisted of the following at December 31, 1996 and 1995:

(In thousands)	1996	1995
Bank - line of credit	$ 11,778	$ 18,378
Bank - term note	27,223	25,000
Bank - line of credit	2,350	--
Building loan	1,799	482
Acquisition financing due in 1999 with an interest rate of 7%	1,375	--
Note payable to stockholder at 10% due in 2000	382	484
Assets subject to lease, financed through 2001 with an interest rate of 10.1%	--	8,075
Acquisition financing due in 1996 with an interest rate of 8%	--	327
Other, principally installment notes secured by machinery and equipment, payable through 2001 with interest at 3.3% to 13.5%	1,747	2,204
	46,654	54,950
Less: current maturities of long-term debt	(11,736)	(7,844)
Long-term portion	$ 34,918	$ 47,106

The Company maintains a $60.0 million bank credit facility with $25.0 million in the form of a revolving line of credit commitment and $35.0 million in a term note. The credit facility is secured by a pledge of substantially all of the Company's accounts receivable, inventory and property, plant, and equipment. It bears interest at either a specified prime rate (8.25% at December 31, 1996) or the LIBOR rate (5.563% at December 31, 1996) 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, 1996 was 7.41%. The line of credit requires monthly interest payments and matures on December 31, 1998. At December 31, 1996, $1.8 million of letters of credit were issued and outstanding, leaving a net of $23.2 million available for cash advances under the line of credit, against which $11.8 million had been borrowed. The outstanding balance on the term note at December 31, 1996 was $27.2 million. The term loan was used to refinance existing debt and requires monthly interest installments and seventeen equal quarterly principal payments which commenced March 31, 1996. The term loan 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, 1996 was 7.82%. 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, 1996.

In November 1996, an amendment to the credit facility was approved by the banks, which eliminated the monthly borrowing base determination, reduced certain of the restrictive and compliance covenants contained in the facility, and reduced the frequency of financial reporting.

Subsequent to December 31, 1996, the banks providing the credit facility approved a $10 million increase in the facility. The $10 million increase involves a new term note for $5 million with twenty equal quarterly payments of principal plus interest commencing June 30, 1997 with an initial maturity date of December 31, 1998. The proceeds of this new loan will be used to reduce the outstanding balance on the revolving line of credit portion of the facility. In addition, the revolving line of credit will increase from $25 million to $30 million.

The Company has an additional revolving credit loan agreement whereby it can borrow a maximum of $2,500,000. Borrowings under the revolving credit loan agreement are limited to the amount of certain accounts receivable and inventory. The aggregate advances outstanding as of December 31, 1996 totaled $2,350,000, due August 30, 1997. Under the terms of the agreement, interest is payable monthly at the bank's prime rate plus 1%. This line of credit was paid in full subsequent to December 31, 1996.

Maturities of long-term debt are $11,736,000 in 1997, $21,099,000 in 1998, $8,466,000 in 1999, $4,105,000 in 2000, $180,000 in 2001 and $1,068,000 thereafter.

E. INCOME TAXES

The provision for income taxes charged to operations is principally U. S. Federal tax as follows: Year Ended December 31,

	Year Ended December 31,		
(In thousands)	1996	1995	1994
Current tax expense	$ 3,670	$ 1,631	$ 115
Deferred tax expense (benefit)	6,168	3,326	(367)
Total provision (benefit)	$ 9,838	$ 4,957	$ (252)

The deferred tax expense (benefit) includes a decrease in the valuation allowance for deferred tax assets of $236,000, $1,700,000, and $3,129,000 for 1996, 1995 and 1994, respectively.

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

	Year Ended December 31,		
	1996	1995	1994
Income tax expense at statutory rate	35.0%	34.0%	34.0%
Non-deductible portion of business expenses	1.0	1.4	(2.4)
Tax benefit of NOL utilization	(1.0)	(9.7)	(36.6)
Other	(.3)	2.6	2.3
Total income tax expense (benefit)	34.7%	28.3%	(2.7%)

For federal income tax purposes, the Company has net operating loss carryforwards ("NOLs") of approximately $10 million (net of amounts disallowed pursuant to IRC Section 382) that, if not used, will expire in 1999 through 2010. The Company also has approximately $4 million of alternative minimum tax credit carryforwards, which are not subject to expiration and are available to offset future regular income taxes subject to certain limitations. 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, 1996 and 1995 are as follows:

(In thousands)	1996	1995
Deferred tax assets:		
Net operating losses	$ 4,424	$ 8,769
Accruals not currently deductible	3,041	--
Alternative minimum tax credits	4,028	1,592
All other	1,496	398
Total deferred tax assets	12,989	10,759
Valuation allowance	--	(236)
Net deferred tax assets	$ 12,989	$ 10,523
Deferred tax liabilities:		
Depreciation	$ 11,032	$ 8,783
Amortization	726	1,823
All other	3,194	1,177
Total deferred tax liabilities	14,952	11,783
Total net deferred tax liabilities	$ (1,963)	$ (1,260)

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, 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 at December 31, 1995, related to certain state NOLs that were not yet recognized in the financial statements. At December 31, 1996, the Company recognized a deferred tax benefit for these state NOLs for financial reporting purposes. The Company believes that its estimate of future earnings based on contracts in place, the overall improved gas market, and its prior earnings trend supports the recorded net state deferred tax asset.

