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

FORM 10-Q

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

For the quarterly period ended June 30, 2019

or

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

For the transition period from __________ to __________

Commission File Number: 001-02960

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.)
9320 Lakeside Boulevard, Suite 100	
The Woodlands, Texas	**77381**
(Address of principal executive offices)	(Zip Code)

(281) 362-6800
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	NR	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 ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

As of July 29, 2019, a total of 90,062,087 shares of common stock, $0.01 par value per share, were outstanding.

NEWPARK RESOURCES, INC.

INDEX TO QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2019

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. We also may provide oral or written forward-looking statements in other materials we release to the public. Words such as “will,” “may,” “could,” “would,” “should,” “anticipates,” “believes,” “estimates,” “expects,” “plans,” “intends,” and similar expressions are intended to identify these forward-looking statements but are not the exclusive means of identifying them. These forward-looking statements reflect the current views of our management; however, various risks, uncertainties, contingencies, and other factors, some of which are beyond our control, are difficult to predict and could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, these statements.

We assume no obligation to update, amend, or clarify publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this Quarterly Report on Form 10-Q might not occur.

For further information regarding these and other factors, risks, and uncertainties that could cause actual results to differ, we refer you to the risk factors set forth in Item 1A “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018.

PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

Newpark Resources, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

(In thousands, except share data)	June 30, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents	$ 49,035	$ 56,118
Receivables, net	249,197	254,394
Inventories	193,464	196,896
Prepaid expenses and other current assets	23,671	15,904
Total current assets	515,367	523,312
Property, plant and equipment, net	316,597	316,293
Operating lease assets	27,365	—
Goodwill	43,889	43,832
Other intangible assets, net	23,285	25,160
Deferred tax assets	4,632	4,516
Other assets	3,363	2,741
Total assets	$ 934,498	$ 915,854
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current debt	$ 5,657	$ 2,522
Accounts payable	96,359	90,607
Accrued liabilities	42,205	48,797
Total current liabilities	144,221	141,926
Long-term debt, less current portion	156,655	159,225
Noncurrent operating lease liabilities	21,850	—
Deferred tax liabilities	36,936	37,486
Other noncurrent liabilities	8,707	7,536
Total liabilities	368,369	346,173
Commitments and contingencies (Note 9)		
Common stock, $0.01 par value (200,000,000 shares authorized and 106,696,719 and 106,362,991 shares issued, respectively)	1,067	1,064
Paid-in capital	618,626	617,276
Accumulated other comprehensive loss	(67,873)	(67,673)
Retained earnings	153,395	148,802
Treasury stock, at cost (16,858,005 and 15,530,952 shares, respectively)	(139,086)	(129,788)
Total stockholders' equity	566,129	569,681
Total liabilities and stockholders' equity	$ 934,498	$ 915,854

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

Newpark Resources, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per share data)	**2019**	**2018**	**2019**	**2018**
Revenues	$ 216,412	$ 236,262	$ 427,885	$ 463,555
Cost of revenues	177,933	188,480	352,909	374,935
Selling, general and administrative expenses	28,037	28,708	58,779	55,662
Other operating income, net	(472)	(69)	(396)	(23)
Operating income	10,914	19,143	16,593	32,981
Foreign currency exchange (gain) loss	990	458	(72)	683
Interest expense, net	3,523	3,691	7,179	6,991
Income before income taxes	6,401	14,994	9,486	25,307
Provision for income taxes	2,095	4,148	3,898	7,239
Net income	$ 4,306	$ 10,846	$ 5,588	$ 18,068
Net income per common share - basic:	$ 0.05	$ 0.12	$ 0.06	$ 0.20
Net income per common share - diluted:	$ 0.05	$ 0.12	$ 0.06	$ 0.19

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

Newpark Resources, Inc.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2019**	**2018**	**2019**	**2018**
Net income	$ 4,306	$ 10,846	$ 5,588	$ 18,068
Foreign currency translation adjustments (net of tax benefit (expense) of $(179), $1,486, $(109), $987)	1,721	(9,212)	(200)	(9,878)
Comprehensive income	$ 6,027	$ 1,634	$ 5,388	$ 8,190

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

Newpark Resources, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

(In thousands)	Common Stock	Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total
Balance at March 31, 2019	$ 1,064	$ 622,554	$ (69,594)	$ 150,084	$ (134,320)	$ 569,788
Net income	—	—	—	4,306	—	4,306
Employee stock options, restricted stock and employee stock purchase plan	3	(5,833)	—	(995)	5,758	(1,067)
Stock-based compensation expense	—	1,905	—	—	—	1,905
Treasury shares purchased at cost	—	—	—	—	(10,524)	(10,524)
Foreign currency translation, net of tax	—	—	1,721	—	—	1,721
Balance at June 30, 2019	$ 1,067	$ 618,626	$ (67,873)	$ 153,395	$ (139,086)	$ 566,129
Balance at March 31, 2018	$ 1,046	$ 606,491	$ (53,885)	$ 123,743	$ (127,180)	$ 550,215
Net income	—	—	—	10,846	—	10,846
Employee stock options, restricted stock and employee stock purchase plan	15	2,617	—	—	(2,317)	315
Stock-based compensation expense	—	2,559	—	—	—	2,559
Foreign currency translation, net of tax	—	—	(9,212)	—	—	(9,212)
Balance at June 30, 2018	$ 1,061	$ 611,667	$ (63,097)	$ 134,589	$ (129,497)	$ 554,723
Balance at December 31, 2018	$ 1,064	$ 617,276	$ (67,673)	$ 148,802	$ (129,788)	$ 569,681
Net income	—	—	—	5,588	—	5,588
Employee stock options, restricted stock and employee stock purchase plan	3	(5,524)	—	(995)	6,239	(277)
Stock-based compensation expense	—	6,874	—	—	—	6,874
Treasury shares purchased at cost	—	—	—	—	(15,537)	(15,537)
Foreign currency translation, net of tax	—	—	(200)	—	—	(200)
Balance at June 30, 2019	$ 1,067	$ 618,626	$ (67,873)	$ 153,395	$ (139,086)	$ 566,129
Balance at December 31, 2017	$ 1,046	$ 603,849	$ (53,219)	$ 123,375	$ (127,571)	$ 547,480
Cumulative effect of accounting changes	—	—	—	(6,764)	—	(6,764)
Net income	—	—	—	18,068	—	18,068
Employee stock options, restricted stock and employee stock purchase plan	15	2,970	—	(90)	(1,926)	969
Stock-based compensation expense	—	4,848	—	—	—	4,848
Foreign currency translation, net of tax	—	—	(9,878)	—	—	(9,878)
Balance at June 30, 2018	$ 1,061	$ 611,667	$ (63,097)	$ 134,589	$ (129,497)	$ 554,723

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

Newpark Resources, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
(In thousands)	**2019**	**2018**
Cash flows from operating activities:		
Net income	$ 5,588	$ 18,068
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization	23,070	22,755
Stock-based compensation expense	6,874	4,848
Provision for deferred income taxes	(1,514)	243
Net provision for doubtful accounts	789	1,229
Gain on sale of assets	(5,128)	(371)
Amortization of original issue discount and debt issuance costs	2,973	2,643
Change in assets and liabilities:		
(Increase) decrease in receivables	6,583	(1,185)
(Increase) decrease in inventories	3,868	(21,459)
Increase in other assets	(5,058)	(3,417)
Increase in accounts payable	6,207	6,659
Decrease in accrued liabilities and other	(10,012)	(9,326)
Net cash provided by operating activities	34,240	20,687
Cash flows from investing activities:		
Capital expenditures	(23,866)	(24,458)
Proceeds from sale of property, plant and equipment	5,708	920
Refund of proceeds from sale of a business	—	(13,974)
Business acquisitions, net of cash acquired	—	(249)
Net cash used in investing activities	(18,158)	(37,761)
Cash flows from financing activities:		
Borrowings on lines of credit	135,952	203,716
Payments on lines of credit	(141,317)	(171,796)
Debt issuance costs	(917)	(11)
Proceeds from employee stock plans	1,090	3,700
Purchases of treasury stock	(17,365)	(3,074)
Other financing activities	2,758	2,515
Net cash provided by (used in) financing activities	(19,799)	35,050
Effect of exchange rate changes on cash	(125)	(2,926)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(3,842)	15,050
Cash, cash equivalents, and restricted cash at beginning of period	64,266	65,460
Cash, cash equivalents, and restricted cash at end of period	$ 60,424	$ 80,510

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

Note 1 – Basis of Presentation and Significant Accounting Policies

The accompanying unaudited condensed consolidated financial statements of Newpark Resources, Inc. and our wholly-owned subsidiaries, which we collectively refer to as “we,” “our,” or “us,” have been prepared in accordance with Rule 10-01 of Regulation S-X for interim financial statements required to be filed with the Securities and Exchange Commission (“SEC”), and do not include all information and footnotes required by the accounting principles generally accepted in the United States (“U.S. GAAP”) for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2018. Our fiscal year end is December 31, our second quarter represents the three-month period ended June 30, and our first half represents the six-month period ended June 30. The results of operations for the second quarter and first half of 2019 are not necessarily indicative of the results to be expected for the entire year. Unless otherwise noted, all currency amounts are stated in U.S. dollars.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments necessary to present fairly our financial position as of June 30, 2019, our results of operations for the second quarter and first half of 2019 and 2018, and our cash flows for the first half of 2019 and 2018. All adjustments are of a normal recurring nature. Our balance sheet at December 31, 2018 is derived from the audited consolidated financial statements at that date.

The preparation of financial statements in conformity with U.S. GAAP 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. For further information, see Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2018.

New Accounting Pronouncements

Standards Adopted in 2019

Leases. In February 2016, the Financial Accounting Standards Board (“FASB”) amended the guidance related to the accounting for leases. The new guidance provides principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to recognize both assets and liabilities arising from finance and operating leases. The classification as either a finance or operating lease will determine whether lease expense is recognized based on an effective interest method basis or on a straight-line basis over the term of the lease, respectively.

