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

FORM 10-Q

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

For the quarterly period ended June 30, 2001 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)

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 the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Common stock, $0.01 par value: 70,135,992 shares at August 3, 2001.

NEWPARK RESOURCES, INC.
INDEX TO FORM 10-Q
FOR THE THREE MONTH PERIOD ENDED
June 30, 2001

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Newpark Resources, Inc.
CONSOLIDATED BALANCE SHEETS

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

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three and Six Month Periods Ended June 30,
(Unaudited)

(In thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Revenues	$108,331	$ 60,202	$207,728	$117,478
Operating costs and expenses:				
Cost of services provided	66,073	36,200	127,103	71,629
Operating costs	20,164	14,606	99,270	28,570
	86,237	50,806	166,373	100,199
General and administrative expenses	1,197	696	2,267	1,651
Goodwill amortization	1,233	1,242	2,467	2,490
Operating income	19,664	7,458	36,621	13,138
Foreign currency exchange (gain) loss	(246)	--	245	--
Interest income	(214)	(236)	(448)	(458)
Interest expense	4,190	4,757	8,405	9,350
Income before income				

taxes 15,935
2,937 28,419
4,246
Provision for
income taxes
5,737 1,175
10,232 1,710
-------- ----
---- --------
-------- Net
income before
effects of
preferred
stock 10,198
1,762 18,187
2,536 Less:
Preferred
stock
dividends and
accretion 975
413 1,950 713
Non-cash
conversion
feature at
preferred
stock
issuance --
3,529 --
3,529 -------
- -------- --
------ ------
-- Net income
(loss)
applicable to
common and
common
equivalent
shares $
9,223 $
(2,180) $
16,237 $
(1,706)
========
========
========
========
Income (loss)
per common
and common
equivalent
share: BASIC:
Income before
effects of
preferred
stock $ 0.14
$ 0.03 $ 0.26
$ 0.04
Preferred
stock
dividends and
accretion
(0.01) (0.01)
(0.03) (0.01)
Non-cash
conversion
feature at
preferred
stock
issuance --
(0.05) --
(0.05) ------
-- -------- -
------- -----
--- Net
income (loss)
$ 0.13) $
(0.03) $ 0.23
$ (0.02)
========
========
========
========
DILUTED:
Income before
effects of
preferred
stock $ 0.14
$ 0.03 $ 0.26
$ 0.04

Preferred stock dividends and accretion	(0.01)	(0.01)	(0.03)	(0.01)
Non-cash conversion feature at preferred stock issuance	--	(0.05)	--	(0.05)
	--------	--------	--------	--------
Net income (loss)	$ 0.13	$ (0.03)	$ 0.23	$ (0.02)
	========	========	========	========

See Accompanying Notes to Unaudited Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Six Month Periods Ended June 30,

(Unaudited)

(In thousands)	2001	2000
Net income	$ 10,198	$ 2,536
Other comprehensive loss:		
Foreign currency translation adjustments	(346)	(615)
Comprehensive income	$ 9,852	$ 1,921

See Accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Month Periods Ended June 30,
(Unaudited)

(In thousands)	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 18,187	$ 2,536
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,244	11,158
Provision for deferred income taxes	10,232	1,721
Other	(84)	(227)
Change in assets and liabilities, net of effects of acquisitions:		
Increase in accounts and notes receivable	(28,531)	(2,700)
Increase in inventories	(2,947)	(5,247)
Increase in other assets	(5,592)	(389)
Decrease in accounts payable	(1,460)	(11,851)
Increase (decrease) in accrued liabilities and other	3,313	(5,291)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	6,362	(10,290)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(14,234)	(7,723)
Proceeds from disposal of property, plant and equipment	1,226	745
Payments received on notes receivable	27	540
NET CASH USED IN INVESTING ACTIVITIES	(12,981)	(6,438)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net payments on lines of credit	(23,148)	(12,868)
Proceeds from preferred stock offering	--	29,800
Principal payments on notes payable and long-term debt	(177)	(1,043)
Proceeds from exercise of stock options	2,541	431
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(20,784)	16,320
NET DECREASE IN CASH AND CASH EQUIVALENTS	(27,403)	(408)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	31,245	4,517
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	$ 3,842	$ 4,109

Included in accounts payable and accrued liabilities at June 30, 2001 and 2000 were equipment purchases of approximately $1.1 million and $2.0 million, respectively.

