

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): JUNE 24, 1999

NEWPARK RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-2960

(Commission
File Number)

72-1123385

(IRS Employer
Identification No.)

3850 North Causeway, Suite 1770
Metairie, Louisiana

(Address of principal executive offices)

70002

(Zip Code)

Registrant's telephone number, including area code: (504) 838-8222

Item 5. Other Events.

On June 24, 1999, Newpark Resources, Inc., a Delaware corporation ("Newpark"), and Tuboscope Inc., a Delaware corporation ("Tuboscope") agreed to merge Newpark with and into Tuboscope (the "Merger"). The terms of the Merger are set forth in an Agreement and Plan of Merger (the "Merger Agreement"), dated as of June 24, 1999, between Tuboscope and Newpark.

In the Merger, each share of Newpark's common stock will be converted into 0.65 shares of Tuboscope common stock. Tuboscope and Newpark issued a joint press release announcing the execution of the Merger Agreement on June 24, 1999, a copy of which is filed as Exhibit 99.1 hereto and which is incorporated herein by reference.

The Merger is intended to constitute a tax-free reorganization under the Internal Revenue Code of 1986 and be accounted for as a purchase.

Consummation of the Merger is subject to various conditions, including: (i) receipt of necessary approvals by the stockholders of each of Tuboscope and Newpark; (ii) the expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the receipt of requisite regulatory approvals from foreign and domestic regulatory authorities; and (iii) registration of the shares of Tuboscope common stock to be issued in connection with the Merger under the Securities Act of 1933 and the listing of such shares on the New York Stock Exchange.

In connection with the Merger Agreement, SCF-IV, L.P., a Delaware limited partnership ("SCF") and holder of 150,000 shares of Newpark's Series A Cumulative Perpetual Preferred Stock, entered into an agreement with Newpark and Tuboscope pursuant to which SCF agreed to vote all of the shares of preferred stock owned by it in favor of the Merger (the "SCF Agreement").

The foregoing summary of the Merger Agreement and the SCF Agreement is qualified in its entirety by reference to the text of the Merger Agreement and the SCF Agreement, copies of which are filed as Exhibits 2.1 and 99.2 hereto and which are incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(a) - (b) Not Applicable.

(c) Exhibits.

2.1 Agreement and Plan of Merger, dated as of June 24, 1999, among Tuboscope Inc. and Newpark Resources, Inc.

99.1 Text of joint press release, dated June 24, 1999, issued by Tuboscope Inc. and Newpark Resources, Inc.

99.2 Agreement, dated as of June 24, 1999, among Newpark Resources, Inc., Tuboscope Inc. and SCF-IV, L.P.

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: June 28, 1999

By: /s/ Matthew W. Hardey

Matthew W. Hardey, Vice President of
Finance and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
2.1	Agreement and Plan of Merger, dated as of June 24, 1999, among Tuboscope Inc. and Newpark Resources, Inc.
99.1	Text of joint press release, dated June 24, 1999, issued by Tuboscope Inc. and Newpark Resources, Inc.
99.2	Agreement, dated as of June 24, 1999, among Newpark Resources, Inc., Tuboscope Inc. and SCF-IV, L.P.

AGREEMENT AND PLAN OF MERGER

among

Tuboscope Inc.

and

Newpark Resources, Inc.

June 24, 1999

TABLE OF CONTENTS

	Page

ARTICLE I. THE MERGER.....	1
Section 1.01. The Merger.....	1
Section 1.02. Effective Time of the Merger.....	1
Section 1.03. Closing.....	2
Section 1.04. Effects of the Merger.....	2
Section 1.05. Directors.....	2
ARTICLE II. CONVERSION OF SECURITIES.....	2
Section 2.01. Conversion of Capital Stock.....	2
Section 2.02. Exchange of Certificates.....	3
ARTICLE III. REPRESENTATIONS AND WARRANTIES OF NEWPARK.....	6
Section 3.01. Organization of Newpark.....	6
Section 3.02. Newpark Capital Structure.....	7
Section 3.03. Authority; No Conflict; Required Filings and Consents.....	8
Section 3.04. SEC Filings; Financial Statements.....	9
Section 3.05. No Undisclosed Liabilities.....	9
Section 3.06. Absence of Certain Changes or Events.....	9
Section 3.07. Taxes.....	10
Section 3.08. Properties.....	11
Section 3.09. Intellectual Property.....	11
Section 3.10. Agreements, Contracts and Commitments.....	12
Section 3.11. Litigation.....	12
Section 3.12. Environmental Matters.....	12
Section 3.13. Employee Benefit Plans.....	13
Section 3.14. Compliance With Laws.....	14
Section 3.15. Registration Statement; Proxy Statement/Prospectus.....	14
Section 3.16. Labor Matters.....	14
Section 3.17. Insurance.....	15
Section 3.18. No Existing Discussions.....	15
Section 3.19. Opinion of Financial Advisor.....	15
Section 3.20. Anti-Takeover Laws.....	15
ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF TUBOSCOPE.....	15
Section 4.01. Organization of Tuboscope.....	16
Section 4.02. Tuboscope Capital Structure.....	16
Section 4.03. Authority; No Conflict; Required Filings and Consents.....	17
Section 4.04. SEC Filings; Financial Statements.....	18
Section 4.05. No Undisclosed Liabilities.....	18
Section 4.06. Absence of Certain Changes or Events.....	19
Section 4.07. Taxes.....	19

Section 4.08. Properties.....	20
Section 4.09. Intellectual Property.....	20
Section 4.10. Agreements, Contracts and Commitments.....	20
Section 4.11. Litigation.....	21
Section 4.12. Environmental Matters.....	21
Section 4.13. Employee Benefit Plans.....	21
Section 4.14. Compliance With Laws.....	22
Section 4.15. Registration Statement; Proxy Statement/Prospectus.....	22
Section 4.16. Labor Matters.....	23
Section 4.17. Insurance.....	23
Section 4.18. Opinion of Financial Advisor.....	23
Section 4.19. No Existing Discussions.....	23
Section 4.20. Anti-Takeover Laws.....	24
ARTICLE V. CONDUCT OF BUSINESS.....	24
Section 5.01. Covenants of Newpark.....	24
Section 5.02. Covenants of Tuboscope.....	26
Section 5.03. Tax-Free Reorganization.....	27
Section 5.04. Cooperation.....	28
Section 5.05. Tuboscope Board Resolutions.....	28
ARTICLE VI. ADDITIONAL AGREEMENTS.....	28
Section 6.01. No Solicitation.....	28
Section 6.02. Proxy Statement/Prospectus; Registration Statement.....	29
Section 6.03. NYSE Listings.....	30
Section 6.04. Access to Information.....	30
Section 6.05. Stockholders Meetings.....	30
Section 6.06. Legal Conditions to Merger.....	31
Section 6.07. Public Disclosure.....	32
Section 6.08. Affiliate Legends.....	32
Section 6.09. NYSE Listing.....	32
Section 6.10. Stock Plans.....	32
Section 6.11. Brokers or Finders.....	34
Section 6.12. Indemnification.....	35
Section 6.13. Letter of Tuboscope's Accountants.....	35
Section 6.14. Letter of Newpark's Accountants.....	35
Section 6.15. Benefit Plans.....	36
ARTICLE VII. CONDITIONS TO MERGER.....	36
Section 7.01. Conditions to Each Party's Obligation To Effect the Merger.....	36
Section 7.02. Additional Conditions to Obligations of Tuboscope.....	37
Section 7.03. Additional Conditions to Obligations of Newpark.....	38
ARTICLE VIII. TERMINATION AND AMENDMENT.....	38
Section 8.01. Termination.....	38

Section 8.02. Effect of Termination.....	40
Section 8.03. Fees and Expenses.....	40
Section 8.04. Amendment.....	44
Section 8.05. Extension; Waiver.....	44
ARTICLE IX. MISCELLANEOUS.....	44
Section 9.01. Nonsurvival of Representations, Warranties and Agreements.....	44
Section 9.02. Notices.....	44
Section 9.03. Interpretation.....	45
Section 9.04. Counterparts.....	45
Section 9.05. Entire Agreement; No Third Party Beneficiaries.....	45
Section 9.06. Governing Law.....	46
Section 9.07. Assignment.....	46
Section 9.08. Waiver of Jury Trial.....	46

Schedule 1 - List of Directors and Corporate Executive Officers

Exhibit "A"	Tax Opinion Certificate of Newpark (Latham & Watkins)
Exhibit "B"	Tax Opinion Certificate of Tuboscope (Latham & Watkins)
Exhibit "C"	Tax Opinion Certificate of Newpark (Ervin, Cohen & Jessup LLP)
Exhibit "D"	Tax Opinion Certificate of Tuboscope (Ervin, Cohen & Jessup LLP)

TABLE OF DEFINED TERMS

Terms - - - - -	Cross Reference in Agreement -----
Acquisition Proposal.....	Section 6.01(a)
Affiliate.....	Section 6.08
Agreement.....	Preamble
Alternative Transaction.....	Section 8.03(g)
Antitrust Laws.....	Section 6.06(b)
Bankruptcy and Equity Exception.....	Section 3.03(a)
Certificate of Merger.....	Section 1.02
Certificates.....	Section 2.02(b)
Closing.....	Section 1.03
Closing Date.....	Section 1.03
Code.....	Preamble
Confidentiality Agreement.....	Section 6.01(a)
Continuing Employee.....	Section 6.15(a)
Costs.....	Section 6.12(a)
Current Market Price.....	Section 8.03(f)
DGCL.....	Section 1.01
Effective Time.....	Section 1.02
Environmental Law.....	Section 3.12(b)
ERISA.....	Section 3.13(a)
ERISA Affiliate.....	Section 3.13(a)
Exchange Act.....	Section 3.03(c)
Exchange Agent.....	Section 2.02(a)
Exchange Fund.....	Section 2.02(a)
Exchange Ratio.....	Section 2.01(b)
Governmental Entity.....	Section 3.03(c)
Hazardous Substance.....	Section 3.12(c)
HSR Act.....	Section 3.03(c)
Indemnified Parties.....	Section 6.12(a)
IRS.....	Section 3.07(b)
Joint Proxy Statement.....	Section 3.15
Material Adverse Change.....	Section 3.06
Material Leases.....	Section 3.08
Merger.....	Preamble
Newpark.....	Preamble
Newpark Balance Sheet.....	Section 3.04(b)
Newpark Common Stock.....	Section 2.01(a)
Newpark Disclosure Schedule.....	Article III
Newpark Employee Plans.....	Section 3.13(a)
Newpark Material Adverse Effect.....	Section 3.01

Terms - - - - -	Cross Reference in Agreement -----
Newpark Material Contracts.....	Section 3.10
Newpark Preferred Stock.....	Section 3.02(a)
Newpark SEC Reports.....	Section 3.04(a)
Newpark Series A Preferred Stock.....	Section 3.02(a)
Newpark Stock Option.....	Section 6.10(a)
Newpark Stock Plans.....	Section 3.02(a)
Newpark Stockholders' Meeting.....	Section 3.15
Newpark Warrant.....	Section 3.02(a)
NYSE.....	Section 2.02(e)
Order.....	Section 6.06(b)
Outside Date.....	Section 8.01(b)
Preferred Merger Consideration.....	Section 2.01(c)
Registration Statement.....	Section 3.15
Rule 145.....	Section 6.08
SEC.....	Section 3.03(c)
Securities Act.....	Section 3.04(a)
Standard Registration Rights Agreement.....	Section 8.03(f)
Subsidiary.....	Section 3.01
Superior Proposal.....	Section 6.01(a)
Tax.....	Section 3.07(a)
Taxes.....	Section 3.07(a)
Third Party.....	Section 8.03(g)
Tuboscope.....	Preamble
Tuboscope Balance Sheet.....	Section 4.04(b)
Tuboscope Common Stock.....	Section 2.01(a)
Tuboscope Disclosure Schedule.....	Article IV
Tuboscope Employee Plans.....	Section 4.13(a)
Tuboscope Material Adverse Effect.....	Section 4.01
Tuboscope Material Contracts.....	Section 4.10
Tuboscope Preferred Stock.....	Section 4.02(a)
Tuboscope SEC Reports.....	Section 4.04(a)
Tuboscope Stock Plans.....	Section 4.02(a)
Tuboscope Stockholders' Meeting.....	Section 3.15
Tuboscope Voting Proposal.....	Section 6.05(a)

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (the "Agreement"), dated as of June 24, 1999, by and among Tuboscope Inc., a Delaware corporation ("Tuboscope"), and Newpark Resources, Inc., a Delaware corporation ("Newpark").

WHEREAS, the Boards of Directors of Tuboscope and Newpark deem it advisable and in the best interests of each corporation and its respective stockholders that Tuboscope and Newpark combine in order to advance the long-term business interests of Tuboscope and Newpark;

WHEREAS, the combination of Tuboscope and Newpark shall be effected by the terms of this Agreement through a merger in which the stockholders of Newpark will become stockholders of Tuboscope (the "Merger"); and

WHEREAS, for Federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below, the parties agree as follows:

ARTICLE I.
THE MERGER

Section 1.01. The Merger. Upon the terms and subject to the

conditions of this Agreement, in accordance with the Delaware General Corporation Law (the "DGCL"), at the Effective Time (as defined in Section 1.02 hereof), Newpark shall merge with and into Tuboscope.

Section 1.02. Effective Time of the Merger. Subject to the

provisions of this Agreement, a certificate of merger with respect to the Merger in such form as is required by the relevant provisions of the DGCL (the "Certificate of Merger") shall be duly executed by Tuboscope and thereafter delivered to the Secretary of State of the State of Delaware for filing, as early as practicable on the Closing Date (as defined in Section 1.03). The Merger shall become effective at 4:00 p.m., C.S.T., on the date of filing of the Certificate of Merger with the Secretary of State of the State of Delaware or at such other time as specified herein (the "Effective Time").

Section 1.03. Closing. The closing of the Merger (the "Closing")

will take place at 10:00 a.m., C.S.T., on a date to be specified by Tuboscope and Newpark, which shall be no later than the second business day after satisfaction of the latest to occur of the conditions set forth in Sections 7.01, 7.02(b) (other than the delivery of the officers' certificate referred to therein) and 7.03(b) (other than the delivery of the officers' certificate referred to therein) (provided that the other closing conditions set forth in Article VII have been met or waived as provided in Article VII at or prior to the Closing) (the "Closing Date"), at the corporate offices of Tuboscope at the address indicated in Section 9.02 unless another date, place or time is agreed to in writing by Tuboscope and Newpark.

Section 1.04. Effects of the Merger. As a result of the Merger, the

separate corporation existence of Newpark shall cease and Tuboscope shall continue as the surviving corporation.

Section 1.05. Directors. At or prior to the Effective Time,

Tuboscope shall (i) set the number of the members of the Board of Directors of Tuboscope at ten and (ii) take such action as may be necessary to cause the ten individuals named on Schedule I attached hereto to be the members of the Board of Directors of Tuboscope as of the Effective Time.

ARTICLE II.
CONVERSION OF SECURITIES

Section 2.01. Conversion of Capital Stock. As of the Effective Time,

by virtue of the Merger and without any action on the part of the holder of any shares of capital stock of Newpark or Tuboscope:

(a) Cancellation of Treasury Stock and Tuboscope-Owned Stock.

