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

FORM 10-K/A
AMENDMENT NO. 1
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999 COMMISSION FILE NO. 1-2960

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

DELAWARE	72-1123385
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3850 N. CAUSEWAY, SUITE 1770 METAIRIE, LOUISIANA	70002
(Address of principal executive offices)	(Zip Code)

(504) 838-8222
(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $.01 par value	New York Stock Exchange
8-5/8% Senior Subordinated Notes due 2007, Series B	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in I of this Form 10-K or any amendment to this Form 10-K [X].

At March 27, 2000 the aggregate market value of the voting stock held by non-affiliates of the registrant was $484,368,995. The aggregate market value has been computed by reference to the closing sales price on such date, as reported by The New York Stock Exchange.

As of March 27, 2000, a total of 69,100,811 shares of Common Stock, $.01 par value per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Pursuant to General Instruction G(3) to this form, the information required by I (Items 10, 11, 12 and 13 hereof) is incorporated by reference from the registrant's definitive Proxy Statement for its Annual Meeting of Stockholders scheduled to be held on June 14, 2000.

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PART II

ITEM 6. SELECTED FINANCIAL DATA

The selected consolidated historical financial data presented below for the five years ended December 31, 1999, are derived from our audited consolidated financial statements. This financial data has been restated to reflect: (i) several acquisitions made during 1997 and 1998 which were accounted for as poolings of interests; (ii) a two-for-one split of our common stock effective May 1997; (iii) a 100% stock dividend issued by us in November 1997; and (iv) to give effect to the reclassification of results for the Company's solids control operations from a presentation as discontinued operations to a presentation as part of continuing operations of the fluids sales and engineering segment (see Note D) to our Consolidated Financial Statements. The following data should be read in conjunction with our Consolidated Financial Statements and the Notes thereto, which are included elsewhere in this Form 10-K, and with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 below.

	YEARS ENDED DECEMBER 31,				
	1999	1998(1)	1997(1)	1996(2)	1995
	(In thousands, except per share data)				
CONSOLIDATED STATEMENTS OF OPERATIONS:					
Revenues	$ 198,225	$ 256,808	$ 233,245	$ 153,679	$ 123,676
Cost of services provided	139,954	176,551	138,392	100,627	84,328
Operating costs	60,566	63,037	25,043	14,285	14,824
General and administrative expenses	2,589	4,305	3,185	2,920	2,658
Goodwill amortization	4,996	5,206	2,683	856	63
Provision for uncollectible accounts	2,853	9,180	--	--	--
Write-down of abandoned and disposed assets	44,870	52,266	--	--	--
Impairment of long-lived assets	23,363	--	--	--	--
Terminated merger expenses	2,957	--	--	--	--
Arbitration settlement	--	27,463	--	--	--
Equity in net loss of unconsolidated affiliates	--	1,293	--	--	--
Restructure expense	--	--	--	2,432	--
Operating income (loss)	(83,923)	(82,493)	63,942	32,559	21,803
Interest income	(987)	(1,488)	(310)	(273)	(245)
Interest expense	16,651	11,554	4,265	3,996	3,883
Other	--	--	--	--	183
Income (loss) before income taxes & cumulative effect of accounting changes	(99,587)	(92,559)	59,987	28,836	17,982
Provision (benefit) for income taxes	(29,461)	(30,270)	22,246	9,884	5,102
Income (loss) before cumulative effect of accounting changes	(70,126)	(62,289)	37,741	18,952	12,880
Cumulative effect of accounting changes (net of income tax effect)	1,471	(1,326)	--	--	--
Net income (loss)	$ (68,655)	$ (63,615)	$ 37,741	$ 18,952	$ 12,880
Net income (loss) per common and common equivalent shares:					
Basic	$ (1.01)	$ (0.95)	$ 0.59	$ 0.36	$ 0.28
Diluted	$ (1.01)	$ (0.95)	$ 0.58	$ 0.34	$ 0.27

(IN THOUSANDS)	1999	1998(1)	1997(1)	1996	1995
	DECEMBER 31,				
Weighted average common and common equivalent shares outstanding:					
Basic	68,949	67,058	64,158	53,197	46,640
Diluted	68,949	67,058	65,630	54,956	47,706
CONSOLIDATED BALANCE SHEET DATA:					
Working capital	$ 48,244	$ 75,937	$ 88,882	$ 28,301	$ 31,832
Total assets	450,541	498,861	451,623	299,071	160,755
Short-term debt	1,618	1,267	1,774	13,831	8,515
Long-term debt	209,210	208,057	127,996	35,677	47,395
Stockholders' equity	186,339	236,879	269,442	206,362	80,227

(1) 1998 includes the effects of eight acquisitions and 1997 includes the effects of seven acquisitions, primarily in the fluids sales and engineering segment. These were accounted for by the purchase method of accounting (See Note B to Consolidated Financial Statements).

(2) 1996 includes the effects of the purchase of substantially all of the non-landfarm assets and certain leases from Campbell Wells, Ltd. (See Note B to Consolidated Financial Statements).

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition, results of operations, liquidity and capital resources should be read together with our "Consolidated Financial Statements" and the "Notes to Consolidated Financial Statements" included elsewhere in this report.

OPERATING ENVIRONMENT AND RECENT DEVELOPMENTS

Our operating results depend primarily on oil and gas drilling activity levels in the markets we serve. These levels, in turn, depend on oil and gas commodities pricing, inventory levels and product demand. Key average rig count data for the last three years is listed in the following table:

	1999	1998	1997	1Q99	2Q99	3Q99	4Q99
U.S. Rig Count	625	831	943	551	521	637	773
Newpark's primary Gulf Coast market	189	243	252	185	172	183	213
Newpark's primary market to total	30.2%	29.2%	26.7%	33.6%	33.0%	28.7%	27.6%
Canadian Rig Count	246	261	375	290	104	253	337

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Source: Baker Hughes Incorporated

Our primary Gulf Coast market, which accounted for approximately 75% of 1999 revenues, includes: (1) South Louisiana Land; (2) Texas Railroad Commission Districts 2 and 3; (3) Louisiana and Texas Inland Waters; and (4) Offshore Gulf of Mexico. According to Baker Hughes Incorporated, as of the week ended March 10, 2000, the U.S. rig count was 768, with 224 rigs, or 29.2%, within our primary market.

The Canadian "muskeg" presents much of the same soil stability and access problems as does the marsh area of the U.S. Gulf Coast region. Most drilling activity in the muskeg has historically been conducted when winter temperatures freeze the soil and stabilize it, allowing safe access. The quarterly fluctuations in the Canadian rig count generally reflect the seasonal nature of drilling activity related to these access issues. As of the week ended March 10, 2000, the Canadian rig count was 441.

The table below shows the average crude oil and natural gas prices for 1999, 1998 and 1997:

	1999	1998	1997
West Texas Intermediate Crude ($/bbl)	19.20	14.39	20.63
U.S. Spot Natural Gas ($/mcf)	2.33	2.09	2.49

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Source: Wall Street Journal

Oil prices declined throughout 1998 and remained low through the first quarter of 1999. Oil prices began to recover in the second quarter of 1999 and improved throughout the remainder of 1999 and into the first quarter of 2000. During the first quarter of 2000, the pricing for West Texas intermediate crude approached $30.00/bbl, and the U.S. spot price for natural gas approached $2.75/mcf. In spite of the recent recovery, the decline in oil and gas prices had a major negative impact on average rig counts during 1998 and 1999 in the markets we serve. During this time, the U.S. rig count reached the lowest level ever recorded in the history of the indicator. With the improvement in oil and gas prices in the second half of 1999, the average rig activity increased for the first time in six quarters during the third quarter of 1999. The increase in rig activity has continued through the first quarter of 2000, but has trailed the recovery in oil and gas prices as our independent oil and gas exploration customers repair their balance sheets and replenish their cash position.

Natural gas production accounts for the majority of activity in the Gulf Coast region. The relative concentration of rigs in our primary market, as compared to the total domestic rig count, reflects the importance of natural gas drilling relative to oil in that market. Low oil prices reduce the cash flow available for all exploration and production activity. In addition, gas storage levels and demand for natural gas have a significant impact on gas drilling requirements, as gas suppliers need to maintain adequate storage for peak demand levels and insure adequate supplies for anticipated future demand.

During 2000, gas storage levels reached their lowest point in over three years, and current industry forecasts reflect a stable to growing demand for natural gas. In addition, current productive gas reserves are being depleted at a rate faster than current replacement through drilling activities. Accordingly, we believe that gas drilling activity will increase over current levels in order to avoid a shortage in gas supply during peak demand periods in the coming months. Because most shallow fields in the Gulf Coast market have been exploited, producers are increasing the depth of drilling to reach the larger gas reserves. As such, we expect gas drilling activity to be increasingly associated with deeper, more costly wells.

According to industry forecasts, increases in gas supplies resulting from the new Canadian pipeline may help to abate some of the anticipated gas supply problem. However, these increased supplies are not expected to be sufficient to avoid the need for increases in Gulf Coast gas drilling activity.

In the third quarter of 1998, we began to reshape our company in response to the downturn in industry activity and to accommodate our introduction of new products and services. Our employment peaked late in 1998 at 1,325 employees, with direct payroll costs representing almost 28% of revenue. By the fourth quarter of 1999, we had reduced employment by 25%, to 991, with direct payroll costs representing less than 19% of revenue. Despite the adverse market, we continued to develop new products and services, and provide existing products and services to new geographic regions, to meet new opportunities that we expect to arise with increased industry activity. These include:

- The DuraBase(TM) composite mat system
- The DeepDrill(TM) fluid system
- Minimization Management(TM)
- Wooden mats in the western Canadian market
- Composting in the eastern Canadian and U.S. Rocky Mountain market
- The Tornado Dryer(TM) in the western Canadian market
- Industrial non-hazardous waste processing and disposal

In 1998 and 1999, these new products and services accounted for the majority of capital expenditures. In addition, the costs associated with introducing these new products and services negatively impacted operating segment income, exclusive of the charges discussed below. These new products and services, together with our operational restructuring, are expected to enhance our ability to take advantage of the market recovery that appears to be underway. However, no assurances can be made that our market will recover to previous levels or that these new products and services will be successful.

As a result of these new products and services and other market shifts, we have displaced some of our operations and operating assets and during 1998 and 1999 recorded several significant charges as discussed below.

RESULTS OF OPERATIONS

Operating results for 1997 have been restated to give effect to a series of pooling of interests transactions which took place during 1997 and 1998.

As noted above, due to a significant decrease in the price of oil and gas and the resultant impact on drilling activity, we experienced a sharp decline in demand for our products and services during the third and fourth quarters of 1998, which continued in 1999. This decline in customer demand materialized quickly from the previous growth period and, when coupled with our continued efforts to bring certain proprietary innovations to our customers, caused us to reassess our overall operations. This change in our market and the reassessment of our operations, as well as the settlement of an arbitration dispute in 1998, resulted in our recording the following pretax charges during 1999 and 1998:

(In thousands)	1999	1998
Provision for uncollectible accounts	$ 2,853	$ 9,180
Write-down of abandoned and disposed assets	44,870	52,266
Impairment of long-lived assets	23,363	--
Terminated merger expense	2,957	--
Arbitration settlement	--	27,463
Total	$ 74,043	$ 88,909

The provision for uncollectible accounts in 1998 was made due to the financial weakness of certain customers, which resulted from continued downward pressure on oil and gas prices. This, in turn, caused a strain on customer cash flows. We had by then identified three specific customer balances where the financial concern merited the majority of the additional reserve in 1998. Most of these customers have now filed for bankruptcy protection. For 1999, the additional provision relates primarily to a decrease in the recovery we expect to receive from pre-bankruptcy receivables for these same customers, as indicated in their approved or proposed plans of reorganization.

The write-down of abandoned and disposed assets includes the following amounts for 1998 and 1999:

(In thousands)	1999	1998
Mat and integrated services segment:		
Domestic wooden mats	$ 30.4	$ 43.0
Venezuela operations	11.6	--
Other	.4	1.3
Total mat and integrated services segment	42.4	44.3
Fluids sales and engineering segment:		
Investment in Mexican joint venture	2.5	--
Austin Chaulk assets	--	4.7
Total fluids sales and engineering segment	2.5	4.7
E&P waste disposal segment:		
Barge disposal	--	1.3
Write-down of proposed disposal sites	--	2.0
Total E&P waste disposal segment	--	3.3
Total write-down for abandoned and disposed assets	$ 44.9	$ 52.3

The $43.0 million write-down of our domestic wooden mat fleet in 1998 is primarily due to a significant excess capacity in the fleet resulting from the sharp decline in drilling activity. In addition, in late 1998, we began converting a portion of our domestic rental fleet to the new composite mat. The write-down represents the net book value associated only with mats that were abandoned or destroyed.

In the fourth quarter of 1999, after we completed our evaluation of our wooden mat inventory and after further indication that the Gulf Coast mat market would likely stabilize below its peak in 1997, we recorded a charge of $30.4 million. Included in the write-down cost for wooden mats are disposal costs of approximately $1.1 million. As of December 31, 1999, the accrual for mat disposal costs to be incurred was approximately $500,000. Also included in this amount is $3.0 million of charges for the write-down of our board road lumber inventory. We recorded this write-down because loose lumber is not generally required in the laying of composite mats.

In addition to the disposals in our wooden mat fleet, in the fourth quarter of 1999, we recorded a charge of $11.6 million associated with closing down our mat business in Venezuela. Our decision to close these operations was due to poor market conditions and continued political instability in the area. Our estimate of the amount recoverable for the Venezuelan operations is based on our judgement of the most likely value to be received on the sale of assets, less the costs to sell these assets. This estimate is subject to change in 2000 as actual amounts from the sale or recovery of these assets are realized.

The other charges for write-down of assets in the mat and integrated services segment were $0.4 million in 1999 and $1.3 million in 1998. For 1999, this charge represents the net book value of various equipment we deemed obsolete. This equipment has since been sold or abandoned. In 1998, this charge represents the net book value of a machine previously used in remediation operations that was abandoned after it was rendered obsolete by other new, technologically superior equipment.

The $2.5 million write-down charge recorded in our fluids sales and engineering segment in 1999 relates to the decision to withdraw from our Mexican joint venture in order to focus management's attention on our U.S. and Canadian markets. Our measurement of the amount recoverable for the Mexican operations is based on our judgement of the most likely amount to be received from our joint venture partner. This estimate is subject to change in 2000 as actual payments from our joint venture partner are received. In 1998, the write-down charge of $4.7 million recorded in this segment relates to assets that were either abandoned or disposed (primarily warehouses and mixing plants located in the Austin Chauk region). These assets were abandoned or disposed due to market shifts or due to excess capacity created by a downturn in our operations. The disposal value for these assets was received in 1999 with no significant differences from estimated amounts being realized.

Included in the write-down charges for the E&P waste disposal segment in 1998 was $1.3 million to write-down barges to their disposal value, which value was received in 1999. These barges were previously used in this segment but were no longer required due to decreased volumes of waste being handled. Also included in the write-down for 1998 in this segment is a charge of $2.0 million relating to our abandoning additional disposal sites being developed for future use. Due to the downturn in the oilfield waste market created by reduced oilfield drilling, we decided not to pursue bringing this additional capacity on-line.

In addition to the charges for the write-down of assets to be disposed or abandoned, in the fourth quarter of 1999, we recorded an impairment charge of $23.4 million in our mat and integrated services segment on our remaining domestic wooden mat fleet, which we will continue to use in the short-term. This charge reflects the reduced recoverability of these mats over their estimated service life, which result from our plan to replace them with composite mats over the next two to three years. This reduced the domestic wooden mat fleet to a total carrying value of $4.5 million as of the date of the impairment charge. This carrying value was determined based on an estimate of the net discounted cash flows expected to be received for the wooden mats remaining in service until their expected replacement by composite mats. In connection with this impairment, we also adjusted the remaining depreciable life on the domestic wooden mats in anticipation of our plan to displace these mats in two to three years.