F. 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, 1996.

G. COMMON STOCK

On May 14, 1997, the shareholders of the Company approved an increase in the number of authorized common stock shares to 80,000,000. This allowed the Company to effect a 2-for-1 stock split previously authorized by the Board of Directors. All share amounts and per share amounts have been adjusted retroactively to reflect this stock split.

Changes in outstanding Common Stock for the years ended December 31, 1996, 1995, and 1994 were as follows:

(In thousands of shares)	1996	1995	1994
Outstanding, beginning of year	22,432	21,136	20,880
Dividend shares issued	--	1,010	--
Shares issued for public offering	6,900	--	--
Shares issued to settle royalty obligations	217	--	--
Shares issued to acquire mat patent rights	138	--	--
Shares issued upon exercise of options	532	286	256
Outstanding, end-of-year	30,219	22,432	21,136

H. STOCK OPTION PLANS

At December 31, 1996, the Company has four stock-based compensation plans, which are described below. The Company applies Accounting Principles Board Opinion 25 ("APB 25") and related Intrepretations in accounting for its plans. Accordingly, no compensation cost has been recognized for its stock option plans as the exercise price of all stock options granted thereunder is equal to the fair value at the date of grant. Had compensation costs for the Company's stock-based compensation plans been determined based on the fair

value at the grant dates for awards under those plans consistent with the method of Financial Accounting Standards Board Statement No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

(In thousands, except per share data)		Year Ended December 31, 1996	1995
Net income	As reported	$ 18,503	$ 12,542
	Pro forma	17,541	12,208
Primary earnings per share	As reported	0.70	0.55
	Pro forma	0.66	0.53
Fully diluted earnings per share	As reported	0.70	0.55
	Pro forma	0.66	0.53

The fair value of each option grant is estimated on the date of grant using the Black- Scholes option-pricing model with the following assumptions for grants in 1996: no dividend yield; expected volatility of 40.8%; risk-free interest rate of 6.2%; and expected life of 4 years. The following assumptions were used for options granted in 1995: no dividend yield; expected volatility of 41.6%; risk-free interest rate of 6.0%; and expected life of 4 years.

A summary of the status of the Company's four stock option plans as of December 31, 1996, and 1995, and changes during the periods ending on those dates is presented below:

	Years Ended December 31, 1996		1995	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	1,990,016	$ 6.52	1,079,962	$ 5.07
Granted	632,000	16.32	1,163,500	7.69
Exercised	(533,384)	5.45	(274,334)	4.34
Dividend	-	-	65,220	6.57
Canceled	(33,566)	7.56	(44,332)	6.86
Outstanding at end of year	2,055,066	9.80	1,990,016	6.52
Weighted-average fair value of options granted during the year	$ 6.56		$ 3.10	

The following table summarizes information about stock options outstanding at December 31, 1996.

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$3.45 to $4.70	217,598	3.87	$ 4.01	181,934	$ 3.95
$6.55 to $9.87	1,217,468	5.48	7.44	466,498	7.32
$12.25 to $18.62	620,000	6.87	16.44	-	-
Total	2,055,066			648,432	

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 stockholders. The 1988 Plan was amended and restated by the Board of Directors and stockholders in 1992 to increase the number of shares of Common Stock issuable thereunder from 210,000 to 945,000; was further amended by the Board of Directors and stockholders in 1994 to increase the number of shares of Common Stock issuable thereunder from 945,000 to 1,365,000, and was further amended by the Board of Directors and stockholders in 1995 to increase the number of shares of Common Stock issuable thereunder from 1,365,000 to two 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.

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 stockholders 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 105,000 shares of Common Stock at an exercise price of $4.16 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, 1996, all 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. 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 31,500 shares of Common Stock at an exercise price of $4.28 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 31,500 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, and the shareholders approved on June 12, 1996, amendments to the Non-Employee Directors' Plan to increase the maximum number of shares issuable thereunder from 315,000 to 420,000 and to provide for the automatic grant at five year

intervals of additional stock options to purchase 21,000 shares of Common Stock to each non-employee director who continues to serve on the Board. At December 31, 1996, 52,500 options had been exercised under the 1993 Non-Employee Directors' Plan.

On November 2, 1995, the Board of Directors adopted, and on June 12, 1996 the stockholders approved, the Newpark 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 Newpark. Initially, a maximum of 1,050,000 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 Newpark, 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 2,625,000. At December 31, 1996 there were 792,000 options outstanding under the 1995 plan, 84,000 of which were exercisable.