All shares of Common Stock of Newpark ("Newpark Common Stock") that are owned by Newpark as treasury stock and any shares of Newpark Common Stock owned by Tuboscope or any Subsidiary (as defined in Section 3.01) of Tuboscope shall be canceled and retired and shall cease to exist and no stock of Tuboscope or other consideration shall be delivered in exchange therefor. All shares of Common Stock, par value \$.01 per share, of Tuboscope ("Tuboscope Common Stock") owned by Newpark shall be canceled and retired and shall cease to exist and no stock of Tuboscope or other consideration shall be delivered in exchange therefor.

(b) Exchange Ratio for Newpark Common Stock. Subject to Section 2.02, each issued and outstanding share of Newpark Common Stock shall be converted into the right to receive .65 share (the "Exchange Ratio") of Tuboscope Common Stock. All such shares of Newpark Common Stock, when so converted, shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto, except the right to receive the shares of Tuboscope Common Stock and any cash in lieu of fractional shares of Tuboscope Common Stock to be issued or paid in consideration therefor upon the surrender of such certificate in accordance with Section 2.02, without interest. Notwithstanding the foregoing, if between the date of this Agreement and the Effective Time the outstanding

shares of Tuboscope Common Stock shall have been changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, then the Exchange Ratio contemplated shall be correspondingly adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

(c) Conversion of Newpark Preferred Stock. Subject to Section 2.02,

the issued and outstanding shares of Series A Cumulative Perpetual Preferred Stock, par value \$.01 per share, of Newpark (the "Newpark Series A Preferred Stock") shall be converted into and represent the right to receive 965,347 shares of Tuboscope Common Stock plus, if applicable, a number of shares of Tuboscope Common Stock equal to the product of (i) the Exchange Ratio and (ii) the number of shares of Newpark Common Stock which would be issuable as a dividend for accrued but unpaid dividends with respect to the Newpark Series A Preferred Stock as of the Effective Time, calculated based on the average Market Price (as defined in the Certificate of Designation of the Newpark Series A Preferred Stock) of the Newpark Common Stock for the five trading days ending the day before the Effective Time (collectively, the "Preferred Merger Consideration"). As of the Effective Time, all such shares of Newpark Series A Preferred Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate which, prior to the Effective Time, represented any such shares of Newpark Series A Preferred Stock shall cease to have any rights with respect thereto, except the right to receive the Preferred Merger Consideration and any cash in lieu of fractional shares of Tuboscope Common Stock to be issued or paid in consideration therefor upon surrender of such certificate in accordance with Section 2.02, without interest. Notwithstanding the foregoing, if between the date of this Agreement and the Effective Time the outstanding shares of Tuboscope Common Stock shall have been changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, then the Exchange Ratio contemplated shall be correspondingly adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares.

Section 2.02. Exchange of Certificates. The procedures for

exchanging outstanding shares of Newpark Common Stock for Tuboscope Common Stock pursuant to the Merger are as follows:

(a) Exchange Agent. As of the Effective Time, Tuboscope shall

deposit with a bank or trust company designated by Tuboscope and Newpark (the "Exchange Agent"), for the benefit of the holders of shares of Newpark Common Stock and Newpark Series A Preferred Stock, for exchange in accordance with this Section 2.02, through the Exchange Agent, certificates representing the shares of Tuboscope Common Stock and an estimated amount of cash in lieu of fractional shares (such shares of Tuboscope Common Stock, together with any dividends or distributions with respect thereto, and cash in lieu of fractional shares being hereinafter referred to as the "Exchange Fund") issuable pursuant to Section 2.01 in exchange for outstanding shares of Newpark Common Stock and Newpark Series A Preferred Stock.

(b) Exchange Procedures. As soon as reasonably practicable

after the Effective Time, the Exchange Agent shall mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of Newpark Common Stock or Newpark Series A Preferred Stock (the "Certificates") whose shares were converted pursuant to Section 2.01 into the right to receive shares of Tuboscope Common Stock (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in such form and have such other provisions as Tuboscope and Newpark may reasonably specify) and (ii) instructions for effecting the surrender of the Certificates in exchange for certificates representing shares of Tuboscope Common Stock (plus cash in lieu of fractional shares, if any, of Tuboscope Common Stock as provided below). Upon surrender of a Certificate for cancellation to the Exchange Agent or to such other agent or agents as may be appointed by Tuboscope, together with such letter of transmittal, duly executed, the holder of such Certificate shall be entitled to receive in exchange therefor a certificate representing that number of whole shares of Tuboscope Common Stock and cash in lieu of fractional shares which such holder has the right to receive pursuant to the provisions of this Article II, and the Certificate so surrendered shall immediately be canceled. In the event of a transfer of ownership of Newpark Common Stock or Newpark Series A Preferred Stock which is not registered in the transfer records of Newpark, a certificate representing the proper number of shares of Tuboscope Common Stock may be issued to a transferee if the Certificate representing such Newpark Common Stock or Newpark Series A Preferred Stock is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and by evidence that any applicable stock transfer taxes have been paid. Until surrendered as contemplated by this Section 2.02, each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the certificate representing shares of Tuboscope Common Stock and cash in lieu of any fractional shares of Tuboscope Common Stock as contemplated by this Section 2.02.

(c) Distributions with Respect to Unexchanged Shares. No

dividends or other distributions declared or made after the Effective Time with respect to Tuboscope Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of Tuboscope Common Stock represented thereby and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to subsection (e) below until the holder of record of such Certificate shall surrender such Certificate. Subject to the effect of applicable laws, following surrender of any such Certificate, there shall be paid to the record holder of the certificates representing whole shares of Tuboscope Common Stock issued in exchange therefor, without interest, (i) at the time of such surrender, the amount of any cash payable in lieu of a fractional share of Tuboscope Common Stock to which such holder is entitled pursuant to subsection (e) below and the amount of dividends or other distributions with a record date after the Effective Time previously paid with respect to such whole shares of Tuboscope Common Stock, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole shares of Tuboscope Common Stock.

(d) No Further Ownership Rights in Newpark Common Stock or

Newpark Series A Preferred Stock. All shares of Tuboscope Common Stock issued

upon the surrender for exchange of Certificates in accordance with the terms hereof (including any cash paid pursuant to subsection (c) or (e) of this Section 2.02) shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of Newpark Common Stock or Newpark Series A Preferred Stock. Notwithstanding the foregoing, Tuboscope is obligated to pay any dividends or make any other distributions with a record date prior to the Effective Time which may have been declared or made by Newpark on shares of Newpark Common Stock or Newpark Series A Preferred Stock in accordance with the terms of this Agreement (to the extent permitted under Section 5.01) prior to the date hereof and which remain unpaid at the Effective Time. From and after the Effective Time, there shall be no further registration of transfers on the stock transfer books of Tuboscope of the shares of Newpark Common Stock or Newpark Series A Preferred Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to Tuboscope for any reason, they shall be canceled and exchanged as provided in this Section 2.02.

(e) No Fractional Shares. No certificate or scrip representing

fractional shares of Tuboscope Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any other rights of a stockholder of Tuboscope. Notwithstanding any other provision of this Agreement, each holder of shares of Newpark Common Stock or Newpark Series A Preferred Stock exchanged pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of Tuboscope Common Stock (after taking into account all Certificates delivered by such holder) shall receive, in lieu thereof, cash (without interest) in an amount equal to such fractional part of a share of Tuboscope Common Stock multiplied by the average of the last reported sales prices of Tuboscope Common Stock, as reported on the New York Stock Exchange ("NYSE"), on each of the ten trading days immediately preceding the date of the Effective Time.

(f) Termination of Exchange Fund. Any portion of the Exchange

Fund which remains undistributed to the stockholders of Newpark for 180 days after the Effective Time shall be delivered to Tuboscope, upon demand, and any stockholders of Newpark who have not previously complied with this Section 2.02 shall thereafter look only to Tuboscope for payment of their claim for Tuboscope Common Stock, any cash in lieu of fractional shares of Tuboscope Common Stock and any dividends or distributions with respect to Tuboscope Common Stock.

(g) No Liability. Neither Tuboscope nor Newpark shall be liable

to any holder of shares of Newpark Common Stock, Newpark Series A Preferred Stock or Tuboscope Common Stock, as the case may be, for such shares (or dividends or distributions with respect thereto) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(h) Withholding Rights. Tuboscope shall be entitled to deduct

and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of

shares of Newpark Common Stock or Newpark Series A Preferred Stock such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by Tuboscope, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Newpark Common Stock or Newpark Series A Preferred Stock in respect of which such deduction and withholding was made by Tuboscope.

(i) Lost Certificates. If any Certificate shall have been lost,

stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by Tuboscope, the posting by such person of a bond in such reasonable amount as Tuboscope may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the shares of Tuboscope Common Stock and any cash in lieu of fractional shares, and unpaid dividends and distributions on shares of Tuboscope Common Stock deliverable in respect thereof pursuant to this Agreement.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF NEWPARK

Newpark represents and warrants to Tuboscope that the statements contained in this Article III are true and correct except as set forth herein and in the disclosure schedule delivered by Newpark to Tuboscope on or before the date of this Agreement (the "Newpark Disclosure Schedule"). The Newpark Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article III and the disclosure in any paragraph shall qualify other paragraphs in this Article III only to the extent that it is reasonably apparent from a reading of such disclosure that it also qualifies or applies to such other paragraphs.

Section 3.01. Organization of Newpark. Each of Newpark and its

Subsidiaries (as defined below) is a corporation or unincorporated entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, has all requisite corporate or entity power to own, lease and operate its property and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to do business and is in good standing as a foreign corporation or organization in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, properties, financial condition, or results of operations of Newpark and its Subsidiaries, taken as a whole (a "Newpark Material Adverse Effect"). Except as set forth in the Newpark SEC Reports (as defined in Section 3.04) filed prior to the date hereof, neither Newpark nor any of its Subsidiaries directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, any corporation, partnership, joint venture or other business association or entity, excluding securities in any publicly traded company held for investment by Newpark or its Subsidiaries and comprising less than five percent (5%) of the outstanding stock of such company. As used in this Agreement, the word "Subsidiary" means, with respect to any party, any corporation or other organization, whether incorporated or unincorporated, of which (i) such party or any other Subsidiary of such party is a general partner

(excluding partnerships, the general partnership interests of which held by such party or any Subsidiary of such party do not have a majority of the voting interest in such partnership) or (ii) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries.

Section 3.02. Newport Capital Structure.

(a) The authorized capital stock of Newport consists of 100,000,000 shares of Common Stock and 1,000,000 shares of Preferred Stock ("Newport Preferred Stock"). As of June 16, 1999, (i) 68,905,444 shares of Newport Common Stock were issued and outstanding, all of which are validly issued, fully paid and nonassessable, (ii) 150,000 shares of Newport Series A Preferred Stock were issued and outstanding, all of which are validly issued, fully paid and nonassessable, and (iii) no shares of Newport Common Stock or Newport Preferred Stock were held in the treasury of Newport or by Subsidiaries of Newport. The Newport Disclosure Schedule shows the number of shares of Newport Common Stock reserved for future issuance pursuant to an outstanding warrant (the "Newport Warrant"), stock options and restricted stock awards granted and outstanding as of June 16, 1999 and the plans under which such options or shares of restricted stock were granted or issued (collectively, the "Newport Stock Plans"). Except as set forth in the Newport Disclosure Schedule, no change in such capitalization has occurred between June 16, 1999 and the date of this Agreement. All shares of Newport Common Stock subject to issuance as specified above are duly authorized and, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, shall be validly issued, fully paid and nonassessable. There are no obligations, contingent or otherwise, of Newport or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of Newport Common Stock or Newport Preferred Stock or the capital stock of any Subsidiary or to provide funds to or make any material investment (in the form of a loan, capital contribution or otherwise) in any such Subsidiary or any other entity other than guarantors of obligations of Subsidiaries entered into in the ordinary course of business. All of the outstanding shares of capital stock of each of Newport's Subsidiaries are duly authorized, validly issued, fully paid and nonassessable and all such shares (other than directors' qualifying shares in the case of foreign Subsidiaries) are owned by Newport or another Subsidiary free and clear of all security interests, liens, claims, pledges, agreements, limitations in Newport's voting rights, charges or other encumbrances of any nature.

(b) Except as set forth in this Section 3.02 or as reserved for future grants of securities under the Newport Stock Plans or issuances upon exercise of the Newport Warrant, there are no equity securities of any class of Newport or any of its Subsidiaries, or any security exchangeable into or exercisable for such equity securities, issued, reserved for issuance or outstanding. Except as set forth in this Section 3.02, there are no options, warrants, equity securities, calls, rights, commitments or agreements of any character to which Newport or any of its Subsidiaries is a party or by which it is bound obligating Newport or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock of

Newpark or any of its Subsidiaries or obligating Newpark or any of its Subsidiaries to grant, extend, accelerate the vesting of or enter into any such option, warrant, equity security, call, right, commitment or agreement. To the best knowledge of Newpark, there are no voting trusts, proxies or other voting agreements or understandings with respect to the shares of capital stock of Newpark.

(c) Newpark has received a written consent, in the form previously delivered to Tuboscope, from the holder of a majority of the shares of Newpark Series A Preferred Stock indicating such holder's consent to the Merger.

Section 3.03. Authority; No Conflict; Required Filings and Consents.

(a) Newpark has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement by Newpark have been duly authorized by all necessary corporate action on the part of Newpark, subject only to the approval of the Merger by Newpark's stockholders under the DGCL. This Agreement has been duly executed and delivered by Newpark and constitutes the valid and binding obligation of Newpark, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "Bankruptcy and Equity Exception").

(b) The execution and delivery of this Agreement by Newpark do not, and the consummation of the transactions contemplated by this Agreement will not, (i) conflict with, or result in any violation or breach of, any provision of the certificate of incorporation or bylaws of Newpark, (ii) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, contract or other agreement, instrument or obligation to which Newpark or any of its Subsidiaries is a party or by which any of them or any of their properties or assets may be bound, or (iii) conflict with or violate any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Newpark or any of its Subsidiaries or any of its or their properties or assets, except in the case of (ii) and (iii) for any such conflicts, violations, defaults, terminations, cancellations or accelerations which are not, individually or in the aggregate, reasonably likely to have a Newpark Material Adverse Effect.

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality ("Governmental Entity") is required by or with respect to Newpark or any of its Subsidiaries in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for (i) the filing of the pre-merger notification report under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), (ii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iii)

the filing of the Joint Proxy Statement (as defined in Section 3.15 below) with the Securities and Exchange Commission (the "SEC") in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (iv) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable state securities laws and the laws of any foreign country and the European Union, and (v) such other consents, authorizations, filings, approvals and registrations which, if not obtained or made, would not be reasonably likely to have a Newpark Material Adverse Effect.

Section 3.04. SEC Filings; Financial Statements.

(a) Newpark has filed and made available to Tuboscope all forms, reports and documents required to be filed by Newpark with the SEC since January 1, 1996 other than registration statements on Form S-8 (collectively, the "Newpark SEC Reports"). The Newpark SEC Reports (i) at the time filed, complied in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act, as the case may be, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated in such Newpark SEC Reports or necessary in order to make the statements in such Newpark SEC Reports, in the light of the circumstances under which they were made, not misleading. None of Newpark's Subsidiaries is required to file any forms, reports or other documents with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any related notes) contained in the Newpark SEC Reports complied as to form in all material respects with the applicable published rules and regulations of the SEC with respect thereto, was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) and fairly presented the consolidated financial position of Newpark and its Subsidiaries as of the dates and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount. The audited balance sheet of Newpark as of December 31, 1998 is referred to herein as the "Newpark Balance Sheet."