Interest of $7.0 million and $9.6 million was paid during the six months ending June 30, 2001 and 2000, respectively. Income taxes paid, net of refunds, totaled $461,000 and $145,000 for the six months ending June 30, 2001 and 2000, respectively.

See Accompanying Notes to Consolidated Financial Statements.

NEWPARK RESOURCES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

A. INTERIM FINANCIAL STATEMENTS

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments necessary to present fairly the financial position of Newpark Resources, Inc. ("Newpark") as of June 30, 2001, and the results of its operations and its cash flows for the three month and six month periods ended June 30, 2001 and 2000. All such adjustments are of a normal recurring nature. These interim financial statements should be read in conjunction with the December 31, 2000 audited financial statements and related notes filed on Form 10-K. The results of operations for the three month and six month periods ended June 30, 2001 are not necessarily indicative of the results to be expected for the entire year.

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

B. PREFERRED STOCK OFFERING

As required by EITF 98-5 "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios", during the quarter ended June 30, 2000, Newpark recorded a one-time adjustment of $3.5 million ($.05 per share) to its equity accounts to reflect the value assigned to the conversion feature of the Series B Preferred Stock at the date of issuance. This adjustment did not have any effect on Newpark's operating results or total equity. The effect of this adjustment is presented as a dividend in the accompanying financial statements; however, Newpark issued no additional shares or cash.

C. EARNINGS PER SHARE

The following table presents the reconciliation of the numerator and denominator for calculating income (loss) per share in accordance with the disclosure requirements of SFAS 128 (in thousands, except per share amounts).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Income (loss) applicable to common and common equivalent shares	$ 9,223	$ (2,180)	$16,237	$ (1,706)
Add:				
Series B and C Preferred Stock dividends	675	--	1,350	--
Adjusted income (loss) applicable to common and common equivalent shares	$ 9,898	$ (2,180)	$17,587	$ (1,706)

Weighted average number of common shares outstanding	69,956	69,127	69,816	69,111
Add:				
Net effect of dilutive stock options and warrants	1,728	--	1,099	--
Shares assumed issued upon conversion of Series B and C Preferred Stock	6,250	--	6,250	--
Adjusted weighted average number of common shares outstanding	77,934	69,127	77,165	69,111
Income (loss) applicable to common and common equivalent shares:				
Basic	$ .13	$ (.03)	$ .23	$ (.02)
Diluted	$ .13	$ (.03)	$ .23	$ (.02)

Basic net income (loss) per share was calculated by dividing net income (loss) by the weighted-average number of common shares outstanding during the period. For the quarter and six months ended June 30, 2001, Newpark had dilutive stock options and warrants of approximately 10.4 million shares and 7.1 million shares, respectively, which were assumed exercised using the treasury stock method. The resulting net effects of stock options and warrants were used in calculating diluted income per share for these periods. Options and warrants to purchase a total of approximately 150,000 shares and 3.4 million shares of common stock were outstanding during the quarter and six months ended June 30, 2001, respectively, but were not included in the computation of diluted income per share because they were anti-dilutive.

Options and warrants excluded from the computation of diluted loss per share for the quarter and six months ended June 30, 2000 totaled approximately 10.2 million shares. Since Newpark incurred a loss per share for these periods, these potentially dilutive options are excluded from the computation of loss per share, as they would be anti-dilutive.

The net effect of the assumed conversion of the Series A Preferred Stock has been excluded from the computation of diluted income (loss) per share for all periods presented because the effect would be anti-dilutive. The net effects of the assumed conversion of the Series B Preferred Stock and the Series C Preferred Stock, for the periods that such issuances were outstanding, have been excluded from the computation of diluted loss per share for the quarter and six month periods ended June 30, 2000 because the effects of such conversions would be anti-dilutive.

D. ACCOUNTS AND NOTES RECEIVABLE

Included in current accounts and notes receivable at June 30, 2001 and December 31, 2000 are:

(In thousands)	June 30, 2001	December 31, 2000
Trade receivables	$ 101,460	$ 72,114
Unbilled revenues	893	2,162
Gross trade receivables	102,353	74,276
Allowance for doubtful accounts	(2,382)	(2,482)
Net trade receivables	99,971	71,794
Notes and other receivables	4,393	3,982
Total	$ 104,364	$ 75,776

E. INVENTORY

Newpark's inventory consisted of the following items at June 30, 2001 and December 31, 2000:

(In thousands)	June 30, 2001	December 31, 2000
Composite mats	2,947	$ 263
Drilling fluids raw material / components	22,419	18,465
Logs	1,535	4,884
Supplies	348	632
Other	696	754
Total	$ 27,945	$ 24,998

F. LONG-TERM DEBT

As of June 30, 2001, Newpark had outstanding $125 million of unsecured senior subordinated notes (the "Notes") which mature on December 15, 2007. Interest on the Notes accrues at the rate of 8-5/8% per annum and is payable semi-annually on June 15 and December 15.