On November 10, 1999, we announced that we had jointly elected with Tuboscope to form operational alliances in key market areas rather than proceed with our proposed merger, which had been announced on June 24, 1999. The decision not to proceed with the merger was made because recent market conditions in the oilfield services market and the resulting uncertainty in the capital markets made it difficult to obtain the type of credit facility both we and Tuboscope believed necessary for the combined company. Both Tuboscope and we agreed to pay our respective transaction expenses relating to the proposed merger, which for us were approximately $3.0 million.

The $27.5 million of charges relating to the arbitration settlement stems from the settlement during the third quarter of 1998 (with final modifications during the fourth quarter of 1998) between our E&P waste disposal segment and U. S. Liquids, Inc. The arbitration was over a contract dispute discussed more fully in Note N of the Notes to Consolidated Financial Statements. The total settlement was $30 million, of which $6 million and $11 million was paid in 1998 and 1999, respectively, and $9 million and $4 million is to be paid in 2000 and 2001, respectively. The settlement provides for, among other things, (1) terminating our original contractual commitment to provide waste to U.S. Liquids' disposal facilities for twenty-five years, and (2) the right, but not the obligation, to deliver specified volumes of E&P waste to U.S. Liquids' facilities until June 30, 2001 without additional cost. The right to deliver waste was valued at its estimated fair market value of $8 million based on the volumes that can be delivered and the market price for disposing the waste. This amount is being recorded as a charge to operations over the disposal period. The termination feature was valued at $22 million, which represented the balance of the total settlement. This obligation was recorded based on the present value of the contractual payments assigned to the termination feature. The recorded amount of the obligation was $8.1 million at December 31, 1999 and $15.3 million at December 31, 1998. Total pretax charges associated with the $27.5 million settlement included a $6.1 million write down to the estimated fair value of the remaining non-compete with U.S. Liquids. The remaining $21.4 million represents the portion of the settlement associated with the termination feature.

The following summarized financial information concerning the Company's reportable segments has been restated to give effect to the reclassification of results for the Company's solids control operations from a presentation as discontinued operations to a presentation as part of continuing operations of the fluids sales and engineering segment (see Note D).

	Years Ended December 31, (Dollars in thousands)					
	1999		1998		1997	
Revenues by segment:						
E&P waste disposal	$ 42,954	21.7%	$ 57,588	22.4%	$ 62,301	26.7%
Fluids sales & engineering	100,377	50.6	103,053	40.1	69,227	29.7
Mat & integrated services	54,894	27.7	96,167	37.5	101,717	43.6
Total	$ 198,225	100.0%	$ 256,808	100.0%	$ 233,245	100.0%
Operating income (loss) by segment:						
E&P waste disposal	$ 13,068		$ 19,014		$ 28,768	
Fluids sales & engineering	(14,237)		(11,853)		12,688	
Mat & integrated services	(1,126)		10,059		28,354	
Total by segment	(2,295)		17,220		69,810	
General and administrative expenses	2,589		4,305		3,185	
Goodwill amortization	4,996		5,206		2,683	
Provision for uncollectible accounts	2,853		9,180		--	
Write-down of abandoned and Disposed assets	44,870		52,266		--	
Impairment of long-lived assets	23,363		--		--	
Terminated merger expenses	2,957		--		--	
Arbitration settlement	--		27,463		--	
Equity in net loss of unconsolidated affiliate	--		1,293		--	
Total operating income (loss)	$ (83,923)		$ (82,493)		$ 63,942	

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Figures shown above are net of intersegment transfers.

YEAR ENDED DECEMBER 31, 1999 COMPARED TO YEAR ENDED DECEMBER 31, 1998

Revenues

Total revenues declined to $198.2 million in 1999, from $256.8 million in 1998, a decrease of $58.6 million, or 22.8%. The components of the decrease in revenues were a $14.6 million decrease in E&P waste disposal revenue, a $2.7 million decrease in fluids sales and engineering revenues and a $41.3 million decrease in mat and integrated services revenue.

The E&P waste disposal revenue decline of $14.6 million, or 25.3%, is consistent with the 22.2% decline in average rig activity in our primary market for 1999 as compared to 1998. During 1999, we received approximately 3.3 million barrels of E&P waste. This compares to approximately 5.0 million barrels in 1998, a decline of 34.0%. Contributing to the decline in barrels received was continued expansion of our wash water recycling program, which reduced the total barrels we disposed during 1999 and 1998. The average revenue per barrel of E&P waste remained relatively unchanged at just over $11. During 1999, we began operating our industrial, non-hazardous waste disposal facility. Only minimal revenues were recorded in 1999 during this facility's start-up phase of operations.

Fluids sales and engineering revenue declined only $2.7 million, or 2.6%, in spite of the significant decline in average rig activity. Fluids revenues benefited from the inclusion for the full period in 1999 of several acquisitions made in 1998 which, among other things, expanded operations into the Oklahoma Anadarko Basin and into western Canada. In addition, our drilling fluids segment continued to penetrate the markets that we serve and to gain market share. While the mix of rig activity and commodity oil and gas pricing has put downward pressure on both revenues and margins in this segment, we continue to see progress in the acceptance of our DeepDrill(TM) fluids system and our Minimization Management(TM) concept. As these product and service offerings gain greater market acceptance, we expect enhancement of revenues and margins for this segment.

Revenues for the fluids sales and engineering segment include revenues from solids control operations of approximately $7.4 million in 1999 and $11.4 million in 1998. In September 1999, we adopted a plan to discontinue these operations and simultaneously entered into an alliance agreement with a division of Tuboscope to provide these services.

The mat and integrated services revenue decline of $41.3 million, or 42.9%, reflects lower rig activity, reductions in location size and competitive pricing. Record low rig activity due to falling oil and gas prices and a shift by customers away from higher cost transition zone and major wetlands projects to lower cost inland drilling projects were the primary reasons for the activity decline and the reduction in location size in this segment. In addition, we, along with many of our competitors, had increased capacity through the first half of 1998 in response to increasing industry activity. The sharp decline in drilling activity created significant overcapacity in this market. The resulting overcapacity further contributed to the revenue decline because of pricing pressure.

Expansion of the new composite mats into our rental fleet is continuing and the anticipated lower operating costs for the new mats is expected to help us better compete in the future competitive pricing environment. We also continue to develop our wooden mat service business in western Canada, and we are currently expanding our Canadian mat operations to meet the growing demand for this service. At present, our entire mat fleet in Canada is utilized and we are in discussions with several customers to keep the current fleet utilized for all of 2000. We believe that continued acceptance of our mat system in Canada, along with the need to keep rigs in Canada functioning in the spring and summer season, could eventually result in the Canadian mat market approaching the size of the U.S. Gulf Coast market.

Operating Income (Loss)

We reported an operating loss of $83.9 million in 1999, compared to an operating loss of $82.5 million in 1998. The primary factors contributing to the operating losses were charges totaling $74.0 million in 1999 and $88.9 million in 1998, as discussed above. Segment operating loss, excluding these charges, was $2.3 in 1999, as compared to segment operating income of $17.2 million in 1998, a decrease of $19.5 million. The components of the decrease were a $5.9 million decrease in E&P waste disposal operating income, a $2.4 million decrease in fluids sales and engineering operating income and an $11.2 million decrease in mat and integrated services operating income.

The $5.9 million decrease in E&P waste disposal operating income is primarily due to the $14.6 million decline in segment revenue, as well as the high operating leverage of this segment. In response to the decline in disposal volumes resulting from reduced drilling activity, we began to reduce operating costs for this segment in late 1998 and early 1999. The cost reductions included selling or disposing barges, closing facilities and reducing staffing levels. While these cost reductions helped to abate some of the effects of the revenue decline, we were not able to further reduce our operating costs without significantly affecting the required level of current and future customer service. The high level of operating leverage in this operating segment, which has now been enhanced by cost containment measures in 1998 and 1999, should have a significant effect on operating income as revenues increase in response to the market recovery. Operating profit for this segment also was negatively impacted by the start-up of our industrial waste business. The break-even level of revenues for our industrial waste business was not reached until early 2000.

Fluids sales and engineering operating loss increased by $2.4 million on a decline of $2.7 million in revenues. Throughout late 1998 and 1999, in response to market shifts and the significant downturn in drilling activity, we closed certain facilities and made other cost reductions, primarily in staffing levels. In addition, lower commodity pricing, in particular for the sale of barite, a key component of most drilling fluids, resulted in reduced margins on product sales beginning in late 1998 and continuing throughout 1999. During this time, we continued to introduce several products, including our DeepDrill(TM) fluids system and our Minimization Management(TM) concept. These new product and service offerings have resulted in certain product introduction costs during 1998 and 1999. We expect to recognize the benefits of these products in 2000 and beyond as they gain wider customer acceptance.

As discussed above, in September 1999 we adopted a plan to discontinue our solids control operations which were a part of our fluids sales and engineering segment. In 1999, we received approximately $5.5 million for the sale of solids control assets, which resulted in a loss of approximately $50,000 included in the operating loss for the fluids sales and engineering segment. In addition, the operating loss for this segment in 1999 includes severance and related costs of approximately $723,000. The operating loss for the solids control operations, excluding severance costs and the loss on sale of assets was $4.8 million in 1999 and $1.2 million in 1998.

The mat and integrated services operating loss of $1.1 million for 1999 compares to operating income of $10.1 million in 1998, a change of $11.2 million. This change is primarily associated with the decline in revenue resulting from record low drilling activity, reductions in mat location size and competitive pricing due to overcapacity. As in other operating business segments, we reduced operating costs in our mat and integrated services segment beginning in late 1998 in response to the significant declines in rig activity in the Gulf Coast market. As discussed above, during 1998 and 1999 we disposed of a significant portion of our domestic wooden mat fleet. In 1999, we also recorded an impairment charge for our remaining domestic wooden mat fleet, in response to both changing market conditions and our introducing the new composite mat. The significantly lower maintenance, transportation and other associated operating costs and substantially longer useful life of the composite mat system as compared to the wooden mat system are expected to enhance future operating margins for this segment and better position the segment to compete against competitive pricing pressures.

General and Administrative Expenses

General and administrative expenses during 1999 were $2.6 million, or 1.4% of revenues, compared to $4.3 million, or 1.8% of revenues, in 1998. In response to the market downturn, beginning in late 1998 and continuing throughout 1999, we took steps to reduce our general and administrative expenses.

Goodwill Amortization

Goodwill amortization for 1999 was $5.0 million, as compared to $5.2 million for 1998. There were no significant changes in 1999 to the carrying value of assets acquired in 1998 purchase transactions.

Equity Earnings of Unconsolidated Affiliate

Included in the loss from unconsolidated affiliates for 1998 are charges of $1.3 million. This includes recognition of our share of joint venture losses related to the start-up period of the composite mat manufacturing facility.

Interest Income and Interest Expense

Net interest expense was $15.7 million in 1999, as compared to $10.1 million in 1998. The increase in net interest cost is due to an increase of $40.5 million in average outstanding borrowings, which was slightly offset by a decrease in average effective interest rates from 8.32% in 1998 to 8.10% in 1999. The increase in average outstanding borrowings is due primarily to funding of capital expenditures in 1998.

Provision for Income Taxes

We recorded income tax benefits of $29.5 million in 1999 and $30.3 million in 1998. This equates to 29.6% of pre-tax loss in 1999 and 32.7% of pre-tax loss in 1998. In 1999, we provided a valuation allowance for any benefits arising from state net operating loss carryforwards and any federal net operating loss carryforwards that expire prior to 2005 and are subject to various limitations. This valuation allowance was recorded due to the uncertainty of ultimately recovering these amounts. The majority of our remaining federal net operating loss carryforwards were generated in 1998 and 1999 and don't expire until 2018 and beyond. Given our history of generating taxable income sufficient to fully utilize these remaining net operating loss carryforwards and our expectations of future profitable operations, further valuation allowances on these amounts were not considered necessary.

Cumulative Effect of Accounting Change

The unit-of-production method of providing for depreciation on certain assets used in our barite grinding activity and in our waste disposal business was adopted in the second quarter of 1999, effective January 1, 1999. Prior to this change, we had depreciated these assets using the straight-line method. As a result of this change in accounting for depreciation, the reported loss from operations for the year ended December 31, 1999 was reduced by $1,471,000, with related per share amounts of $.02 basic and diluted. This reflects the cumulative effect, net of income taxes, of the change on years prior to 1999.

Preferred Stock Dividends and Accretion of Discount

In April 1999, we sold 150,000 shares of preferred stock, as discussed below. For the year ended December 31, 1999, dividends of $532,000 were paid on preferred stock, and the accretion of the discount on the preferred stock was $318,000. These amounts reflect dividends and accretion for the period of April 16, 1999 (the issuance date of the preferred stock) through December 31, 1999.

YEAR ENDED DECEMBER 31, 1998 COMPARED TO YEAR ENDED DECEMBER 31, 1997

Revenues

Total revenues increased to $256.8 million in 1998, from $233.2 million in 1997. This is an increase of $23.6 million, or 10.1%. The components of this increase were a $33.8 million increase in drilling fluids sales and engineering, partially offset by a $4.7 million decrease in waste disposal and a $5.5 million decrease in mat and integrated services.

The E&P waste disposal revenue decline of $4.7 million, or 7.6%, in 1998 is partly due to the 3.6% decline in average rig activity in our primary market for 1998 as compared to 1997. During 1998, we received approximately 5.0 million barrels of E&P waste compared to approximately 5.4 million barrels in 1997, a decline of 7.4%. The average revenue per barrel of E&P waste increased by approximately 10% to just over $11 in 1998. In the first quarter of 1998, E&P waste volume increased due to increased regulations, which banned waste discharges in the state territorial waters of the Gulf of Mexico. This increase was offset by declines in drilling activity, particularly in the territorial waters, beginning in the second quarter of 1998. In the latter half of 1998, volume declined due to lower drilling activity and as a result of our waste minimization efforts to reduce the volume of wash water created at transfer facilities in the vessel and container cleaning process. In addition, volumes were lower due to the effect of unusual weather conditions encountered in the third quarter of 1998.

Drilling fluids sales increased $33.8 million, or 48.9%, as a result of a series of acquisitions made during 1997 and 1998, and the expansion of the businesses acquired. The decline in drilling activity has reduced the size of the market for drilling fluids; however, we have increased our sales of drilling fluids by obtaining a larger share of the market. The growth in sales volume during 1998 masked the softness in commodity oil and gas prices experienced throughout the drilling fluids industry in the latter part of 1998, especially during the fourth quarter, which continued during 1999. In particular, the selling price for barite, which is a key component in most drilling fluids, declined significantly during the fourth quarter of 1998. This decline continued during 1999 due to competitive pressures. Revenues for the fluids sales and engineering segment included revenues from solid control operations of approximately $11.4 million in 1998 and $6.0 million in 1997. These operations were sold in 1999.

The decrease of $5.5 million in mat and integrated services revenue reflects the general decline in drilling activity, as well as the effect of unusual weather conditions on drilling activity in the area surrounding the Gulf of Mexico. Mat rental revenues include revenues earned on the initial mat installation, which typically includes the first 60 days of rental, and re-rentals earned beyond the initial installation term. The price received for mat rentals and re-rentals declined significantly during the latter part of 1998 and the first quarter of 1999. This decline in pricing was caused by competitive pressure and low activity relative to industry capacity. We, together with many of our competitors, had increased inventories of mats during 1997 and the first part of 1998 in response to increasing industry activity.