I. SUPPLEMENTAL CASH FLOW INFORMATION

During 1996, the Company's noncash transactions included the acquisition of certain patents and exclusivity rights in exchange for 177,182 shares of the Company's common stock and $5,700,000 in cash. In connection with the purchase of certain of these patents the Company recorded a deferred tax liability of $767,000. Transfers from inventory to fixed assets of $4,625,000 were also made during the period. As discussed in Note B, the Company sold and refinanced $16,000,000 of certain assets in exchange for $7,200,000 of notes receivable, $1,200,000 in cash and the assumption by the buyer of $7,600,000 in debt obligations.

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.

Included in accounts payable and accrued liabilities at December 31, 1996, 1995 and 1994, were equipment purchases of $1,283,000, $4,141,000 and $774,000, respectively. Also included are notes payable for equipment purchases in the amount of $1,397,000 and $257,000 for 1996 and 1995, respectively.

Interest of $4,217,000, $4,290,000 and $2,713,000, was paid in 1996, 1995 and 1994, respectively. Income taxes of $3,186,000, $56,000 and $90,200 were paid in 1996, 1995 and 1994, 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.

In conjunction with the closing of the Campbell acquisition, the Company acquired Disposeco, thereby assuming the obligations provided in the "NOW Disposal Agreement" between Disposeco and Campbell. The NOW Disposal Agreement provides that for each of the 25 years following the closing, Newpark will deliver to Campbell for disposal at its landfarms the lesser of one-third of the barrels from a defined market area or 1,850,000 barrels of NOW, subject to certain adjustments. The initial price per barrel to be paid by Newpark to Campbell is $5.50 per barrel and is subject to adjustment in future years. Prior to any adjustments, Newpark's obligation is $10,175,000 annually. In addition, the liability of Newpark under the agreement is reduced by certain prohibited revenues earned by Campbell or Sanifill.

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 $1,750,000 and $2,825,000 at December 31, 1996 and 1995, respectively. At December 31, 1996 and 1995, the Company had outstanding guaranty obligations totaling $865,000 and $469,000, respectively, 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.

On August 29, 1996, the Company sold the land, buildings and certain equipment comprising substantially all of the assets of its former marine repair operation to the operator of the facility. These assets had previously been subject to an operating lease to the same party, and the purchase was made under the terms of a purchase option granted in the original lease. The Company has guaranteed certain of the debt obligations of the operator, which is limited to a maximum of $10 million and reduces proportionately with debt repayments made by the operator.

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 for all operating leases were $5,251,000, $5,253,000, and $4,090,000, in 1996, 1995 and 1994, respectively.

Future minimum payments under noncancelable operating leases, with initial or remaining terms in excess of one year are: $3,093,000, in 1997, $2,581,000 in 1998, $2,402,000 in 1999, $2,233,000 in 2000, $1,548,000 in 2001, and $1,070,000 thereafter.

Capital lease commitments are not significant.

K. BUSINESS AND CREDIT CONCENTRATION

During 1996 two customers each accounted for greater than 10% of revenues. One customer accounted for approximately 18% and 16%, $21,620,000 and $15,890,000, of total revenues for 1996 and 1995, respectively. The other customer accounted for 10.5%, or $12,836,000, of revenues for 1996. In 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. As part of the Company's investment strategy, the Company performs periodic evaluations of the relative credit standing of these financial institutions.

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)

(In thousands, except per share amounts)	Quarter Ended Mar 31	Jun 30	Sep 30	Dec 31
FISCAL YEAR 1996				
Revenues	$ 28,373	$ 29,091	$ 33,172	$ 45,338
Operating income	6,102	6,955	7,227	11,734
Net income	3,317	3,973	4,016	7,197
Net income per share				
Primary	0.14	0.17	0.14	0.23
Fully diluted	0.14	0.17	0.14	0.23
FISCAL YEAR 1995				
Revenues	$ 24,680	$ 24,938	$ 26,555	$ 29,547
Operating income	4,009	5,030	5,682	6,825
Net income	2,772	3,423	2,829	3,518
Net income per share				
Primary	0.12	0.15	0.12	0.15
Fully diluted	0.12	0.15	0.12	0.15

Newpark Resources, Inc. SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 1996, 1995 and 1994
(In thousands of dollars)

	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Other Additions	Other Deductions	Balance at End of Year
1996					
Allowance for doubtful accounts	$ 768	$ 739	$ 229(a)	$ (41)(b)	$ 1,695
Valuation allowance for deferred tax assets	$ 236	-	$ -(d)	$ (236)(c)	$ -
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

(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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed by the undersigned hereunto duly authorized.

NEWPARK RESOURCES, INC.

Dated: May 22, 1997

by /s/ James D. Cole

James D. Cole
Chairman of the Board, President
and Chief Executive Officer