Section 3.05. No Undisclosed Liabilities. Except as disclosed in the

Newpark SEC Reports filed prior to the date hereof, and except for normal or recurring liabilities incurred since December 31, 1998 in the ordinary course of business consistent with past practices, Newpark and its Subsidiaries do not have any liabilities, either accrued, contingent or otherwise (whether or not required to be reflected in financial statements in accordance with generally accepted accounting principles), and whether due or to become due, which individually or in the aggregate are reasonably likely to have a Newpark Material Adverse Effect.

Section 3.06. Absence of Certain Changes or Events. Except as

disclosed in the Newpark SEC Reports filed prior to the date hereof, since the date of the Newpark Balance

Sheet, Newpark and its Subsidiaries have conducted their businesses only in the ordinary course and in a manner consistent with past practice and, since such date, there has not been (i) any material adverse change in the financial condition, results of operations, business or properties (a "Material Adverse Change") of Newpark and its Subsidiaries, taken as a whole (other than changes that are the effect or result of economic factors affecting the oil and gas exploration and production industry or the economy as a whole) or any development or combination of developments of which the management of Newpark is aware that, individually or in the aggregate, has had, or is reasonably likely to have, a Newpark Material Adverse Effect (other than developments that are the effect or result of actions to be taken by Tuboscope or economic factors affecting the oil and gas exploration and production industry or the economy as a whole); (ii) any damage, destruction or loss (whether or not covered by insurance) with respect to Newpark or any of its Subsidiaries having a Newpark Material Adverse Effect; (iii) any material change by Newpark in its accounting methods, principles or practices to which Tuboscope has not previously consented in writing; (iv) any revaluation by Newpark of any of its assets having a Newpark Material Adverse Effect; or (v) any other action or event that would have required the consent of Tuboscope pursuant to Section 5.01 of this Agreement had such action or event occurred after the date of this Agreement and that, individually or in the aggregate, has had or is reasonably likely to have a Newpark Material Adverse Effect.

Section 3.07. Taxes.

(a) For the purposes of this Agreement, a (i) "Tax" or, collectively, "Taxes," means any and all federal, state, local or foreign gross receipts, income, profits, sales, use, value added, ad valorem, transfer, gains, franchise, withholding, payroll, recapture, employment, excise, unemployment, social security, license, occupation, business organization, stamp, environmental, property, severance, premium, custom duties, capital stock, disability, registration, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not, and any obligations under any agreements or arrangements with any other person with respect to such amounts and any liability for such amounts of a predecessor entity, and (ii) "Tax Return" shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(b) Newpark and each of its Subsidiaries have timely filed all Tax Returns and reports required to be filed by them prior to the date of this Agreement (taking into account extensions), except for any such returns which are not likely, individually or in the aggregate, to have a Newpark Material Adverse Effect. All such Tax Returns are complete and correct in all respects, except for any such omissions or errors which are not reasonably likely, individually or in the aggregate, to have a Newpark Material Adverse Effect. Newpark and each of its Subsidiaries has paid (or Newpark has paid on its Subsidiaries' behalf) all Taxes shown as due on such Tax Returns, and Newpark's most recent consolidated financial statements reflect an adequate reserve for all Taxes payable by Newpark and its Subsidiaries for all taxable periods and portions thereof through the date of such financial statements, except to the extent that any such Taxes are not reasonably likely, individually or in the aggregate, to have a Newpark Material Adverse Effect. Neither the Internal Revenue Service (the "IRS") nor any other taxing

authority has asserted any claim for Taxes, or to the actual knowledge of the executive officers of Newpark, is threatening to assert any claims for Taxes, which claims, individually or in the aggregate, are reasonably likely to have a Newpark Material Adverse Effect. No deficiencies for any Taxes (other than those which are not reasonably likely, individually or in the aggregate, to have a Newpark Material Adverse Effect) have been proposed, asserted or assessed against Newpark or any of its Subsidiaries that have not been fully paid or adequately provided for in the appropriate financial statements of Newpark and its Subsidiaries, no requests for waivers of the time to assess any Taxes are pending, and none of Newpark or any of its Subsidiaries have waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency. Newpark and each of its Subsidiaries have withheld or collected and paid over to the appropriate governmental authorities (or are properly holding for such payment) all Taxes required by law to be withheld or collected, except for amounts which are not reasonably likely, individually or in the aggregate, to have a Newpark Material Adverse Effect. Neither Newpark nor any of its Subsidiaries has made an election under Section 341(f) of the Code, except for any such election which shall not have a Newpark Material Adverse Effect. There are no liens for Taxes upon the assets of Newpark or any of its Subsidiaries (other than liens for Taxes that are not yet due or that are being contested in good faith by appropriate proceedings), except for liens which are not reasonably likely, individually or in the aggregate, to have a Newpark Material Adverse Effect.

Section 3.08. Properties.

(a) Newpark has provided to Tuboscope a true and complete list of all real property leased by Newpark or its Subsidiaries pursuant to leases providing for the occupancy of facilities in excess of 10,000 square feet (collectively "Material Leases"). Newpark is not in default under any of such leases, except where the existence of such defaults, individually or in the aggregate, is not reasonably likely to have a Newpark Material Adverse Effect.

(b) Newpark has provided to Tuboscope a true and complete list of all real property that Newpark or any of its Subsidiaries owns. With respect to each such item of real property, except for such matters that, individually or in the aggregate, are not reasonably likely to have a Newpark Material Adverse Effect: (a) Newpark or the identified Subsidiary has good and clear record and marketable title to such property, free and clear of any security interest, easement, covenant or other restriction, except for security interests, easements, covenants and other restrictions which do not materially impair the current uses or occupancy of such property; and (b) the improvements constructed on such property are in good condition, and all mechanical and utility systems servicing such improvements are in good condition, free in each case of material defects.

Section 3.09. Intellectual Property. Newpark owns, or is licensed or

otherwise possesses legally enforceable rights to use, all trademarks, trade names, service marks, copyrights, and any applications for such trademarks, trade names, service marks and copyrights, know-how, computer software programs or applications and tangible or intangible proprietary information or material that are necessary to conduct the business of Newpark as currently

conducted, subject to such exceptions that would not be reasonably likely to have a Newpark Material Adverse Effect.

Section 3.10. Agreements, Contracts and Commitments. Newpark has not

breached, or received in writing any claim or notice that it has breached, any of the terms or conditions of any material agreement, contract or commitment filed as an exhibit to the Newpark SEC Reports ("Newpark Material Contracts") in such a manner as, individually or in the aggregate, are reasonably likely to have a Newpark Material Adverse Effect. Each Newpark Material Contract that has not expired by its terms is in full force and effect.

Section 3.11. Litigation. Except as described in the Newpark SEC

Reports filed prior to the date hereof, there is no action, suit or proceeding, claim, arbitration or investigation against Newpark pending or as to which Newpark has received any written notice of assertion, which, individually or in the aggregate, is reasonably likely to have a Newpark Material Adverse Effect or a material adverse effect on the ability of Newpark to consummate the transactions contemplated by this Agreement.

Section 3.12. Environmental Matters.

(a) Except for matters that are specifically disclosed in the Newpark SEC Reports filed prior to the date hereof (with reference to a specifically named site or claim) and except for such matters that, individually or in the aggregate, are not reasonably likely to have a Newpark Material Adverse Effect: (i) Newpark and its Subsidiaries comply, and within all applicable statutes of limitations periods have complied, with all applicable Environmental Laws (as defined in Section 3.12(b)); (ii) neither Newpark nor its Subsidiaries are subject to liability for any Hazardous Substance disposal or contamination on any third party property; (iii) neither Newpark nor any of its Subsidiaries are subject to liability for any release of, or any exposure of any person or property to, any Hazardous Substance; (iv) neither Newpark nor any of its Subsidiaries has received any notice, demand, letter, claim or request for information alleging that Newpark or any of its Subsidiaries may be in violation of or liable under any Environmental Law; (v) neither Newpark nor any of its Subsidiaries is subject to any orders, decrees or injunctions issued by, or other arrangements with, any Governmental Entity or is subject to any indemnity or other agreement with any third party relating to liability under any Environmental Law or relating to Hazardous Substances; and (vi) there are no circumstances or conditions involving Newpark or any of its Subsidiaries that could reasonably be expected to cause Newpark or any of its Subsidiaries to become subject to any claims, liability, investigations or costs, or to restrictions on the ownership, use or transfer of any property of Newpark or any of its Subsidiaries, pursuant to any Environmental Law.

(b) As used herein, the term "Environmental Law" means any federal, state, local or foreign law, regulation, order, decree, permit, authorization, opinion, common law or agency requirement relating to: (A) the protection, preservation, investigation, remediation or restoration of environmental quality, health and safety, or natural resources, or (B) noise, odor, wetlands, pollution, contamination or any injury or threat of injury to persons or property.

(c) As used herein, the term "Hazardous Substance" means: (A) any substance that is listed, classified or regulated pursuant to or that could result in liability under any Environmental Law; (B) any petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, radioactive materials or radon; or (C) any other substance which is the subject of regulatory action by any Governmental Entity pursuant to any Environmental Law.

Section 3.13. Employee Benefit Plans.

(a) Newpark has listed in Section 3.13 of the Newpark Disclosure Schedule all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other similar employee benefit plans, and all unexpired severance agreements, written or otherwise, for the benefit of, or relating to, any current or former employee of Newpark or any trade or business (whether or not incorporated) which is a member or which is under common control with Newpark (an "ERISA Affiliate") within the meaning of Section 414 of the Code, or any Subsidiary of Newpark, other than employment or consulting agreements entered into by any Newpark Subsidiary in connection with acquisition transactions in which the aggregate annual compensation thereunder, excluding any discretionary bonuses, does not exceed \$150,000 (together, the "Newpark Employee Plans").

(b) With respect to each Newpark Employee Plan, Newpark has made available to Tuboscope, a true and correct copy of (i) the most recent annual report (Form 5500) filed with the IRS, (ii) such Newpark Employee Plan, (iii) each trust agreement and group annuity contract, if any, relating to such Newpark Employee Plan and (iv) the most recent actuarial report or valuation relating to a Newpark Employee Plan subject to Title IV of ERISA.

(c) With respect to the Newpark Employee Plans, individually and in the aggregate, no event has occurred, and to the knowledge of Newpark, there exists no condition or set of circumstances in connection with which Newpark could be subject to any liability that is reasonably likely to have a Newpark Material Adverse Effect under ERISA, the Code or any other applicable law.

(d) With respect to the Newpark Employee Plans, individually and in the aggregate, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations which have not been accounted for by reserves, or otherwise properly footnoted in accordance with generally accepted accounting principles, on the financial statements of Newpark, which obligations are reasonably likely to have a Newpark Material Adverse Effect.

(e) Except as disclosed in Newpark SEC Reports filed prior to the date of this Agreement, and except as provided for in this Agreement, neither Newpark nor any of its Subsidiaries is a party to any oral or written (i) agreement with any officer or other key employee of Newpark or any of its Subsidiaries, the benefits of which are contingent, or the terms of which

are materially altered, upon the occurrence of a transaction involving Newpark of the nature contemplated by this Agreement, (ii) agreement with any officer of Newpark providing any term of employment or compensation guarantee extending for a period longer than one year from the date hereof and for the payment of compensation in excess of \$100,000 per annum, or (iii) agreement or plan, including any stock option plan, stock appreciation right plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement.

Section 3.14. Compliance With Laws. Newpark has complied with, is

not in violation of, and has not received any notices of violation with respect to, any federal, state or local statute, law or regulation with respect to the conduct of its business, or the ownership or operation of its business, except for failures to comply or violations which, individually or in the aggregate, have not had and are not reasonably likely to have a Newpark Material Adverse Effect.

Section 3.15. Registration Statement; Proxy Statement/Prospectus.

The information to be supplied by Newpark for inclusion in the registration statement on Form S-4 pursuant to which shares of Tuboscope Common Stock issued in the Merger will be registered under the Securities Act (the "Registration Statement"), shall not at the time the Registration Statement is declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated in the Registration Statement or necessary in order to make the statements in the Registration Statement, in light of the circumstances under which they were made, not misleading. The information supplied by Newpark for inclusion in the joint proxy statement/prospectus to be sent to the stockholders of Tuboscope and Newpark in connection with the meeting of Newpark's stockholders to consider this Agreement and the Merger (the "Newpark Stockholders' Meeting") and in connection with the meeting of Tuboscope's stockholders (the "Tuboscope Stockholders' Meeting") to consider this Agreement, the Merger and the issuance of shares of Tuboscope Common Stock pursuant to the Merger (the "Joint Proxy Statement") shall not, on the date the Joint Proxy Statement is first mailed to stockholders of Newpark or Tuboscope, at the time of the Newpark Stockholders' Meeting and the Tuboscope Stockholders' Meeting and at the Effective Time, contain any statement which, at such time and in light of the circumstances under which it shall be made, is false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements made in the Joint Proxy Statement not false or misleading; or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Newpark Stockholders' Meeting or the Tuboscope Stockholders' Meeting which has become false or misleading. If at any time prior to the Effective Time any event relating to Newpark or any of its Affiliates, officers or directors should be discovered by Newpark which should be set forth in an amendment to the Registration Statement or a supplement to the Joint Proxy Statement, Newpark shall promptly inform Tuboscope.

Section 3.16. Labor Matters. Neither Newpark nor any of its

Subsidiaries is a party to or otherwise bound by any collective bargaining agreement, contract or other agreement

or understanding with a labor union or labor organization, nor is any such contract or agreement presently being negotiated, nor is there, nor has there been in the last five years, a representation question respecting any of the employees of Newpark or its Subsidiaries, and, to the best knowledge of the executive officers of Newpark, there are no campaigns being conducted to solicit cards from employees of Newpark or its Subsidiaries to authorize representation by any labor organization, nor is Newpark or its Subsidiaries a party to, or bound by, any consent decree with, or citation by, any governmental agency relating to employees or employment practices. Nor, as of the date hereof, is Newpark or any of its Subsidiaries the subject of any material proceeding asserting that Newpark or any of its Subsidiaries has committed an unfair labor practice or is seeking to compel it to bargain with any labor union or labor organization nor, as of the date of this Agreement, is there pending or, to the knowledge of the executive officers of Newpark, threatened, any material labor strike, dispute, walkout, work stoppage, slow-down or lockout involving Newpark or any of its Subsidiaries.

Section 3.17. Insurance. All material fire and casualty, general

liability, business interruption, product liability, and sprinkler and water damage insurance policies maintained by Newpark or any of its Subsidiaries are with reputable insurance carriers and are in character and amount at least equivalent to that carried by persons engaged in similar businesses and subject to the same or similar perils or hazards, except for any such failures to maintain insurance policies that, individually or in the aggregate, are not reasonably likely to have a Newpark Material Adverse Effect.

Section 3.18. No Existing Discussions. As of the date hereof,

Newpark is not engaged, directly or indirectly, in any discussions or negotiations with any other party with respect to an Acquisition Proposal (as defined in Section 6.01(a)).

Section 3.19. Opinion of Financial Advisor. The financial advisor of

Newpark, Salomon Smith Barney Inc., has delivered to Newpark its opinion dated the date of this Agreement to the effect that the Exchange Ratio is fair to the holders of Newpark Common Stock from a financial point of view.