We adopted this new guidance as of January 1, 2019 using the modified retrospective transition method, and recorded approximately $28 million of operating lease assets and liabilities as of January 1, 2019, with no cumulative effect adjustment to retained earnings. The new guidance had no impact on our consolidated statements of operations or cash flows. Results for reporting periods beginning after December 31, 2018 are presented under the new guidance, while prior period amounts were not adjusted and continue to be reported in accordance with previous guidance.

As permitted under the transition guidance within the new standard, we elected to carry forward the historical lease identification and classification for existing leases upon adoption. We have also made an accounting policy election to not recognize leases with an initial term of 12 months or less in the consolidated balance sheets. See Note 8 for additional required disclosures.

Standards Not Yet Adopted

Credit Losses. In June 2016, the FASB issued new guidance which requires financial assets measured at amortized cost basis, including trade receivables, to be presented at the net amount expected to be collected. The new guidance requires an entity to estimate its lifetime “expected credit loss” for such assets at inception which will generally result in the earlier recognition of allowances for losses. This guidance is effective for us in the first quarter of 2020 with early adoption permitted, and will be applied using a modified retrospective transition method through a cumulative-effect adjustment, if any, to retained earnings as of the date of adoption. As part of our assessment work to date, we have formed an implementation work team and conducted a preliminary analysis of the new guidance. Based on our current financial assets measured at amortized cost basis, we anticipate the new guidance will require us to reflect additional credit loss expense; however, we have not yet completed an estimation of such amount and we are still evaluating the overall impact of the new guidance on our consolidated financial statements and related disclosures.

Note 2 – Earnings Per Share

The following table presents the reconciliation of the numerator and denominator for calculating net income per share:

	Second Quarter		First Half	
(In thousands, except per share data)	**2019**	**2018**	**2019**	**2018**
Numerator				
Net income - basic and diluted	$ 4,306	$ 10,846	$ 5,588	$ 18,068
Denominator				
Weighted average common shares outstanding - basic	89,806	89,703	89,958	89,400
Dilutive effect of stock options and restricted stock awards	1,900	2,823	2,082	2,730
Dilutive effect of 2021 Convertible Notes	—	1,265	—	636
Weighted average common shares outstanding - diluted	91,706	93,791	92,040	92,766
Net income per common share				
Basic	$ 0.05	$ 0.12	$ 0.06	$ 0.20
Diluted	$ 0.05	$ 0.12	$ 0.06	$ 0.19

We excluded the following weighted-average potential shares from the calculations of diluted net income per share during the applicable periods because their inclusion would have been anti-dilutive:

	Second Quarter		First Half	
(In thousands)	**2019**	**2018**	**2019**	**2018**
Stock options and restricted stock awards	1,707	1,173	1,710	1,412

The 2021 Convertible Notes (as defined in Note 7) only impact the calculation of diluted net income per share in periods that the average price of our common stock, as calculated in accordance with the terms of the indenture governing the 2021 Convertible Notes, exceeds the conversion price of $9.33 per share. We have the option to pay cash, issue shares of common stock, or any combination thereof for the aggregate amount due upon conversion of the 2021 Convertible Notes as further described in Note 7. If converted, we currently intend to settle the principal amount of the notes in cash and as a result, only the amounts payable in excess of the principal amount of the notes, if any, are assumed to be settled with shares of common stock for purposes of computing diluted net income per share.

Note 3 – Repurchase Program

In November 2018, our Board of Directors authorized changes to our existing securities repurchase program. The authorization increased the amount under the repurchase program to $100 million, available for repurchases of any combination of our common stock and our 2021 Convertible Notes. The repurchase program has no specific term. Repurchases are expected to be funded from operating cash flows, available cash on hand, and borrowings under our ABL Facility (as defined in Note 7). As part of the share repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934.

During the first half of 2019, we repurchased an aggregate of 2,047,014 shares of our common stock under our Board authorized repurchase program for a total cost of $15.5 million. There were no shares repurchased under the program during the first half of 2018. As of June 30, 2019, we had $84.5 million of authorization remaining under the program.

Note 4 – Stock-Based and Other Long-Term Incentive Compensation

During the second quarter of 2019, our stockholders approved an amendment to the 2015 Employee Equity Incentive Plan (“2015 Plan”) to increase the number of shares authorized for issuance under the 2015 Plan from 9,800,000 to 12,300,000 shares and remove the fungible share counting provision.

During the second quarter of 2019, the Compensation Committee of our Board of Directors (“Compensation Committee”) approved equity-based compensation to executive officers and other key employees, consisting of 1,135,216 shares of restricted stock units which will primarily vest in equal installments over a three-year period. At June 30, 2019, 3,229,820 shares remained available for award under the 2015 Plan. In addition, non-employee directors received a grant of 104,900 shares of restricted stock awards which will vest in full on the earlier of the day prior to the next annual meeting of stockholders following the grant date or the first anniversary of the grant date. The weighted average grant-date fair value was $7.34 per share for both the restricted stock units and restricted stock awards.

Also during the second quarter of 2019, the Compensation Committee approved the issuance of cash-settled awards to certain executive officers, consisting of a target amount of $2.3 million of performance-based cash awards. The performance-based cash awards will be settled based on the relative ranking of our total shareholder return (“TSR”) as compared to the TSR of our designated peer group over a three-year period. The performance period began June 1, 2019 and ends May 31, 2022, with the ending TSR price being equal to the average closing price of our shares over the 30-calendar days ending May 31, 2022 and the cash payout for each executive ranging from 0% to 200% of target. The performance-based cash awards are accrued as a liability award over the performance period based on the estimated fair value. The fair value of the performance-based cash awards is remeasured each period using a Monte-Carlo valuation model with changes in fair value recognized in the consolidated statements of operations.

In February 2019, the Compensation Committee modified our retirement policy applicable to cash and equity awards granted to include our Chief Executive Officer and those officers who report to our Chief Executive Officer, whom were previously excluded from the retirement policy. In addition, the Compensation Committee also modified the retirement policy for certain vested stock options that remain outstanding to extend the exercise period available following the qualifying retirement of eligible employees. As a result of these modifications, we recognized a pretax charge of approximately $4.0 million in the first quarter of 2019. This charge primarily reflects the acceleration of expense, as well as the incremental value associated with modifications to extend the exercise period of outstanding options, for previously-granted awards for retirement eligible executive officers.

Note 5 – Receivables

Receivables consisted of the following:

(In thousands)	June 30, 2019	December 31, 2018
Trade receivables:		
Gross trade receivables	$ 242,009	$ 248,176
Allowance for doubtful accounts	(9,473)	(10,034)
Net trade receivables	232,536	238,142
Income tax receivables	9,620	9,027
Other receivables	7,041	7,225
Total receivables, net	$ 249,197	$ 254,394

Other receivables included $6.0 million and $6.3 million for value added, goods and service taxes related to foreign jurisdictions as of June 30, 2019 and December 31, 2018, respectively.

Note 6 – Inventories

Inventories consisted of the following:

(In thousands)	June 30, 2019	December 31, 2018
Raw materials:		
Fluids systems	$ 144,699	$ 148,737
Mats and integrated services	6,380	1,485
Total raw materials	151,079	150,222
Blended fluids systems components	34,515	38,088
Finished goods - mats	7,870	8,586
Total inventories	$ 193,464	$ 196,896

Raw materials for the Fluids Systems segment consists primarily of barite, chemicals, and other additives that are consumed in the production of our fluids systems. Raw materials for the Mats and Integrated Services segment consists primarily of resins, chemicals, and other materials used to manufacture composite mats, as well as materials that are consumed in providing spill containment and other services to our customers. Our blended fluids systems components consist of base fluid systems that have been either mixed internally at our blending facilities or purchased from third-party vendors. These base fluid systems require raw materials to be added, as needed to meet specified customer requirements.

Note 7 – Financing Arrangements and Fair Value of Financial Instruments

Financing arrangements consisted of the following:

	June 30, 2019			December 31, 2018		
(In thousands)	Principal Amount	Unamortized Discount and Debt Issuance Costs	Total Debt	Principal Amount	Unamortized Discount and Debt Issuance Costs	Total Debt
2021 Convertible Notes	$ 100,000	$ (15,097)	$ 84,903	$ 100,000	$ (17,752)	$ 82,248
ABL Facility	70,800	—	70,800	76,300	—	76,300
Other debt	6,609	—	6,609	3,199	—	3,199
Total debt	177,409	(15,097)	162,312	179,499	(17,752)	161,747
Less: Current portion	(5,657)	—	(5,657)	(2,522)	—	(2,522)
Long-term debt	$ 171,752	$ (15,097)	$ 156,655	$ 176,977	$ (17,752)	$ 159,225

2021 Convertible Notes. In December 2016, we issued $100.0 million of unsecured convertible senior notes ("2021 Convertible Notes") that mature on December 1, 2021, unless earlier converted by the holders pursuant to the terms of the notes. The notes bear interest at a rate of 4.0% per year, payable semiannually in arrears on June 1 and December 1 of each year.

Holders may convert the notes at their option at any time prior to the close of business on the business day immediately preceding June 1, 2021, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on March 31, 2017 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (regardless of whether consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price of the notes in effect on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of notes for each trading day was less than 98% of the last reported sale price of our common stock on such date multiplied by the conversion rate on each such trading day; or
- upon the occurrence of specified corporate events, as described in the indenture governing the notes, such as a consolidation, merger, or share exchange.

On or after June 1, 2021 until the close of business on the business day immediately preceding the maturity date, holders may convert their notes at any time, regardless of whether any of the foregoing conditions have been satisfied. As of July 29, 2019, the notes were not convertible.

The notes are convertible into, at our election, cash, shares of common stock, or a combination of both, subject to satisfaction of specified conditions and during specified periods, as described above. If converted, we currently intend to pay cash for the principal amount of the notes converted. The conversion rate is 107.1381 shares of our common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of $9.33 per share of common stock), subject to adjustment in certain circumstances. We may not redeem the notes prior to their maturity date.

In accordance with accounting guidance for convertible debt with a cash conversion option, we separately accounted for the debt and equity components of the notes in a manner that reflected our estimated nonconvertible debt borrowing rate. As of June 30, 2019, the carrying amount of the debt component was $84.9 million, which is net of the unamortized debt discount and issuance costs of $13.5 million and $1.6 million, respectively. Including the impact of the debt discount and related deferred debt issuance costs, the effective interest rate on the notes is approximately 11.3%.