Operating Income (Loss)

We reported an operating loss of $82.5 million in 1998, as compared to operating income of $63.9 million in 1997. The primary factors contributing to the operating loss in 1998 were the charges noted above. The total of these charges in 1998 was $88.9 million.

Segment operating income, excluding these charges, declined to $17.2 million in 1998, from $69.8 million in 1997, a decrease of $52.6 million, or 75.4%. The components of the decrease were a $9.8 million decrease in E&P waste disposal operating income, a $24.5 million decrease in fluids sales and engineering operating income and a $18.3 million decrease in mat and integrated services operating income.

The $9.8 million decrease in waste disposal operating income can be attributed to the $4.7 million decrease in revenues discussed above coupled with a decline in operating margins. Since completing the 1996 acquisition of U.S. Liquids' marine waste business, we have expanded our overall capacity to handle volumes of waste through increased underground disposal, barge and transfer station capacities. While this capacity was necessary for the increase in business we experienced in 1997 as compared to 1996, this capacity added significantly to the cost of the waste disposal operations. When the sharp decline hit in 1998, we reacted to the situation by disposing barges, closing facilities and reducing staffing levels. We were not able to reduce the costs of these operations as fast as the decline in revenues, and we continued to reduce costs in this segment during 1999.

While revenues for the fluids sales and engineering segment increased by $33.8 million in 1998 as compared to 1997, operating income decreased by $24.5 million. The increase in revenue can be attributed to the rapid growth in this business segment due to a series of acquisitions, our expanding the facilities acquired and our establishing new distribution facilities. In particular, we saw a rapid growth in business in the Austin Chauk region. In order to service this growing market, we expanded our facilities capacity in this region. With the downturn in oil prices, and disappointing drilling results in the Austin Chauk region, this market fell quickly and dramatically. We have since closed our facilities in the Austin Chauk area and downsized our operations. This downsizing included disposing assets that did not serve our other markets effectively, and reducing staffing levels. We continued to make cost reductions in this business segment during 1999. We also saw profits from this business segment decline as a result of falling sales prices for many products used in drilling fluids. The operating results of this segment include an operating loss of $1.2 million in 1998 and operating income of $1.4 million in 1997 associated with solids control operations which were sold in 1999.

Operating income in the mat and integrated services segment decreased $18.3 million in 1998 as compared to 1997. This decline in operating income can be attributed in part to the $5.5 million decrease in revenues in this segment along with declining margins and costs associated with disposing mats during the third and fourth quarters of 1998. Mat disposal operations during 1998 were conducted for the most part with internal labor and assets. There were some continuing costs for mat disposal in the first and second quarters of 1999, but to a lesser degree than in 1998. We have significantly cut costs in this segment in response to the decline in demand for our services by reducing staffing levels, closing facilities and disposing excess assets. Further cost cuts were implemented in this segment in 1999.

General and Administrative Expenses

General and administrative expenses during 1998 were $4.3 million, as compared to $3.2 million in 1997. The increase is attributable to a growth in revenues, acquisitions and growth in new product offerings. We took steps to reduce our general and administrative costs in the latter part of 1998 and during 1999.

Goodwill Amortization

Goodwill amortization for 1998 was $5.2 million, as compared to $2.7 million for 1997. The primary reason for the increase in goodwill from 1997 to 1998 is related to purchase acquisitions in 1998 and the effects of full year amortization for 1997 acquisitions.

Equity Earnings of Unconsolidated Affiliate

Included in the loss from unconsolidated affiliates for 1998 are charges of $1.3 million. This includes recognition of our share of joint venture losses related to the start-up period of the composite mat manufacturing facility.

Interest Income and Interest Expense

Net interest expense was $10.1 million in 1998, as compared to $4.0 in 1997. The increase in net interest cost is due to an increase of $81.0 million in average outstanding borrowings and an increase in average effective interest rates from 6.07% in 1997 to 8.32% in 1998. The increase in average outstanding borrowings and average effective interest rates is due to the issuance of $125 million of ten year, 8-5/8% senior subordinated notes in

December 1997 and additional borrowings under the Credit Facility. The proceeds from the senior subordinated notes and the Credit Facility were used to fund acquisitions, capital expenditures and working capital for operations growth.

Provision for Income Taxes

For 1998, we recorded income tax benefits of $30.3 million, which is equal to 32.7% of pre-tax loss. For 1997, we recorded income tax provisions of $22.2 million, which is equal to 37.1% of pre-tax income.

Cumulative Effect of Accounting Change

On July 1, 1998, we elected early adoption of Statement of Position 98-5 "Reporting on Costs of Start-up Activities", which provided standards for recording costs related to start-up activities. The cumulative effect of this change in accounting, net of income taxes, was $1,326,000, with related per share amounts of $.02 basic and diluted.

LIQUIDITY AND CAPITAL RESOURCES

As compared to 1998, our working capital position decreased by $27.3 million, or 36%, during the year ended December 31, 1999. Key working capital data is provided below:

	Year Ended December 31,	
	1999	1998
Working Capital (000's)	$48,244	$75,937
Current Ratio	1.95	2.75

Working capital was consumed during 1999 to fund acquisitions of long-lived assets in excess of the amount of financing arranged during the period for that purpose. Because current operations were unprofitable, this reduction of working capital was not offset from operations.

Our long term capitalization as of December 31, 1999, 1998 and 1997 was as follows:

	1999	1998	1997
Long-term debt (including current maturities):			
Credit facility	$ 83,250	$ 80,900	$ --
Subordinated debt	125,000	125,000	125,000
Other	1,951	3,352	4,495
Total long-term debt	210,201	209,252	129,495
Stockholders' equity	186,339	236,879	269,442
Total capitalization	$396,540	$446,131	$398,937

For the year ended December 31, 1999, our working capital needs were met primarily from operating cash flow and proceeds from a preferred stock offering. Total cash generated from operations of $2.2 million was supplemented by $16.6 million from financing activities. This helped provide for a total of $20.9 million used in investing activities.

During 1999, we entered into several lease transactions being accounted for as operating leases. In one series of leases, we leased approximately $9.8 million of equipment, a portion of which we had previously acquired. In conjunction with terminating the merger with Tuboscope and forming the alliance agreement, Tuboscope acquired the majority of the assets used in our solids control operations. Tuboscope made the acquisition by paying us cash and assuming a portion of these leases. Under another operating lease transaction in 1999, we leased $3.0 million of composite mats. In 1999, we also sold some of our non-core assets and entered into sale-leaseback transactions which yielded $2.5 million. We also received income tax refunds totaling $13.3 million in 1999.

As of December 31, 1999, we maintained a $100.0 million bank credit facility, including up to $20.0 million in standby letters of credit, in the form of a revolving line of credit commitment which expires June 30, 2001. At December 31, 1999, $16.7 million in letters of credit were issued and outstanding under the Credit Facility and $83.3 million was outstanding under the revolving facility. Based on these outstanding amounts and the outstanding letters of credit, we had no availability under this facility at December 31, 1999. The facility bears interest at either a specified prime rate (8.5% at December 31, 1999) or the LIBOR rate (6.18% at December 31, 1999) plus a spread determined quarterly based on the ratio of our funded debt to cash flow. The weighted average interest rate on the outstanding balance under the Credit Facility was 7.85% in 1999 and 5.87% in 1998.

On March 27, 2000 the banks agreed to amend the Credit Facility to provide for the following: 1) the facility will be secured by substantially all of our accounts receivable, inventory and property plant and equipment 2) the financial covenants as of December 31, 1999 and going forward will provide for covenants that are consistent with our current financial condition and anticipated outlook, 3) the variable interest rate will be increased based on our Debt to EBITDA ratio, as defined, to a range of a) prime plus 0% to prime plus

1.25% or b) LIBOR plus 1.25% to LIBOR plus 4%, and 4) we will pay an amendment fee of $250,000. Under the amended agreement, the expected interest rate for early 2000 is prime plus 1.25% (10.25% at March 27, 2000) or LIBOR plus 4% (10.25% at March 27, 2000). Several of the financial covenants under the amended credit facility are at or near their limit. For example, the facility requires us to maintain consolidated tangible net worth, as defined as consolidated stockholders' equity less certain intangible assets such as goodwill, unamortized debt discount and patents, of $69 million. Our consolidated tangible net worth, as defined, was $69.9 million at December 31, 1999. Any losses sustained in future quarters may cause us to not be in compliance with the financial covenants unless waivers or amendments can be obtained from the banks.

Our Senior Subordinated Notes do not contain any financial covenants. However, if we do not meet the financial covenants of the Credit Facility and are unable to obtain an amendment from the banks, we would be in default of the Credit Facility which would cause the Notes to be in default and immediately due. The Notes and the Credit Facility also contain covenants that significantly limit the payment of dividends on our Common Stock.

In April 1999, we sold to SCF-IV, L.P., a Delaware limited partnership managed by SCF Partners, 150,000 shares of Series A Cumulative Perpetual Preferred Stock and a warrant to purchase up to 2,400,000 shares of our common stock at an exercise price of $8.50 per share, subject to anti-dilution adjustments. The aggregate purchase price for the Series A Preferred Stock and the warrant was $15.0 million, and the net proceeds from the sale have been used to repay indebtedness.

For 2000, we anticipate total capital expenditures of approximately $14.0 million. This amount includes: (1) $7.5 million to purchase synthetic mats; (2) $1.7 million to complete an enlarged joint operational offshore facility; (3) $0.7 million to develop industrial NORM disposal and expand industrial nonhazardous waste disposal; and (4) $4.1 million for other new capacities and routine capital expenditures.

We have obtained a commitment for an additional $7 million of lease funding, which we applied in the first quarter of 2000 towards the lease of new composite mats. We are in the process of selling our office building in Lafayette, Louisiana in a sale-leaseback transaction that should yield approximately $2.9 million. The LOMA Company, LLC, which produces composite mats and in which we hold a 49% joint venture interest, is attempting to refinance its debt. We currently supply a letter of credit to secure this debt. The contemplated transaction could potentially restore approximately $15.2 million of availability under the Credit Facility.

Potential sources of additional funds, if required, would include additional operating leases for equipment, selling certain operating assets and selling equity securities. Other than as discussed above, we presently have no commitments beyond our working capital and bank lines of credit by which we could obtain additional funds for current operations. However, we regularly evaluate potential borrowing arrangements which we may utilize to fund future expansion. We believe that our current sources of capital, coupled with internally generated funds, will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future provided that market conditions stabilize or continue to improve from current levels. Any long-term downturn in market conditions could have an adverse affect on our financial position, results of operations and future available capital. Such a downturn would likely result in reductions in planned capital expenditures and reassessment of our operations and business strategy in light of such market conditions.

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

YEAR 2000 UPDATE

In prior years, we have disclosed the nature and progress of our plans to address the year 2000 issue. By the end of 1999, we completed our remediation and testing of our critical information technology and non-information technology systems. As a result of those efforts, we experienced no significant disruptions in those systems and believe those systems successfully responded to the year 2000 date change. We expended less than $100,000 during 1998 and 1999 in connection with remediating our systems. We are not aware of any material problems resulting from year 2000 issues, either with our product or service offerings, our internal systems or the products and services of third parties. We will continue to monitor our critical computer applications and those of our suppliers and vendors throughout the year 2000 to ensure that any latent year 2000 matters that may arise are addressed promptly.

NEW ACCOUNTING STANDARDS.

During 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". The statement establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Changes in a derivative's fair value are to be recognized currently in earnings unless specific hedge accounting criteria are met. We will be required to adopt SFAS No. 133, as amended by SFAS No. 137, which defers the effective date, on January 1, 2001. We do not believe that adopting the statement will have a material effect on our consolidated financial statements since we do not currently use derivative instruments or hedging activities in our business.

FORWARD-LOOKING STATEMENTS

The foregoing discussion contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. There are risks and uncertainties that could cause future events and results to differ materially from those anticipated by us in the forward-looking statements included in this report. Among these risks and uncertainties are the following:

- oil and gas exploration and production levels and the industry's willingness to spend capital on environmental and oilfield services;
- oil and gas prices, expectations about future prices, the cost of exploring for, producing and delivering oil and gas, the discovery rate of new oil and gas reserves and the ability of oil and gas companies to raise capital;
- domestic and international political, military, regulatory and economic conditions;
- other risks and uncertainties generally applicable to the oil and gas exploration and production industry;
- existing regulations affecting E&P and NORM waste disposal being rescinded or relaxed, governmental authorities failing to enforce these regulations or industry participants being able to avoid or delay compliance with these regulations;
- future technological change and innovation, which could result in a reduction in the amount of waste being generated or alternative methods of disposal being developed;
- increased competition in our product lines;
- our success in integrating acquisitions;
- our success in replacing our wooden mat fleet with our new composite mats;
- our ability to obtain the necessary permits to operate our non-hazardous waste disposal wells and our ability to successfully compete in this market;

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

- adverse weather conditions, which could disrupt drilling operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Newpark Resources, Inc.

We have audited the accompanying consolidated balance sheet of Newpark Resources, Inc. (a Delaware Corporation) and subsidiaries as of December 31, 1999, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the year then ended (as restated -- see Note D). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Newpark Resources, Inc. and subsidiaries as of December 31, 1999, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

As explained in Note A to the financial statements, effective January 1, 1999, the Company, changed its method of accounting for depreciation on certain of its waste disposal assets and its barite grinding mills from the straight-line method to the units-of-production method.

Arthur Andersen LLP

New Orleans, Louisiana
March 27, 2000

(Except with respect to the matter discussed in Note D, as to which the date is August 24, 2000)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Newpark Resources, Inc.

We have audited the accompanying consolidated balance sheet of Newpark Resources, Inc. and subsidiaries as of December 31, 1998, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows, for each of the two years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Newpark Resources, Inc. and subsidiaries at December 31, 1998, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 1998 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A of the Notes to Consolidated Financial Statements, effective July 1, 1998, the Company changed its method of accounting for costs of start-up activities.

As discussed in Note D of the Notes to Consolidated Financial Statements, the consolidated financial statements as of December 31, 1998 and for each of the two years in the period ended December 31, 1998 have been restated.