Section 3.20. Anti-Takeover Laws. The restrictions contained in

Section 203 of the DGCL with respect to a "business combination" (as defined in DGCL Section 203) have been rendered inapplicable to the authorization, execution, delivery and performance of the Agreement by Newpark or the consummation of the Merger by Newpark. No other "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute or regulation is applicable to Newpark or (solely by reason of Newpark's participation therein) the Merger or the other transactions contemplated by this Agreement.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF TUBOSCOPE

Tuboscope represents and warrants to Newpark that the statements contained in this Article IV are true and correct, except as set forth herein and in the disclosure schedule delivered by Tuboscope to Newpark on or before the date of this Agreement (the "Tuboscope

Disclosure Schedule"). The Tuboscope Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article IV and the disclosure in any paragraph shall qualify other paragraphs in this Article IV only to the extent that it is reasonably apparent from a reading of such disclosure that it also qualifies or applies to such other paragraphs.

Section 4.01. Organization of Tuboscope. Each of Tuboscope and its

Subsidiaries is a corporation or unincorporated entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, has all requisite corporate or entity power to own, lease and operate its property and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to do business and is in good standing as a foreign corporation or organization in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, properties, financial condition, or results of operations of Tuboscope and its Subsidiaries, taken as a whole (a "Tuboscope Material Adverse Effect"). Except as set forth in the Tuboscope SEC Reports (as defined in Section 4.04) filed prior to the date hereof, neither Tuboscope nor any of its Subsidiaries directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, any corporation, partnership, joint venture or other business association or entity, excluding securities in any publicly traded company held for investment by Tuboscope or its Subsidiaries and comprising less than five percent (5%) of the outstanding stock of such company.

Section 4.02. Tuboscope Capital Structure.

(a) The authorized capital stock of Tuboscope consists of 60,000,000 shares of Common Stock, \$.01 par value, and 5,000,000 shares of Preferred Stock, \$.01 par value ("Tuboscope Preferred Stock"). As of June 16, 1999, (i) 44,270,234 shares of Tuboscope Common Stock were issued and outstanding, all of which are validly issued, fully paid and nonassessable, (ii) 1,424,700 shares of Tuboscope Common Stock were held in the treasury of Tuboscope or by Subsidiaries of Tuboscope and (iii) no shares of Tuboscope Preferred Stock were issued and outstanding. The Tuboscope Disclosure Schedule shows the number of shares of Tuboscope Common Stock reserved for future issuance pursuant to warrants, stock options and restricted stock awards granted and outstanding as of June 16, 1999 and the plans under which such options and restricted stock awards were granted (collectively, the "Tuboscope Stock Plans"). No change in such capitalization has occurred between June 16, 1999 and the date of this Agreement. As of the date of this Agreement, no shares of Tuboscope Preferred Stock are issued and outstanding. All shares of Tuboscope Common Stock subject to issuance as specified above are duly authorized and, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, shall be validly issued, fully paid and nonassessable. There are no obligations, contingent or otherwise, of Tuboscope or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of Tuboscope Common Stock or the capital stock of any Subsidiary or to provide funds to or make any material investment (in the form of a loan, capital contribution or otherwise) in any such Subsidiary or any other entity other than guarantees of obligations of Subsidiaries entered into in the ordinary course of business. All of the outstanding shares of capital stock of each of Tuboscope's Subsidiaries are

duly authorized, validly issued, fully paid and nonassessable and all such shares (other than directors' qualifying shares in the case of foreign Subsidiaries) are owned by Tuboscope or another Subsidiary free and clear of all security interests, liens, claims, pledges, agreements, limitations in Tuboscope's voting rights, charges or other encumbrances of any nature.

(b) Except as set forth in this Section 4.02 or as reserved for future grants of securities under the Tuboscope Stock Plans, there are no equity securities of any class of Tuboscope or any of its Subsidiaries, or any security exchangeable into or exercisable for such equity securities, issued, reserved for issuance or outstanding. Except as set forth in this Section 4.02, there are no options, warrants, equity securities, calls, rights, commitments or agreements of any character to which Tuboscope or any of its Subsidiaries is a party or by which it is bound obligating Tuboscope or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock of Tuboscope or any of its Subsidiaries or obligating Tuboscope or any of its Subsidiaries to grant, extend, accelerate the vesting of or enter into any such option, warrant, equity security, call, right, commitment or agreement. To the best knowledge of Tuboscope, there are no voting trusts, proxies or other voting agreements or understandings with respect to the shares of capital stock of Tuboscope.

Section 4.03. Authority; No Conflict; Required Filings and Consents.

(a) Tuboscope has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Tuboscope, subject only to the approval of the Tuboscope Voting Proposal (as defined in Section 6.05) by Tuboscope's stockholders. This Agreement has been duly executed and delivered by Tuboscope and constitutes the valid and binding obligation of Tuboscope, enforceable in accordance with its terms, subject to the Bankruptcy and Equity Exception.

(b) The execution and delivery of this Agreement by Tuboscope do not, and the consummation of the transactions contemplated hereby will not, (i) conflict with, or result in any violation or breach of, any provision of the certificate of incorporation or bylaws of Tuboscope, (ii) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, contract or other agreement, instrument or obligation to which Tuboscope or any of its Subsidiaries is a party or by which any of them or any of their properties or assets may be bound, or (iii) conflict with or violate any permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Tuboscope or any of its Subsidiaries or any of its or their properties or assets, except in the case of (ii) and (iii) for any such conflicts, violations, defaults, terminations, cancellations or accelerations which are not, individually or in the aggregate, reasonably likely to have a Tuboscope Material Adverse Effect.

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Tuboscope or any of its Subsidiaries in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for (i) the filing of the pre-merger notification report under the HSR Act, (ii) the filing of the Registration Statement with the SEC in accordance with the Securities Act, (iii) the filing of the Certificate of Merger with the Delaware Secretary of State, (iv) the filing of the Joint Proxy Statement with the SEC in accordance with the Exchange Act, (v) such consents, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable state securities laws and the laws of any foreign country and the European Union, and (vi) such other consents, authorizations, filings, approvals and registrations which, if not obtained or made, would not be reasonably likely to have a Tuboscope Material Adverse Effect.

Section 4.04. SEC Filings; Financial Statements.

(a) Tuboscope has filed and made available to Newpark all forms, reports and documents required to be filed by Tuboscope with the SEC since January 1, 1996 other than registration statements on Form S-8 (collectively, the "Tuboscope SEC Reports"). The Tuboscope SEC Reports (i) at the time filed, complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as the case may be, and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated in such Tuboscope SEC Reports or necessary in order to make the statements in such Tuboscope SEC Reports, in the light of the circumstances under which they were made, not misleading. None of Tuboscope's Subsidiaries is required to file any forms, reports or other documents with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any related notes) contained in the Tuboscope SEC Reports complied as to form in all material respects with the applicable published rules and regulations of the SEC with respect thereto, was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as may be indicated in the notes to such financial statements or, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) and fairly presented the consolidated financial position of Tuboscope and its Subsidiaries as of the dates and the consolidated results of its operations and cash flows for the periods indicated, except that the unaudited interim financial statements were or are subject to normal and recurring year-end adjustments which were not or are not expected to be material in amount. The audited balance sheet of Tuboscope as of December 31, 1998 is referred to herein as the "Tuboscope Balance Sheet."

Section 4.05. No Undisclosed Liabilities. Except as disclosed in the

Tuboscope SEC Reports filed prior to the date hereof, and except for normal or recurring liabilities incurred since December 31, 1998 in the ordinary course of business consistent with past practices, Tuboscope and its Subsidiaries do not have any liabilities, either accrued, contingent or otherwise (whether or not required to be reflected in financial statements in accordance with

generally accepted accounting principles), and whether due or to become due, which individually or in the aggregate are reasonably likely to have a Tuboscope Material Adverse Effect.

Section 4.06. Absence of Certain Changes or Events. Except as

disclosed in the Tuboscope SEC Reports filed prior to the date hereof, since the date of the Tuboscope Balance Sheet, Tuboscope and its Subsidiaries have conducted their businesses only in the ordinary course and in a manner consistent with past practice and, since such date, there has not been (i) any Material Adverse Change in Tuboscope and its Subsidiaries, taken as a whole (other than changes that are the effect or result of economic factors affecting the oil and gas exploration and production industry or the economy as a whole) or any development or combination of developments of which the management of Tuboscope is aware that, individually or in the aggregate, has had, or is reasonably likely to have, a Tuboscope Material Adverse Effect (other than developments that are the effect or result of actions to be taken by Newpark or economic factors affecting the oil and gas exploration and production industry or the economy as a whole); (ii) any damage, destruction or loss (whether or not covered by insurance) with respect to Tuboscope or any of its Subsidiaries having a Tuboscope Material Adverse Effect; (iii) any material change by Tuboscope in its accounting methods, principles or practices to which Newpark has not previously consented in writing; (iv) any revaluation by Tuboscope of any of its assets having a Tuboscope Material Adverse Effect; or (v) any other action or event that would have required the consent of Newpark pursuant to Section 5.02 of this Agreement had such action or event occurred after the date of this Agreement and that, individually or in the aggregate, has had or is reasonably likely to have a Tuboscope Material Adverse Effect.

Section 4.07. Taxes. Tuboscope and each of its Subsidiaries have

timely filed all Tax Returns and reports required to be filed by them prior to the date of this Agreement (taking into account extensions), except for any such returns which are not likely, individually or in the aggregate, to have a Tuboscope Material Adverse Effect. All such Tax Returns are complete and correct in all respects, except for any such omissions or errors which are not reasonably likely, individually or in the aggregate, to have a Tuboscope Material Adverse Effect. Tuboscope and each of its Subsidiaries has paid (or Tuboscope has paid on its Subsidiaries' behalf) all Taxes shown as due on such Tax Returns, and Tuboscope's most recent consolidated financial statements reflect an adequate reserve for all Taxes payable by Tuboscope and its Subsidiaries for all taxable periods and portions thereof through the date of such financial statements, except to the extent that any such Taxes are not reasonably likely, individually or in the aggregate, to have a Tuboscope Material Adverse Effect. Neither the IRS nor any other taxing authority has asserted any claim for Taxes, or to the actual knowledge of the executive officers of Tuboscope, is threatening to assert any claims for Taxes, which claims, individually or in the aggregate, are reasonably likely to have a Tuboscope Material Adverse Effect. No deficiencies for any Taxes (other than those which are not reasonably likely, individually or in the aggregate, to have a Tuboscope Material Adverse Effect) have been proposed, asserted or assessed against Tuboscope or any of its Subsidiaries that have not been fully paid or adequately provided for in the appropriate financial statements of Tuboscope and its Subsidiaries, no requests for waivers of the time to assess any Taxes are pending, and none of Tuboscope or any of its Subsidiaries have waived any statute of limitations in respect of Taxes or agreed to any extension of time with

respect to a Tax assessment or deficiency. Tuboscope and each of its Subsidiaries have withheld or collected and paid over to the appropriate governmental authorities (or are properly holding for such payment) all Taxes required by law to be withheld or collected, except for amounts which are not reasonably likely, individually or in the aggregate, to have a Tuboscope Material Adverse Effect. Neither Tuboscope nor any of its Subsidiaries has made an election under Section 341(f) of the Code, except for any such election which shall not have a Tuboscope Material Adverse Effect. There are no liens for Taxes upon the assets of Tuboscope or any of its Subsidiaries (other than liens for Taxes that are not yet due or that are being contested in good faith by appropriate proceedings), except for liens which are not reasonably likely, individually or in the aggregate, to have a Tuboscope Material Adverse Effect.

Section 4.08. Properties.

(a) Tuboscope has provided to Newpark a true and complete list of all of its Material Leases. Tuboscope is not in default under any Material Leases, except where the existence of such defaults, individually or in the aggregate, is not reasonably likely to have a Tuboscope Material Adverse Effect.

(b) Tuboscope has provided to Newpark a true and complete list of all real property that Tuboscope or any of its Subsidiaries owns. With respect to each such item of real property, except for such matters that, individually or in the aggregate, are not reasonably likely to have a Tuboscope Material Adverse Effect: (a) Tuboscope or the identified Subsidiary has good and clear record and marketable title to such property free and clear of any security interest, easement, covenant or other restriction, except for security interests, easements, covenants and other restrictions which do not materially impair the current uses or occupancy of such property; and (b) the improvements constructed on such property are in good condition, and all mechanical and utility systems servicing such improvements are in good condition, free in each case of material defects.

Section 4.09. Intellectual Property. Tuboscope owns, or is licensed

or otherwise possesses legally enforceable rights to use, all trademarks, trade names, service marks, copyrights, and any applications for such trademarks, trade names, service marks and copyrights, know-how, computer software programs or applications, and tangible or intangible proprietary information or material that are necessary to conduct the business of Tuboscope as currently conducted, subject to such exceptions that would not be reasonably likely to have a Tuboscope Material Adverse Effect.

Section 4.10. Agreements, Contracts and Commitments. Tuboscope has

not breached, or received in writing any claim or notice that it has breached, any of the terms or conditions of any material agreement, contract or commitment filed as an exhibit to the Tuboscope SEC Reports ("Tuboscope Material Contracts") in such a manner as, individually or in the aggregate, are reasonably likely to have a Tuboscope Material Adverse Effect. Each Tuboscope Material Contract that has not expired by its terms is in full force and effect.

Section 4.11. Litigation. Except as described in the Tuboscope SEC

Reports filed prior to the date hereof, there is no action, suit or proceeding, claim, arbitration or investigation against Tuboscope pending or as to which Tuboscope has received any written notice of assertion, which, individually or in the aggregate, is reasonably likely to have a Tuboscope Material Adverse Effect or a material adverse effect on the ability of Tuboscope to consummate the transactions contemplated by this Agreement.

Section 4.12. Environmental Matters. Except for matters that are

specifically disclosed in the Tuboscope SEC Reports filed prior to the date hereof (with reference to a specifically named site or claim) and except for such matters that, individually or in the aggregate, are not reasonably likely to have a Tuboscope Material Adverse Effect: (i) Tuboscope and its Subsidiaries comply, and within all applicable statute of limitation periods have complied, with all applicable Environmental Laws; (ii) neither Tuboscope nor its Subsidiaries are subject to liability for any Hazardous Substance disposal or contamination on any third party property; (iii) neither Tuboscope nor any of its Subsidiaries are subject to liability for any release of, or any exposure of any person or property to, any Hazardous Substance; (iv) neither Tuboscope nor any of its Subsidiaries has received any notice, demand, letter, claim or request for information alleging that Tuboscope or any of its Subsidiaries may be in violation of or liable under any Environmental Law; (v) neither Tuboscope nor any of its Subsidiaries is subject to any orders, decrees or injunctions issued by, or other arrangements with, any Governmental Entity or is subject to any indemnity or other agreement with any third party relating to liability under any Environmental Law or relating to Hazardous Substances; and (vi) there are no circumstances or conditions involving Tuboscope or any of its Subsidiaries that could reasonably be expected to cause Tuboscope or any of its Subsidiaries to become subject to any claims, liability, investigations or costs, or to restrictions on the ownership, use or transfer of any property of Tuboscope or any of its Subsidiaries, pursuant to any Environmental Law.

Section 4.13. Employee Benefit Plans.

(a) Tuboscope has listed in Section 4.13 of the Tuboscope Disclosure Schedule all employee benefit plans (as defined in Section 3(3) of ERISA) and all bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other similar employee benefit plans, and all unexpired severance agreements, written or otherwise, for the benefit of, or relating to, any current or former employee of Tuboscope or any ERISA Affiliate of Tuboscope, or any Subsidiary of Tuboscope, other than employment or consulting agreements entered into by any Tuboscope Subsidiary in connection with acquisition transactions in which the aggregate annual compensation thereunder, excluding any discretionary bonuses, does not exceed \$150,000 (together, the "Tuboscope Employee Plans").