Asset-Based Loan Facility. In May 2016, we entered into an asset-based revolving credit agreement which replaced our previous credit agreement. In October 2017, we entered into an Amended and Restated Credit Agreement and in March 2019, we entered into a First Amendment to Amended and Restated Credit Agreement (as amended, the "ABL Facility"). The March 2019 amendment increased the amount available for borrowings, reduced applicable borrowing rates, and extended the term. The ABL Facility provides financing of up to $200.0 million available for borrowings (inclusive of letters of credit) and can be increased up to a maximum capacity of $275.0 million, subject to certain conditions. As of June 30, 2019, our total availability under the ABL Facility was $165.7 million, of which $70.8 million was drawn, resulting in remaining availability of $94.9 million.

The ABL Facility terminates in March 2024; however, the ABL Facility has a springing maturity date that will accelerate the maturity of the ABL Facility to September 1, 2021 if, prior to such date, the 2021 Convertible Notes have not been repurchased, redeemed, refinanced, exchanged or otherwise satisfied in full or we have not escrowed an amount of funds, that together with the amount that we establish as a reserve against our borrowing capacity, is sufficient for the future settlement of the 2021 Convertible Notes at their maturity. The ABL Facility requires compliance with a minimum fixed charge coverage ratio and minimum unused availability of $25.0 million to utilize borrowings or assignment of availability under the ABL Facility towards funding the repayment of the 2021 Convertible Notes.

Borrowing availability under the ABL Facility is calculated based on eligible accounts receivable, inventory, and, subject to satisfaction of certain financial covenants as described below, composite mats included in the rental fleet, net of reserves and limits on such assets included in the borrowing base calculation. To the extent pledged by us, the borrowing base calculation also includes the amount of eligible pledged cash. The lender may establish such reserves, in part based on appraisals of the asset base, and other limits at its discretion which could reduce the amounts otherwise available under the ABL Facility. Availability associated with eligible rental mats will also be subject to maintaining a minimum consolidated fixed charge coverage ratio and a minimum level of operating income for the Mats and Integrated Services segment.

Under the terms of the ABL Facility, we may elect to borrow at a variable interest rate plus an applicable margin based on either, (1) LIBOR subject to a floor of zero or (2) a base rate equal to the highest of: (a) the federal funds rate plus 50 basis points, (b) the prime rate of Bank of America, N.A. and (c) LIBOR, subject to a floor of zero, plus 100 basis points, plus, in each case, an applicable margin per annum. The applicable margin ranges from 150 to 200 basis points for LIBOR borrowings, and 50 to 100 basis points for base rate borrowings, based on the consolidated fixed charge coverage ratio as defined in the ABL Facility. As of June 30, 2019, the applicable margin for borrowings under our ABL Facility was 150 basis points with respect to LIBOR borrowings and 50 basis points with respect to base rate borrowings. The weighted average interest rate for the ABL Facility was 4.3% at June 30, 2019. In addition, we are required to pay a commitment fee on the unused portion of the ABL Facility ranging from 25 to 37.5 basis points, based on the level of outstanding borrowings, as defined in the ABL Facility. As of June 30, 2019, the applicable commitment fee was 37.5 basis points.

The ABL Facility is a senior secured obligation, secured by first liens on all of our U.S. tangible and intangible assets, and a portion of the capital stock of our non-U.S. subsidiaries has also been pledged as collateral. The ABL Facility contains customary operating covenants and certain restrictions including, among other things, the incurrence of additional debt, liens, dividends, asset sales, investments, mergers, acquisitions, affiliate transactions, stock repurchases and other restricted payments. The ABL Facility also requires compliance with a fixed charge coverage ratio if availability under the ABL Facility falls below $22.5 million. In addition, the ABL Facility contains customary events of default, including, without limitation, a failure to make payments under the facility, acceleration of more than $25.0 million of other indebtedness, certain bankruptcy events, and certain change of control events.

Other Debt. Our foreign subsidiaries in Italy, India, and Canada maintain local credit arrangements consisting primarily of lines of credit which are renewed on an annual basis. We utilize local financing arrangements in our foreign operations in order to provide short-term local liquidity needs. We had $1.3 million and $1.1 million outstanding under these arrangements at June 30, 2019 and December 31, 2018, respectively.

At June 30, 2019, we had letters of credit issued and outstanding of $8.9 million that are collateralized by $9.4 million in restricted cash. Additionally, our foreign operations had $39.3 million outstanding in letters of credit and other guarantees, primarily issued under a credit arrangement in Italy as well as certain letters of credit that are collateralized by $2.0 million in restricted cash.

Our financial instruments include cash and cash equivalents, receivables, payables, and debt. We believe the carrying values of these instruments, with the exception of our 2021 Convertible Notes, approximated their fair values at June 30, 2019 and December 31, 2018. The estimated fair value of our 2021 Convertible Notes was $107.0 million at June 30, 2019 and $120.9 million at December 31, 2018, based on quoted market prices at these respective dates.

Note 8 – Leases

We lease certain office space, manufacturing facilities, warehouses, land, and equipment. Our leases have remaining terms ranging from 1 to 8 years with various extension and termination options. We consider these options in determining the lease term used to establish our operating lease assets and liabilities. Lease agreements with lease and non-lease components are accounted for as a single lease component. Leases with an initial term of 12 months or less are not recorded in the balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term.

Leases consisted of the following:

(In thousands)	Balance Sheet Classification	June 30, 2019
Assets:		
Operating	Operating lease assets	$ 27,365
Finance	Property, plant and equipment, net	1,241
Total lease assets		$ 28,606
Liabilities:		
Current:		
Operating	Accrued liabilities	$ 6,495
Finance	Current debt	274
Noncurrent:		
Operating	Noncurrent operating lease liabilities	$ 21,850
Finance	Long-term debt, less current portion	952
Total lease liabilities		$ 29,571

Total operating lease expenses were $7.3 million for the second quarter of 2019, of which $4.8 million related to short-term leases and $2.5 million related to leases recognized in the balance sheet. Total operating lease expenses were $14.4 million for the first half of 2019, of which $9.4 million related to short-term leases and $5.0 million related to leases recognized in the balance sheet. Total operating lease expenses approximate cash paid during each period. Amortization and interest for finance leases are not material. Operating lease expenses and amortization of leased assets for finance leases are included in either cost of revenues or selling, general and administrative expenses. Interest for finance leases is included in interest expense, net.

The maturity of lease liabilities as of June 30, 2019 is as follows:

(In thousands)	Operating Leases	Finance Leases	Total
2019 (remainder of year)	$ 4,330	$ 168	$ 4,498
2020	6,234	320	6,554
2021	5,062	320	5,382
2022	3,987	320	4,307
2023	3,071	215	3,286
Thereafter	9,882	—	9,882
Total lease payments	32,566	1,343	33,909
Less: Interest	4,221	117	4,338
Present value of lease liabilities	$ 28,345	$ 1,226	$ 29,571

During the second quarter and first half of 2019, we entered into $1.5 million and $2.9 million, respectively, of new operating lease liabilities in exchange for leased assets.

Lease Term and Discount Rate	June 30, 2019
Weighted-average remaining lease term (years)	
Operating leases	6.5
Finance leases	4.2
Weighted-average discount rate	
Operating leases	4.3%
Finance leases	4.5%

As previously disclosed in our 2018 Annual Report on Form 10-K and under the previous lease accounting guidance, future minimum payments under non-cancelable operating leases at December 31, 2018, with initial or remaining terms in excess of one year are included in the table below. Future minimum payments under capital leases are not significant.

(In thousands)		
2019	$	9,112
2020		5,707
2021		4,630
2022		3,816
2023		3,144
Thereafter		4,507
	$	30,916

Note 9 – Commitments and Contingencies

In the ordinary course of conducting our business, we become involved in litigation and other claims from private party actions, as well as judicial and administrative proceedings involving governmental authorities at the federal, state, and local levels. While the outcome of litigation or other proceedings against us cannot be predicted with certainty, management does not consider it reasonably possible that a loss resulting from such litigation or other proceedings, in excess of any amounts accrued or covered by insurance, has been incurred that is expected to have a material adverse impact on our consolidated financial statements.

Kenedy, Texas Drilling Fluids Facility Fire

In July 2018, a fire occurred at our Kenedy, Texas drilling fluids facility, destroying the distribution warehouse, including inventory and surrounding equipment. In addition, nearby residences and businesses were evacuated as part of the response to the fire. In order to avoid any customer service disruptions, we implemented contingency plans to supply products from alternate facilities in the area and region. During the third quarter of 2018, we received a petition filed on behalf of 23 plaintiffs seeking a total of $1.5 million for alleged bodily injuries and property damage claimed to have been incurred as a result of the fire and the subsequent efforts we undertook to remediate any potential smoke damage. The plaintiffs' counsel subsequently filed amended petitions that increased the number of plaintiffs to 41 and also seeks punitive damages. While no trial date has been set for the matter at this time, we have been advised by our insurer that these claims are insured under our general liability insurance program. While this event and related claims are covered by our property, business interruption, and general liability insurance programs, these programs contain self-insured retentions, which remain our financial obligations.

During 2018, we incurred fire-related costs of $4.8 million, which included $1.9 million for inventory and property, plant and equipment, $2.1 million in property-related cleanup and other costs, and $0.8 million relating to our self-insured retention for third-party claims. Based on the provisions of our insurance policies and initial insurance claims filed, we estimated $4.0 million in expected insurance recoveries and recognized a charge of $0.8 million in other operating (income) loss, net, in the third quarter of 2018. The insurance receivable balance included in other receivables was $0.6 million as of June 30, 2019, and December 31, 2018. As of June 30, 2019, the claims related to the fire under our property, business interruption, and general liability insurance programs have not been finalized.