As of June 30, 2001, Newpark also maintained a $100.0 million bank credit facility, including up to $25.0 million in standby letters of credit, in the form of a revolving line of credit commitment, which expires January 31, 2003. At June 30, 2001, $14.2 million in letters of credit were issued and outstanding under the credit facility and $59.9 million was outstanding under the revolving facility, leaving $25.9 million of availability. The facility bears interest at either a specified prime rate (6.75% at June 30, 2001) or the LIBOR rate (3.82% at June 30, 2001), in each case plus a spread determined quarterly based on the ratio of Newpark's funded debt to cash flow. The weighted average interest rates on the outstanding balance under the credit facility for the quarter ending June 30, 2001 and 2000 were 9.37% and 9.63%, respectively. The weighted average interest rates on the outstanding balance under the credit facility for the six months ended June 30, 2001 and 2000 were 9.47% and 9.56%, respectively.

The Notes do not contain any financial covenants; however, if Newpark does not meet the financial covenants of the credit facility and is unable to obtain an amendment from the banks, Newpark would be in default of the credit facility which would cause the Notes to be in default. The Notes and the credit facility also contain covenants that significantly limit the payment of dividends on the capital stock of Newpark. Newpark was in compliance with all covenants as of June 30, 2001.

G. SEGMENT DATA

Summarized financial information concerning Newpark's reportable segments is shown in the following table (dollars in thousands):

	Three Months Ended June 30,		Increase/(Decrease)	
	2001	2000	$	%
Revenues by segment:				
E&P waste disposal	$ 16,185	$13,775	$ 2,410	17%
Fluids sales & engineering	53,870	30,386	23,484	77
Mat & integrated services	38,276	16,041	22,235	139
Total revenues	$108,331	$60,202	$ 48,129	80%
Operating income by segment:				
E&P waste disposal	$ 4,268	$ 4,426	$ (158)	(4)%
Fluids sales & engineering	7,098	2,178	4,920	226
Mat & integrated services	10,728	2,792	7,936	284
Total by segment	22,094	9,396	12,698	135
General and administrative expenses	1,197	696	501	72
Goodwill amortization	1,233	1,242	(9)	(1)
Total operating income	$ 19,664	$ 7,458	$ 12,206	164%

	Six Months Ended June 30,		Increase/(Decrease)	
	2001	2000	$	%
Revenues by segment:				
E&P waste disposal	$ 30,857	$ 26,237	$ 4,620	18%
Fluids sales & engineering	104,271	59,732	44,539	75
Mat & integrated services	72,600	31,509	41,091	130
Total revenues	$207,728	$117,478	$ 90,250	77%
Operating income by segment:				
E&P waste disposal	$ 8,496	$ 8,111	$ 385	5%
Fluids sales & engineering	13,123	3,929	9,194	234
Mat & integrated services	19,736	5,239	14,497	277
Total by segment	41,355	17,279	24,076	139
General and administrative expenses	2,267	1,651	616	37
Goodwill amortization	2,467	2,490	(23)	(1)
Total operating income	$ 36,621	$ 13,138	$ 23,483	179%

The figures above are shown net of intersegment transfers.

H. NEW ACCOUNTING STANDARDS

In July 2001, the Financial Accounting Standards Board (FASB) approved two new accounting standards related to accounting for business combinations, and goodwill and other intangible assets. The standards, which are numbered SFAS No. 141 and 142, among other requirements, (i) prohibit the use of pooling-of-interests method of accounting for business combinations, (ii) require that goodwill not be amortized in any circumstance, and (iii) require that goodwill be tested for impairment annually or when events or circumstances occur between annual test indicating that goodwill for a reporting unit might be impaired. The standards establish a new method for testing goodwill for impairment based on a fair value concept. Newpark's current policy is to assess recoverability of remaining goodwill based on estimated undiscounted future cash flows. The standards will take effect for fiscal years beginning after December 31, 2001. Upon adoption, Newpark will be required to stop amortizing its remaining goodwill balance and will be required to perform periodic impairment tests based on a fair value concept of its goodwill. Newpark has not completed an analysis of the potential impact from adoption of the impairment test of goodwill; however, amortization of existing goodwill, which was approximately $1.2 million and $2.5 million for the quarter and six months ended June 30, 2001, will cease upon adoption.