(b) With respect to each Tuboscope Employee Plan, Tuboscope has made available to Newpark, a true and correct copy of (i) the most recent annual report (Form 5500) filed with the IRS, (ii) such Tuboscope Employee Plan, (iii) each trust agreement and group annuity contract, if any, relating to such Tuboscope Employee Plan and (iv) the most recent actuarial report or valuation relating to a Tuboscope Employee Plan subject to Title IV of ERISA.

(c) With respect to the Tuboscope Employee Plans, individually and in the aggregate, no event has occurred, and to the knowledge of Tuboscope, there exists no condition or set of circumstances in connection with which Tuboscope could be subject to any liability that is reasonably likely to have a Tuboscope Material Adverse Effect under ERISA, the Code or any other applicable law.

(d) With respect to the Tuboscope Employee Plans, individually and in the aggregate, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations which have not been accounted for by reserves, or otherwise properly footnoted in accordance with generally accepted accounting principles, on the financial statements of Tuboscope, which obligations are reasonably likely to have a Tuboscope Material Adverse Effect.

(e) Except as disclosed in Tuboscope SEC Reports filed prior to the date of this Agreement, and except as provided for in this Agreement, neither Tuboscope nor any of its Subsidiaries is a party to any oral or written (i) agreement with any officer or other key employee of Tuboscope or any of its Subsidiaries, the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving Tuboscope of the nature contemplated by this Agreement, (ii) agreement with any officer of Tuboscope providing any term of employment or compensation guarantee extending for a period longer than one year from the date hereof or for the payment of compensation in excess of \$100,000 per annum, or (iii) agreement or plan, including any stock option plan, stock appreciation right plan, restricted stock plan or stock purchase plan, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement.

Section 4.14. Compliance With Laws. Tuboscope has complied with, is

not in violation of, and has not received any notices of violation with respect to, any federal, state or local statute, law or regulation with respect to the conduct of its business, or the ownership or operation of its business, except for failures to comply or violations which, individually or in the aggregate, have not had and are not reasonably likely to have a Tuboscope Material Adverse Effect.

Section 4.15. Registration Statement; Proxy Statement/Prospectus.

The information in the Registration Statement (except for information supplied by Newpark for inclusion in the Registration Statement, as to which Tuboscope makes no representation) shall not at the time the Registration Statement is declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated in the Registration Statement or necessary in order to make the statements in the Registration Statement, in light of the circumstances under which they were made, not misleading. The information (except for information supplied by Newpark for inclusion in the Joint Proxy Statement, as to which Tuboscope makes no representation) in the Joint Proxy Statement shall not, on the date the Joint Proxy Statement is first mailed to stockholders of Tuboscope or Newpark, at the time of the Tuboscope Stockholders' Meeting and the Newpark Stockholder's

Meeting and at the Effective Time, contain any statement which, at such time and in light of the circumstances under which it shall be made, is false or misleading with respect to any material fact, or omit to state any material fact necessary in order to make the statements made in the Joint Proxy Statement not false or misleading; or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Tuboscope Stockholders' Meeting or the Newpark Stockholders' Meetings which has become false or misleading. If at any time prior to the Effective Time any event relating to Tuboscope or any of its Affiliates, officers or directors should be discovered by Tuboscope which should be set forth in an amendment to the Registration Statement or a supplement to the Joint Proxy Statement, Tuboscope shall promptly inform Newpark.

Section 4.16. Labor Matters. Neither Tuboscope nor any of its

Subsidiaries is a party to or otherwise bound by any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization, nor is any such contract or agreement presently being negotiated, nor is there, nor has there been in the last five years, a representation question respecting any of the employees of Tuboscope or its Subsidiaries, and, to the best knowledge of the executive officers of Tuboscope, there are no campaigns being conducted to solicit cards from employees of Tuboscope or its Subsidiaries to authorize representation by any labor organization, nor is Tuboscope or its Subsidiaries a party to, or bound by, any consent decree with, or citation by, any governmental agency relating to employees or employment practices. Nor, as of the date hereof, is Tuboscope or any of its Subsidiaries the subject of any material proceeding asserting that Tuboscope or any of its Subsidiaries has committed an unfair labor practice or is seeking to compel it to bargain with any labor union or labor organization nor, as of the date of this Agreement, is there pending or, to the knowledge of the executive officers of Tuboscope, threatened, any material labor strike, dispute, walkout, work stoppage, slow-down or lockout involving Tuboscope or any of its Subsidiaries.

Section 4.17. Insurance. All material fire and casualty, general

liability, business interruption, product liability, and sprinkler and water damage insurance policies maintained by Tuboscope or any of its Subsidiaries are with reputable insurance carriers and are in character and amount at least equivalent to that carried by persons engaged in similar businesses and subject to the same or similar perils or hazards, except for any such failures to maintain insurance policies that, individually or in the aggregate, are not reasonably likely to have a Tuboscope Material Adverse Effect.

Section 4.18. Opinion of Financial Advisor. The financial advisor of

Tuboscope, Morgan Stanley & Co. Incorporated, has delivered to Tuboscope an opinion, dated the date of this Agreement, to the effect that the Exchange Ratio is fair to Tuboscope from a financial point of view.

Section 4.19. No Existing Discussions. As of the date hereof,

Tuboscope is not engaged, directly or indirectly, in any discussions or negotiations with any other party with respect to an Acquisition Proposal (as defined in Section 6.01(a)).

Section 4.20. Anti-Takeover Laws. The restrictions contained in

Section 203 of the DGCL with respect to a "business combination" (as defined in DGCL Section 203) have been rendered inapplicable to the authorization, execution, delivery and performance of the Agreement by Tuboscope or the consummation of the Merger by Tuboscope. No other "fair price," "moratorium," "control share acquisition" or other similar anti-takeover statute or regulation is applicable to Tuboscope or (solely by reason of Tuboscope's participation therein) the Merger or the other transactions contemplated by this Agreement.

ARTICLE V.

CONDUCT OF BUSINESS

Section 5.01. Covenants of Newpark. During the period from the date

of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, Newpark agrees as to itself and its respective Subsidiaries (except to the extent that Tuboscope shall otherwise consent in writing), to carry on its business in the usual, regular and ordinary course in substantially the same manner as previously conducted, to pay its debts and Taxes when due subject to good faith disputes over such debts or Taxes, to pay or perform its other obligations when due, and, to the extent consistent with such business, use all reasonable efforts consistent with past practices and policies to preserve intact its present business organization, keep available the services of its present officers and key employees and preserve its relationships with customers, suppliers, distributors, and others having business dealings with it. Newpark shall promptly notify the other party of any material event or occurrence not in the ordinary course of business of Newpark. Except as expressly contemplated by this Agreement, Newpark shall not (and shall not permit any of its respective Subsidiaries to), without the written consent of Tuboscope:

(a) Accelerate, amend or change the period of exercisability or vesting of options or restricted stock granted under any employee stock plan of such party or authorize cash payments in exchange for any options granted under any of such plans except as required by the terms of such plans or any related agreements in effect as of the date of this Agreement;

(b) Except for the issuance of Newpark Common Stock as quarterly dividends on the Newpark Series A Preferred Stock in accordance with the rights of the holders of the Newpark Series A Preferred Stock, declare or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any of its capital stock, or split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or purchase or otherwise acquire, directly or indirectly, any shares of its capital stock except from former employees, directors and consultants in accordance with agreements providing for the repurchase of shares in connection with any termination of service to such party;

(c) Except for the issuance of Newpark Common Stock as quarterly dividends on the Newpark Series A Preferred Stock in accordance with the rights of the holders of the Newpark Series A Preferred Stock, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock or securities convertible into shares of

its capital stock, or subscriptions, rights, warrants or options to acquire, or other agreements or commitments of any character obligating it to issue any such shares or other convertible securities, other than the issuance of shares of Newpark Common Stock pursuant to (i) the exercise of options outstanding on the date of this Agreement, (ii) the exercise of the Newpark Warrant, (iii) the exercise of additional options exercisable for an aggregate of no more than 25,000 shares of Newpark Common Stock granted after the date of this Agreement or (iv) the 1999 Employee Stock Purchase Plan of Newpark;

(d) Acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or substantial portion of the assets of, or by any other manner, any business or any corporation, partnership or other business organization or division, or otherwise acquire or agree to acquire any assets (other than inventory and other items in the ordinary course of business), except for all such acquisitions involving aggregate consideration of not more than \$3 million;

(e) Sell, lease, license or otherwise dispose of any of its material properties or assets, except for transactions in the ordinary course of business;

(f) (i) Increase or agree to increase the compensation payable or to become payable to its officers or employees, except for increases in salary or wages of employees in accordance with past practices (including bonuses), (ii) grant any additional severance or termination pay to, or enter into any employment or severance agreements with, any employees or officers, other than payments or agreements paid to or entered into with employees (other than officers) in the ordinary course of business in accordance with past practices or the performance of agreements in effect on the date of this Agreement, (iii) enter into any collective bargaining agreement (other than as required by law or extensions to existing agreements in the ordinary course of business), (iv) establish, adopt, enter into or amend any bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, trust, fund, policy or arrangement for the benefit of any directors, officers or employees;

(g) Amend or propose to amend its charter or bylaws, except as contemplated by this Agreement;

(h) Incur any indebtedness for borrowed money other than pursuant to credit agreements in effect as of the date hereof or up to \$1 million (which may be denominated in foreign currency) in borrowings under loan agreements entered into hereafter;

(i) Initiate, compromise, or settle any material litigation or arbitration proceeding;

(j) Except in the ordinary course of business, modify, amend or terminate any Newpark Material Contract or waive, release or assign any material rights or claims;

(k) Make or commit to make any capital expenditures that would cause the aggregate capital budget furnished by Newpark to Tuboscope to be exceeded; or

(l) Take, or agree in writing or otherwise to take, any of the actions described in Sections (a) through (k) above.

Section 5.02. Covenants of Tuboscope. During the period from the

date of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, Tuboscope agrees as to itself and its respective Subsidiaries (except to the extent that Newpark shall otherwise consent in writing), to carry on its business in the usual, regular and ordinary course in substantially the same manner as previously conducted, to pay its debts and Taxes when due subject to good faith disputes over such debts or Taxes, to pay or perform its other obligations when due, and, to the extent consistent with such business, use all reasonable efforts consistent with past practices and policies to preserve intact its present business organization, keep available the services of its present officers and key employees and preserve its relationships with customers, suppliers, distributors, and others having business dealings with it. Tuboscope shall promptly notify the other party of any material event or occurrence not in the ordinary course of business of Tuboscope. Except as expressly contemplated by this Agreement, Tuboscope shall not (and shall not permit any of its respective Subsidiaries to), without the written consent of Newpark:

(a) Accelerate, amend or change the period of exercisability or vesting of options or restricted stock granted under any employee stock plan of such party or authorize cash payments in exchange for any options granted under any of such plans except as required by the terms of such plans or any related agreements in effect as of the date of this Agreement;

(b) Declare or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any of its capital stock, or split, combine or reclassify any of its capital stock (other than a stock dividend or stock split as a result of which the Exchange Ratio is adjusted pursuant to Section 2.01(b)) or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or purchase or otherwise acquire, directly or indirectly, any shares of its capital stock except from former employees, directors and consultants in accordance with agreements providing for the repurchase of shares in connection with any termination of service to such party;

(c) Issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock or securities convertible into shares of its capital stock, or subscriptions, rights, warrants or options to acquire, or other agreements or commitments of any character obligating it to issue any such shares or other convertible securities, other than the issuance of shares of Tuboscope Common Stock pursuant to the exercise of options, warrants or convertible securities outstanding on the date of this Agreement and the Tuboscope Employee Qualified Stock Purchase Plan;

(d) Acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or substantial portion of the assets of, or by any

other manner, any business or any corporation, partnership or other business organization or division, or otherwise acquire or agree to acquire any assets (other than inventory and other items in the ordinary course of business), except for all such acquisitions involving aggregate consideration of not more than \$3 million;

(e) Sell, lease, license or otherwise dispose of any of its material properties or assets, except for transactions in the ordinary course of business;

(f) (i) Increase or agree to increase the compensation payable or to become payable to its officers or employees, except for increases in salary or wages of employees in accordance with past practices (including bonuses), (ii) grant any additional severance or termination pay to, or enter into any employment or severance agreements with, any employees or officers, other than payments or agreements paid to or entered into with employees (other than officers) in the ordinary course of business in accordance with past practices or the performance of agreements in effect on the date of this Agreement, (iii) enter into any collective bargaining agreement (other than as required by law or extensions to existing agreements in the ordinary course of business), (iv) establish, adopt, enter into or amend any bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, trust, fund, policy or arrangement for the benefit of any directors, officers or employees;

(g) Amend or propose to amend its charter or bylaws, except as contemplated by this Agreement;

(h) Incur any indebtedness for borrowed money other than pursuant to credit agreements in effect as of the date hereof or up to \$1 million (which may be denominated in foreign currency) in borrowings under loan agreements entered into hereafter;

(i) Initiate, compromise, or settle any material litigation or arbitration proceeding;

(j) Except in the ordinary course of business, modify, amend or terminate any Tuboscope Material Contract or waive, release or assign any material rights or claims;

(k) Make or commit to make any capital expenditures that would cause the aggregate capital budget furnished by Tuboscope to Newpark to be exceeded; or

(l) Take, or agree in writing or otherwise to take, any of the actions described in Sections (a) through (k) above.

Section 5.03. Tax-Free Reorganization. Tuboscope and Newpark shall

each use its best efforts to cause the Merger to qualify as, and will not take or agree to take any action that would prevent the Merger from qualifying as, a reorganization within the meaning of Section 368(a) of the Code.

Section 5.04. Cooperation. Subject to compliance with applicable

law, from the date hereof until the Effective Time, each of Tuboscope and Newpark shall confer on a regular and frequent basis with one or more representatives of the other party to report on the general status of ongoing operations and shall promptly provide the other party or its counsel with copies of all filings made by such party with any Governmental Entity in connection with this Agreement, the Merger and the transactions contemplated hereby and thereby.

Section 5.05. Tuboscope Board Resolutions. The Board of Directors of

Tuboscope shall adopt such resolutions as shall be necessary for the acquisition of equity securities (including options and other derivative securities) of Tuboscope by officers or directors of Newpark who are to become officers or directors of Tuboscope in the Merger to be deemed an acquisition from Tuboscope eligible for Rule 16b-3(d) under the Exchange Act.

ARTICLE VI.

ADDITIONAL AGREEMENTS

Section 6.01. No Solicitation.