Deloitte & Touche LLP

New Orleans, Louisiana
March 26, 1999
(August 24, 2000 as to Note D)

Newpark Resources, Inc.
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)	December 31, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,517	$ 6,611
Accounts and notes receivable, less allowance of $10,836 in 1999 and $11,008 in 1998	57,906	65,675
Inventories	17,524	19,381
Current taxes receivable	165	10,593
Deferred tax asset	10,463	13,776
Other current assets	8,602	3,292
TOTAL CURRENT ASSETS	99,177	119,328
Property, plant and equipment, at cost, net of accumulated depreciation	166,603	217,988
Cost in excess of net assets of purchased businesses, net of accumulated amortization	116,465	123,539
Deferred tax asset	33,595	1,735
Other assets	34,701	36,271
	$ 450,541	$ 498,861
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 627	$ 72
Current maturities of long-term debt	991	1,195
Accounts payable	29,232	23,237
Accrued liabilities	14,453	11,711
Arbitration settlement payable	5,630	7,176
TOTAL CURRENT LIABILITIES	50,933	43,391
Long-term debt	209,210	208,057
Arbitration settlement payable	2,451	8,080
Other non-current liabilities	1,608	2,454
Commitments and contingencies (See Note N)	--	--
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value, 1,000,000 shares authorized, 150,000 shares outstanding	13,009	--
Common Stock, $.01 par value, 100,000,000 shares authorized, 69,079,243 shares outstanding in 1999 and 68,839,672 in 1998	690	688
Paid-in capital	322,724	319,833
Unearned restricted stock compensation	(3,838)	(5,618)
Accumulated other comprehensive income	250	(1,033)
Retained deficit	(146,496)	(76,991)
TOTAL STOCKHOLDERS' EQUITY	186,339	236,879
	$ 450,541	$ 498,861

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended December 31,

(In thousands, except per share data)	1999	1998	1997
Revenues	$ 198,225	$ 256,808	$ 233,245
Operating costs and expenses:			
Cost of services provided	139,954	176,551	138,392
Operating costs	60,566	63,037	25,043
	200,520	239,588	163,435
General and administrative expenses	2,589	4,305	3,185
Goodwill amortization	4,996	5,206	2,683
Provision for uncollectible accounts	2,853	9,180	--
Write-down of abandoned and disposed assets	44,870	52,266	--
Impairment of long-lived assets	23,363	--	--
Terminated merger expenses	2,957	--	--
Arbitration settlement	--	27,463	--
Equity in net loss of unconsolidated affiliates	--	1,293	--
Operating income (loss)	(83,923)	(82,493)	63,942
Interest income	(987)	(1,488)	(310)
Interest expense	16,651	11,554	4,265
Income (loss) before income taxes & cumulative effect of accounting changes	(99,587)	(92,559)	59,987
Provision (benefit) for income taxes	(29,461)	(30,270)	22,246
Income (loss) before cumulative effect of accounting changes	(70,126)	(62,289)	37,741
Cumulative effect of accounting changes (net of income tax effect)	1,471	(1,326)	--
Net income (loss)	(68,655)	(63,615)	37,741
Less:			
Preferred stock dividends	532	--	--
Accretion of discount on preferred stock	318	--	--
Net income (loss) applicable to common and common equivalent shares	$ (69,505)	$ (63,615)	$ 37,741
Weighted average number of common and common equivalent shares outstanding:			
Basic	68,949	67,058	64,158
Diluted	68,949	67,058	65,630
Income (loss) per common and common equivalent share:			
Basic:			
Income (loss) before cumulative effect	$ (1.03)	$ (0.93)	$ 0.59
Cumulative effect of accounting changes	0.02	(0.02)	--
Net income (loss)	$ (1.01)	$ (0.95)	$ 0.59
Diluted:			
Income (loss) before cumulative effect	$ (1.03)	$ (0.93)	$ 0.58
Cumulative effect of accounting changes	0.02	(0.02)	--
Net income (loss)	$ (1.01)	$ (0.95)	$ 0.58

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31, (In thousands)	1999	1998	1997
Net income (loss)	$(68,655)	$(63,615)	$ 37,741
Other comprehensive income (loss):			
Foreign currency translation adjustments	1,283	(1,033)	--
Comprehensive income (loss)	$(67,372)	$(64,648)	$ 37,741

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 1997, 1998 and 1999

(In thousands)	Preferred Stock	Common Stock	Paid-In Capital	Unearned Restricted Stock Compensation	Accumulated Other Comprehensive Income	Retained Deficit	Total
BALANCE, JANUARY 1, 1997	$ --	$ 624	$256,785	$ --	$ --	$ (51,047)	$206,362
Employee stock options	--	13	9,090	--	--	(7)	9,096
Acquisitions	--	15	16,728	--	--	--	16,743
Issuance of restricted stock	--	--	668	(668)	--	--	--
Amortization of restricted stock	--	--	--	125	--	--	125
Results of operations of pooled entity	--	--	--	--	--	--	--
due to different year end	--	--	--	--	--	(625)	(625)
Net income	--	--	--	--	--	37,741	37,741
BALANCE, DECEMBER 31, 1997	--	652	283,271	(543)	--	(13,938)	269,442
Employee stock options	--	9	6,757	--	--	(1)	6,765
Acquisitions	--	23	23,337	--	--	--	23,360
Issuance of restricted stock	--	4	6,468	(6,472)	--	--	--
Amortization of restricted stock	--	--	--	1,397	--	--	1,397
Foreign currency translation	--	--	--	--	(1,033)	--	(1,033)
Results of operations of pooled entities	--	--	--	--	--	--	--
due to different year ends	--	--	--	--	--	563	563
Net loss	--	--	--	--	--	(63,615)	(63,615)
BALANCE, DECEMBER 31, 1998	--	688	319,833	(5,618)	(1,033)	(76,991)	236,879
Employee stock options	--	2	119	--	--	--	121
Issuance of restricted stock	--	--	181	(181)	--	--	--
Amortization of restricted stock	--	--	--	1,961	--	--	1,961
Foreign currency translation	--	--	--	--	1,283	--	1,283
Preferred stock and warrants issuance	12,597	--	2,153	--	--	--	14,750
Preferred stock dividends & accretion	412	--	438	--	--	(850)	--
Net loss	--	--	--	--	--	(68,655)	(68,655)
BALANCE, DECEMBER 31, 1999	$ 13,009	$ 690	$322,724	$ (3,838)	$ 250	$(146,496)	$186,339

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, (In thousands)	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (68,655)	$ (63,615)	$ 37,741
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	26,881	37,901	26,393
(Benefit) provision for deferred income taxes	(29,298)	(25,965)	15,880
(Gain) loss on sale of assets	(81)	45	147
Provision for doubtful accounts	2,853	9,180	--
Write-down of abandoned and disposed assets	44,870	52,266	--
Cumulative effect of accounting changes	(1,471)	1,326	--
Impairment of long-lived assets	23,363	--	--
Arbitration settlement	--	22,056	--
Net loss in unconsolidated affiliates	--	1,293	--
Change in assets and liabilities, net of acquisitions:			
Decrease (increase) in accounts and notes receivable	2,405	11,434	(21,221)
(Increase) decrease in inventories	(6,545)	3,605	(12,195)
Decrease (increase) in other assets	1,511	(9,554)	(6,814)
Increase (decrease) in accounts payable	2,704	(6,920)	(3,685)
Increase (decrease) in accrued liabilities and other	3,705	(3,813)	(4,571)
NET CASH PROVIDED BY OPERATIONS	2,242	29,239	31,675
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(40,497)	(104,660)	(79,476)
Proceeds from sale of property, plant and equipment	17,399	382	40
Investment in joint ventures	--	--	(4,833)
Acquisitions, net of cash acquired	--	(15,809)	(7,679)
Payments received on notes receivable	2,173	2,456	70
Advances on notes receivable	--	(1,734)	(3,000)
NET CASH USED IN INVESTING ACTIVITIES	(20,925)	(119,365)	(94,878)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net borrowings on line of credit	2,978	80,900	--
Principal payments on notes payable and long-term debt	(1,675)	(10,001)	(46,777)
Proceeds from issuance of debt	--	452	125,122
Proceeds from exercise of stock options	536	3,687	4,114
Net proceeds from preferred stock issue	14,750	--	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	16,589	75,038	82,459
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,094)	(15,088)	19,256
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,611	21,699	2,443
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 4,517	$ 6,611	$ 21,699

See Accompanying Notes to Consolidated Financial Statements

NEWPARK RESOURCES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PRINCIPLES OF CONSOLIDATION. Newpark Resources, Inc., a Delaware corporation, ("Newpark" or the "Company") provides integrated fluids management, environmental and oilfield services to the exploration and production industry principally in the Louisiana and Texas Gulf Coast region. In addition, the Company provides some or all of its services to the U.S. Mid-continent region and Canada. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Investments in which the Company owns 20 percent to 50 percent and exercises significant influence over operating and financial policies are accounted for using the equity method. All material intercompany transactions are eliminated in consolidation.

USE OF ESTIMATES AND MARKET RISKS. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company receives substantially all of its revenues from customers in the oil and gas industry. During 1998 and continuing in 1999, oil and gas prices and related activities decreased to new lows, for the past several decades, on an inflation adjusted basis. During the mid 1990's through the first half of 1998, the Company experienced significant growth through a series of strategic acquisitions and mergers and increasing demand for its products and services. The Company completed ten and eleven acquisitions in 1998 and 1997, respectively, which allowed the Company to enter into new markets and expand its product lines. With significant decreases in the price of oil and gas and the resultant impact on drilling activity, the Company experienced a sharp decline in the demand for its products and services during the latter half of 1998 and continuing through 1999. This decline in demand materialized quickly from the previous growth period and at a time when the Company was developing and introducing new and proprietary products and services to its customers.

In the third quarter of 1998 the Company began to reassess its operations in response to the downturn in industry activity and to evaluate the need for the introduction of new products and services. During 1998, in addition to the settlement of an arbitration dispute, the Company implemented several operational changes including the abandonment of several markets and products and the reduction of employees and assets. The Company also decided to continue the development and introduction of new products and services such as the composite mats discussed in Note C. During 1999 the Company continued to review its operations and product offerings and implemented plans to further reduce operating costs and improve operating efficiencies while also continuing to develop and introduce new products and services. During 1998 and 1999, the Company expended $104.7 million and $40.5 million, respectively, for capital assets, a significant portion of which was related to the new products and services. As a result of these changes in the Company's market and operations, significant charges were recorded (see Note C) and the Company has incurred significant losses in both 1998 and 1999.

These conditions have had a negative impact on the Company's cash flows and liquidity. In April 1999, the Company issued $15 million of preferred stock (see Note I.) and in early 2000, the Company amended its bank credit facility and agreed to secure the facility with substantially all of the Company's accounts receivables, inventory and property and equipment. The banks agreed to restructure the financial covenant requirements to be consistent with the Company's current financial position (see Note G). As of March 27, 2000, the Company had no borrowing availability on this credit facility, as amended.

The Company believes that given 1) the current outlook for oil and gas prices and related activity, 2) the changes that have been made to the Company's operations, including its investments in the new products and services, and 3) the Company's current financial position, the Company will be able to continue its current business strategy for 2000 and the foreseeable future. However, the Company believes that a prolonged depression in oil and gas drilling activity would have a material adverse affect on the Company's financial position and results of operations and would require the company to further reassess its business strategies.

CASH EQUIVALENTS. All highly liquid investments with a remaining maturity of three months or less at the date of acquisition are classified as cash equivalents.

FAIR VALUE DISCLOSURES. Statement of Financial Accounting Standards ("SFAS") No. 107, "Disclosures about Fair Value of Financial Instruments", requires the disclosure of the fair value of all significant financial instruments. The Company's significant financial instruments consist of cash and cash equivalents, receivables, payables and long-term debt. The estimated fair value amounts have been developed based on available market information and appropriate valuation methodologies. However, considerable judgment is required in developing the estimates of fair value. Therefore, such estimates are not necessarily indicative of the amounts that could be realized in a current market exchange. After such analysis, except as described below, management believes the carrying values of these instruments approximate fair values at December 31, 1999 and 1998.

The estimated fair value of the Company's senior subordinated notes payable at December 31, 1999 and 1998, based upon available market information, was $116.3 million and $118.8 million, respectively, as compared to the carrying amount of $125.0 million on those dates.

INVENTORIES. Inventories are stated at the lower of cost (principally average and first-in, first-out) or market. Such inventories consist of logs, supplies, processed barite, other specialty chemicals used in drilling fluids, and, until its write-down in 1999, board road lumber (See Note C). Until the write-down, board road lumber was amortized on the straight-line method over its estimated useful life of approximately one year.

PROPERTY, PLANT AND EQUIPMENT. Property, plant and equipment are recorded at cost. Additions and improvements are capitalized. Maintenance and repair expenses are charged to income as incurred. The cost of property, plant and equipment sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the property and related accumulated depreciation accounts, and any gain or loss is credited or charged to income.

For financial reporting purposes, except as described below, depreciation is provided by utilizing the straight-line method over the following estimated useful service lives:

Computers, autos and light trucks	2-5 years
Wooden mats	2-4 years
Composite mats	15 years
Tractors and trailers	10-15 years
Machinery and heavy equipment	10-15 years
Owned buildings	20-35 years
Leasehold improvements	lease term, including all renewal options

As described in Note C, in connection with the impairment of the domestic wooden mat fleet, in 1999 the Company adjusted the remaining depreciable life on these mats in anticipation of the eventual displacement of such mats to an approximate average of two years.

The Company computes the provision for depreciation on certain of its E&P waste and NORM disposal assets ("the waste disposal assets") and its barite grinding mills using the unit-of-production method. In applying this method, the Company has considered certain factors which affect the expected production units (lives) of these assets. These factors include obsolescence, periods of nonuse for normal maintenance and economic slowdowns and other events which are reasonably predictable. The unit-of-production method of providing for depreciation on these assets was adopted in the second quarter of 1999, effective January 1, 1999. Prior to 1999, the Company computed the provision for depreciation of these assets on a straight-line basis.

The original useful lives for the waste disposal assets were developed assuming a relatively constant annual volume of the expected waste streams. However, the actual volume of waste disposed by the Company has been more volatile than expected in the markets which Newpark serves, and the volatility in utilization rates is expected to continue. Because the utility of disposal assets is diminished by volume of waste disposed rather than time, the Company believes the unit-of-production method provides a better measure of loss of utility of the disposal assets. In addition, a review of major competitors in the industrial waste business indicates that the unit-of-production method is a commonly used method of depreciation for surface disposal assets utilized in this industry.

The original useful life for the barite mills was developed based on maximum utilization rates which considered non-utilized time only for scheduled repair periods. The Company's actual utilization rates closely followed this pattern from inception of operations (1997) through July 1998. The significant declines in drilling activity since that time has resulted in a drastic reduction in utilization rates for the barite mills. The life of a barite grinding mill is affected primarily by the volume of barite material ground in the mill, not the passage of time. As a result, consistent with the waste disposal assets, the Company believes the unit-of-production method provides a better measure of diminution of utility of these assets.

In applying the unit-of-production method of providing depreciation, the Company makes estimates of certain factors which are involved in determining the expected productive units for its waste disposal assets and barite grinding mill assets. The capacity of the waste disposal assets was determined based primarily on seismic and geological studies, while the capacity for the barite grinding mill assets was based primarily on manufacturer's certifications and the capacity of similar assets. These factors also include consideration of obsolescence and periods of non-use.

The reported loss from operations for the year ended December 31, 1999 was reduced by $1,471,000 (related per share amounts of $.02 basic and diluted) reflecting the cumulative effect (net of income taxes) on years prior to 1999 for the change in accounting for depreciation. In addition, the effect of the change in 1999 is to reduce the net loss from operations for the year ended December 31, 1999 by $717,000 (related per share amounts of $.01 basic and diluted).

Consolidated net income (loss) that would have been reported for the years ended December 31, 1998 and 1997 had the change been applied retroactively would be as follows:

(In thousands of dollars)	Year Ended December 31,	
	1998	1997
Net income (loss)	$ (63,166)	$ 38,182
Income (loss) per common and common equivalent share:		
Basic	(.94)	.60
Diluted	(.94)	.58

COST IN EXCESS OF NET ASSETS OF PURCHASED BUSINESSES AND IDENTIFIABLE INTANGIBLES. The cost in excess of net assets of purchased businesses ("excess cost") and identifiable intangibles are being amortized on a straight-line basis over fifteen to thirty-five years, except for $2,211,000 relating to acquisitions prior to 1971 that is not being amortized. Management of the Company periodically reviews the carrying value of the excess cost in relation to the current and expected undiscounted cash flows of the businesses which benefit therefrom in order to assess whether there has been a permanent impairment of the excess cost of the net purchased assets. Accumulated amortization on excess cost was $13,879,000 and $9,004,000 at December 31, 1999 and 1998, respectively.

REVENUE RECOGNITION. In substantially all of its operating segments, Newpark recognizes revenue on a units of delivery basis. E&P waste and NORM disposal revenues are generally recognized upon receipt of waste for processing, while drilling fluids sales and engineering revenues are generally recognized upon delivery of products or services. Revenues from certain mat rental and integrated service projects, which are typically of short duration, are recognized as projects progress based upon sales values agreed to by the customer for specific units delivered or project milestones completed. Included in accounts receivable are unbilled revenues for projects in progress in the amounts of $2,874,000 and $2,635,000 at December 31, 1999 and 1998, respectively, all of which are due within one year.