In July 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which requires recording the fair value of a liability for an asset retirement obligation in the period incurred. The standard is effective for fiscal years beginning after June 15, 2002, with earlier application permitted. Upon adoption of the standard, Newpark will be required to use a cumulative effect approach to recognize transition amounts for any existing retirement obligation liabilities, asset retirement costs and accumulated depreciation. Newpark has not determined the transition amounts.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition, results of operations, liquidity and capital resources should be read together with our "Unaudited Consolidated Financial Statements" and "Notes to Unaudited Consolidated Financial Statements" as well as our annual report on Form 10-K for the year ended December 31, 2000.

RESULTS OF OPERATIONS

Our operating results depend primarily on the level of oil and gas drilling activity in the markets we serve. These levels in turn depend, to a great extent, on oil and gas commodities pricing, inventory levels and product demand. Key average rig count data for the last several quarters is listed in the following table:

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01
U.S Rig Count	770	845	982	1,075	1,137	1,239
Gulf Coast market	223	240	270	276	301	321
Gulf Coast market to total	29.0%	28.4%	27.5%	25.7%	26.5%	25.9%
Canadian Rig Count	480	212	314	375	515	252

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Source: Baker Hughes Incorporated

Our primary Gulf Coast market, which accounted for approximately 69% of revenues for the first six months of 2001, includes: (1) South Louisiana Land; (2) Texas Railroad Commission Districts 2 and 3; (3) Louisiana and Texas Inland Waters; and (4) Offshore Gulf of Mexico. According to Baker Hughes Incorporated, as of the week ended August 3, 2001, the U.S. rig count was 1,266, with 318 rigs, or 25.1%, within our primary Gulf Coast market.

The Canadian market accounted for approximately 17% of revenues for the first six months of 2001. Much of the terrain throughout the oil and gas-producing region of Canada presents soil stability and access problems similar to those encountered in the marsh areas of the U.S. Gulf Coast region. Much of the drilling activity in Canada has historically been conducted when winter temperatures freeze the soil and stabilize it, allowing safe access. Quarterly fluctuations in the Canadian rig count generally reflect the seasonal nature of drilling activity related to these access issues. As of the week ended August 3, 2001, the Canadian rig count was 269.

Natural gas production accounts for the majority of activity in the markets that we serve. Gas storage levels and demand for natural gas have a significant impact on gas pricing, which in turn affects drilling activity, as gas suppliers need to maintain adequate storage for peak demand levels and insure adequate supplies for anticipated future demand.

During 2000, gas storage levels reached their lowest point in over three years, and with increasing demand for natural gas, commodity prices spiked dramatically, especially during the second half of 2000. The low storage levels and high commodity prices for natural gas resulted in a surge in natural gas drilling. During this same period, rising

commodity prices have resulted in a moderation of demand for natural gas as some commercial users have switched to less costly alternate fuel sources when possible. This moderating demand has resulted in increased levels of gas storage and has contributed to the recent decline in commodity prices.

Current long-term industry forecasts reflect a stable to growing demand for natural gas. In addition, current productive gas reserves are being depleted at a rate faster than current replacement through drilling activities. Because many shallow fields in the Gulf Coast market have been exploited, based on improved economics, producers are increasing the depth of drilling to reach the larger gas reserves. As such, we expect gas-drilling activity to be increasingly associated with deeper, more costly wells. We view this trend as favorable with respect to demand for product offerings in all of our segments.

Summarized financial information concerning our reportable segments is shown in the following table (dollars in thousands):

	Three Months Ended June 30,		Increase/(Decrease)	
	2001	2000	$	%
Revenues by segment:				
E&P waste disposal	$ 16,185	$ 13,775	$ 2,410	17%
Fluids sales & engineering	53,870	30,386	23,484	77
Mat & integrated services	38,276	16,041	22,235	139
Total revenues	$108,331	$ 60,202	$ 48,129	80%
Operating income by segment:				
E&P waste disposal	$ 4,268	$ 4,426	$ (158)	(4)%
Fluids sales & engineering	7,098	2,178	4,920	226
Mat & integrated services	10,728	2,792	7,936	284
Total by segment	22,094	9,396	12,698	135
General and administrative expenses	1,197	696	501	72
Goodwill amortization	1,233	1,242	(9)	(1)
Total operating income	$ 19,664	$ 7,458	$ 12,206	164%