Note 10 – Supplemental Disclosures to the Statements of Cash Flows

Supplemental disclosures to the statements of cash flows are presented below:

	First Half	
(In thousands)	**2019**	**2018**
Cash paid for:		
Income taxes (net of refunds)	$ 5,927	$ 7,175
Interest	$ 4,705	$ 4,245

Cash, cash equivalents, and restricted cash in the consolidated statements of cash flows consisted of the following:

(In thousands)	**June 30, 2019**	**December 31, 2018**
Cash and cash equivalents	$ 49,035	$ 56,118
Restricted cash (included in other current assets)	11,389	8,148
Cash, cash equivalents, and restricted cash	$ 60,424	$ 64,266

Note 11 – Segment Data

Summarized operating results for our reportable segments are shown in the following table (net of inter-segment transfers):

	Second Quarter		First Half	
(In thousands)	2019	2018	2019	2018
Revenues				
Fluids systems	$ 172,544	$ 179,738	$ 333,197	$ 357,117
Mats and integrated services	43,868	56,524	94,688	106,438
Total revenues	$ 216,412	$ 236,262	$ 427,885	$ 463,555
Operating income (loss)				
Fluids systems	$ 12,184	$ 13,327	$ 16,058	$ 23,804
Mats and integrated services	9,276	14,853	22,814	26,939
Corporate office	(10,546)	(9,037)	(22,279)	(17,762)
Total operating income	$ 10,914	$ 19,143	$ 16,593	$ 32,981

The following table presents further disaggregated revenues for the Fluids Systems segment:

	Second Quarter		First Half	
(In thousands)	2019	2018	2019	2018
United States	$ 117,154	$ 104,333	$ 220,213	$ 196,802
Canada	4,988	11,285	18,254	34,357
Total North America	122,142	115,618	238,467	231,159
EMEA	44,455	49,546	82,220	100,981
Asia Pacific	4,539	5,671	9,663	8,160
Latin America	1,408	8,903	2,847	16,817
Total International	50,402	64,120	94,730	125,958
Total Fluids Systems revenues	$ 172,544	$ 179,738	$ 333,197	$ 357,117

The following table presents further disaggregated revenues for the Mats and Integrated Services segment:

	Second Quarter		First Half	
(In thousands)	2019	2018	2019	2018
Service revenues	$ 19,909	$ 24,447	$ 41,059	$ 45,751
Rental revenues	17,675	20,938	39,255	39,750
Product sales revenues	6,284	11,139	14,374	20,937
Total Mats and Integrated Services revenues	$ 43,868	$ 56,524	$ 94,688	$ 106,438

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition, results of operations, liquidity, and capital resources should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included in this report as well as our Annual Report on Form 10-K for the year ended December 31, 2018. Our second quarter represents the three-month period ended June 30 and our first half represents the six-month period ended June 30. Unless otherwise noted, all currency amounts are stated in U.S. dollars. The reference to a "Note" herein refers to the accompanying Notes to Unaudited Condensed Consolidated Financial Statements contained in Item 1 "Financial Statements."

Overview

We are a geographically diversified supplier providing products, as well as rentals and services primarily to the oil and natural gas exploration and production ("E&P") industry. We operate our business through two reportable segments: Fluids Systems and Mats and Integrated Services. In addition to the E&P industry, our Mats and Integrated Services segment serves a variety of industries, including the electrical transmission & distribution, pipeline, solar, petrochemical, and construction industries.

Our operating results depend, to a large extent, on oil and natural gas drilling activity levels in the markets we serve, and particularly for the Fluids Systems segment, the nature of the drilling operations (including the depth and whether the wells are drilled vertically or horizontally), which governs the revenue potential of each well. Drilling activity levels, in turn, depend on a variety of factors, including oil and natural gas commodity pricing, inventory levels, product demand, and regulatory restrictions. Oil and natural gas prices and activity are cyclical and volatile, and this market volatility has a significant impact on our operating results.

While our revenue potential is driven by a number of factors including those described above, rig count data remains the most widely accepted indicator of drilling activity. Average North American rig count data for the second quarter and first half of 2019 as compared to the same periods of 2018 is as follows:

	Second Quarter		2019 vs 2018	
	2019	2018	Count	%
U.S. Rig Count	989	1,039	(50)	(5)%
Canada Rig Count	82	108	(26)	(24)%
North America Rig Count	1,071	1,147	(76)	(7)%

	First Half		2019 vs 2018	
	2019	2018	Count	%
U.S. Rig Count	1,016	1,003	13	1 %
Canada Rig Count	132	188	(56)	(30)%
North America Rig Count	1,148	1,191	(43)	(4)%

Source: Baker Hughes, a GE Company

The Canada rig count reflects the normal seasonality for this market, with the highest rig count levels generally observed in the first quarter of each year, prior to Spring break-up. Outside of North America, drilling activity is generally more stable as drilling activity in many countries is based on longer-term economic projections and multi-year drilling programs, which tends to reduce the impact of short-term changes in commodity prices on overall drilling activity.

Segment Overview

Our Fluids Systems segment, which generated 78% of consolidated revenues for the first half of 2019, provides customized fluids solutions to E&P customers globally, operating through four geographic regions: North America, Europe, the Middle East and Africa ("EMEA"), Asia Pacific, and Latin America. International expansion, including the penetration of international oil companies ("IOCs") and national oil companies ("NOCs"), is a key element of our Fluids Systems strategy, which in recent years has helped to stabilize revenues as North American oil and natural gas exploration activities have fluctuated significantly. Significant international contract awards with recent developments include:

- In Kuwait, we provide drilling and completion fluids and related services for land operations under a multi-year contract with Kuwait Oil Company ("KOC"), which began in 2014. Following a recent tender process with KOC, we have received two new contract awards to provide drilling and completion fluids, along with related services, covering a five-year term which began in the first quarter of 2019. The initial revenue value of the combined awards is approximately $165 million and expands our presence to include a second base of operations in Northern Kuwait.

The transition to the new contracts resulted in recent fluctuations in revenues, with first half of 2019 revenues reflecting a $6 million decline from the first half of 2018. However, based on the customer plans currently in place, we expect the revenue levels of the new awards to increase and eventually surpass the levels achieved on the previous contract.

- In Algeria, we provide drilling and completion fluids and related services to Sonatrach under a multi-year contract. Work under Lot 1 and Lot 3 of a three-year contract awarded in 2015 ("2015 Contract") was completed in the fourth quarter of 2018. During 2018, Sonatrach initiated a new tender ("2018 Tender"), for a three-year term succeeding the 2015 Contract. For the 2018 Tender, Sonatrach adopted a change in its procurement process, limiting the number of Lots that could be awarded to major service providers, which consequently reduced the potential revenue of the 2018 Tender as compared to the 2015 Contract. Based upon the new contract awarded under the 2018 Tender, we expect that revenue from Sonatrach will be approximately $125 million over the three-year term, which would result in a reduction of approximately $25 million per year as compared to the prior activity levels. Consequently, with the transition to the new contract that began in late 2018, first half of 2019 revenues reflect a $10 million decline from the first half of 2018.
- In Australia, we provide drilling and completion fluids and related services under a contract with Baker Hughes, a GE Company ("Baker Hughes"), as part of its integrated service offering in support of the Greater Enfield project in offshore Western Australia. Work under this contract began in the first quarter of 2018 and is expected to continue through 2019.
- In Brazil, we provided drilling fluids and related services under a multi-year contract with Petrobras for both onshore and offshore locations. Work under this contract began in the first half of 2009 and concluded in December 2018. For the first half of 2018, our Brazilian subsidiary generated revenues of $13 million, substantially all of which related to the Petrobras contract. Despite the completion of the Petrobras contract, we are maintaining infrastructure in the Brazilian market to support our efforts to penetrate the offshore IOC market.

In addition to our international expansion efforts, we are also expanding our presence in North America, capitalizing on our capabilities, infrastructure, and strong market position in the North American land drilling fluids markets to expand our drilling fluids presence within the deepwater Gulf of Mexico, as well as our presence in adjacent product offerings, including completion fluids and stimulation chemicals. To support this effort, we have incurred start-up costs, including costs associated with additional personnel and facility-related expenses, and have made additional capital investments. Revenues from the deepwater Gulf of Mexico increased to $18 million for the first half of 2019 compared to $5 million for the first half of 2018.

Our Mats and Integrated Services segment, which generated 22% of consolidated revenues for the first half of 2019, provides composite mat rentals utilized for temporary worksite access, along with related site construction and services to customers in various markets including E&P, electrical transmission & distribution, pipeline, solar, petrochemical, and construction industries across North America and Europe. We also sell composite mats to customers around the world. The Mats and Integrated Services segment revenues from non-E&P markets represented approximately 40% of the segment's revenues for the first half of 2019.

Second Quarter of 2019 Compared to Second Quarter of 2018

Consolidated Results of Operations

Summarized results of operations for the second quarter of 2019 compared to the second quarter of 2018 are as follows:

	Second Quarter		2019 vs 2018	
(In thousands)	2019	2018	$	%
Revenues	$ 216,412	$ 236,262	$ (19,850)	(8)%
Cost of revenues	177,933	188,480	(10,547)	(6)%
Selling, general and administrative expenses	28,037	28,708	(671)	(2)%
Other operating income, net	(472)	(69)	(403)	NM
Operating income	10,914	19,143	(8,229)	(43)%
Foreign currency exchange loss	990	458	532	NM
Interest expense, net	3,523	3,691	(168)	(5)%
Income before income taxes	6,401	14,994	(8,593)	(57)%
Provision for income taxes	2,095	4,148	(2,053)	(49)%
Net income	$ 4,306	$ 10,846	$ (6,540)	(60)%

Revenues

Revenues decreased 8% to $216.4 million for the second quarter of 2019, compared to $236.3 million for the second quarter of 2018. This $19.9 million decrease includes a $5.0 million (3%) decrease in revenues in North America, comprised of a $11.5 million decrease in the Mats and Integrated Services segment partially offset by an increase of $6.5 million in the Fluids Systems segment. Revenues from our international operations decreased by $14.9 million (22%), primarily driven by transitions in key contracts in our EMEA and Latin America regions, as described above. Additional information regarding the change in revenues is provided within the operating segment results below.