INCOME TAXES. Income taxes are provided using the liability method in accordance with SFAS No. 109, "Accounting for Income Taxes." Under this method, deferred income taxes are recorded based upon differences between the financial reporting and income tax basis of assets and liabilities and are measured using the enacted income tax rates and laws that will be in effect when the differences are expected to reverse.

INVESTMENT IN UNCONSOLIDATED JOINT VENTURE. The Company owns a 49% interest in the LOMA Company, LLC, the manufacturer of composite mats. During the start up phase of operations for LOMA, the Company recorded its 49% interest in the cumulative operating losses of the joint venture ($1,293,000) as a separate item in the Consolidated Statements of Operations. In 1999, full production began at the LOMA manufacturing facility. Given that all production from the facility is for Newpark and all of LOMA's operations are production of composite mats, the Company began recording its 49% interest in the income/(loss) of LOMA as a reduction/(increase) to its cost of the composite mats included in property, plant and equipment of the Company. During 1999, the carrying value of property, plant and equipment was reduced by $520,000, reflecting the Company's 49% interest in the earnings of LOMA for 1999.

INTEREST CAPITALIZATION. For the years ended December 31, 1999, 1998 and 1997 the Company incurred interest cost of $18,381,000, $14,114,000, and $5,372,000, respectively, of which $1,730,000, $2,560,000, and $1,107,000, respectively, was capitalized on qualifying construction projects.

STOCK-BASED COMPENSATION. SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, and has adopted the disclosure-only provisions of SFAS 123.

FOREIGN CURRENCY TRANSACTIONS. The Company's Canadian subsidiary maintains its accounting records in its local currency. This currency is converted to U.S. dollars with the effect of the foreign currency translation reflected in "accumulated other comprehensive income," a component of stockholders' equity, in accordance with SFAS No. 52 and SFAS No. 130, "Reporting Comprehensive Income." Foreign currency transaction gains or losses, if any, are credited or charged to income. There were no transaction gains or losses incurred in 1999, 1998, or 1997. Cumulative foreign currency translation adjustments related to the Canadian subsidiary reflected in stockholders' equity amounted to $669,000 and ($1,033,000) at December 31, 1999 and 1998, respectively. At December 31, 1999 and 1998, the Company's Canadian subsidiary had net assets of approximately $31.3 million and $25.5 million, respectively.

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

NEW ACCOUNTING STANDARDS During 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". The statement establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Changes in a derivative's fair value are to be recognized currently in earnings unless specific hedge accounting criteria are met. The Company will be required to adopt SFAS No. 133, as amended by SFAS No. 137, which defers the effective date, on January 1, 2001. The Company does not believe that adoption of the statement will have a material effect on the Company's consolidated financial statements since the Company does not currently use derivative instruments or hedging activities in its business.

During 1998, the American Institute of Certified Pubic Accountants promulgated Statement of Position 98-5, "Reporting on the Costs of Start-up Activities" ("SOP 98-5"). SOP 98-5 broadly defines start-up activities as those one-time activities related to opening a new facility, introducing a new product or service, conducting business in a new territory, conducting business with a new class of customer or beneficiary, initiating a new process in an existing facility, or commencing some new operation. SOP 98-5 requires that companies expense start-up activities as incurred. The Company adopted SOP 98-5 effective July 1, 1998. Thus, in accordance with SOP 98-5, the Company recorded the after-tax charge as a cumulative effect of accounting change within the Company's 1998 Consolidated Statement of Operations. The effect of this change in accounting principle was to decrease net income by $1,326,000 (net of related income tax benefits of $778,000) or $.02 per basic and diluted share.

B. ACQUISITIONS AND DISPOSITIONS

During 1998 and 1997, Newpark issued an aggregate of 1,151,000 shares and 3,496,668 shares, respectively, of its common stock in exchange for all of the outstanding common stock of the following six companies:

Company Name	Type of Company	Location	Shares
1998 acquisitions:			
Southwestern Universal Corp	Drilling Fluids	West Texas	450,000
Optimum Fluids, Inc.	Drilling Fluids	Western Canada	281,000
Houston Prime Pipe & Supply	Solids Control	Gulf Coast	420,000
			1,151,000
1997 acquisitions:			
Sampey, Bilbo, Meschi Drilling Fluids Management, Inc.	Drilling Fluids	Gulf Coast	2,328,000
Excalibur Minerals, Inc.	Barite Grinding	Gulf Coast	666,668
Bockmon Construction Company	Site Preparation	Gulf Coast	502,000
			3,496,668

These business combinations have been accounted for as poolings of interests, and accordingly, the consolidated financial statements for periods prior to the combinations have been restated to include the accounts and results of operations of these entities.

Prior to the combinations, the year end for two of the entities was September 30 and the year end for one of the entities was October 31. Newpark's fiscal year is December 31. In applying pooling of interests accounting, the December 31, 1997 Newpark consolidated statements of operations were combined with the statements of operations for the corresponding year end of each pooled entity. Retained earnings (deficit) of the combined entities were adjusted by $563,000 and ($625,000) as of the beginning of Newpark's fiscal 1998 and 1997 years, respectively, to include net income/(losses) of the pooled entities for the periods October 1, 1997 to December 31, 1997 and November 1, 1996 to December 31, 1996. During these periods, the revenues of the pooled entities which were excluded from the consolidated statements of operations were $3.9 million for 1997. Amounts included in the accompanying consolidated statements of operations for the years ended December 31, 1997 include the results of these entities for the year ended September 30, 1997.

In September, 1999, the Company's management adopted a plan to discontinue operations of its solids control business (see Note D). The discontinued solids control business includes all of the remaining assets and operations from the acquisition of Houston Prime Pipe and Supply.

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

(In thousands of dollars)	Year Ended December 31, 1998	1997
Revenues:		
Newpark	$ 249,313	$ 210,277
Houston Prime	4,448	6,022
Optimum	2,016	1,813
Southwestern	1,031	6,882
Bockmon	--	3,174
Excalibur	--	5,077
SBM	--	--
Combined	$ 256,808	$ 233,245
Net Income (Loss):		
Newpark	$ (64,590)	$ 36,909
Houston Prime	789	805
Optimum	(6)	(354)
Southwestern	192	162
Bockmon	--	12
Excalibur	--	207
SBM	--	--
Combined	$ (63,615)	$ 37,741

In addition to these transactions, Newpark acquired, in the aggregate, eight other companies in 1998 and seven other companies in 1997. These acquisitions have been accounted for by the purchase method and include the results of operations of the acquired companies since their respective acquisition dates. These acquisitions were completed in exchange for an aggregate of 2,346,771 shares of Newpark common stock and $22,652,000 in cash during 1998 and 1,193,332 shares of Newpark common stock and $9,186,000 in cash during 1997. The purchase prices were allocated based on preliminary estimates of fair values at the dates of acquisition. The final purchase price allocation did not differ significantly from the preliminary purchase price allocation. This resulted in an excess of purchase price over assets acquired of $51,671,000, which is being amortized on a straight-line basis over 15 to 20 years.

The purchase price was allocated to the net assets acquired based on their fair values at the date of acquisition, as follows:

	1998	1997
Current assets	$ 15,078	$ 3,240
Property, Plant & Equipment	6,579	10,848
Liabilities assumed	(17,729)	(6,096)
Goodwill	35,241	16,430
Total purchase price, net of cash acquired	39,169	24,422
Less value of common stock issued	(23,360)	(16,743)
Cash purchase price, net of cash acquired	$ 15,809	$ 7,679

The following unaudited pro forma summary presents the consolidated results of operations of the Company as if the above purchase acquisitions had occurred on January 1, 1997:

(In thousands, except per share amounts)	1998	1997
Revenues	$ 279,496	$ 276,476
Net income (loss)	(62,047)	37,777
Net income (loss) per common and common equivalent share:		
Basic	$ (.90)	$ 0.58
Diluted	(.90)	0.56

The above unaudited proforma amounts have been prepared for comparative purposes only and include certain adjustments, such as additional amortization expense as a result of goodwill, additional depreciation expense for assets recorded at fair market value at the date of acquisition, additional interest expense for borrowings, and the net impact of the above adjustments on income tax expense. They do not purport to be indicative of the results of operations which actually would have resulted had the combination been in effect on January 1, 1997, or of future results of operations of the consolidated entities.

On August 12, 1996, the Company acquired from Campbell Wells, Ltd. ("Campbell") substantially all of the non-landfarm assets and certain leases associated with five transfer stations located along the Gulf Coast and three receiving docks at the landfarm facilities operated by Campbell for cash consideration of $70.5 million. This acquisition was accounted for under the purchase method, and resulted in an excess of purchase price over assets acquired of $77.1 million, of which $68.6 million is being amortized on a straight-line basis over 35 years, $7.5 million, attributable to a non-compete agreement, was being amortized on a straight-line basis over 25 years and $1.0 million, attributable to dock leases, which is being amortized over the respective lease terms. As a result of the signing of a Settlement Agreement with U.S. Liquids, Inc. (see Notes C and N), the remaining unamortized value of the non-compete agreement was reduced to $900,000, (the estimated fair market value) and is being amortized over the revised non-compete period of three years. The adjustment to the unamortized balance of the non-compete agreement of $6.1 million was included in arbitration settlement charged to operations in 1998.

On August 29, 1996, the Company sold the land, buildings and certain equipment comprising substantially all of the assets of its former marine repair operation to the operator of the facility and refinanced certain advances previously made to the operator. The sales price of approximately $16.0 million represents the net book value of the assets sold and refinanced. The consideration received included $1.2 million in cash, $7.2 million in notes receivable and $7.6 million in debt obligations which were assumed by the operator. The notes receivable are included in other assets and have been recorded at their estimated fair value, which approximates the amount at which they can be prepaid at the operator's option during the term of the notes. The notes receivable include two notes, one of which is in the face amount of $8,534,000, bears simple interest at 5.0% per annum, with interest and principal payable at September 30, 2003. The second note, in the amount of $600,000, bearing interest at 8% per annum, was subsequently paid off during the first quarter of 1998. The remaining note is secured by a second lien on the assets sold as well as certain guarantees of the operator.

C. SIGNIFICANT 1999 AND 1998 CHARGES

During the mid 1990's through the first half of 1998, the Company experienced significant growth through a series of strategic acquisitions and mergers, and increasing demand for its related products and services. Due to a significant decrease in the price of oil and gas and the resultant impact on drilling activity, the Company experienced a sharp decline in the demand for its products and services during the third and fourth quarters of 1998 which continued in 1999. This decline in customer demand materialized quickly from the previous growth period and, coupled with the timing of the Company's continued efforts to bring certain proprietary innovations to its customers, caused the Company to reassess its overall operations. This change in the Company's market and reassessment of operations, as well as the settlement of an arbitration dispute in 1998, resulted in the Company recording the following pretax charges during 1999 and 1998:

(In thousands)	1999	1998
Provision for uncollectible accounts	$ 2,853	$ 9,180
Write-down of abandoned and disposed assets	44,870	52,266
Impairment of long-lived assets	23,363	--
Terminated merger expense	2,957	--
Arbitration settlement	--	27,463
Total	$74,043	$88,909

The provision for uncollectible accounts in 1998 was made due to the financial weakness of certain customers resulting from continued downward pressure on oil prices, which caused a strain on customer cash flows. The Company had then identified three specific customer balances where the risk of financial concern merited the majority of the additional reserve in 1998. Most of these customers have filed for bankruptcy protection. In 1999, the additional provision is primarily related to a decrease in the expected recovery of pre-bankruptcy receivables for these same customers as indicated in their approved or proposed plans of reorganization.

The write-down of abandoned and disposed assets includes the following amounts for 1998 and 1999:

(In millions)	1999	1998
Mat and integrated services segment:		
Domestic wooden mats	$30.4	$43.0
Venezuela operations	11.6	--
Other	.4	1.3
Total mat and integrated services segment	42.4	44.3
Fluids sales and engineering segment:		
Investment in Mexican joint venture	2.5	--
Austin Chaulk assets	--	4.7
Total fluids sales and engineering segment	2.5	4.7
E&P waste disposal segment:		
Barge disposal	--	1.3
Write-down of proposed disposal sites	--	2.0
Total E&P waste disposal segment	--	3.3
Total write-down for abandoned and disposed assets	$44.9	$52.3

The $43.0 million write-down of the Company's domestic wooden mat fleet in 1998 is primarily due to a significant excess capacity in the fleet resulting from the sharp decline in drilling activity. In addition, in late 1998, the Company began the process of converting a portion of its domestic rental fleet to the new composite mat. The write-down represents the net book value associated only with mats that were abandoned or destroyed.

In the fourth quarter of 1999, after the Company completed its evaluation of the composite mat and its advantages over the wooden mat system and further indication that the Gulf Coast mat market would likely stabilize below its peak in 1997, the Company removed an additional amount of the remaining wooden mats from service and began the process of destroying these mats, recording a charge of $30.4 million. Included in the write-down cost for wooden mats in 1999 are disposal costs of approximately $1.1 million. As of December 31, 1999, the accrual for mat disposal costs to be incurred was approximately $500,000. Also included in this amount is $3.0 million of charges for the write-down of the Company's board road lumber inventory, since this loose lumber is generally not required in the laying of composite mats.

In addition to the disposals of the wooden mat fleet, in the fourth quarter of 1999, the Company made the decision to close down its mat business in Venezuela, due to poor market conditions and continued political instability in that area, recording a charge of $11.6 million. The measurement of the recoverable amount for the Venezuelan operations is based on management's judgement of the most likely value to be received on the sale of assets, less costs to sell. This estimate is subject to change in 2000 as actual amounts from the sale or recovery of these assets are realized.

The other charges for write-down of assets in the mat and integrated services segment were $0.4 million and $1.3 million in 1999 and 1998, respectively. In 1999, this charge represents the net book value of various equipment deemed obsolete which has been sold or abandoned. In 1998, this charge represents the net book value of a machine previously used in remediation operations that was abandoned after it was rendered obsolete by other new equipment introduced by the Company, which was technologically superior.

The $2.5 million write-down charge recorded in the Company's fluids sales and engineering segment in 1999 relates to the decision to withdraw from its Mexican joint venture in order to focus management's attention on the U.S. and Canadian markets it serves. The measurement of the recoverable amount for the Mexican operations is based on management's judgement of the most likely value to be received from its joint venture partner. This estimate is subject to change in 2000 as actual payments from the joint venture partner are received. In 1998, the write-down charge of $4.7 million recorded in this segment relates to assets that were either abandoned or disposed (primarily warehouses and mixing plants located in the Austin Chauk region). These assets were abandoned or disposed due to market shifts or due to excess capacity created by a downturn in the Company's operations. The disposal value for these assets was received in 1999 with no significant differences from estimated amounts being realized.

Included in the write-down charges for the E&P waste disposal segment in 1998 was $1.3 million to write-down barges to their disposal value, which value was received in 1999. These barges were previously used in this segment and were no longer required due to decreased volumes of waste being handled. Also included in the write-down in this segment for 1998 is a charge of $2.0 million relating to the abandonment of additional disposal sites being developed for future use. Due to the downturn in the oilfield waste market created by reduced oilfield drilling, the Company decided not to pursue bringing this additional capacity on-line.

In addition to the charges for the write-down of assets to be disposed or abandoned, in the fourth quarter of 1999, the Company recorded an impairment charge of $23.4 million in the mat and integrated services segment on the remaining domestic wooden mat fleet which the Company will continue to use in the short-term. This charge reflects the reduction in the recoverability of these mats over their estimated service life which was reduced due to their planned replacement with composite mats over the next two to three years. This reduced the domestic wooden mat fleet to a total carrying value of $4.5 million as of the date of the impairment charge. This carrying value was determined based on an estimation of the net discounted cash flows expected to be received for the wooden mats remaining in service until their expected replacement by composite mats. In connection with this impairment, the Company also adjusted the remaining depreciable life on the domestic wooden mats in anticipation of the planned displacement of such mats to an approximate average of two years.