(a) Tuboscope and Newpark each shall not, directly or indirectly, through any officer, director, employee, financial advisor, representative or agent of such party (i) solicit, initiate, or encourage any inquiries or proposals that constitute, or could reasonably be expected to lead to, a proposal or offer for an Alternative Transaction (as defined below) involving such party or any of its Subsidiaries (any of the foregoing inquiries or proposals being referred to in this Agreement as an "Acquisition Proposal"), (ii) engage in negotiations or discussions concerning, or provide any non-public information to any person or entity relating to, any Acquisition Proposal, or (iii) agree to or recommend any Acquisition Proposal; provided, however, that

nothing contained in this Agreement shall prevent Tuboscope or Newpark, or their respective Board of Directors, from (A) furnishing non-public information to, or entering into discussions or negotiations with, any person or entity in connection with an unsolicited bona fide written Acquisition Proposal by such person or entity or recommending an unsolicited bona fide written Acquisition Proposal to the stockholders of such party, if and only to the extent that (1) the Board of Directors of such party believes in good faith (after consultation with its financial advisor) that such Acquisition Proposal is reasonably capable of being completed on the terms proposed and, after taking into account the strategic benefits anticipated to be derived from the Merger and the long-term prospects of Newpark and Tuboscope as a combined company, would, if consummated, result in a transaction more favorable than the transaction contemplated by this Agreement (any such more favorable Acquisition Proposal being referred to in this Agreement as a "Superior Proposal") and the Board of Directors of such party determines in good faith after consultation with outside legal counsel that failure to take such action would be reasonably likely to constitute a breach of the fiduciary duties of such Board of Directors to stockholders under applicable law, (2) prior to furnishing such non-public information to, or entering into discussions or negotiations with, such person or entity, such Board of Directors receives from such person or entity an executed confidentiality agreement with terms no less favorable to such party than those contained in the Agreement dated June 4, 1999 between Tuboscope and Newpark (the "Confidentiality Agreement"), and (3) prior to furnishing such non-public

information or providing access to the properties, books or records of such party, such party has complied with the provisions of Section 6.01(b); or (B) complying with Rule 14e-2 promulgated under the Exchange Act with regard to an Acquisition Proposal.

(b) Tuboscope and Newpark shall each notify the other party immediately after receipt by Tuboscope or Newpark (or their advisors) of any Acquisition Proposal or any request for nonpublic information in connection with an Acquisition Proposal or for access to the properties, books or records of such party by any person or entity that informs such party that it is considering making, or has made, an Acquisition Proposal. Such notice shall be made orally and in writing and shall indicate in reasonable detail the identity of the offer or and the terms and conditions of such proposal, inquiry or contact. Such party shall, to the extent permitted by law, continue to keep the other party hereto informed, on a current basis, of the status of any such discussions or negotiations and the terms being discussed or negotiated.

Section 6.02. Proxy Statement/Prospectus; Registration Statement.

(a) As promptly as practical after the execution of this Agreement, Tuboscope and Newpark shall prepare and file with the SEC the Joint Proxy Statement, and Tuboscope shall prepare and file with the SEC the Registration Statement, in which the Joint Proxy Statement will be included as a prospectus, provided that Tuboscope may delay the filing of the Registration Statement until approval of the Joint Proxy Statement by the SEC. Tuboscope and Newpark shall use all reasonable efforts to cause the Registration Statement to become effective as soon after such filing as practical. The Joint Proxy Statement, and any amendment or supplement thereto, shall include the recommendation of the Board of Directors of Newpark in favor of this Agreement and the Merger (including a declaration that the Merger is advisable in accordance with Section 251 of the DGCL) and the recommendation of the Board of Directors of Tuboscope in favor of this Agreement, the Merger (including a declaration that the Merger is advisable in accordance with Section 251 of the DGCL), an amendment to Tuboscope's Second Restated Certificate of Incorporation to increase the number of authorized shares of Tuboscope Common Stock from 60,000,000 to 200,000,000 and the issuance of shares of Tuboscope Common Stock pursuant to the Merger; provided that the Board of Directors of Newpark may withdraw such recommendation if (but only if) (i) the Board of Directors of Newpark has received a Superior Proposal, and (ii) such Board of Directors upon advice of its outside legal counsel determines that it is reasonably likely that a failure to recommend such Superior Proposal would constitute a breach of its fiduciary duties under applicable law, and the Board of Directors of Tuboscope may withdraw such recommendation if (but only if) (i) the Board of Directors of Tuboscope has received a Superior Proposal, and (ii) such Board of Directors upon advice of its outside legal counsel determines that it is reasonably likely that a failure to recommend such Superior Proposal would constitute a breach of its fiduciary duties under applicable law. Nothing in this Section 6.02(a) shall release the obligations of Tuboscope or Newpark to hold the Tuboscope Stockholders' Meeting and the Newpark Stockholders' Meeting, respectively, in accordance with Section 6.05.

(b) Tuboscope and Newpark shall make all necessary filings with respect to the Merger under the Securities Act, the Exchange Act, applicable state blue sky laws and the rules and regulations thereunder.

Section 6.03. NYSE Listings. Newpark agrees to continue the listing

of Newpark Common Stock on the NYSE during the term of this Agreement. Tuboscope agrees to continue the listing of Tuboscope Common Stock on the NYSE during the term of this Agreement.

Section 6.04. Access to Information. Upon reasonable notice, Newpark

and Tuboscope shall each (and shall cause each of their respective Subsidiaries to) afford to the officers, employees, accountants, counsel and other representatives of the other, access, during normal business hours during the period prior to the Effective Time, to all its properties, books, contracts, commitments and records and, during such period, each of Newpark and Tuboscope shall (and shall cause each of their respective Subsidiaries to) furnish promptly to the other (a) a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of federal securities laws and (b) all other information concerning its business, properties and personnel as such other party may reasonably request. Unless otherwise required by law, the parties will hold any such information which is nonpublic in confidence in accordance with the Confidentiality Agreement. No information or knowledge obtained in any investigation pursuant to this Section 6.04 shall affect or be deemed to modify any representation or warranty contained in this Agreement or the conditions to the obligations of the parties to consummate the Merger.

Section 6.05. Stockholders Meetings.

(a) Newpark and Tuboscope each shall call a meeting of its respective stockholders to be held as promptly as practicable for the purpose of voting, in the case of Newpark, upon this Agreement and the Merger and, in the case of Tuboscope, upon this Agreement, the Merger, an amendment to Tuboscope's Second Restated Certificate of Incorporation to increase the number of authorized shares of Tuboscope Common Stock from 60,000,000 to 200,000,000 and the issuance of shares of Tuboscope Common Stock pursuant to the Merger (the "Tuboscope Voting Proposal"). Subject to Section 6.02(a), Tuboscope and Newpark shall use all reasonable efforts to solicit proxies in favor of such matters. Tuboscope and Newpark shall coordinate and cooperate with respect to the timing of such meetings and shall use their best efforts to hold such meetings on the same day and as soon as practicable after the date hereof. The Newpark stockholder vote required for the approval of the Agreement and Merger shall be a majority of the shares of Newpark Common Stock outstanding on the record date for the Newpark Stockholders' Meeting and a majority of the shares of Newpark Series A Preferred Stock. The Tuboscope stockholder vote required for approval of the Tuboscope Voting Proposal shall be a majority of the shares of Tuboscope Common Stock outstanding on the record date for the Tuboscope Stockholders' Meeting.

(b) Tuboscope may also submit additional routine proposals to its stockholders at the Tuboscope Stockholders' Meeting, separate from the proposal referred to in

Section 6.05(a), provided that Tuboscope shall consult with Newpark as to the submission of such proposals. The approval by Tuboscope's stockholders of such additional proposals shall not be a condition to the closing of the Merger under this Agreement.

Section 6.06. Legal Conditions to Merger.

(a) Newpark and Tuboscope shall each use their best efforts to (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary and proper under applicable law to consummate and make effective the transactions contemplated hereby as promptly as practicable, (ii) obtain from any Governmental Entity or any other third party any consents, licenses, permits, waivers, approvals, authorizations, or orders required to be obtained or made by Newpark or Tuboscope or any of their Subsidiaries in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby including, without limitation, the Merger, and (iii) as promptly as practicable, make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement and the Merger required under (A) the Securities Act and the Exchange Act, and any other applicable federal or state securities laws, (B) the HSR Act and any related governmental request thereunder, and (C) any other applicable law. Newpark and Tuboscope shall cooperate with each other in connection with the making of all such filings, including providing copies of all such documents to the non-filing party and its advisors prior to filing and, if requested, to accept all reasonable additions, deletions or changes suggested in connection therewith. Newpark and Tuboscope shall use their best efforts to furnish to each other all information required for any application or other filing to be made pursuant to the rules and regulations of any applicable law (including all information required to be included in the Joint Proxy Statement and the Registration Statement) in connection with the transactions contemplated by this Agreement.

(b) Tuboscope and Newpark agree, and shall cause each of their respective Subsidiaries, to cooperate and to use their respective best efforts to obtain any government clearances or approvals required for Closing under the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other Federal, state or foreign law or, regulation or decree designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade (collectively "Antitrust Laws"), to respond to any government requests for information under any Antitrust Law, and to contest and resist any action, including any legislative, administrative or judicial action, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) (an "Order") that restricts, prevents or prohibits the consummation of the Merger or any other transactions contemplated by this Agreement under any Antitrust Law. The parties hereto will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection with proceedings under or relating to any Antitrust Law. Notwithstanding anything to the contrary in this Section 6.06, neither Tuboscope nor Newpark nor any of their Subsidiaries shall be required to divest any of their respective businesses, product lines or assets, or to take or agree to take any other action or agree

to any limitation, that could reasonably be expected to have a material adverse effect on Tuboscope or of Tuboscope combined with Newport after the Effective Time.

(c) Each of Newport and Tuboscope shall give (or shall cause their respective Subsidiaries to give) any notices to third parties, and use, and cause their respective Subsidiaries to use, their best efforts to obtain any third party consents related to or required in connection with the Merger that are (A) necessary to consummate the transactions contemplated hereby, (B) disclosed or required to be disclosed in the Newport Disclosure Schedule or the Tuboscope Disclosure Schedule, as the case may be, or (C) required to prevent a Newport Material Adverse Effect or a Tuboscope Material Adverse Effect from occurring prior to or after the Effective Time.

Section 6.07. Public Disclosure. Tuboscope and Newport shall agree

on the form and content of the initial joint press release regarding the transactions contemplated hereby, and thereafter shall consult with each other before issuing any press release or otherwise making any public statement with respect to the Merger or this Agreement and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by law.

Section 6.08. Affiliate Legends. Upon the execution of this

Agreement, Tuboscope and Newport will provide each other with a list of those persons who are, in Tuboscope's or Newport's respective reasonable judgment, "affiliates" of Tuboscope or Newport, respectively, within the meaning of Rule 145 (each such person who is an "affiliate" of Tuboscope or Newport within the meaning of Rule 145 is referred to as an "Affiliate") promulgated under the Securities Act ("Rule 145"). Tuboscope and Newport shall provide each other such information and documents as Newport or Tuboscope shall reasonably request for purposes of reviewing such list and shall notify the other party in writing regarding any change in the identity of its Affiliates prior to the Closing Date. Tuboscope shall be entitled to place appropriate legends on the certificates evidencing any Tuboscope Common Stock to be received by such Affiliates of Newport pursuant to the terms of this Agreement, and to issue appropriate stop transfer instructions to the transfer agent for the Tuboscope Common Stock (provided that such legends or stop transfer instructions shall be removed, two years after the Effective Date, upon the request of any stockholder that is not then an Affiliate of Tuboscope).

Section 6.09. NYSE Listing. Tuboscope shall use its best efforts to

cause the shares of Tuboscope Common Stock to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Closing Date.

Section 6.10. Stock Plans.

(a) At the Effective Time, each outstanding option to purchase shares of Newport Common Stock (a "Newport Stock Option") under the Newport Stock Plans, whether vested or unvested, shall constitute an option to acquire, on the same terms and conditions as were applicable under such Newport Stock Option, the same number of shares of Tuboscope Common Stock as the holder of such Newport Stock Option would have been

entitled to receive pursuant to the Merger had such holder exercised such option in full immediately prior to the Effective Time (rounded downward to the nearest whole number), at a price per share (rounded upward to the nearest whole cent) equal to (y) the aggregate exercise price for the shares of Newpark Common Stock purchasable pursuant to such Newpark Stock Option immediately prior to the Effective Time divided by (z) the number of full shares of Tuboscope Common Stock deemed purchasable pursuant to such Newpark Stock Option in accordance with the foregoing.

(b) As soon as practicable after the Effective Time, Tuboscope shall deliver to the participants in Newpark Stock Plans appropriate notice setting forth such participants' rights pursuant thereto and the grants pursuant to Newpark Stock Plans shall continue in effect on the same terms and conditions (subject to the adjustments required by this Section 6.10 after giving effect to the Merger).

(c) Tuboscope shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Tuboscope Common Stock for delivery under Newpark Stock Plans assumed in accordance with this Section 6.10. As soon as practicable after the Effective Time, Tuboscope shall file a registration statement on Form S-8 (or any successor or other appropriate forms), or another appropriate form with respect to the shares of Tuboscope Common Stock subject to such options and shall use its best efforts to maintain the effectiveness of such registration statement or registration statements (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such options remain outstanding.

(d) The Board of Directors of Newpark shall, prior to or as of the Effective Time, take all necessary actions, if any, pursuant to and in accordance with the terms of the Newpark Stock Plans and the instruments evidencing the Newpark Stock Options, to provide for the conversion of the Newpark Stock Options into options to acquire Tuboscope Common Stock in accordance with this Section 6.10, and that no consent of the holders of the Newpark Stock Options is required in connection with such conversion.

(e) The shares of Newpark Common Stock awarded, issued and outstanding under the Newpark Long Term Cash and Stock Incentive Plan shall be converted into Tuboscope Common Stock on the Effective Date as provided in Article II of this Agreement and shall remain subject to restriction and forfeiture and to the lapse or expiration of such restrictions and risk of forfeiture on the terms and conditions provided in the agreements under which such shares were awarded and issued. Such agreements shall remain in full force and effect in accordance with these terms after the Effective Date.

(f) At the Effective Time, the Newpark Warrant shall constitute a warrant to acquire the same number of shares of Tuboscope Common Stock as the holder of the Newpark Warrant would have been entitled to receive pursuant to the Merger had such holder exercised the Newpark Warrant in full immediately prior to the Effective Time (rounded downward to the nearest whole number), at a price per share (rounded upward to the nearest whole cent) equal to (y) the aggregate exercise price for the shares of Newpark Common Stock purchasable pursuant to the Newpark Warrant immediately prior to the Effective Time divided

by (z) the number of full shares of Tuboscope Common Stock deemed purchasable pursuant to the Newpark Warrant in accordance with the foregoing.

Section 6.11. Brokers or Finders. Each of Tuboscope and Newpark

represents, as to itself, its Subsidiaries and its Affiliates, that no agent, broker, investment banker, financial advisor or other firm or person is or will be entitled to any broker's or finder's fee or any other commission or similar fee in connection with any of the transactions contemplated by this Agreement except Salomon Smith Barney Inc. whose fees and expenses will be paid by Newpark in accordance with Newpark's agreements with such firm, and Morgan Stanley & Co. Incorporated, whose fees and expenses will be paid by Tuboscope in accordance with Tuboscope's agreement with such firm. Each of Tuboscope and Newpark agrees to indemnify and hold the other harmless from and against any and all claims, liabilities or obligations with respect to any such fees, commissions or expenses asserted by any person on the basis of any act or statement alleged to have been made by such party or any of its Affiliates.

Section 6.12. Indemnification.

(a) From and after the Effective Time, Tuboscope agrees that it will indemnify and hold harmless each present and former director and officer of Newpark (the "Indemnified Parties"), against any costs or expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities or amounts paid in settlement (collectively, "Costs") incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent that Newpark would have been permitted under Delaware law and its certificate of incorporation or bylaws in effect on the date hereof to indemnify such Indemnified Party (and Tuboscope shall also advance expenses as incurred to the fullest extent permitted under applicable law, provided the Indemnified Party to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Indemnified Party is not entitled to indemnification).