Cost of revenues

Cost of revenues decreased 6% to $177.9 million for the second quarter of 2019, compared to $188.5 million for the second quarter of 2018. This $10.5 million decrease was primarily driven by the 8% decrease in revenues described above.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased $0.7 million to $28.0 million for the second quarter of 2019, compared to $28.7 million for the second quarter of 2018. This decrease was primarily driven by lower performance-based incentive compensation, partially offset by $2.0 million in professional fees incurred in the second quarter of 2019 related to updating our long-term strategic plan. Selling, general and administrative expenses as a percentage of revenues was 13.0% for the second quarter of 2019 compared to 12.2% for the second quarter of 2018.

Other operating income, net

Other operating income was $0.5 million in the second quarter of 2019 compared to $0.1 million in the second quarter of 2018, primarily reflecting gains recognized on the sale of assets in both periods.

Foreign currency exchange

Foreign currency exchange was a $1.0 million loss for the second quarter of 2019 compared to a $0.5 million loss for the second quarter of 2018, and reflects the impact of currency translation on assets and liabilities (including intercompany balances) that are denominated in currencies other than functional currencies.

Interest expense, net

Interest expense was $3.5 million for the second quarter of 2019 compared to $3.7 million for the second quarter of 2018. Interest expense for the second quarter of 2019 and 2018 includes $1.5 million and $1.3 million, respectively, in noncash amortization of original issue discount and debt issuance costs.

Provision for income taxes

The provision for income taxes was $2.1 million for the second quarter of 2019, reflecting an effective tax rate of 33%, compared to $4.1 million for the second quarter of 2018, reflecting an effective tax rate of 28%. The effective tax rate for the second quarter of 2018 was positively impacted by $0.8 million in excess tax benefits related to the vesting of certain stock-based compensation awards during the period.

Operating Segment Results

Summarized financial information for our reportable segments is shown in the following table (net of inter-segment transfers):

	Second Quarter		2019 vs 2018	
(In thousands)	2019	2018	$	%
Revenues				
Fluids systems	$ 172,544	$ 179,738	$ (7,194)	(4)%
Mats and integrated services	43,868	56,524	(12,656)	(22)%
Total revenues	$ 216,412	$ 236,262	$ (19,850)	(8)%
Operating income (loss)				
Fluids systems	$ 12,184	$ 13,327	$ (1,143)	
Mats and integrated services	9,276	14,853	(5,577)	
Corporate office	(10,546)	(9,037)	(1,509)	
Total operating income	$ 10,914	$ 19,143	$ (8,229)	
Segment operating margin				
Fluids systems	7.1%	7.4%		
Mats and integrated services	21.1%	26.3%		

Fluids Systems

Revenues

Total revenues for this segment consisted of the following:

	Second Quarter		2019 vs 2018	
(In thousands)	2019	2018	$	%
United States	$ 117,154	$ 104,333	$ 12,821	12 %
Canada	4,988	11,285	(6,297)	(56)%
Total North America	122,142	115,618	6,524	6 %
EMEA	44,455	49,546	(5,091)	(10)%
Asia Pacific	4,539	5,671	(1,132)	(20)%
Latin America	1,408	8,903	(7,495)	(84)%
Total International	50,402	64,120	(13,718)	(21)%
Total Fluids Systems revenues	$ 172,544	$ 179,738	$ (7,194)	(4)%

North America revenues increased 6% to $122.1 million for the second quarter of 2019 compared to $115.6 million for the second quarter of 2018. This increase was primarily attributable to market share gains in the offshore Gulf of Mexico market partially offset by the impact of lower customer drilling activity in Canada, as reflected by the 24% decline in the average rig count. Despite the 5% decline in the United States average rig count, revenues increased in the U.S. land markets primarily related to improvements in customer drilling efficiency, which is leading to an increase in footage drilled per rig.

Internationally, revenues decreased 21% to $50.4 million for the second quarter of 2019 compared to $64.1 million for the second quarter of 2018. This decrease was primarily attributable to declines related to the contract transitions described above in Brazil, Algeria, and Kuwait as well as lower drilling activity in Romania, which was largely attributable to lower commodity prices.

Operating income

The Fluids Systems segment generated operating income of $12.2 million for the second quarter of 2019 compared to operating income of $13.3 million for the second quarter of 2018. The decrease in operating income includes a $4.3 million decline from international operations, primarily related to the decrease in revenues described above. This decline was partially offset by a $3.2 million increase from North American operations, primarily attributable to an improvement in the United States from the increase in revenues and cost optimization efforts.

Mats and Integrated Services

Revenues

Total revenues for this segment consisted of the following:

	Second Quarter		2019 vs 2018	
(In thousands)	**2019**	**2018**	**$**	**%**
Rental and service revenues	$ 37,584	$ 45,385	$ (7,801)	(17)%
Product sales revenues	6,284	11,139	(4,855)	(44)%
Total Mats and Integrated Services revenues	$ 43,868	$ 56,524	$ (12,656)	(22)%

Rental and service revenues decreased $7.8 million to $37.6 million for the second quarter of 2019 compared to $45.4 million for the second quarter of 2018, primarily due to lower E&P customer activity, while non-E&P revenues have remained relatively stable. Product sales revenues were $6.3 million for the second quarter of 2019 compared to $11.1 million for the second quarter of 2018. Revenues from product sales have typically fluctuated based on the timing of mat orders from customers.

Operating income

The Mats and Integrated Services segment generated operating income of $9.3 million for the second quarter of 2019 compared to $14.9 million for the second quarter of 2018, primarily attributable to the change in revenues as described above.

Corporate Office

Corporate office expenses increased $1.5 million to $10.5 million for the second quarter of 2019 compared to $9.0 million for the second quarter of 2018. This increase was primarily driven by $2.0 million in professional fees incurred in the second quarter of 2019 related to updating our long-term strategic plan, partially offset by lower performance-based incentive compensation.

First Half of 2019 Compared to First Half of 2018

Consolidated Results of Operations

Summarized results of operations for the first half of 2019 compared to the first half of 2018 are as follows:

	First Half		2019 vs 2018	
(In thousands)	2019	2018	$	%
Revenues	$ 427,885	$ 463,555	$ (35,670)	(8)%
Cost of revenues	352,909	374,935	(22,026)	(6)%
Selling, general and administrative expenses	58,779	55,662	3,117	6 %
Other operating income, net	(396)	(23)	(373)	NM
Operating income	16,593	32,981	(16,388)	(50)%
Foreign currency exchange (gain) loss	(72)	683	(755)	NM
Interest expense, net	7,179	6,991	188	3 %
Income before income taxes	9,486	25,307	(15,821)	(63)%
Provision for income taxes	3,898	7,239	(3,341)	(46)%
Net income	$ 5,588	$ 18,068	$ (12,480)	(69)%

Revenues

Revenues decreased 8% to $427.9 million for the first half of 2019, compared to $463.6 million for the first half of 2018. This $35.7 million decrease includes a $2.3 million (1%) decrease in revenues in North America, comprised of a $9.6 million decrease in the Mats and Integrated Services segment partially offset by an increase of $7.3 million in the Fluids Systems segment. Revenues from our international operations decreased by $33.3 million (25%), primarily driven by transitions in key contracts in our EMEA and Latin America regions, as described above. Additional information regarding the change in revenues is provided within the operating segment results below.

Cost of revenues

Cost of revenues decreased 6% to $352.9 million for the first half of 2019, compared to $374.9 million for the first half of 2018. This $22.0 million decrease was primarily driven by the 8% decrease in revenues described above.

Selling, general and administrative expenses

Selling, general and administrative expenses increased $3.1 million to $58.8 million for the first half of 2019, compared to $55.7 million for the first half of 2018. This increase was primarily driven by $4.0 million in charges associated with the February 2019 retirement policy modification, as discussed in Note 4, $2.0 million in professional fees incurred in 2019 related to updating our long-term strategic plan, as well as higher personnel costs, partially offset by lower performance-based incentive compensation. Selling, general and administrative expenses as a percentage of revenues was 13.7% for the first half of 2019 compared to 12.0% for the first half of 2018.

Foreign currency exchange

Foreign currency exchange was a $0.1 million gain for the first half of 2019 compared to a $0.7 million loss for the first half of 2018, and reflects the impact of currency translation on assets and liabilities (including intercompany balances) that are denominated in currencies other than functional currencies.

Interest expense, net

Interest expense was $7.2 million for the first half of 2019 compared to $7.0 million for the first half of 2018. Interest expense for the first half of 2019 and 2018 includes $3.0 million and $2.6 million, respectively, in noncash amortization of original issue discount and debt issuance costs.

Provision for income taxes

The provision for income taxes was $3.9 million for the first half of 2019, reflecting an effective tax rate of 41%, compared to $7.2 million for the first half of 2018, reflecting an effective tax rate of 29%. The effective tax rate for the first half of 2019 was negatively impacted by $0.6 million of discrete tax adjustments relative to the amount of pre-tax income, and the effective tax rate for the first half of 2018 was positively impacted by $0.8 million in excess tax benefits related to the vesting of certain stock-based compensation awards during the period.

Operating Segment Results

Summarized financial information for our reportable segments is shown in the following table (net of inter-segment transfers):

	First Half		2019 vs 2018	
(In thousands)	2019	2018	$	%
Revenues				
Fluids systems	$ 333,197	$ 357,117	$ (23,920)	(7)%
Mats and integrated services	94,688	106,438	(11,750)	(11)%
Total revenues	$ 427,885	$ 463,555	$ (35,670)	(8)%
Operating income (loss)				
Fluids systems	$ 16,058	$ 23,804	$ (7,746)	
Mats and integrated services	22,814	26,939	(4,125)	
Corporate office	(22,279)	(17,762)	(4,517)	
Total operating income	$ 16,593	$ 32,981	$ (16,388)	
Segment operating margin				
Fluids systems	4.8%	6.7%		
Mats and integrated services	24.1%	25.3%		

Fluids Systems

Revenues

Total revenues for this segment consisted of the following:

	First Half		2019 vs 2018	
(In thousands)	2019	2018	$	%
United States	$ 220,213	$ 196,802	$ 23,411	12 %
Canada	18,254	34,357	(16,103)	(47)%
Total North America	238,467	231,159	7,308	3 %
EMEA	82,220	100,981	(18,761)	(19)%
Asia Pacific	9,663	8,160	1,503	18 %
Latin America	2,847	16,817	(13,970)	(83)%
Total International	94,730	125,958	(31,228)	(25)%
Total Fluids Systems revenues	$ 333,197	$ 357,117	$ (23,920)	(7)%

North America revenues increased 3% to $238.5 million for the first half of 2019 compared to $231.2 million for the first half of 2018. This increase was primarily attributable to market share gains in the offshore Gulf of Mexico market and increases in U.S. land markets partially offset by the impact of lower customer drilling activity in Canada, as reflected by the 30% decline in the average rig count. Despite the substantially flat United States average rig count, revenues increased in the U.S. land markets primarily related to improvements in customer drilling efficiency, which is leading to an increase in footage drilled per rig, as well as market share gains in certain areas.