On June 24, 1999, the Company entered into a definitive agreement to merge with Tuboscope, Inc. (Tuboscope). On November 10, 1999, the Company and Tuboscope announced that they had jointly elected to form operational alliances in key market areas rather than proceed with the proposed merger. The decision was made because recent market conditions in the oilfield services market and the resulting uncertainty in the capital markets made it difficult to obtain the type of credit facility believed necessary for the combined companies. Each company agreed to pay its respective transaction expenses relating to the proposed merger, which for Newpark are approximately $3.0 million. Under the alliance agreement, Tuboscope will provide solids control services to Newpark's Minimization Management(TM) customers, while Newpark will provide E&P waste disposal services to Tuboscope.

The $27.5 million of charges relating to the arbitration settlement stems from the settlement during the third quarter of 1998 (with final modifications during the fourth quarter 1998) between the Company's E&P waste disposal segment and U. S. Liquids, Inc. ("USL") over a contract dispute which is discussed more fully in Note N. The total settlement was $30 million, of which $6 million and $11 million was paid in 1998 and 1999, and $9 million and $4 million will be paid in 2000 and 2001, respectively. The settlement provided for, among other things, 1) the termination of Newpark's original contractual commitment to provide waste to USL's disposal facilities for twenty-five years and 2) the right, but not the obligation, to deliver specified volumes of E&P waste to USL's facilities until June 30, 2001 without additional cost. The right to deliver waste was valued at its estimated fair market value of $8 million based on the volumes that can be delivered and the market price to dispose of such waste. This amount is being recorded as a charge to operations over the disposal period. The termination feature was valued at $22 million, which represented the balance of the total settlement, and an obligation was recorded based on the present value of the contractual payments assigned to the termination feature. At December 31, 1999 and 1998, the recorded amount of the obligation was $8.1 million and $15.3 million, respectively. Total pretax charges associated with the settlement of $27.5 million included a $6.1 million write down to the estimated fair value of the remaining non-compete with U.S. Liquids, with the remaining $21.4 million representing the portion of the settlement associated with the termination feature.

D. SALE OF SOLIDS CONTROL OPERATIONS

In September, 1999, the Company's management adopted a plan to discontinue its solids control operations and simultaneously entered into an alliance agreement with a division of Tuboscope, which is now providing these services to Newpark's customers. The Company realized approximately $5.5 million of proceeds for the sale of its interest in the assets used in these operations, which resulted in a net loss on the disposal of approximately $50,000. The operating results for the solids control operations are included in the results for the fluids sales and engineering segment. Revenues from the solids control operations totaled approximately $7.4 million in 1999, $11.4 million in 1998 and $6.0 million in 1997. These operations generated an operating loss of approximately $5.5 million in 1999 and $1.2 million in 1998 and operating income of approximately $1.4 million in 1997. Included in the operating loss for 1999 are severance and related costs of approximately $723,000.

The results for the solids control operations had previously been reported as discontinued operations in the financial statements. The previously filed financial statements have been restated to reflect the inclusion of the results for the solids control operations as part of continuing operations of the fluids sales and engineering segment.

The following table shows the previously reported and restated amounts:

	1999	1998	1997
As previously reported-			
Income (loss) from continuing operations before cumulative effect of accounting changes	$ (66,720)	$ (61,547)	$ 36,936
Net income (loss)	$ (68,655)	$ (63,615)	$ 37,741
Income (loss) per common and common equivalent share:			
Basic:			
Continuing operations	$ (0.98)	$ (0.92)	$ 0.58
Net income (loss)	$ (1.01)	$ (0.95)	$ 0.59
Diluted:			
Continuing operations	$ (0.98)	$ (0.92)	$ 0.56
Net income (loss)	$ (1.01)	$ (0.95)	$ 0.58

	1999	1998	1997
As restated-			
Income (loss) before cumulative effect of accounting changes	$ (70,126)	$ (62,289)	$ 37,741
Net income (loss)	$ (68,655)	$ (63,615)	$ 37,741
Income (loss) per common and common equivalent share:			
Basic:			
Income before cumulative effect of accounting changes	$ (1.03)	$ (0.93)	$ 0.59
Net income (loss)	$ (1.01)	$ (0.95)	$ 0.59
Diluted:			
Income before cumulative effect of accounting changes	$ (1.03)	$ (0.93)	$ 0.58
Net income (loss)	$ (1.01)	$ (0.95)	$ 0.58

E. INVENTORY

The Company's inventory consisted of the following items at December 31, 1999 and 1998:

(In thousands)	1999	1998
Board road lumber	$ --	$ 1,276
Logs	3,338	4,835
Drilling fluids raw materials and components	13,062	11,385
Supplies	724	1,285
Other	400	600
Total	$17,524	$19,381

F. PROPERTY, PLANT AND EQUIPMENT

The Company's investment in property, plant and equipment at December 31, 1999 and 1998 is summarized as follows:

(In thousands)	1999	1998
Land	$ 9,183	$ 9,770
Buildings and improvements	43,476	33,753
Machinery and equipment	147,087	152,304
Composite and wooden mats	15,111	71,660
Other	5,439	6,111
	220,296	273,598
Less accumulated depreciation	(53,693)	(55,610)
	$ 166,603	$ 217,988

G. CREDIT ARRANGEMENTS AND LONG-TERM DEBT

Credit arrangements and long-term debt consisted of the following at December 31, 1999 and 1998:

(In thousands)	1999	1998
Senior subordinated notes	$ 125,000	$ 125,000
Bank line of credit	83,250	80,900
Building loan	809	1,335
Other, principally installment notes secured by machinery and equipment, payable through 2002 with interest at 2.0% to 13.5%	1,142	2,017
	210,201	209,252
Less: current maturities of long-term debt	(991)	(1,195)
Long-term portion	$ 209,210	$ 208,057

On December 17, 1997 the Company issued $125 million of unsecured senior subordinated notes (the "Notes"), which mature on December 15, 2007. Interest on the Notes accrues at the rate of 8-5/8% per annum and is payable semi-annually on each June 15 and December 15, commencing June 15, 1998. The Notes may be redeemed by Newpark, in whole or in part, at a premium commencing after December 15, 2002. Up to 35% of the Notes may be redeemed from proceeds of an equity offering, at a premium at any time up to and including December 1, 2000. The Notes are subordinated to all senior indebtedness, as defined in the subordinated debt indenture, including the Company's bank revolving credit facility.

The Notes are guaranteed by substantially all operating subsidiaries of the Company (the "Subsidiary Guarantors"). The guarantee obligations of the Subsidiary Guarantors (which are all direct or indirect wholly owned subsidiaries of the Company) are full, unconditional and joint and several. The aggregate assets, liabilities, earnings, and equity of the Subsidiary Guarantors are substantially equivalent to the total assets, liabilities, earnings, and equity of Newpark Resources, Inc. and its subsidiaries on a consolidated basis. Separate financial statements of the Subsidiary Guarantors are not included in the accompanying financial statements because management of the Company has determined that the additional information provided by separate financial statements of the Subsidiary Guarantors would not be of material value to investors.

As of December 31, 1999, the Company maintained a $100.0 million bank credit facility, including up to $20.0 million in standby letters of credit, in the form of a revolving line of credit commitment which expires June 30, 2001. At December 31, 1999, $16.7 million in letters of credit were issued and outstanding under the credit facility and $83.3 million was outstanding under the revolving facility. Based on these outstanding amounts and the outstanding letters of credit, the Company had no availability under this facility at December 31, 1999. The facility bears interest at either a specified prime rate (8.5% at December 31, 1999) or the LIBOR rate (6.18% at December 31, 1999) plus a spread determined quarterly based on the ratio of the Company's funded debt to cash flow. The weighted average interest rate on the outstanding balance under the credit facility in 1999 and 1998 was 7.85% and 5.87%, respectively.

On March 27, 2000 the Company and the banks agreed to an amendment to the Credit Facility which provided for the following: 1) the facility will be secured by substantially all of the accounts receivable, inventory and property plant and equipment of the Company; 2) the financial covenants as of December 31, 1999 and going forward will provide for covenants that are consistent with the Company's current financial condition and anticipated outlook, 3) the variable interest rate will be increased based on the Company's Debt to EBITDA ratio, as defined, to a range of a) prime plus 0% to prime plus 1.25% or b) LIBOR plus 1.25% to LIBOR plus 4%, and 4) the Company will pay an amendment fee of $250,000. Under the amended agreement, the expected interest rate for early 2000 is prime plus 1.25% (10.25% at March 27, 2000) or LIBOR plus 4% (10.25% at March 27, 2000). Several of the financial covenants under the amended credit facility are at or near their limit. For example, the facility requires the company to maintain consolidated tangible net worth, as defined as consolidated stockholders' equity less certain intangible assets such as goodwill, unamortized debt discount and patents, of $69 million. The Company's consolidated tangible net worth, as defined, was $69.9 million at December 31, 1999. Any losses sustained in future quarters may cause the Company to not be in compliance with the financial covenants unless waivers or amendments can be obtained from the banks.

The Notes do not contain any financial covenants; however, in the event that the Company does not meet the financial covenants of the credit facility and is unable to obtain an amendment from the banks, the Company would be in default of the credit facility which would cause the Notes to be in default and immediately due. The Notes and the credit facility also contain covenants that significantly limit the payment of dividends on the common stock of the Company.

Maturities of long-term debt, exclusive of the credit facility which expires September 30, 2001, are $991,000 in 2000, $382,000 in 2001, $214,000 in 2002, $172,000 in 2003, $128,000 in 2004 and $125,063,000 thereafter.

H. INCOME TAXES

The provision (benefit) for income taxes charged to operations is principally U. S. Federal tax as follows:

	Year Ended December 31,		
(In thousands)	1999	1998	1997
Current tax expense (benefit)	$ 611	$ (5,083)	$ 6,366
Deferred tax expense (benefit)	(29,298)	(25,965)	15,880
Total provision (benefit)	$(28,687)	$(31,048)	$ 22,246

The total provision (benefit) was allocated to the following components of income (loss):

	Year Ended December 31,		
(In thousands)	1999	1998	1997
Income (loss) from operations	$(29,461)	$(30,270)	$ 22,246
Cumulative effect of accounting change	774	(778)	--
Total provision (benefit)	$(28,687)	$(31,048)	$ 22,246

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

	Year Ended December 31,		
	1999	1998	1997
Income tax expense (benefit) at statutory rate	(35.0%)	(35.0%)	35.0%
Non-deductible expenses	1.5	1.4	1.5
Increase in valuation allowance	2.2	--	.4
Other	1.9	.8	.2
Total income tax expense (benefit)	(29.4%)	(32.8%)	37.1%

Temporary differences and carryforwards which give rise to a significant portion of deferred tax assets and liabilities at December 31, 1999 and 1998 are as follows:

(In thousands)	1999	1998
Deferred tax assets:		
Net operating losses	$ 57,533	$ 25,640
Accruals not currently deductible	2,432	3,103
Bad debts	3,469	3,411
Deferred payments under settlement agreement	3,652	6,164
Alternative minimum tax credits	2,341	2,341
All other	965	962
Total deferred tax assets	70,392	41,621
Valuation allowance	(9,060)	(1,326)
Total deferred tax assets, net of allowances	$ 61,332	$ 40,295

(In thousands)	1999	1998
Deferred tax liabilities:		
Accelerated depreciation and amortization	$14,399	$21,033
Inventory costs capitalized for financial reporting	--	943
All other	2,875	2,808
Total deferred tax liabilities	17,274	24,784
Total net deferred tax assets	$44,058	$15,511

For federal income tax purposes, the Company has net operating loss carryforwards ("NOLs") of approximately $141 million (net of amounts disallowed pursuant to IRC Section 382) that, if not used, will expire in 2001 through 2019. The Company also has approximately $2.3 million of alternative minimum tax credit carryforwards, which are not subject to expiration and are available to offset future regular income taxes subject to certain limitations. Additionally, for state income tax purposes, the Company has NOLs of approximately $156 million available to reduce future state taxable income. These NOLs expire in varying amounts beginning in year 2000 through 2014.

Under SFAS No. 109, a valuation allowance must be established to offset a deferred tax asset if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. At December 31, 1999 and 1998, the Company recorded a valuation allowance for all state NOLs and the portion of federal NOLs that the Company believes may not be fully utilized in the future. At December 31, 1999, the Company has recognized a net deferred tax asset of $44.1 million, the realization of which is dependent on the Company's ability to generate taxable income in future periods. The Company believes that its estimate of future earnings based on contracts in place and its earnings trend from recent prior years supports recognition of this amount.

Deferred tax expense includes an increase in the valuation allowance for deferred tax assets of ($7,734,000) and ($1,326,000) for 1999 and 1997, respectively.

I. EQUITY SECURITIES

The Company has been authorized to issue up to 1,000,000 shares of Preferred Stock, $.01 par value, of which 150,000 were outstanding at December 31, 1999.

On April 16, 1999, the Company, issued to SCF-IV, L.P., a Delaware limited partnership managed by SCF Partners (the "Purchaser"), 150,000 shares of Series A Cumulative Perpetual Preferred Stock, $0.01 par value per share (the "Series A Preferred Stock"), and a warrant (the "Warrant") to purchase up to 2,400,000 shares of the Common Stock of the Company at an exercise price of $8.50 per share, subject to anti-dilution adjustments. The aggregate purchase price for these instruments was $15.0 million, of which approximately $12.8 million was allocated to the Series A Preferred Stock and approximately $2.2 million to the Warrant. The difference between the carrying value and the redemption value for the Series A Preferred Stock is being amortized to retained earnings over a period of five years and affects the earnings per share of common stock. The net proceeds from the sale were used to repay indebtedness. No underwriting discounts, commissions or similar fees were paid in connection with the sale of the securities.

Cumulative dividends are payable on the Series A Preferred Stock quarterly in arrears at the initial dividend rate of 5% per annum, based on the stated value of $100 per share of Series A Preferred Stock. Dividends for the first three years are payable in Newpark Common Stock, based on the average closing price of Newpark's Common Stock for the five business days preceding the record date. The dividend rate is subject to adjustment three, five and seven years after the date of issuance. The agreement does not restrict common stock dividends or repurchases of common stock by the Company as long as all accumulated dividends on the Series A Preferred Stock have been paid in full. Dividends paid on preferred stock and accretion of the discount on the preferred stock for the year ended December 31, 1999 were $532,000 and $318,000, respectively. These amounts reflect dividends and accretion for the period of April 16, 1999 (the issuance date of the preferred stock) through December 31, 1999.

On May 13, 1998, the stockholders of the Company approved an increase in the number of authorized shares of common stock to 100,000,000.

Changes in outstanding Common Stock for the years ended December 31, 1999, 1998, and 1997 were as follows:

(In thousands of shares)	1999	1998	1997
Outstanding, beginning of year	68,840	65,212	62,758
Shares issued for acquisitions	--	2,347	1,193
Shares issued for deferred compensation plan	46	535	59
Other	--	17	--
Shares issued for preferred stock dividend	71	--	--
Shares issued upon exercise of options	122	729	1,202
Outstanding, end-of-year	69,079	68,840	65,212

J. EARNINGS PER SHARE

In accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("SFAS 128"), the Company changed its method of calculating earnings per share during the fourth quarter of 1997. Per share and weighted average share amounts for all years presented have been restated to conform to the requirements of SFAS No. 128, and to give effect for all 1998 and 1997 transactions accounted for as poolings of interest (see Note B).