	Six Months Ended June 30,		Increase/(Decrease)	
	2001	2000	$	%
Revenues by segment:				
E&P waste disposal	$ 30,857	$ 26,237	$ 4,620	18%
Fluids sales & engineering	104,271	59,732	44,539	75
Mat & integrated services	72,600	31,509	41,091	130
Total revenues	$207,728	$117,478	$ 90,250	77%

Operating income by segment:				
E&P waste disposal	$ 8,496	$ 8,111	$ 385	5%
Fluids sales & engineering	13,123	3,929	9,194	234
Mat & integrated services	19,736	5,239	14,497	277
Total by segment	41,355	17,279	24,076	139
General and administrative expenses	2,267	1,651	616	37
Goodwill amortization	2,467	2,490	(23)	(1)
Total operating income	$ 36,621	$ 13,138	$ 23,483	179%

The figures above are shown net of intersegment transfers.

QUARTER ENDED JUNE 30, 2001 COMPARED TO QUARTER ENDED JUNE 30, 2000

Revenues

E&P Waste Disposal: The $2.4 million, or 18%, increase in waste disposal revenue is primarily attributable to an increase in waste volumes received as a result of increases in drilling activity and changes in the mix of waste streams received for processing. During the second quarter of 2001, we received 1,144,000 barrels of E&P waste, compared to 1,062,000 barrels in the comparable quarter of 2000, an 8% increase. Revenue per barrel increased from an average of $11.47 for the second quarter of 2000 to an average of $12.19 for the second quarter of 2001, a 6% increase.

For the second quarter of 2001, NORM revenues were $1.2 million, an increase of 49% from the prior year amount of $797,000. Industrial waste revenues for the second quarter of 2001 were $483,000, an 88% increase from the prior year amount of $257,000.

During the second quarter of 2001, the level of barge mounted drilling rigs active in the inland waters market averaged 23, versus an average of 17 during the comparable period in 2000. A drilling rig in inland waters typically generates five to six times the waste volume of drilling rigs in other, less tightly regulated markets. Through July 2001, the number of rigs in this market has averaged 22. New offshore regulations imposing limitations on the discharge of synthetic-based fluids, which are expected to be issued late in 2001, could have a positive impact on our volume of waste received from the offshore market in 2002.

Fluids Sales and Engineering: The $23.5 million, or 77%, increase in drilling fluids revenue is attributable to the increase in drilling activity and market share gains. During the second quarter of 2001, we serviced an average of 193 rigs, compared to 129 rigs in the second quarter of 2000, an increase of 49%. The average annualized revenue per rig was approximately $1,116,000 in the second quarter of 2001, compared to $940,000 for the second quarter of 2000.

A leading contributor to our recent success in this segment is our DeepDrill(TM) family of associated fluid products, which are targeted at deeper, more difficult drilling operations. Because these products are environmentally friendly, the new restrictions limiting offshore discharges of synthetic-based fluids and cuttings may have a further

positive effect on this segment when implemented in a few months. In addition, our Performance Services approach, which combines product and service offerings and reduces overall costs to our customers, has contributed to increases in market share for this segment.

Mat and Integrated Services: The $22.2 million, or 139%, increase in mat and integrated services revenue is due to increased drilling activity along the U.S. onshore Gulf Coast, which favorably impacted pricing and volume for our mat systems and increased composite mat sales. During the second quarter of 2001, we sold approximately 6,300 composite mats, generating $10.1 million in revenues. There were no composite mat sales in the comparable period of the prior year. Rental pricing for mats in the second quarter of 2001 improved to an average of $1.69 per square foot on 3.5 million square feet of mats installed, compared with $0.71 per square foot on 4.6 million square feet of mats installed for the second quarter of 2000. The trend towards deeper, more complex drilling in the onshore Gulf Coast market is evidenced by the increase in re-rental revenues (i.e. revenues which extend beyond the initial 60-day contract period), the most profitable revenues for this segment. Re-rental revenue increased to $3.8 million during the second quarter of 2001 from $1.4 million for the comparable period of 2000, a 171% increase.

Operating Income

E&P Waste Disposal: The $158,000 decrease in waste disposal operating income in spite of an increase in revenues is primarily due to increases in certain operating costs which have not been fully offset by price increases. These operating cost increases are primarily associated with the recent expansion of our facilities at the Port of Fourchon in preparation for anticipated increases in waste volumes resulting from new offshore discharge regulations for synthetic-based fluids. Also, this segment has experienced increases in certain operating costs, including barge rental costs, repairs and maintenance and trucking costs. In addition, the accommodation for some customer requests to segregate their waste streams at collection facilities has resulted in duplication of costs for transportation and handling.