Internationally, revenues decreased 25% to $94.7 million for the first half of 2019 compared to $126.0 million for the first half of 2018. This decrease was primarily attributable to declines related to the contract transitions described above in Brazil, Algeria, and Kuwait as well as lower drilling activity in Romania, largely attributable to lower commodity prices.

Operating income

The Fluids Systems segment generated operating income of $16.1 million for the first half of 2019 compared to operating income of $23.8 million for the first half of 2018. The decrease in operating income includes an $8.5 million decline from international operations, primarily related to the decrease in revenues described above. This decrease was partially offset by a $0.9 million increase from North American operations, primarily reflecting an improvement in the United States from the increase in revenues and cost optimization efforts, partially offset by the decrease in Canadian revenues described above. In addition, the Fluids Systems segment operating income for the first half of 2019 includes $1.4 million of charges related to severance costs and the February 2019 retirement policy modification.

Mats and Integrated Services

Revenues

Total revenues for this segment consisted of the following:

	First Half		2019 vs 2018	
(In thousands)	**2019**	**2018**	**$**	**%**
Rental and service revenues	$ 80,314	$ 85,501	$ (5,187)	(6)%
Product sales revenues	14,374	20,937	(6,563)	(31)%
Total Mats and Integrated Services revenues	$ 94,688	$ 106,438	$ (11,750)	(11)%

Rental and service revenues decreased $5.2 million to $80.3 million for the first half of 2019 compared to $85.5 million for the first half of 2018, primarily due to lower E&P activity, partially offset by increases in well completion site applications as well as the impact of our continuing effort to expand into non-E&P rental markets. Product sales revenues were $14.4 million for the first half of 2019 compared to $20.9 million for the first half of 2018. Revenues from product sales have typically fluctuated based on the timing of mat orders from customers.

Operating income

The Mats and Integrated Services segment generated operating income of $22.8 million for the first half of 2019 compared to $26.9 million for the first half of 2018, primarily attributable to the change in revenues as described above partially offset by a favorable revenue mix.

Corporate Office

Corporate office expenses increased $4.5 million to $22.3 million for the first half of 2019 compared to $17.8 million for the first half of 2018. This increase was primarily driven by $3.4 million in charges associated with the February 2019 retirement policy modification, as discussed in Note 4. The remaining change primarily reflects $2.0 million in professional fees incurred in 2019 related to updating our long-term strategic plan, partially offset by lower performance-based incentive compensation.

Liquidity and Capital Resources

Net cash provided by operating activities was $34.2 million for the first half of 2019 compared to $20.7 million for the first half of 2018. During the first half of 2019, net income adjusted for non-cash items provided cash of $32.7 million, while changes in working capital provided cash of $1.6 million.

Net cash used in investing activities was $18.2 million for the first half of 2019, including capital expenditures of $23.9 million. Capital expenditures during the first half of 2019 included $13.5 million for the Mats and Integrated Services segment, including investments in the mat rental fleet as well as new products, and $8.5 million for the Fluids Systems segment.

Net cash used in financing activities was $19.8 million for the first half of 2019, which includes $15.5 million in share purchases under our repurchase program and a net payment of $5.5 million on our ABL Facility (as defined below).

As of June 30, 2019, we had cash on hand of $49.0 million, substantially all of which resides within our international subsidiaries. As a result of the U.S. Tax Cuts and Jobs Act ("Tax Act"), we began repatriating excess cash from certain of our international subsidiaries in 2018 and we intend to continue repatriating excess cash from these international subsidiaries, subject to cash requirements to support the strategic objectives of these international subsidiaries.

We anticipate that future working capital requirements for our operations will fluctuate directionally with revenues. In addition, we expect total 2019 capital expenditures to be approximately $40.0 million to $45.0 million. Availability under our ABL Facility also provides additional liquidity as discussed further below. Total availability under the ABL Facility will fluctuate directionally based on the level of eligible accounts receivable, inventory, and, subject to satisfaction of certain financial covenants as described below, composite mats included in the rental fleet. We expect our available cash on-hand, cash generated by operations, and remaining availability under our ABL Facility to be adequate to fund current operations during the next 12 months. In addition, we may continue to purchase our common stock under our existing repurchase program from time to time during 2019.

Our capitalization is as follows:

(In thousands)	June 30, 2019	December 31, 2018
2021 Convertible Notes	$ 100,000	$ 100,000
ABL Facility	70,800	76,300
Other debt	6,609	3,199
Unamortized discount and debt issuance costs	(15,097)	(17,752)
Total debt	$ 162,312	$ 161,747
Stockholder's equity	566,129	569,681
Total capitalization	$ 728,441	$ 731,428
Total debt to capitalization	22.3%	22.1%

2021 Convertible Notes. In December 2016, we issued $100.0 million of unsecured convertible senior notes ("2021 Convertible Notes") that mature on December 1, 2021, unless earlier converted by the holders pursuant to the terms of the notes. The notes bear interest at a rate of 4.0% per year, payable semiannually in arrears on June 1 and December 1 of each year.

Holders may convert the notes at their option at any time prior to the close of business on the business day immediately preceding June 1, 2021, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on March 31, 2017 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (regardless of whether consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price of the notes in effect on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which the trading price per $1,000 principal amount of notes for each trading day was less than 98% of the last reported sale price of our common stock on such date multiplied by the conversion rate on each such trading day; or
- upon the occurrence of specified corporate events, as described in the indenture governing the notes, such as a consolidation, merger, or share exchange.

On or after June 1, 2021 until the close of business on the business day immediately preceding the maturity date, holders may convert their notes at any time, regardless of whether any of the foregoing conditions have been satisfied. As of July 29, 2019, the notes were not convertible.

The notes are convertible into, at our election, cash, shares of common stock, or a combination of both, subject to satisfaction of specified conditions and during specified periods, as described above. If converted, we currently intend to pay cash for the principal amount of the notes converted. The conversion rate is 107.1381 shares of our common stock per $1,000 principal amount of notes (equivalent to an initial conversion price of $9.33 per share of common stock), subject to adjustment in certain circumstances. We may not redeem the notes prior to their maturity date.

Asset-Based Loan Facility. In May 2016, we entered into an asset-based revolving credit agreement which replaced our previous credit agreement. In October 2017, we entered into an Amended and Restated Credit Agreement and in March 2019, we entered into a First Amendment to Amended and Restated Credit Agreement (as amended, the “ABL Facility”). The March 2019 amendment increased the amount available for borrowings, reduced applicable borrowing rates, and extended the term. The ABL Facility provides financing of up to $200.0 million available for borrowings (inclusive of letters of credit) and can be increased up to a maximum capacity of $275.0 million, subject to certain conditions. As of June 30, 2019, our total availability under the ABL Facility was $165.7 million, of which $70.8 million was drawn, resulting in remaining availability of $94.9 million.

The ABL Facility terminates in March 2024; however, the ABL Facility has a springing maturity date that will accelerate the maturity of the ABL Facility to September 1, 2021 if, prior to such date, the 2021 Convertible Notes have not been repurchased, redeemed, refinanced, exchanged or otherwise satisfied in full or we have not escrowed an amount of funds, that together with the amount that we establish as a reserve against our borrowing capacity, is sufficient for the future settlement of the 2021 Convertible Notes at their maturity. The ABL Facility requires compliance with a minimum fixed charge coverage ratio and minimum unused availability of $25.0 million to utilize borrowings or assignment of availability under the ABL Facility towards funding the repayment of the 2021 Convertible Notes.

Borrowing availability under the ABL Facility is calculated based on eligible accounts receivable, inventory, and, subject to satisfaction of certain financial covenants as described below, composite mats included in the rental fleet, net of reserves and limits on such assets included in the borrowing base calculation. To the extent pledged by us, the borrowing base calculation also includes the amount of eligible pledged cash. The lender may establish such reserves, in part based on appraisals of the asset base, and other limits at its discretion which could reduce the amounts otherwise available under the ABL Facility. Availability associated with eligible rental mats will also be subject to maintaining a minimum consolidated fixed charge coverage ratio and a minimum level of operating income for the Mats and Integrated Services segment.

Under the terms of the ABL Facility, we may elect to borrow at a variable interest rate plus an applicable margin based on either, (1) LIBOR subject to a floor of zero or (2) a base rate equal to the highest of: (a) the federal funds rate plus 50 basis points, (b) the prime rate of Bank of America, N.A. and (c) LIBOR, subject to a floor of zero, plus 100 basis points, plus, in each case, an applicable margin per annum. The applicable margin ranges from 150 to 200 basis points for LIBOR borrowings, and 50 to 100 basis points for base rate borrowings, based on the consolidated fixed charge coverage ratio as defined in the ABL Facility. As of June 30, 2019, the applicable margin for borrowings under our ABL Facility was 150 basis points with respect to LIBOR borrowings and 50 basis points with respect to base rate borrowings. The weighted average interest rate for the ABL Facility was 4.3% at June 30, 2019. In addition, we are required to pay a commitment fee on the unused portion of the ABL Facility ranging from 25 to 37.5 basis points, based on the level of outstanding borrowings, as defined in the ABL Facility. As of June 30, 2019, the applicable commitment fee was 37.5 basis points.