(b) The provisions of this Section 6.12 are intended to be an addition to the rights otherwise available to the current and former officers and directors of Newpark by law, charter, statute, bylaw or agreement, and shall operate for the benefit of, and shall be enforceable by, each of the Indemnified Parties, their heirs and their representatives.

Section 6.13. Letter of Tuboscope's Accountants. Tuboscope shall use

reasonable best efforts to cause to be delivered to Newpark and Tuboscope a letter of Ernst & Young LLP, Tuboscope's independent auditors, dated a date within two business days before the date on which the Registration Statement shall become effective and addressed to Newpark, in form reasonably satisfactory to Newpark and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement. In connection with Newpark's efforts to obtain such letter, if requested by Ernst & Young LLP, Tuboscope shall provide a representation letter to Ernst & Young LLP complying with SAS 72, if then required.

Section 6.14. Letter of Newpark's Accountants. Newpark shall use

reasonable best efforts to cause to be delivered to Tuboscope and Newpark a letter of Arthur Andersen, Newpark's independent auditors, dated a date within two business days before the date on which the Registration Statement shall become effective and addressed to Tuboscope, in form reasonably satisfactory to Tuboscope and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement. In connection with Tuboscope's efforts to obtain such letter, if requested by Arthur Andersen, Newpark shall provide a representation letter to Arthur Andersen complying with the SAS 72, if then required.

Section 6.15. Benefit Plans.

(a) Continuation of Benefits. Tuboscope agrees that, during

the period commencing at the Effective Time and ending December 31, 1999, the employees of Newpark and its Subsidiaries who remain in the employ of Tuboscope or any of its Subsidiaries (a "Continuing Employee") will continue to be provided with benefits under health insurance, vision care, life insurance, employee assistance programs, flexible spending accounts, disability, vacation, holiday, profit-sharing, section 401(k), dental and sick pay plans and stock option plans which are not materially less favorable in the aggregate than those currently provided by Newpark and its Subsidiaries to such employees.

(b) Treatment. Each Continuing Employee shall be treated

under Tuboscope's benefit plans and compensation and employment policies and practices in a manner that is no less favorable than is applicable to an employee of Tuboscope and its Subsidiaries who performs comparable duties and responsibilities for his or her employer on an equally satisfactory basis.

ARTICLE VII.

CONDITIONS TO MERGER

Section 7.01. Conditions to Each Party's Obligation To Effect the

Merger. The respective obligations of each party to this Agreement to effect

the Merger shall be subject to the satisfaction or waiver prior to the Closing Date of the following conditions:

(a) Stockholder Approval. This Agreement and the Merger

shall have been approved and adopted by the affirmative vote of the holders of a majority of the shares of Newpark Common Stock outstanding on the record date for the Newpark Stockholders' Meeting and the holders of a majority of the Newpark Series A Preferred Stock and the Tuboscope Voting Proposal shall have been approved by the affirmative vote of the holders of a majority of the shares of Tuboscope Common Stock outstanding on the record date for the Tuboscope Stockholders' Meeting.

(b) Regulatory Approvals. The waiting period applicable to

the consummation of the Merger under the HSR Act shall have expired or been terminated, and approvals and/or clearances shall have been obtained from (or decisions indicating no objections to the Merger or other indications to that effect satisfactory to Tuboscope shall have been made by) the European Commission (if applicable) and under any other antitrust or competition law applicable to any significant operations.

(c) Approvals. Other than the filing provided for by

Section 1.02, all authorizations, consents, orders or approvals of, or declarations or filings with, or expirations of waiting periods imposed by, any Governmental Entity the failure of which to file, obtain or occur is reasonably likely to have a Tuboscope Material Adverse Effect or Newpark Material Adverse Effect shall have been filed, been obtained or occurred.

(d) Registration Statement. The Registration Statement

shall have become effective under the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order.

(e) No Injunctions. No Governmental Entity or federal,

state or foreign court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Order or statute, rule, regulation which is in effect and which has the effect of making the Merger illegal or otherwise prohibiting consummation of the Merger.

(f) NYSE. The shares of Tuboscope Common Stock to be issued

in the Merger shall have been approved for listing on the NYSE, subject to official notice of issuance.

Section 7.02. Additional Conditions to Obligations of Tuboscope. The

obligation of Tuboscope to effect the Merger is subject to the satisfaction of each of the following conditions, any of which may be waived in writing exclusively by Tuboscope :

(a) Representations and Warranties. The representations and

warranties of Newpark set forth in this Agreement shall be true and correct as of the date of this Agreement and (except to the extent such representations and warranties speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, except for, (i) changes contemplated by this Agreement and (ii) where the failures to be true and correct, individually or in the aggregate, have not had and are not reasonably likely to have a Newpark Material Adverse Effect or a material adverse effect upon the consummation of the transactions contemplated hereby; and Tuboscope shall have received a certificate signed on behalf of Newpark by the chief executive officer and the chief financial officer of Newpark to such effect.

(b) Performance of Obligations of Newpark. Newpark shall

have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date; and Tuboscope shall have received a certificate signed on behalf of Newpark by the chief executive officer and the chief financial officer of Newpark to such effect.

(c) Tax Opinion. Tuboscope shall have received a written

opinion from Latham & Watkins, counsel to Tuboscope, to the effect that the Merger will be treated for Federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, Latham & Watkins shall receive and may rely upon representations contained in certificates of Newpark and Tuboscope substantially in the forms of Exhibits "A" and "B" attached hereto.

Section 7.03. Additional Conditions to Obligations of Newpark. The

obligation of Newpark to effect the Merger is subject to the satisfaction of each of the following conditions, any of which may be waived, in writing, exclusively by Newpark:

(a) Representations and Warranties. The representations and

warranties of Tuboscope set forth in this Agreement shall be true and correct as of the date of this Agreement and (except to the extent such representations speak as of an earlier date) as of the Closing Date as though made on and as of the Closing Date, except for, (i) changes contemplated by this Agreement and (ii) where the failures to be true and correct, individually or in the aggregate, have not had and are not reasonably likely to have a Tuboscope Material Adverse Effect or a material adverse effect upon the consummation of the transactions contemplated hereby; and Newpark shall have received a certificate signed on behalf of Tuboscope by the chief executive officer and the chief financial officer of Tuboscope to such effect.

(b) Performance of Obligations of Tuboscope. Tuboscope

shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date; and Newpark shall have received a certificate signed on behalf of Tuboscope by the chief executive officer and the chief financial officer of Tuboscope to such effect.

(c) Tax Opinion. Newpark shall have received the opinion of

Ervin, Cohen & Jessup LLP, counsel to Newpark, to the effect that the Merger will be treated for Federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Code. In rendering such opinion, Ervin, Cohen & Jessup LLP shall receive and may rely upon representations contained in certificates of Newpark and Tuboscope substantially in the forms of Exhibits "C" and "D" attached hereto.

ARTICLE VIII.

TERMINATION AND AMENDMENT

Section 8.01. Termination. This Agreement may be terminated at any

time prior to the Effective Time (with respect to Sections 8.01(b) through 8.01(g), by written notice by the

terminating party to the other party), whether before or after approval of the matters presented in connection with the Merger by the stockholders of Newpark or Tuboscope:

(a) by mutual written consent of Tuboscope and Newpark; or

(b) by either Tuboscope or Newpark if the Merger shall not have been consummated by December 31, 1999 (provided that either Tuboscope or Newpark may extend such date to March 31, 2000 by providing written notice thereof to the other party on or prior to December 31, 1999). December 31, 1999, as it may be so extended, shall be referred to herein as the "Outside Date" (provided that the right to terminate this Agreement under this Section 8.01(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of or resulted in the failure of the Merger to occur on or before such date); or

(c) by either Tuboscope or Newpark if a court of competent jurisdiction or other Governmental Entity shall have issued a nonappealable final order, decree or ruling or taken any other nonappealable final action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger; or

(d) by Tuboscope, if, at the Newpark Stockholders' Meeting (including any adjournment or postponement), the requisite vote of the stockholders of Newpark in favor of this Agreement and the Merger shall not have been obtained; or by Newpark if, at the Tuboscope Stockholders' Meeting (including any adjournment or postponement), the requisite vote of the stockholders of Tuboscope in favor of the Tuboscope Voting Proposal shall not have been obtained; or

(e) by Tuboscope, if (i) the Board of Directors of Newpark shall have withdrawn or modified its recommendation of this Agreement or the Merger or such Board shall have resolved to do so; (ii) after the receipt by Newpark of an Acquisition Proposal, Tuboscope requests in writing that the Board of Directors of Newpark reconfirm its recommendation of this Agreement or the Merger and the Board of Directors of Newpark fails to do so within 10 business days after its receipt of Tuboscope's request; (iii) the Board of Directors of Newpark shall have recommended to the stockholders of Newpark an Alternative Transaction (as defined in Section 8.03(g)) or such Board shall have resolved to do so; (iv) a tender offer or exchange offer for 25% or more of the outstanding shares of Newpark Common Stock is commenced (other than by Tuboscope or an Affiliate of Tuboscope) and the Board of Directors of Newpark recommends that the stockholders of Newpark tender their shares in such tender or exchange offer or the Board of Directors fails to recommend that stockholders reject such tender or exchange offer within 10 business days after receipt of Tuboscope's request to do so; or (v) for any reason Newpark fails to call and hold the Newpark Stockholders' Meeting by the Outside Date (provided that Tuboscope's right to terminate this Agreement under such clause (v) shall not be available if at such time Newpark would be entitled to terminate this Agreement under Section 8.01(g)); or

(f) by Newpark, if (i) the Board of Directors of Tuboscope shall have withdrawn or modified its recommendation of the Tuboscope Voting Proposal or such Board shall have resolved to do so; (ii) after the receipt by Tuboscope of an Acquisition Proposal, Newpark requests in writing that the Board of Directors of Tuboscope reconfirm its recommendation of the Tuboscope Voting Proposal and the Board of Directors of Tuboscope fails to do so within 10 business days after its receipt of Newpark's request; (iii) the Board of Directors of Tuboscope shall have recommended to the stockholders of Tuboscope an Alternative Transaction (as defined in Section 8.03(g)) or such Board shall have resolved to do so; (iv) a tender offer or exchange offer for 25% or more of the outstanding shares of Tuboscope Common Stock is commenced (other than by Newpark or an Affiliate of Newpark) and the Board of Directors of Tuboscope recommends that the stockholders of Tuboscope tender their shares in such tender or exchange offer or the Board of Directors fails to recommend that stockholders reject such tender or exchange offer within 10 business days after receipt of Newpark's request to do so; or (v) for any reason Tuboscope fails to call and hold the Tuboscope Stockholders' Meeting by the Outside Date (provided that Newpark's right to terminate this Agreement under such clause (v) shall not be available if at such time Tuboscope would be entitled to terminate this Agreement under Section 8.01(g)); or

(g) by Tuboscope or Newpark, if there has been a breach of any representation, warranty, covenant or agreement on the part of the other party set forth in this Agreement, which breach (i) causes the conditions set forth in Section 7.02(a) or (b) (in the case of termination by Tuboscope) or 7.03(a) or (b) (in the case of termination by Newpark) not to be satisfied, and (ii) shall not have been cured within 20 business days following receipt by the breaching party of written notice of such breach from the other party.

Section 8.02. Effect of Termination. In the event of termination of

this Agreement as provided in Section 8.01, this Agreement shall immediately become void and there shall be no liability or obligation on the part of Tuboscope or Newpark or their respective officers, directors, stockholders or Affiliates, except as set forth in Sections 6.11 and 8.03; provided that the provisions of Sections 6.11 and 8.03 of this Agreement and the Confidentiality Agreement shall remain in full force and effect and survive any termination of this Agreement.

Section 8.03. Fees and Expenses.

(a) Except as set forth in this Section 8.03, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, whether or not the Merger is consummated, except that each of Tuboscope and Newpark will bear and pay one-half of the costs and expenses incurred in connection with the filing, printing and mailing of the Joint Proxy Statement (including SEC filing fees).

(b) Newpark shall pay Tuboscope up to \$5,000,000 as reimbursement for expenses of Tuboscope actually incurred relating to the transactions contemplated by this Agreement prior to termination (including, but not limited to, fees and expenses of Tuboscope's counsel, accountants and financial advisors, but excluding any discretionary fees paid to such

financial advisors), upon the termination of this Agreement by Tuboscope pursuant to (i) Section 8.01(d) as a result of the failure to receive the requisite vote for approval of this Agreement and the Merger by the stockholders of Newpark at the Newpark Stockholders' Meeting (other than in the circumstances set forth in Section 8.03(c)(i)) or (ii) Section 8.01(b) or Section 8.01(g) as a result of the failure to satisfy the condition set forth in Section 7.02(a).

(c) Upon the earliest to occur of the following events:

(i) the termination of this Agreement by Tuboscope pursuant to Section 8.01(d), if, prior to the Newpark Stockholders' Meeting, a proposal for an Alternative Transaction (as defined below) reasonably capable of being performed involving Newpark or which is a Superior Proposal shall have been made and the Board of Directors of Newpark shall have withdrawn or modified its recommendation or failed to reconfirm its recommendation of this Agreement or the Merger;

(ii) the termination of this Agreement by Tuboscope pursuant to Section 8.01(e); or

(iii) the consummation of an Alternative Transaction involving Newpark within 12 months after the termination of this Agreement,

Newpark shall pay to Tuboscope a fee of \$25,000,000 (the "Newpark Termination Fee").

Newpark's payment of a termination fee pursuant to this subsection shall be the sole and exclusive remedy of Tuboscope against Newpark and any of its Subsidiaries and their respective directors, officers, employees, agents, advisors or other representatives with respect to the occurrences giving rise to such payment.

(d) Tuboscope shall pay Newpark up to \$5,000,000 as reimbursement for expenses of Newpark actually incurred relating to the transactions contemplated by this Agreement prior to termination (including, but not limited to, fees and expenses of Newpark's counsel, accountants and financial advisors, but excluding any discretionary fees paid to such financial advisors), upon the termination of this Agreement by Newpark pursuant to (i) Section 8.01(d) as a result of the failure to receive the requisite vote for approval of the Tuboscope Voting Proposal by the stockholders of Tuboscope at the Tuboscope Stockholders' Meeting (other than in the circumstances set forth in Section 8.03(e)(i)) or (ii) Section 8.01(b) or Section 8.01(g) as a result of the failure to satisfy the condition set forth in Section 7.03(a).

(e) Upon the earliest to occur of the following events:

(i) the termination of this Agreement by Newpark pursuant to Section 8.01(d), if prior to the Tuboscope Stockholders' Meeting a proposal for an Alternative Transaction (as defined below) reasonably capable of being performed involving Tuboscope or which is a

Superior Proposal shall have been made and the Board of Directors of Tuboscope shall have withdrawn or modified its recommendation or failed to reconfirm its recommendation of this Agreement or the Merger;

(ii) the termination of this Agreement by Newpark pursuant to Section 8.01(f); or

(iii) the consummation of an Alternative Transaction involving Tuboscope within 12 months after the termination of this Agreement,

Tuboscope shall pay to Newpark a fee of \$25,000,000 (the "Tuboscope Termination Fee").

Tuboscope's payment of a termination fee pursuant to this subsection shall be the sole and exclusive remedy of Newpark against Tuboscope and any of its Subsidiaries and their respective directors, officers, employees, agents, advisors or other representatives with respect to the occurrences giving rise to such payment.