We have developed a plan to mitigate the recent cost increases, and we expect to implement this plan over the next several quarters. This plan includes reducing transportation costs through improved efficiency in barge utilization and renegotiation of trucking contracts. Some costs are expected to decline as a result of recent declines in fuel costs. In addition, we are working with our customers to eliminate requests for segregation of waste, which increases transportation and handling costs.

We have exercised our option to extend our right to dispose of specified volumes of E&P waste at an outside party's disposal facilities, for one year effective July 1, 2001. As part of this extension, we have doubled the amount of waste volume that we can dispose of at these facilities and extended the outside party's agreement not to compete with us in the E&P disposal business until June 30, 2002. In consideration of the extension of the agreement, including extension of the non-competition agreement, our costs of disposal under this contract will increase by approximately $2 per barrel beginning July 1, 2001. This increase in third party disposal costs is expected to be partially offset by reductions in other incremental disposal costs and increases in revenues resulting from the anticipated increase in volumes of E&P waste received from the new synthetic-based fluid regulations that we expect to be implemented.

Fluids Sales and Engineering: The $4.9 million increase in fluids sales and engineering operating income is due primarily to the increase in revenue of $23.5 million and represents an incremental margin of 21%. Operating margins for this segment improved from 7% for the second quarter of 2000 to 13% for the second quarter of 2001. The operating margin of this segment is affected by the mix of products sold. There is a significant difference in the gross margins recognized on commodity products and those recognized for specialty products. We expect to recognize the benefits of our proprietary products such as DeepDrill(TM) as these products gain wider customer acceptance. In addition, we expect to see margin improvement as we continue to penetrate the offshore Gulf of Mexico market, as sales in this market typically earn higher margins.

Mat and Integrated Services: Mat and integrated services operating income increased $7.9 million on a $22.2 million increase in revenues, representing an incremental margin of 36%. The high incremental margin is primarily attributable to improved pricing as noted above. In addition, this incremental margin reflects the increase in composite mat sales, which typically generate a gross margin of approximately 45%.

General and Administrative Expenses

General and administrative expenses for the second quarter of 2001 were $1.2 million, or 1.1% of revenues, compared to $696,000, or 1.2% of revenues, in 2000.

Interest Income/Expense

Net interest expense was $4.0 million for the second quarter of 2001, a decrease of $546,000, or 9%, as compared to $4.5 million for the second quarter of 2000. The decrease in net interest cost is primarily due to a decrease of $23.1 million in average outstanding borrowings and a decrease in the average effective interest rate from 9.63% in 2000 to 9.37% in 2001. In addition, interest capitalization decreased from $188,000 in the second quarter of 2000 to $127,000 in the second quarter of 2001. The decrease in average outstanding borrowings under our bank credit facility was due to the application of proceeds received in late December 2000 from a $30 million preferred stock offering.

Provision for Income Taxes

For the second quarter of 2001 we recorded an income tax provision of $5.7 million, reflecting an income tax rate of 36%. For the second quarter of 2000 we recorded an income tax provision of $1.2 million, reflecting an income tax rate of 40%. The higher effective rate in 2000 was due to non-deductible items such as goodwill in relation to the expected level of pretax income for 2000.

Preferred Stock Dividends and Accretion of Discount

As required by EITF 98-5 "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios", during the quarter ended June 30, 2000, we recorded a one-time adjustment of $3.5 million ($.05 per share) to our equity accounts to reflect the value assigned to the conversion feature of the Series B Preferred Stock at the date of issuance. This adjustment did not have any effect on our operating results or total equity. The affect of this adjustment is presented as a dividend

in the accompanying financial statements; however, we issued no additional shares or cash.

SIX MONTHS ENDED JUNE 30, 2001 COMPARED TO SIX MONTHS ENDED JUNE 30, 2000

Revenues

E&P Waste Disposal: The $4.6 million, or 18%, increase in waste disposal revenue is attributable to both an increase in the volume of waste received resulting from increased drilling activity and changes in the mix of waste streams received for processing. During the first six months of 2001, we received 2,221,000 barrels of E&P waste, compared to 2,003,000 barrels in the comparable quarter of 2000, an 11% increase. Revenue per barrel increased from an average of $11.50 for the first six months of 2000 to an average of $11.95 for the first six months of 2001, a 4% increase.