The ABL Facility is a senior secured obligation, secured by first liens on all of our U.S. tangible and intangible assets, and a portion of the capital stock of our non-U.S. subsidiaries has also been pledged as collateral. The ABL Facility contains customary operating covenants and certain restrictions including, among other things, the incurrence of additional debt, liens, dividends, asset sales, investments, mergers, acquisitions, affiliate transactions, stock repurchases and other restricted payments. The ABL Facility also requires compliance with a fixed charge coverage ratio if availability under the ABL Facility falls below $22.5 million. In addition, the ABL Facility contains customary events of default, including, without limitation, a failure to make payments under the facility, acceleration of more than $25.0 million of other indebtedness, certain bankruptcy events, and certain change of control events.

Other Debt. Our foreign subsidiaries in Italy, India, and Canada maintain local credit arrangements consisting primarily of lines of credit which are renewed on an annual basis. We utilize local financing arrangements in our foreign operations in order to provide short-term local liquidity needs. We had $1.3 million and $1.1 million outstanding under these arrangements at June 30, 2019 and December 31, 2018, respectively.

At June 30, 2019, we had letters of credit issued and outstanding of $8.9 million that are collateralized by $9.4 million in restricted cash. Additionally, our foreign operations had $39.3 million outstanding in letters of credit and other guarantees, primarily issued under a credit arrangement in Italy as well as certain letters of credit that are collateralized by $2.0 million in restricted cash.

Critical Accounting Estimates and Policies

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which requires us to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates used in preparing our condensed consolidated financial statements include the following: allowances for doubtful accounts, reserves for self-insured retention under insurance programs, estimated performance and values associated with employee incentive programs, fair values used for impairments of long-lived assets, including goodwill and other intangibles, and valuation allowances for deferred tax assets. Our estimates are based on historical experience and on our future expectations that we believe to be reasonable. The combination of these factors forms the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from our current estimates and those differences may be material.

For additional discussion of our critical accounting estimates and policies, see “Management's Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2018. Our critical accounting estimates and policies have not materially changed since December 31, 2018.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and changes in foreign currency exchange rates. A discussion of our primary market risk exposure in financial instruments is presented below.

Interest Rate Risk

At June 30, 2019, we had total principal amounts outstanding under financing arrangements of $177.4 million, including $100.0 million of borrowings under our 2021 Convertible Notes which bear interest at a fixed rate of 4.0% and $70.8 million of borrowings under our ABL Facility. Borrowings under our ABL Facility are subject to a variable interest rate as determined by the ABL Facility. The weighted average interest rate at June 30, 2019 for the ABL Facility was 4.3%. Based on the balance of variable rate debt at June 30, 2019, a 100 basis-point increase in short-term interest rates would have increased annual pre-tax interest expense by $0.7 million.

Foreign Currency Risk

Our principal foreign operations are conducted in certain areas of EMEA, Asia Pacific, Latin America, and Canada. We have foreign currency exchange risks associated with these operations, which are conducted principally in the foreign currency of the jurisdictions in which we operate including European euros, Algerian dinar, Romanian new leu, Canadian dollars, British pounds, Australian dollars, and Brazilian reais. Historically, we have not used off-balance sheet financial hedging instruments to manage foreign currency risks when we enter into a transaction denominated in a currency other than our local currencies.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this quarterly report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2019, the end of the period covered by this quarterly report.

Changes in Internal Control Over Financial Reporting

There were no changes in internal control over financial reporting during the quarter ended June 30, 2019 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. Legal Proceedings

None.

ITEM 1A. Risk Factors

There have been no material changes during the period ended June 30, 2019 in our "Risk Factors" as discussed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) Not applicable

b) Not applicable

c) The following table details our repurchases of shares of our common stock for the three months ended June 30, 2019:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs ($ in Millions)
April 2019	300,000	$ 7.51	300,000	$ 92.7
May 2019	1,109,249	$ 7.55	1,091,348	$ 84.5
June 2019	234,317	$ 7.03	—	$ 84.5
Total	1,643,566	$ 7.47	1,391,348	

During the three months ended June 30, 2019, we purchased an aggregate of 252,218 shares surrendered in lieu of taxes under vesting of restricted shares.

In November 2018, our Board of Directors authorized changes to our existing securities repurchase program. The authorization increased the authorized amount under the repurchase program to $100.0 million, available for repurchases of any combination of our common stock and our 2021 Convertible Notes.

Our repurchase program authorizes us to purchase our outstanding shares of common stock or 2021 Convertible Notes in the open market or as otherwise determined by management, subject to certain limitations under the ABL Facility and other factors. The repurchase program has no specific term. Repurchases are expected to be funded from operating cash flows, available cash on hand, and borrowings under our ABL Facility. As part of the repurchase program, our management has been authorized to establish trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934. During the three months ended June 30, 2019, we repurchased an aggregate of 1,391,348 shares of our common stock under our Board authorized repurchase program for a total cost of $10.5 million.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

The information concerning mine safety violations and other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.1 of this Quarterly Report on Form 10-Q, which is incorporated by reference.

ITEM 5. Other Information

None.

ITEM 6. Exhibits

The exhibits listed are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

†10.1	Retirement and Restrictive Covenant Agreement and General Release, dated as of July 2, 2019, between Newpark Resources, Inc. and Bruce C. Smith, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 8, 2019 (SEC File No. 001-02960)
†10.2	Consulting Services Agreement, dated as of July 2, 2019, between Newpark Resources, Inc. and Bruce C. Smith, incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on July 8, 2019 (SEC File No. 001-02960)
†10.3	Employment Agreement, dated as of July 2, 2019 between Newpark Drilling Fluids S.p.A. and David Paterson, incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on July 8, 2019 (SEC File No. 001-02960)
†10.4	Letter Agreement, dated as of July 2, 2019 between Newpark Resources, Inc. and David Paterson, incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on July 8, 2019 (SEC File No. 001-02960)
†10.5	Change in Control Agreement, dated as of July 2, 2019 between Newpark Resources, Inc. and David Paterson, incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on July 8, 2019 (SEC File No. 001-02960)
†10.6	Confidentiality and Non-Competition Agreement, dated as of July 2, 2019 between Newpark Resources, Inc. and David Paterson, incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on July 8, 2019 (SEC File No. 001-02960)
†10.7	Newpark Resources, Inc. Amended and Restated 2015 Employee Equity Incentive Plan, incorporated by reference to Exhibit 4.8 to the Company's Registration Statement on Form S-8 filed on May 23, 2019 (SEC File No. 333-231715)
†*10.8	Form of Performance-Based Cash Award Agreement under the Newpark Resources, Inc. Long-Term Cash Incentive Plan
*31.1	Certification of Paul L. Howes pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Gregg S. Piontek pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
**32.1	Certification of Paul L. Howes pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
**32.2	Certification of Gregg S. Piontek pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*95.1	Reporting requirements under the Mine Safety and Health Administration
*101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*101.SCH	XBRL Schema Document
*101.CAL	XBRL Calculation Linkbase Document
*101.DEF	XBRL Definition Linkbase Document
*101.LAB	XBRL Label Linkbase Document
*101.PRE	XBRL Presentation Linkbase Document
*104	The cover page from Newpark Resources, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, formatted in Inline XBRL (included within the Exhibit 101 attachments)

† Management compensation plan or agreement.

* Filed herewith.

** Furnished herewith.

NEWPARK RESOURCES, INC.

SIGNATURES

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

Date: July 31, 2019

NEWPARK RESOURCES, INC.
(Registrant)

By: /s/ Paul L. Howes
Paul L. Howes
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Gregg S. Piontek
Gregg S. Piontek
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Douglas L. White
Douglas L. White
Vice President, Corporate Controller and Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT 10.8

NEWPARK RESOURCES, INC.
PERFORMANCE-BASED CASH AWARD AGREEMENT

Subject to the terms and conditions of this Performance-Based Cash Award Agreement (this "***Cash Award Agreement***"), the Newpark Resources, Inc. Amended and Restated 2015 Employee Equity Incentive Plan, as may be amended from time to time (the "***2015 Equity Incentive Plan***") and the Long-Term Cash Incentive Plan, a sub-plan to the 2015 Equity Incentive Plan, as may be amended from time to time (the "***Cash Plan***"), Newpark Resources, Inc., a Delaware corporation (the "***Company***"), hereby grants to the below individual (the "***Participant***") a Performance-Based Cash Award (the "***Cash Award***"). All capitalized terms not otherwise defined herein shall have the meanings set forth in the Cash Plan first and the 2015 Equity Incentive Plan second, and the terms of both the Cash Plan and the 2015 Equity Incentive Plan are incorporated herein by reference.

1. Identifying Information.

Participant Name	____________________	Date of Grant:	____________________
and Address:	____________________	Projected Cash Award:	$ [target amount]
	____________________		

2. Vesting and Forfeiture.

(a) Vesting due to Satisfaction of Performance Criteria. Subject to the satisfaction of the terms and conditions set forth in the 2015 Equity Incentive Plan, the Cash Plan and this Cash Award Agreement, the amount of the Cash Award that shall vest on the Performance Vesting Date shall equal the Projected Cash Award multiplied by the TSR Vesting Percentage (the "***Vesting Schedule***"). Any portion of the Cash Award that does not vest in accordance with this Section 2 shall be forfeited.

(b) Vesting upon Change in Control. Notwithstanding the foregoing, in the event of a Change in Control: (i) if such Change in Control occurs on or after the last day of the Performance Period (determined without regard to Section 2(b)(ii) and before the Performance Certification Date, the Performance Vesting Date shall be the date of the Change in Control; and (ii) if a Change in Control occurs before the last day of the Performance Period (determined without regard to this Section 2(b)(ii), then (A) the Performance Period shall be deemed to end on the date of the Change in Control, (B) the Performance Vesting Date shall be the date of the Change in Control, (3) the Projected Cash Award shall vest, and (4) any Cash Award amount in excess of the Projected Cash Award shall be forfeited. For purposes of this Cash Award Agreement, "***Change in Control***" shall have the meaning set forth in the 2015 Equity Incentive Plan unless the Participant has entered into a change in control letter agreement with the Company (a "***Change in Control Agreement***"), in which event the term shall have the meaning set forth in the Change in Control Agreement. To the extent there is any conflict between the definition in the Change in Control Agreement and the definition in the 2015 Equity Incentive Plan, the definition in the Change in Control Agreement shall control. Upon the occurrence of a Change in Control or a Potential Change in Control (as defined in the Change in Control Agreement), the provisions of the Change in Control Agreement pertaining to the acceleration of vesting of any Awards, including the Cash Award evidenced by this Cash Award Agreement, shall control.