The following table presents the reconciliation of the numerator and denominator for calculating earnings per share in accordance with the disclosure requirements of SFAS 128 as follows (in thousands, except per share data):

	For the Years Ended								
	1999			1998			1997		
	Income (Num)	Shares (Den)	Per Share Amount	Income (Num)	Shares (Den)	Per Share Amount	Income (Num)	Shares (Den)	Per Share Amount
BASIC EPS Income (loss) available to common stockholders	$(69,505)	68,949	$ (1.01)	$(63,615)	67,058	$ (0.95)	$37,741	64,158	$ .59
EFFECT OF DILUTIVE SECURITIES									
Stock options		--			--			1,472	

	For the Years Ended								
	1999			1998			1997		
DILUTED EPS									
Income (loss) available to common stockholders	$(69,505)	68,949	$ (1.01)	$(63,615)	67,058	$ (0.95)	$37,741	65,630	$ .58

Options and warrants excluded from the computation of diluted EPS for the years ended December 31, 1999 and 1998 that could potentially dilute basic EPS in the future were 7,426,455 shares and 4,435,664 shares, respectively. Since the Company incurred a loss per share for 1999 and 1998, such dilutive options were excluded, as they would be antidilutive to basic EPS.

Options to purchase 12,000 and 16,000 shares of common stock, at exercise prices of $20.84 and $19.53 per share, respectively, were outstanding during the fourth quarter of 1997, but were not included in the computation of diluted EPS because the options' exercise price was greater than the average market price of the common shares. The options, which expire during the fourth quarter of 2002, were still outstanding at the end of 1997.

K. STOCK OPTION PLANS

At December 31, 1999, the Company had three stock-based compensation plans, which are described below. The Company applies Accounting Principles Board Opinion 25 ("APB 25") and related Interpretations in accounting for its plans. Accordingly, no compensation cost has been recognized for its stock option plans as the exercise price of all stock options granted thereunder is equal to the fair value at the date of grant. Had compensation costs for the Company's stock-based compensation plans been determined based on the fair value at the grant dates for awards under those plans consistent with the method of Financial Accounting Standards Board Statement No. 123, the Company's net income (loss) and earnings (loss) per share would have been reduced to the pro forma amounts indicated below:

		Year Ended December 31,		
(In thousands, except per share data)		1999	1998	1997
Net income (loss)	As reported	$ (69,505)	$ (63,615)	$ 37,741
	Pro forma	(76,210)	(68,977)	35,245
Basic earnings (loss) per share	As reported	(1.01)	(0.95)	0.59
	Pro forma	(1.11)	(1.03)	0.55
Diluted earnings (loss)	As reported	(1.01)	(0.95)	0.58
per share	Pro forma	(1.11)	(1.03)	0.54

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model, with the following assumptions:

	Year Ended December 31,		
	1999	1998	1997
Risk free interest rate	6.5%	5.2%	6.3%
Expected years until exercise	4	4	4
Expected stock volatility	259.1%	56.9%	64.3%
Dividend yield	0%	0%	0%

A summary of the status of the Company's stock option plans as of December 31, 1999, 1998 and changes during the periods ending on those dates is presented below:

	Years Ended December 31,					
	1999		1998		1997	
	Shares	W-A Exercise Price	Shares	W-A Exercise Price	Shares	W-A Exercise Price
Outstanding at beginning of year	4,435,664	$ 8.02	4,070,557	$ 7.59	4,110,132	$ 4.90
Granted	1,057,600	5.35	1,254,000	11.35	1,254,000	12.59
Exercised	(122,238)	4.43	(726,222)	4.92	(1,153,315)	3.50
Canceled	(344,571)	9.17	(162,671)	13.45	(140,260)	6.69
Outstanding at end of year	5,026,455	$ 7.46	4,435,664	$ 8.02	4,070,557	$ 7.59
Weighted-average fair value of options granted during the year		$ 5.23		$ 6.51		$ 6.80

The following table summarizes information about all stock options outstanding at December 31, 1999.

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$1.90 to $4.11	1,030,400	2.98	$ 3.61	1,017,800	$ 3.61
$4.28 to $6.25	1,040,696	5.94	$ 5.09	94,334	$ 5.59
$6.50 to $8.31	1,155,388	4.33	$ 8.11	971,724	$ 8.25
$8.62 to $9.94	63,667	5.33	$ 9.17	30,001	$ 9.38
$10.00 to $21.00	1,736,304	4.76	$10.69	861,006	$10.46
	5,026,455	4.55	$ 7.46	2,974,865	$ 7.23

On December 15, 1998 a total of 1,729,306 options, none of which were for the benefit of executive officers, were amended to reflect a reduction of the exercise price to $10.00 per share. On the date of the amendment, the price of Newpark's common stock was $5.63 per share.

The Amended and Restated Newpark Resources, Inc. 1988 Incentive Stock Option Plan (the "1988 Plan") was adopted by the Board of Directors on June 22, 1988 and thereafter was approved by the stockholders. The 1988 Plan was amended several times and provided for approximately 4,000,000 shares to be issuable thereunder. Under the terms of the 1988 Plan, an option could not be granted for an exercise price less than the fair market value on the date of grant and could have a term of up to ten years. No future grants are available under the 1988 Plan.

The 1993 Non-Employee Directors' Stock Option Plan (the "1993 Non-Employee Directors' Plan") was adopted on September 1, 1993 by the Board of Directors and, thereafter, was approved by the stockholders in 1994. Non-employee directors are not eligible to participate in any other stock option or similar plans currently maintained by the Company. The purpose of the 1993 Non-Employee Directors' Plan is to promote an increased incentive and personal interest in the welfare of Newpark by those individuals who are primarily responsible for shaping the long-range plans of Newpark, to assist Newpark in attracting and retaining on the Board persons of exceptional competence and to provide additional incentives to serve as a director of Newpark.

Prior to January 29, 1998, the 1993 Non-Employee Directors' Stock Option Plan (the "Non-Employee Directors' Plan") provided that each non-employee director who was serving on the Board of Directors on September 1, 1993, and each new non-employee director who was first elected to the Board of Directors after September 1, 1993, would be granted a stock option to purchase, at an exercise price equal to the fair market value of the Common Stock on the date of grant, 63,000 shares of common stock. The Non-Employee Directors' Plan also provided that each time a non-employee director had served on the Board for a period of five consecutive years, such director automatically would be granted a stock option to purchase 42,000 shares of Common Stock, at an exercise price equal to the fair market value of the Common Stock on the date of grant. Effective January 29, 1998, the Non-Employee Directors' Plan was amended to reduce the number of shares of Common Stock for which a stock option will be granted to each non-employee director who is first elected a director after that date from 63,000 shares to 10,000 shares of Common Stock. The Non-Employee Directors' Plan also was amended to delete the provisions for the automatic grant of additional stock options at five-year intervals and to provide instead for automatic additional grants to each Non-Employee Director of stock options to purchase 10,000 shares of Common Stock on January 29, 1998, and each time the Non-Employee director is re-elected to the Board of Directors. These amendments were approved by the stockholders on May 13, 1998.

On November 2, 1995, the Board of Directors adopted, and on June 12, 1996 the stockholders approved, the Newpark Resources, Inc. 1995 Incentive Stock Option Plan (the "1995 Plan"), pursuant to which the Compensation Committee may grant incentive stock options and nonstatutory stock options to designated employees of Newpark. Initially, a maximum of 2,100,000 shares of Common Stock were issuable under the 1995 Plan, with such maximum number increasing on the last business day of each fiscal year of Newpark, commencing with the last business day of the fiscal year ending December 31, 1996, by a number equal to 1.25% of the number of shares of Common Stock issued and outstanding on the close of business on such date, with a maximum number of shares of Common Stock that may be issued upon exercise of options granted under the 1995 Plan being limited to 5,250,000.

L. DEFERRED COMPENSATION PLAN

In March of 1997, the Company established a Long-Term Stock and Cash Incentive Plan (the "Plan"). By policy, the Company has limited participation in the Plan to certain key employees of companies acquired subsequent to inception of the Plan. The intent of the Plan is to increase the value of the stockholders' investment in the Company by improving the Company's performance and profitability and to retain, attract and motivate key employees who are not directors or officers of Newpark but whose judgment, initiative and efforts are expected to contribute to the continued success, growth and profitability of the Company.

Subject to the provisions of the Plan, a committee may (i) grant awards pursuant to the Plan, (ii) determine the number of shares of stock or the amount of cash or both subject to each award, (iii) determine the terms and conditions (which need not be identical) of each award, provided that stock shall be issued without the payment of cash consideration other than an amount equal to the par value of the stock, (iv) establish and modify performance criteria for awards, and (v) make all of the determinations necessary or advisable with respect to awards under the Plan.

Each award under the Plan will consist of a grant of shares of stock or an amount of cash (to be paid on a deferred basis) subject to a restriction period (after which the restrictions shall lapse), which shall mean a period commencing on the date the award is granted and ending on such date as the committee shall determine (the "Restriction Period"). The committee may provide for the lapse of restrictions in installments, for acceleration of the lapse of restrictions upon the satisfaction of such performance or other criteria or upon the occurrence of such events as the committee shall determine, and for the early expiration of the Restriction Period upon a participant's death, disability, retirement at or after normal retirement age or the termination of the participant's employment with the Company by the Company without cause.

The maximum number of shares of common stock of Newpark that may be issued pursuant to the Plan is 676,909, subject to adjustment pursuant to certain provisions of the Plan. The maximum amount of cash that may be awarded pursuant to the Plan is $1,500,000, and each such amount may be increased by the Board of Directors. If shares of stock or the right to receive cash awarded or issued under the Plan are reacquired by Newpark due to a forfeiture or for any other reason, such shares or right to receive cash will be cancelled and thereafter will again be available for purposes of the Plan. At December 31, 1999, 640,136 shares of common stock had been issued under the Plan and $1,418,000 had been awarded.

M. SUPPLEMENTAL CASH FLOW INFORMATION

Included in accounts payable and accrued liabilities at December 31, 1999, 1998 and 1997, were equipment purchases of $1,326,000, $5,186,000, and $3,632,000, respectively. Also included are notes payable for equipment purchases in the amount of $434,000 and $83,000 for 1998 and 1997, respectively.

Interest of $18,063,000, $13,144,000 and $4,801,000, was paid in 1999, 1998 and 1997, respectively. Income tax refunds, net of payments, totaled $11,191,000 for the year ended December 31, 1999. Income taxes of $9,991,000, and $4,751,000 were paid in 1998 and 1997, respectively.

N. COMMITMENTS AND CONTINGENCIES

Newpark and its subsidiaries are involved in litigation and other claims or assessments on matters arising in the normal course of business. In the opinion of management, any recovery or liability in these matters will not have a material adverse effect on Newpark's consolidated financial statements.

In conjunction with the 1996 acquisition of Campbell Wells Ltd. ("Campbell"), Newpark became a party to a "NOW Disposal Agreement", pursuant to which Newpark was required, for a period of 25 years following the acquisition, to deliver to Campbell for disposal at its landfarm facilities an agreed annual quantity of E&P Waste, and Campbell executed a Noncompetition Agreement under which it agreed not to compete with Newpark in the marine-related E&P Waste disposal business for five years. The landfarms are now operated by U.S. Liquids, Inc. ("USL"), which also assumed Campbell's obligations under the Noncompetition Agreement. During 1998, a dispute arose between the parties concerning Newpark's obligations under the NOW Disposal Agreement. In September 1998, Newpark and USL settled their dispute by executing a Settlement Agreement and a "Payment Agreement" under which, among other things, Newpark's contractual commitment to deliver waste to USL's disposal facilities was terminated immediately, and Newpark agreed to pay USL $30 million, $6 million of which was paid in 1998, $11 million of which was paid in 1999, $9 million of which is to be paid in 2000 and $4 million of which is to be paid in 2001. The payments to be made in 2000 and 2001 are subject to increase based on the increase, if any, in the Consumer Price Index between July 1, 1998 and January 3, 2000. As a result of the change in the Consumer Price Index, in 2000 Newpark will pay a total of $9.2 million to USL. Under the Payment Agreement, Newpark has the right, but not the obligation, to deliver specified volumes of E&P Waste to USL's facilities until June 30, 2001 without additional cost, and subject to certain conditions, Newpark may extend this arrangement for two additional one-year terms at an additional annual cost of $8 million, which is also subject to increase based on increases in the Consumer Price Index. As part of the settlement, Newpark agreed that USL may engage in the business of cleaning tanks, barges, vessels, containers and similar structures used in the transportation and storage of E&P Waste, and USL purchased from Newpark certain equipment used by Newpark in such cleaning activities.

The Company is currently involved in proceedings with the Texas State Comptroller of Public Accounts related to sales tax audits for the periods of April 1988 through September 1995. The Company believes that the ultimate resolution of this matter will not have a material adverse effect on its consolidated financial statements.

In the normal course of business, in conjunction with its insurance programs, the Company has established letters of credit in favor of certain insurance companies in the amount of $1,250,000 and $1,000,000 at December 31, 1999 and 1998, respectively. At December 31, 1999 and 1998, the Company had outstanding guaranty obligations totaling $1,494,000 and $1,526,000, respectively, in connection with facility closure bonds issued by an insurance company.

Since May 1988, the Company has held the exclusive right to use a patented prefabricated wooden mat system with respect to the oil and gas exploration and production industry within the State of Louisiana. On June 20, 1994, the Company entered into a new license agreement by which it obtained the exclusive right to use the same patented prefabricated mat system, without industry restriction, throughout the continental United States. The license agreement requires, among other things, that the Company purchase a minimum of 5,000 mats annually through 2003. The Company has met this annual mat purchase requirement since the inception of the agreement. Any purchases in excess of that level may be applied to future annual requirements. The Company's annual commitment to maintain the agreement in force, absent any reductions resulting from excess purchases, is currently estimated to be $3.7 million.

Since July 1995, Newpark has held the exclusive worldwide right to use a patented composite mat system. Production of these mats did not commence until 1998. The license agreement requires, among other things, that the Company purchase a minimum of 5,000 mats annually. Any purchases in excess of that level may be applied to future annual requirements. Newpark's annual commitment to maintain the agreement in force is currently estimated to be $3,500,000.

The Company has guaranteed certain debt obligations of a joint venture in which it holds a 49% interest, through the issuance of a letter of credit. The guarantee is limited to $15 million, plus accrued interest. The joint venture partner has obtained a commitment for the refinancing of its debt. The pending transaction would not require a guarantee from the Company.

The Company leases various manufacturing facilities, warehouses, office space, machinery and equipment, including transportation equipment and composite mats, under operating leases with remaining terms ranging from one to ten years, with various renewal options. Substantially all leases require payment of taxes, insurance and maintenance costs in addition to rental payments. Total rental expenses for all operating leases were $9,173,000, $10,731,000, and $5,993,000, in 1999, 1998 and 1997, respectively.

Future minimum payments under noncancellable operating leases and future minimum receipts under noncancellable subleases, with initial or remaining terms in excess of one year are as follows (in thousands):

	Operating Lease Payments	Operating Sublease Receipts	Net Operating Lease Payments
2000	$10,854	$ 175	$10,679
2001	9,968	466	9,502
2002	9,407	466	8,941
2003	8,636	475	8,161
2004	8,113	498	7,615
2005 and thereafter	22,776	314	22,462
	$69,754	$ 2,394	$67,360

The Company is self-insured for health claims up to a certain policy limit. Claims in excess of $100,000 per incident and approximately $4.8 million in the aggregate per year are insured by third-party reinsurers. At December 31, 1999, the Company had accrued a liability of $900,000 for outstanding and incurred, but not reported, claims based on historical experience.

O. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to significant concentrations of credit risk consist principally of cash investments and trade accounts and notes receivable.

The Company maintains cash and cash equivalents with various financial institutions. These financial institutions are located throughout the Company's trade area and company policy is designed to limit exposure to any one institution. As part of the Company's investment strategy, the Company performs periodic evaluations of the relative credit standing of these financial institutions.