For the first six months of 2001, NORM revenues were $2.1 million, an increase of 41% from the prior year amount of $1.5 million. Industrial waste revenues for the first six months of 2001 were $928,000, a 41% increase from the prior year amount of $656,000.

Fluids Sales and Engineering: The $44.5 million, or 75%, increase in drilling fluids revenue is attributable to the increase in drilling activity and market share gains. During the first six months of 2001, we serviced an average of 195 rigs, compared to 132 rigs in the first six months of 2000. The annualized average revenue per rig was $1,072,000 in the first six months of 2001, compared to $907,000 for the first six months of 2000. The increase in the average revenue per rig reflects an increase in the number of large offshore rigs serviced in 2001 as compared to 2000.

Mat and Integrated Services: The $41.1 million, or 130%, increase in mat and integrated services revenue is due to increased drilling activity along the U.S. onshore Gulf Coast, which favorably impacted pricing and volume for our mat systems, and increased composite mat sales. During the first six months of 2001, we sold approximately 12,100 composite mats, generating $19.5 million in revenues. There were no composite mat sales in the comparable period of the prior year. Rental pricing for mats in the first six months of 2001 improved to an average of $1.52 per square foot on 8.4 million square feet of mats installed, compared with $0.74 per square foot on 8.7 million square feet of mats installed for the comparable period of 2000. The trend towards deeper, more complex drilling in the onshore Gulf Coast market is evidenced by the increase in re-rental revenues, the most profitable revenues for this segment. Re-rental revenue increased to $7.5 million during the first six months of 2001 from $2.2 million for the comparable period of 2000, a 239% increase.

Operating Income

E&P Waste Disposal: Operating income for the waste disposal segment increased $385,000, or 5%, on an 18% increase in revenues. The low incremental margin is primarily due to increases in certain operating costs which have not been fully offset by price increases, as described above.

Fluids Sales and Engineering: The $9.2 million increase in fluids sales and engineering operating income is due primarily to the increase in revenue of $44.5 million

and represents an incremental margin of 21%. Operating margins for this segment improved from 7% for the first six months of 2000 to 13% for the first six months of 2001. As noted above, operating margins of this segment have been favorably impacted by increases in sales of our higher-margin specialty products such as DeepDrill(TM) and our increased penetration into the offshore Gulf of Mexico market.

Mat and Integrated Services: Mat and integrated services operating income increased $14.5 million on a $41.1 million increase in revenues, representing an incremental margin of 35%. The high incremental margin is primarily attributable to improved pricing and composite mat sales noted above.

General and Administrative Expenses

General and administrative expenses of $2.3 million for 2001 represented 1.1% of revenues. General and administrative expenses of $1.7 million for 2000 represented 1.4% of revenues.

Interest Income/Expense

Net interest expense was $8.0 million for the first six months of 2001, a decrease of $935,000, or 11%, as compared to $8.9 million for the first six months of 2000. The decrease in net interest cost is primarily due to a decrease of $21.9 million in average outstanding borrowings and a decrease in the average effective interest rate from 9.56% in 2001 to 9.47% in 2001. In addition, interest capitalization decreased from $520,000 in the first six months of 2000 to $262,000 in the first six months of 2001. The decrease in average outstanding borrowings under our bank credit facility was due to the application of proceeds received in late December 2000 from a $30 million preferred stock offering.

Provision for Income Taxes

For the first six months of 2001 we recorded an income tax provision of $10.2 million, reflecting an income tax rate of 36%. For the first six months of 2000 we recorded an income tax provision of $1.7 million, reflecting an income tax rate of 40%. The higher effective rate in 2000 was due to non-deductible items such as goodwill in relation to the expected level of pretax income for 2000.

LIQUIDITY AND CAPITAL RESOURCES

Our working capital increased by $7.8 million during the six months ended June 30, 2001. Key working capital data is provided below (dollars in thousands):

	June 30, 2001	December 31, 2000
Working Capital (000's)	$ 117,822	$ 110,050
Current Ratio	3.58	3.61

Our long term capitalization was as follows (in thousands):

	June 30, 2001	December 31, 2000
Long-term debt (including current maturities):		
Credit facility	$ 54,928	$ 78,076
Subordinated debt	125,000	125,000
Other	598	773
Total long-term debt	180,526	203,849
Stockholders' equity	280,175	260,055
Total capitalization	$460,701	$463,904
Debt to total capitalization	39.2%	43.9%

The proceeds from the $30 million preferred stock offering received at the end of 2000 were used to pay down our credit facility in January 2001. During the six months ended June 30, 2001, our working capital needs were primarily met from operations and from borrowings under our credit facility. Operations provided $6.4 million in the first six months of 2001, which helped to provide for $13.0 million of cash used in investing activities. A net of $20.8 million was used in financing activities, principally related to the reduction in the balance of the bank credit facility after funding of investing activities not provided for from operations.