(f) The expenses and fees, if applicable, payable pursuant to Section 8.03(b), 8.03(c), 8.03(d) or 8.03(e) shall be paid as follows:

(i) payments pursuant to Section 8.03(b) or 8.03(d) shall be paid by the applicable party within five business days after the first to occur of the events described in Section 8.03(b) or 8.03(d), as applicable;

(ii) the Newpark Termination Fee shall be payable by Newpark in either of the following manners, which manner shall be selected by Tuboscope in its sole and absolute discretion:

(A) upon Newpark's receipt of a written request from Tuboscope for payment of the Newpark Termination Fee in shares of Newpark Common Stock (which request shall be made no earlier than the earliest date on which an obligation to pay the Newpark Termination Fee is triggered and no later than twelve months after the termination of this Agreement), Newpark shall issue to Tuboscope within five business days an amount of Newpark Common Stock having a Current Market Value (as defined below) of \$25,000,000 and shall provide Tuboscope with registration rights with respect to such shares of Newpark Common Stock substantially similar to the registration rights provided to SCF-III, L.P. ("SCF-III") by Tuboscope pursuant to that certain Registration Rights Agreement dated as of April 24, 1996 by and among Tuboscope, SCF-III and certain other securityholders of Tuboscope (the "Standard Registration Rights Agreement"); or

(B) if Tuboscope does not request payment under subparagraph 8.03(f)(ii)(A), Newpark shall pay to Tuboscope the Newpark Termination Fee in cash on the date of the closing of the applicable Alternative Transaction; and

(iii) the Tuboscope Termination Fee shall be payable by Tuboscope in either of the following manners, which manner shall be selected by Newpark in its sole and absolute discretion:

(A) upon Tuboscope's receipt of a written request from Newpark for payment of the Tuboscope Termination Fee in shares of Tuboscope Common Stock (which request shall be made no earlier than the earliest date on which an obligation to pay the Tuboscope Termination Fee is triggered and no later than twelve months after the termination of this Agreement), Tuboscope shall issue to Newpark within five business days an amount of Tuboscope Common Stock having a Current Market Value of \$25,000,000 and shall provide Newpark with registration rights with respect to such shares of Tuboscope Common Stock substantially similar to the registration rights provided to SCF-III, L.P. ("SCF-III") by Tuboscope pursuant to the Standard Registration Rights Agreement; provided, however, that such registration rights shall be subordinate to the rights of the holders of registration rights under the Standard Registration Rights Agreement as of the date of this Agreement; or

(B) if Newpark does not request payment under subparagraph 8.03(f)(iii)(A), Tuboscope shall pay to Newpark the Tuboscope Termination Fee in cash on the date of the closing of the applicable Alternative Transaction.

For purposes of this subsection 8.03(f), "Current Market Price" shall mean, with respect to either Newpark Common Stock or Tuboscope Common Stock, the average of the last reported sales prices of such security on the NYSE on each of the five trading days immediately preceding the date of this Agreement.

(g) As used in this Agreement, "Alternative Transaction" means either (i) a transaction pursuant to which any person (or group of persons) other than Tuboscope or Newpark or their respective affiliates (a "Third Party"), acquires more than 25% of the outstanding shares of Newpark Common Stock or Tuboscope Common Stock, as the case may be, pursuant to a tender offer or exchange offer or otherwise, (ii) a merger or other business combination involving Tuboscope or Newpark pursuant to which any Third Party acquires more than 25% of the outstanding shares of Newpark Common Stock or Tuboscope Common Stock, as the case may be, or the entity surviving such merger or business combination, (iii) any other transaction pursuant to which any Third Party acquires control of assets (including for this

purpose the outstanding equity securities of Subsidiaries of Tuboscope or Newpark, and the entity surviving any merger or business combination including any of them) of Tuboscope or Newpark having a fair market value (as determined by the Board of Directors of Tuboscope or Newpark, as the case may be, in good faith) equal to more than 25% of the fair market value of all the assets of Tuboscope or Newpark, as the case may be, and its Subsidiaries, taken as a whole, immediately prior to such transaction, or (iv) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

Section 8.04. Amendment. This Agreement may be amended by the

parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Merger by the stockholders of Newpark or of Tuboscope, but, after any such approval, no amendment shall be made which by law requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 8.05. Extension; Waiver. At any time prior to the Effective

Time, the parties hereto, by action taken or authorized by their respective Boards of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party.

ARTICLE IX.

MISCELLANEOUS

Section 9.01. Nonsurvival of Representations, Warranties and

Agreements. None of the representations, warranties and agreements in this

Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time, except for the agreements contained in Sections 1.04, 2.01, 2.02, 6.08, 6.12 and 6.15 and Article IX. The Confidentiality Agreement shall survive the execution and delivery of this Agreement.

Section 9.02. Notices. All notices and other communications

hereunder shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or mailed by registered or certified mail (return receipt requested) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

- (a) if to Tuboscope, to

2835 Holmes Road
Houston, Texas 77051
Attn: James F. Maroney, III
Telecopy: (713) 799-5100

with a copy to:

Latham & Watkins
650 Town Center Drive
Costa Mesa, CA 92626-1925
Attn: Patrick T. Seaver, Esq.
Telecopy: (714) 755-8290

(b) if to Newpark, to

3850 North Causeway, Suite 1770
Metairie, Louisiana 70002
Attn: James D. Cole
Telecopy: (504) 838-8222

with a copy to:

Ervin, Cohen & Jessup LLP
9401 Wilshire Blvd., 9th Floor
Beverly Hills, CA 90212-2974
Attn: Bertram K. Massing, Esq.
Telecopy: (310) 859-2325

Section 9.03. Interpretation. When a reference is made in this

Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation." The phrase "made available" in this Agreement shall mean that the information referred to has been made available if requested by the party to whom such information is to be made available. The phrases "the date of this Agreement", "the date hereof," and terms of similar import, unless the context otherwise requires, shall be deemed to refer to June 24, 1999.

Section 9.04. Counterparts. This Agreement may be executed in two or

more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 9.05. Entire Agreement; No Third Party Beneficiaries. This

Agreement (including the documents and the instruments referred to herein) (a) constitute the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, and (b) except as provided in Section 6.12 are not intended to confer upon any person other than the parties hereto any rights or remedies hereunder; provided that the Confidentiality Agreement shall remain in full force and effect until

the Effective Time. Each party hereto agrees that, except for the representations and warranties contained in this Agreement, neither Newpark nor Tuboscope makes any other representations or warranties, and each hereby disclaims any other representations and warranties made by itself or any of its officers, directors, employees, agents, financial and legal advisors or other representatives, with respect to the execution and delivery of this Agreement, the documents and the instruments referred to herein, or the transactions contemplated hereby or thereby, notwithstanding the delivery or disclosure to the other or the other's representatives of any documentation or other information with respect to any one or more of the foregoing.

Section 9.06. Governing Law. This Agreement shall be governed and

construed in accordance with the laws of the State of Delaware without regard to any applicable conflicts of law.

Section 9.07. Assignment. Neither this Agreement nor any of the

rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 9.08. Waiver of Jury Trial. Each party hereto hereby waives

any right to a trial by jury in connection with any action, suit or proceeding brought in connection with this Agreement.

IN WITNESS WHEREOF, Tuboscope and Newpark have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the date first written above.

Tuboscope Inc.

By: /s/ JOHN F. LAULETTA

Name: John F. Lauletta
Title: Chief Executive Officer

By: /s/ JAMES F. MARONEY, III

Name: James F. Maroney, III
Title: Secretary

Newpark Resources, Inc.

By: /s/ JAMES D. COLE

Name: James D. Cole
Title: Chief Executive Officer

By: /s/ EDAH KEATING

Name: Edah Keating
Title: Secretary

Tuboscope and Newpark Resources Announce Merger Plans;
50-50 Ownership Values Deal at Approximately \$1.3 Billion

June 24, 1999 04:28 PM

HOUSTON--(BUSINESS WIRE)--June 24, 1999--Tuboscope ("Tuboscope") TBI and Newpark Resources Inc. ("Newpark") NR announced today that the companies have agreed to merge, creating a worldwide supplier of highly engineered products and services to the oil and gas industry with over \$800 million in combined sales in 1998. Under the terms of a definitive merger agreement approved by both boards of directors and executed today, Newpark common shareholders would receive 0.65 common shares of Tuboscope for each common share of Newpark. At that ratio each shareholder group will own approximately 50% of the combined company. Tuboscope will be the surviving company with its name likely to be changed to reflect the integrated services to be provided. The proposed merger is subject to stockholder, lender, and regulatory approval and is expected to be accounted for as a purchase.

The merger will enable the combined company to provide a comprehensive package of sophisticated drilling and production waste minimization and disposal technologies. The company plans to integrate Tuboscope's leading position in solids control products used to separate drilling waste from drilling fluids and Newpark's drilling fluid and waste minimization and disposal capabilities, to offer "one-stop" shopping for fluids and waste management for the drilling industry worldwide.

James D. Cole, President, CEO and Chairman of Newpark will become Chairman and John F. Lauletta will be President and CEO of the new company. L.E. Simmons, current Chairman of Tuboscope, will chair an executive committee of the new board of directors which will be composed of directors from both companies. Joe Winkler will remain as Executive Vice President and Chief Financial Officer. W.T. Ballantine, current Executive Vice President of Newpark, will assume a senior management position with continued responsibility for key Newpark operating companies.

"The oil and gas industry has moved quickly and prudently to reduce the environmental impact of drilling operations over the past several years," remarked Jim Cole. "This transaction will align leading technologies and capabilities to provide superior solutions to customers' drilling waste management challenges". Commented John Lauletta, "Newpark's theater of operations has traditionally been focused on the U.S. Gulf Coast. Tuboscope's infrastructure, spanning 49 countries, provides an extensive platform to accelerate the growth of products and services." Lauletta and Cole also remarked that cost savings from efficiency improvements are likely to arise from the merger, but declined to give estimates, saying only that both are committed to aggressive pursuit of improved efficiency and market growth initiatives. Lauletta added, "Besides the benefits of the strategic fit and synergies; the broader shareholder base, share liquidity, market capitalization, product and geographic diversity should increase value for our combined shareholders."

Morgan Stanley Dean Witter provided a fairness opinion to Tuboscope's Board of Directors. Salomon Smith Barney provided a fairness opinion to Newpark's Board of Directors. The merger is expected to close in the third quarter of 1999.

Tuboscope is the world's leading supplier of oilfield internal tubular coating and tubular inspection services; oilfield solids control equipment and services; and coiled tubing and pressure control equipment to the petroleum industry. Additionally, it provides in-service inspection of pipelines; manufactures high pressure fiberglass tubulars; sells and leases advanced in-line inspection equipment to makers of oil country tubular goods; and provides quality assurance and inspection services to a diverse range of industries. Tuboscope is headquartered in Houston, Texas and services markets in 49 countries. 1998 revenues were \$568 million.

Newpark is a leading provider of integrated drilling fluids management, environmental and oilfield services to the natural gas exploration and production industry. Newpark is headquartered in Metairie, La. and services markets in Canada, the United States, Mexico and Venezuela. 1998 revenues were \$257 million.

The foregoing 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 forward-looking statements are those that do not state historical facts and are inherently subject to risk and uncertainties. The forward-looking statements contained herein are based on current expectations and entail various risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. Such risks and uncertainties include, among others, the cyclical nature of the oilfield services industry, risks associated with the Company's significant foreign operations, compliance with environmental laws, risks associated with growth through acquisitions and other factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 1998, under the caption "Factors Affecting Future Operating Results".

AGREEMENT

AGREEMENT ("Agreement") dated as of June 24, 1999 among Newpark Resources, Inc., a Delaware corporation ("Newpark"), Tuboscope Inc., a Delaware corporation ("Tuboscope"), and SCF-IV, L.P., a Delaware limited partnership (the "Stockholder").

W I T N E S S E T H:

WHEREAS, the Stockholder owns an aggregate of 150,000 shares (the "Shares") of Series A Cumulative Perpetual Preferred Stock, par value \$.01 per share, of Newpark which Shares Stockholder acquired pursuant to a Purchase Agreement (the "Purchase Agreement") by and among Newpark and Stockholder dated as of April 8, 1999;

WHEREAS, Stockholder also acquired pursuant to the Purchase Agreement a Warrant (the "Warrant") dated April 16, 1999 to purchase 2,400,000 shares of common stock, par value \$.01 per share, of Newpark;

WHEREAS, Stockholder and Newpark entered into a Registration Rights Agreement (the "Registration Rights Agreement") by and among Newpark and Stockholder dated as of April 16, 1999;

WHEREAS, Newpark and Tuboscope are prepared to enter into an Agreement and Plan of Merger to be dated as of the date hereof in the form provided to Stockholder (the "Merger Agreement") providing for the merger of Newpark with and into Tuboscope (the "Merger") and the conversion of the Shares upon the consummation of the Merger into shares of common stock of Tuboscope;

NOW, THEREFORE, in consideration of the premises set forth above, the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Stockholder hereby consents to and votes all Shares in favor of approval of the Merger Agreement and the Merger. Notwithstanding the foregoing, such consent and vote shall not be valid (i) if the Merger Agreement is terminated; (ii) if the Merger does not become effective prior to March 31, 2000; (iii) if there is any amendment without Stockholder's written consent to (x) Article II of the Merger Agreement, (y) Section 6.10(f) of the Merger Agreement, or (z) any other provision of the Merger Agreement that would affect the number of shares of Tuboscope common stock that Stockholder would receive on or after the consummation of the Merger in respect of the Shares or upon exercise of the Warrant; or (iv) if the Merger Agreement is amended without Stockholder's written consent in a manner that would materially adversely affect the Stockholder, the Shares or the Warrant.

2. Tuboscope and Stockholder agree that Section 5.6 and Section 5.9 of the Purchase Agreement shall terminate and be of no further force or effect upon consummation of the Merger.

3. Tuboscope agrees that on and after the consummation of the Merger, Tuboscope will comply with Newpark's obligations under the Registration Rights Agreement.

4. Tuboscope and Newpark agree that an Early Exercise Event (as such term is defined in the Warrant) will occur in connection with the execution of the Merger Agreement and that Stockholder will have the right to exercise the Warrant on or after the date of the Merger Agreement and prior to the Expiration Time (as such term is defined in the Warrant).

5. Tuboscope and Newpark agree to reimburse Stockholder for Stockholder's reasonable out-of-pocket legal expenses incurred in connection with the negotiation of this Agreement.

6. Newpark agrees to reimburse Stockholder for any filing fees and reasonable out-of-pocket expenses, if any, incurred by Stockholder in complying with the HSR Act (as such term is defined in the Merger Agreement) in connection with the Merger.

7. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and assigns, but shall not be assignable by any party hereto without the prior written consent of the other parties hereto.

8. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas.

9. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, Newpark, Tuboscope and the Stockholder have each caused this Agreement to be duly executed by their respective officers, each of whom is duly authorized, all as of the day and year first above written.

NEWPARK RESOURCES, INC.

By: /s/ James D. Cole

Name: James D. Cole

Title: President

TUBOSCOPE INC.

By: /s/ John F. Lauletta

Name: John F. Lauletta

Title: President and Chief Executive Officer

SCF IV, L.P.

By: SCF-IV, G.P., Limited Partnership,
its General Partner

By: L.E. Simmons & Associates,
Incorporated, its General Partner

By: /s/ Anthony F. Deluca

Name: Anthony F. Deluca

Title: Chief Financial Officer