Concentrations of credit risk with respect to trade accounts and notes receivable are generally limited due to the large number of entities comprising the Company's customer base, and for notes receivable the required collateral. The Company maintains an allowance for losses based upon the expected collectibility of accounts and notes receivable.

P. SUPPLEMENTAL SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following summarized financial information concerning the Company's reportable segments has been restated to give effect to the reclassification of results for the Company's solids control operations from a presentation as discontinued operations to a presentation as part of continuing operations of the fluids sales and engineering segment (see Note D).

	Quarter Ended			
(In thousands, except per share amounts)	Mar 31	Jun 30	Sep 30	Dec 31
FISCAL YEAR 1999 (AS RESTATED)				
Revenues	$ 52,779	$ 40,524	$ 50,921	$ 54,001
Operating income (loss)	4,546	(7,365)	(2,460)	(78,644)
Net income (loss)	2,029	(5,492)	(8,218)	(57,824)

	Quarter Ended			
(In thousands, except per share amounts)	Mar 31	Jun 30	Sep 30	Dec 31
Net income (loss) per share				
Basic:				
Income (loss) before cumulative effects	0.01	(0.08)	(0.12)	(0.84)
Cumulative effect of accounting change	0.02	--	--	--
Net income (loss)	0.03	(0.08)	(0.12)	(0.84)
Diluted:				
Income (loss) before cumulative effects	0.01	(0.08)	(0.12)	(0.84)
Cumulative effect of accounting change	0.02	--	--	--
Net income (loss)	0.03	(0.08)	(0.12)	(0.84)
Weighted average common and common equivalent shares outstanding:				
Basic	68,872	68,893	68,986	69,044
Diluted	69,185	68,893	68,986	69,044
FISCAL YEAR 1998 (AS RESTATED)				
Revenues	$ 72,404	$ 67,019	$ 62,899	$ 54,486
Operating income (loss)	19,571	16,807	(43,135)	(75,736)
Net income (loss)	11,227	9,109	(32,882)	(51,069)
Net income (loss) per share				
Basic:				
Income (loss) before cumulative effects	0.17	0.14	(0.47)	(0.74)
Cumulative effect of accounting change	--	--	(0.02)	--
Net income (loss)	0.17	0.14	(0.49)	(0.74)
Diluted:				
Income (loss) before cumulative effects	0.17	0.13	(0.47)	(0.74)
Cumulative effect of accounting change	--	--	(0.02)	--
Net income (loss)	0.17	0.13	(0.49)	(0.74)
Weighted average common and common equivalent shares outstanding:				
Basic	65,364	66,448	67,605	68,775
Diluted	66,784	67,731	67,605	68,775

As further discussed in Note C, during the fourth quarter of 1999 and the third and fourth quarters of 1998, the Company recorded significant charges associated with asset write-downs and impairments, arbitration settlement, and increases in the provision for uncollectible accounts. Also, included in the fourth quarter of 1998 are charges to adjust certain inventories to physical amounts and to account for differences in gross margins, primarily in the Fluids Sales & Engineering segment, which were estimated during the interim periods of 1998. The total of these charges was $4,381,000 and is included in costs of services provided.

Q. SEGMENT AND RELATED INFORMATION

The Company's three business units have separate management teams and infrastructures that offer different products and services to a homogenous customer base. The business units form the three reportable segments of E&P Waste Disposal, Fluids Sales & Engineering and Mat & Integrated Services.

E&P Waste Disposal: This segment provides disposal services for both oilfield exploration and production ("E&P") waste and E&P waste contaminated with naturally occurring radioactive material. The primary method used for disposal is low pressure injection into environmentally secure geologic formations deep underground. The primary operations for this segment are in the Gulf Coast market and customers include major multinational and independent oil companies. This segment began operations of its non-hazardous industrial waste disposal facility in 1999. Disposal of this type of waste could lead to an expansion of Newpark's customer base and geographic service points for this segment.

Fluids Sales & Engineering: This segment provides drilling fluids sales and engineering services and onsite drilling fluids processing services. The primary operation for this segment are in the Gulf Coast market. However, other markets served by this segment include Oklahoma, Canada, and the Permian Basin. Customers include major multinational, independent and national oil companies.

Mat & Integrated Services: This segment provides prefabricated interlocking mat systems for the construction of drilling and work sites. In addition, the segment provides fully-integrated onsite and offsite environmental services, including site assessment, pit design, construction and drilling waste management, and regulatory compliance services. The primary markets served include the Gulf Coast market and Canada. The principal customers are major national, independent and national oil companies. In addition, this segment provides temporary work site services to the pipeline, electrical utility and highway construction industries principally in the Southeastern portion of the United States.

Newpark does not believe it is dependent on any one customer. During the years ended December 31, 1999 and 1998 there were no sales to one customer in excess of 10%. During the year ended December 31, 1997, one customer accounted for approximately 10% of total revenues. This customer is a customer of the Mat & Integrated Services segment. Export sales are not significant.

The following summarized financial information concerning the Company's reportable segments has been restated to give effect to the reclassification of results for the Company's solids control operations from a presentation as discontinued operations to a presentation as part of continuing operations of the fluids sales and engineering segment (see Note D).

	Years Ended December 31, 1999	1998	1997
	(In thousands)		
REVENUES (1)			
E&P Waste Disposal	$ 42,954	$ 58,457	$ 62,681
Fluids Sales & Engineering	100,467	104,142	69,227
Mat & Integrated Services	60,560	111,513	103,216
Eliminations	(5,756)	(17,304)	(1,879)
Total Revenues	$ 198,225	$ 256,808	$ 233,245
(1) Segment revenues include the following intersegment transfers:			
E&P Waste Disposal	$ --	$ 869	$ 380
Fluids Sales & Engineering	89	1,089	--
Mat & Integrated Services	5,667	15,346	1,499
Total Intersegment Transfers	$ 5,756	$ 17,304	$ 1,879

	Years Ended December 31, 1999	1998	1997
	(In thousands)		
OPERATING INCOME (LOSS):			
Segment Operating Income (Loss)			
E&P Waste Disposal	$ 13,068	$ 19,014	$ 28,768
Fluids Sales & Engineering	(14,237)	(11,853)	12,688
Mat & Integrated Services	(1,126)	10,059	28,354
Total Segment Operating Income	$ (2,295)	$ 17,220	$ 69,810
General and administrative expenses	(2,589)	(4,305)	(3,185)
Goodwill amortization	(4,996)	(5,206)	(2,683)
Provision for uncollectible accounts	(2,853)	(9,180)	--
Write-down of abandoned and disposed assets	(44,870)	(52,266)	--
Impairment of long-lived assets	(23,363)	--	--
Terminated merger expense	(2,957)	--	
Arbitration settlement	--	(27,463)	--
Equity in net loss of unconsolidated affiliate	--	(1,293)	--
Total Operating Income (Loss)	$(83,923)	$ (82,493)	$ 63,942
SEGMENT ASSETS			
E&P Waste Disposal	$ 154,097	$ 156,047	$ 149,746
Fluids Sales & Engineering	153,446	160,428	73,793
Mat & Integrated Services	77,292	136,737	173,303
Other	65,706	45,649	54,781
Total Assets	$ 450,541	$ 498,861	$ 451,623

DEPRECIATION & AMORTIZATION			
E&P Waste Disposal	$ 5,452	$ 6,258	$ 5,371
Fluids Sales & Engineering	7,019	5,791	1,331
Mat & Integrated Services	14,305	25,822	19,617
Other	105	30	74
Total Depreciation & Amortization	$ 26,881	$ 37,901	$ 26,393
CAPITAL EXPENDITURES			
E&P Waste Disposal	$ 14,241	$ 30,621	$ 20,816
Fluids Sales & Engineering	6,961	26,689	16,249
Mat & Integrated Services	19,295	47,335	42,296
Other	--	15	115
Total Capital Expenditures	$ 40,497	$ 104,660	$ 79,476

The following table sets forth information about the Company's operations by geographic area:

	Years Ended December 31,		
	1999	1998	1997
		(In thousands)	
REVENUE			
Domestic	$ 176,033	$ 239,309	$ 230,684
International	22,192	17,499	2,561
Total Revenue	$ 198,225	$ 256,808	$ 233,245
OPERATING INCOME (LOSS)			
Domestic	$ (76,660)	$ (84,499)	$ 63,949
International	(7,263)	2,006	(7)
Total Operating Income (Loss)	$ (83,923)	$ (82,493)	$ 63,942
ASSETS			
Domestic	$ 416,280	$ 465,237	$ 442,117
International	34,261	33,624	9,506
Total Assets	$ 450,541	$ 498,861	$ 451,623

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. FINANCIAL STATEMENTS

Reports of Independent Auditors
Consolidated Balance Sheets as of December 31, 1999 and 1998
Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997. Consolidated Statements of Stockholders' Equity for the years ended December 31, 1999, 1998 and 1997.
Consolidated Statement of Cash Flows for the years ended December 31, 1999, 1998 and 1997. Consolidated Statements of Comprehensive Income for the years ended December 31, 1999, 1998 and 1997.
Notes to Consolidated Financial Statements

2. FINANCIAL STATEMENT SCHEDULES

All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

3. EXHIBITS

3.1 Restated Certificate of Incorporation.(9)

3.2 Bylaws.(1)

4.1 Indenture, dated as of December 17, 1997, among the registrant, each of the Guarantors identified therein and State Street Bank and Trust Company, as Trustee.(2)

4.2 Form of the Newpark Resources, Inc. 8 5/8% Senior Subordinated Notes due 2007, Series B.(2)

4.3 Form of Guarantees of the Newpark Resources, Inc. 8 % Senior Subordinated Notes due 2007. (2)

10.1 Employment Agreement, dated as of October 23, 1990, between the registrant and James D. Cole.(1)*

10.2 Lease Agreement, dated as of May 17, 1990, by and between Harold F. Bean Jr. and Newpark Environmental Services, Inc. ("NESI").(1)

10.3 Lease Agreement, dated as of July 29, 1994, by and between Harold F. Bean Jr. and NESI.(3)

10.4	Building Lease Agreement, dated April 10, 1992, between the registrant and The Traveler's Insurance Company.(4)
10.5	Building Lease Agreement, dated May 14, 1992, between State Farm Life Insurance Company, and SOLOCO, Inc.(4)
10.6	Operating Agreement, dated June 30, 1993, between Goldrus Environmental Services, Inc. and NESI.(3)
10.7	Amended and Restated 1993 Non-Employee Directors' Stock Option Plan.(9)*
10.8	1995 Incentive Stock Option Plan.(5)*
10.9	Exclusive License Agreement, dated June 20, 1994, between SOLOCO, Inc. and Quality Mat Company.(3)
10.10	Restated Credit Agreement, dated June 30, 1997, among the registrant, as borrower, the subsidiaries of the registrant named therein, as guarantors, and BankOne, Louisiana, National Association, Deutsche Bank A.G., New York Branch and/or Cayman Islands Branch and Hibernia National Bank, as banks (the "Banks").(6)
10.11	First Amendment to Restated Credit Agreement, dated November 7, 1997, among the registrant, the subsidiaries of the registrant named therein and the Banks.(7)
10.12	Second Amendment to Restated Credit Agreement, dated December 10, 1997, among the registrant, the subsidiaries of the registrant named therein and the Banks.(7)
10.13	Third, Fourth, Fifth and Sixth Amendment to Restated Credit Agreement, dated December 10, 1997, among the registrant, the subsidiaries of the registrant named therein and the Banks.(7)(9)
10.14	Credit Agreement, dated December 1, 1995, between SOLOCO, Inc., and Hibernia National Bank.(5)
10.15	Now Disposal Agreement, dated June 4, 1996, among Sanifill, Inc., Now Disposal Operating Co. and Campbell Wells, Ltd.(8)
10.16	Settlement of Arbitration and Release, dated July 22, 1998, among the registrant and U.S. Liquids, Inc.(9)
10.17	Payment Agreement, dated December 31, 1998, among the registrant, Newpark Environmental Services, Inc. and U.S. Liquids, Inc.(9)
10.18	Option Agreement, dated December 31, 1998, among the registrant, Newpark Environmental Services, Inc. and U.S. Liquids, Inc.(9)
10.19	Asset Purchase Agreement, dated September 16, 1998 among Newpark Environmental Services, Inc. and U.S. Liquids, Inc.(9)
10.20	Amendment to Asset Purchase Agreement, dated September 22, 1998 among Newpark Environmental Services, Inc. and U.S. Liquids, Inc.(9)
10.21	Noncompetition Agreement of September 16, 1998, among the registrant and U.S. Liquids, Inc.(9)
10.22	Miscellaneous Agreement, dated September 16, 1998, among the registrant and U.S. Liquids, Inc.(9)
10.23	Operating Agreement of The Loma Company L.L.C.(9)

10.24 Termination and Release Agreement, dated November 10, 1999, between Tuboscope Inc. and the registrant. +

10.25 Asset Purchase Agreement, dated as of November 12, 1999, among Tuboscope Inc., the registrant, Newpark Drilling Fluids, Inc., and Newpark Holdings, Inc., as amended on December 8, 1999. +

10.26 Alliance Agreement, dated as of February 3, 2000, among Tuboscope Inc., Tuboscope Vetco International, Inc., the registrant, Newpark Drilling Fluids, L.L.C., and Newpark Environmental Services, L.L.C. +

10.27 Newpark Resources, Inc. 1999 Employee Stock Purchase Plan. +*

21.1 Subsidiaries of the Registrant+

23.1 Consent of Arthur Andersen LLP++

23.2 Consent of Deloitte & Touche LLP++

24.1 Powers of Attorney+

27.1 Financial Data Schedule++

- --------------

+ Previously filed.

++ Filed herewith.

* Management Compensation Plan or Agreement.

(1) Previously filed in the exhibits to the registrant's Registration Statement on Form S-1 (File No. 33-40716) and incorporated by reference herein.

(2) Previously filed in the exhibits to the registrant's Registration Statement on Form S-4 (File No. 333-45197) and incorporated by reference herein.

(3) Previously filed in the exhibits to the registrant's Annual Report on Form 10-K for the year ended December 31, 1994, and incorporated by reference herein.

(4) Previously filed in the exhibits to the registrant's Registration Statement on Form S-8 (File No. 33-83680) and incorporated by reference herein.

(5) Previously filed in the exhibits to the registrant's Annual Report on Form 10-K for the year ended December 31, 1995, and incorporated by reference herein.

(6) Previously filed in the exhibits to the registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997.

(7) Previously filed in the exhibits to the registrants Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated by reference herein.

(8) Previously filed in the exhibits to the registrant's Registration Statement on Form S-3 (File No. 333-05805), and incorporated by reference herein.

(9) Previously filed in the exhibits to the registrants Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated by reference herein.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the last quarter of the period covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 to report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 24, 2000

NEWPARK RESOURCES, INC.

By: /s/ James D. Cole

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

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
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EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K/A, into the Company's previously filed Registration Statement File Nos. 33-22291, 33-54060, 33-62643, 33-83680, 333-07225 and 333-39948.

ARTHUR ANDERSEN LLP

New Orleans, Louisiana
August 24, 2000

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 33-22291, 33-54060, 33-62643, 33-83680, 333-07225 and 333-39948 of Newpark Resources, Inc. on Form S-8 of our report dated March 26, 1999 (August 24, 2000 as to Note D), which expresses an unqualified opinion and contains explanatory paragraphs relating to the change in method of accounting for costs of start up activities as discussed in Note A and the restatement discussed in Note D, appearing in this Annual Report on Form 10-K/A of Newpark Resources, Inc. for the year ended December 31, 1999.

DELOITTE & TOUCHE LLP
New Orleans, Louisiana

August 24, 2000

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