As of June 30, 2001, Newpark maintained a $100.0 million bank credit facility, including up to $25.0 million in standby letters of credit, in the form of a revolving line of credit commitment, which expires January 31, 2003. At June 30, 2001, $14.2 million in letters of credit were issued and outstanding under the credit facility and $59.9 million was outstanding under the revolving facility, leaving $25.9 million of availability. The facility bears interest at either a specified prime rate (6.75% at June 30, 2001) or the LIBOR rate (3.82% at June 30, 2001), in each case plus a spread determined quarterly based on the ratio of Newpark's funded debt to cash flow. The weighted average interest rates on the outstanding balance under the credit facility for the six months ended June 30, 2001 and 2000 were 9.34% and 9.56%, respectively. Recent reductions in the prime rate and continued improvement in Newpark's funded debt to cash flow ratio should reduce the average interest rate on the credit facility in the third quarter of 2001.

During the six months ended June 30, 2001, we obtained an additional $7 million of operating lease funding, which was applied towards the lease of wooden mats in order to meet customer demand for mat locations in the Gulf Coast. The lease of wooden mats is expected to be temporary and is a result of the recent surge in composite mat sales. For the remainder of 2001, we anticipate total capital expenditures of approximately $13 million, concentrated in our fluids sales and engineering and E&P waste disposal segments, related to expansion of offshore facilities to accommodate anticipated increases in demand for our products and services.

Except as described in the preceding paragraphs, we are not aware of any material expenditures, significant balloon payments or other payments on long term obligations or any other demands or commitments, including off-balance sheet items to be incurred within the next 12 months. Inflation has not materially impacted our revenues or income.

FORWARD-LOOKING STATEMENTS

The foregoing discussion contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "anticipates", "believes", "estimates", "expects", "plans", "intends" and similar expressions are intended to identify these forward-looking statements but are not the exclusive means of identifying them. These forward-looking statements reflect the current views of our management; however, various risks, uncertainties and contingencies, including the risks identified below, could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, these statements, including the success or failure of our efforts to implement our business strategy.

We assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur.

Among the risks and uncertainties that could cause future events and results to differ materially from those anticipated by us in the forward-looking statements included in this report are the following:

- oil and gas exploration and production levels and the industry's willingness to spend capital on environmental and oilfield services;

- oil and gas prices, expectations about future prices, the cost of exploring for, producing and delivering oil and gas, the discovery rate of new oil and gas reserves and the ability of oil and gas companies to raise capital;

- domestic and international political, military, regulatory and economic conditions;

- other risks and uncertainties generally applicable to the oil and gas exploration and production industry;

- existing regulations affecting E&P and NORM waste disposal being rescinded or relaxed, governmental authorities failing to enforce these regulations or industry participants being able to avoid or delay compliance with these regulations;

- future technological change and innovation, which could result in a reduction in the amount of waste being generated or alternative methods of disposal being developed;

- increased competition in our product lines;

- our success in integrating acquisitions;

- our success in replacing our wooden mat fleet with our new composite mats;

- our ability to obtain the necessary permits to operate our non-hazardous waste disposal wells and our ability to successfully compete in this market;

- our ability to successfully compete in the drilling fluids markets in the Canadian provinces of Alberta and Saskatchewan, the Permian Basin of West Texas and New Mexico and the Anadarko Basin in Western Oklahoma, where we have only recently entered the market;

- adverse weather conditions, which could disrupt drilling operations;

- our ability to successfully introduce our new products and services and the market acceptability of these products and services; and

- any delays in implementing the new synthetic fluids disposal regulations.

- any increases in interest rates under our credit facility either as a result of increases in the prime or LIBOR rates or as a result of changes in our funded debt to cash flow ratio.

PART II

ITEM 6. EXHIBIT AND REPORTS ON FORM 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

None.

NEWPARK RESOURCES, INC.

SIGNATURES

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

Date: August 10, 2001

NEWPARK RESOURCES, INC.

By: /s/Matthew W. Hardey

Matthew W. Hardey, Vice President
and Chief Financial Officer