(c) Forfeiture. In the event of the termination of the Participant's employment during the Vesting Schedule by either the Company or by the Participant for any reason whatsoever, including, without limitation, as a result of the Participant's death or Disability, the unvested portion of the Cash Award held by the Participant at that time shall immediately be forfeited; provided, however, that if the Participant is a party to a Change in Control Agreement and the Participant's employment is terminated under circumstances covered by such Change in Control Agreement, the provisions of the Change in Control Agreement shall apply.

3. Payment. Payment of any vested portion of the Cash Award shall be made only in cash by the Company or an applicable Subsidiary (as determined in the sole discretion of the Company). All payments hereunder, if any, shall be made as soon as practicable after the Performance Vesting Date but in any event no later than thirty (30 days after such Performance Vesting Date. Pending the payment or delivery of cash hereunder, the Company's obligation hereunder shall constitute an unfunded, unsecured general obligation of the Company and if applicable, any Subsidiary.

4. Restrictions on Transfer. Neither this Cash Award Agreement nor the Cash Award may be assigned, pledged, sold or otherwise transferred or encumbered by the Participant; provided, however, that the designation of a beneficiary pursuant to the 2015 Equity Incentive Plan shall not constitute an assignment, alienation, pledge, sale, transfer or encumbrance. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of the Participant. Any purported assignment, alienation, pledge, attachment, sale, transfer or other encumbrance of the Cash Award, regardless of by

whom initiated or attempted, shall be void and unenforceable against the Company. If, notwithstanding the foregoing, an assignment, alienation, pledge, attachment, sale, transfer or other encumbrance of the Cash Award is effected by operation of law, court order or otherwise, the affected Cash Award shall remain subject to the risk of forfeiture, vesting requirement and all other terms and conditions of this Cash Award Agreement. In the case of the Participant's death or Disability, the Participant's vested rights under this Cash Award Agreement (if any) may be exercised and enforced by the Participant's guardian or legal representative. Notwithstanding anything in the foregoing to the contrary, the Company and any applicable Subsidiary shall be permitted to assign its rights and obligations under this Award Agreement.

5. Amendment and Termination. This Cash Award Agreement may not be terminated by the Board of Directors or the Compensation Committee at any time without the written consent of the Participant. No amendment or termination of the 2015 Equity Incentive Plan or the Cash Plan will adversely affect the rights and privileges of the Participant under this Cash Award Agreement or to the Cash Award granted hereunder without the consent of the Participant.

6. No Guarantee of Employment. Neither this Cash Award Agreement nor grant of the Cash Award evidenced hereby shall confer upon the Participant any right with respect to continuance of employment with the Company nor shall it interfere in any way with the right the Company would otherwise have to terminate such Participant's employment at any time.

7. Taxes and Withholdings.

(a) Tax Consequences. The granting, vesting and/or payments of all or any portion of the Cash Award may trigger tax liability. The Participant agrees that he or she shall be solely responsible for all tax liability arising from the Cash Award. The Participant is encouraged to contact his or her tax advisor to discuss any tax implications which may arise in connection with the Cash Award.

(b) Withholding. The Participant shall be liable for any and all taxes, including withholding taxes, arising from the Cash Award. The Participant understands and acknowledges that the Company will not make payments hereunder until it is satisfied that appropriate arrangements have been made to satisfy any tax obligation under this Cash Award Agreement, the 2015 Equity Incentive Plan or the Cash Plan and agrees to make appropriate arrangements suitable to the Company for satisfaction of all tax withholding obligations. Further, the Participant hereby agrees and grants to the Company the right to withhold from any payments or amounts of compensation, payable in cash or otherwise, in order to meet any tax withholding obligations under this Cash Award Agreement, the 2015 Equity Incentive Plan or the Cash Plan. As such, if the Company requests that the Participant take any action required to effect any action described in this Section 7 and to satisfy the tax withholding obligation pursuant to this Cash Award Agreement, the 2015 Equity Incentive Plan and the Cash Plan, the Participant hereby agrees to promptly take any such action.

8. No Guarantee of Tax Consequences. The Company, Board of Directors and Compensation Committee make no commitment or guarantee to the Participant that any federal, state or local tax treatment will apply or be available to any person eligible for benefits under this Cash Award Agreement and assumes no liability whatsoever for the tax consequences to the Participant.

9. Severability. In the event that any provision of this Cash Award Agreement is, becomes or is deemed to be illegal, invalid, or unenforceable for any reason, or would disqualify the 2015 Equity Incentive Plan, the Cash Plan or this Cash Award Agreement under any law deemed applicable by the Board of Directors or the Compensation Committee, such provision shall be construed or deemed amended as necessary to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Board of Directors or the Compensation Committee, materially altering the intent of the 2015 Equity Incentive Plan, the Cash Plan or this Cash Award Agreement, such provision shall be stricken as to such jurisdiction, the Participant or this Cash Award Agreement, and the remainder of this Cash Award Agreement shall remain in full force and effect.

10. Terms of the Plans Control. This Cash Award Agreement and the Cash Award are made pursuant to the 2015 Equity Incentive Plan and the Cash Plan. The terms of the 2015 Equity Incentive Plan and the Cash Plan, each as amended from time to time and interpreted and applied by the Compensation Committee, shall govern and take precedence in the event of any conflict with the terms of this Cash Award Agreement. Notwithstanding the foregoing, if the Participant is a party to a Change in Control Agreement, in the event of any conflict between the terms of this Cash Award Agreement, the 2015 Equity Incentive Plan and the Cash Plan, on the one hand, and the terms and provisions of such Change in Control Agreement, on the other hand, the terms of the Change in Control Agreement shall control.

11. Governing Law. This Cash Award Agreement shall be construed in accordance with (excluding any conflict or choice of law provisions of) the laws of the State of Delaware to the extent federal law does not supersede and preempt Delaware law.

12. Consent to Electronic Delivery; Electronic Signature. Except as otherwise prohibited by law, in lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectuses supplements,

grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

13. Clawback Policy. Notwithstanding any provisions in the 2015 Equity Incentive Plan, the Cash Plan or this Cash Award Agreement to the contrary, the Cash Award subject to this Cash Award Agreement shall be subject to potential cancellation, rescission, clawback and recoupment (i) to the extent necessary to comply with the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any regulations or listing requirements promulgated thereunder, and/or (ii) as may be required in accordance with the terms of any clawback/recoupment policy as may be adopted by the Company to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any regulations or listing requirements promulgated thereunder, as such policy may be amended from time to time.

14. Section 409A. It is intended that the provisions of this Cash Award Agreement either comply with, or be exempt from, Section 409A of the Code ("***Section 409A***"), and all provisions of this Cash Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If, at the time of the Participant's separation from service (within the meaning of Section 409A, (i) the Participant is a specified employee (within the meaning of Section 409A) and using the identification methodology selected by the Company from time to time), and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date pursuant to this Cash Award Agreement but shall instead pay it without interest, on the first business day after such six-month period, or if earlier, upon the Participant's death. The Company reserves the right to make amendments to this Cash Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A.

15. Data Authorization. Pursuant to applicable data protection laws, the Participant's personal data will be collected and used as necessary for the Company's administration of the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

As part of the Company's administration of the 2015 Equity Incentive Plan and the Cash Plan, the Company and its Subsidiaries may hold certain personal information about the Participant including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares of Common Stock or directorships held in the Company, details of all options, units or any other entitlement to Shares of Common Stock awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor. This information is held for the purpose of managing and administering the 2015 Equity Incentive Plan and the Cash Plan ("***Data***"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company or its subsidiaries will process the Data for the exclusive purpose of implementing, administering and managing the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. Data processing will take place through electronic and non-electronic means as necessary to administer the 2015 Equity Incentive Plan and the Cash Plan and will be handled in conformance with the confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence (and country of employment, if different). The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the 2015 Equity Incentive Plan and the Cash Plan and for the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan.

The Company and its Subsidiaries may transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan, and the Company and its Subsidiaries may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the 2015 Equity Incentive Plan and the Cash Plan. Please note these entities may be located in the European Economic Area, the United States or elsewhere in the world. The Participant hereby authorizes (where required under applicable law) these parties to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan. This includes any requisite transfer of such Data as may be required for the administration of the 2015 Equity Incentive Plan and the Cash Plan. The Participant may, at any time, exercise the Participant's rights provided under applicable personal data protection laws. These rights may include (i) obtain confirmation as to the existence of the Data, (ii) verify the content, origin and accuracy of the Data, (iii) request the integration, update, amendment, deletion, or blockage of the Data, (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the impletion, administration and/or operation of the 2015 Equity Incentive Plan and the Cash Plan and the Participant's participation in the 2015 Equity Incentive Plan and the Cash Plan, and (v) withdraw the Participant's consent to the collection, processing or transfer of Data as provided hereunder (in which case, the Participant's Award will be null and void). The Participant may seek to exercise these rights by contacting the Participant's local Human Resources manager or the Company's Human Resources Department.

16. Definitions. The following terms shall have the meanings set forth below:

(a) "***Company TSR Percentile***" means the percentile of the Company's TSR relative to the TSRs of the other members of the Peer Group. Such will be determined by ranking the Company and the members of the Peer Group from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of the Company relative to the members in the Peer Group will be determined as follows:

$$P = 1 - \frac{R-1}{N-1}$$

where: "P" represents the percentile performance which will be rounded, if necessary, to the nearest whole percentile by application of regular rounding.

"N" represents the number of companies in the Peer Group, plus the Company.

"R" represents the Company’s ranking among the members of the Peer Group.

(b) "***Ending Share Price***" means the average closing price of one share of common stock of the Company or the relevant member of the Peer Group, as applicable, over the 30-day period ending on the last day of the Performance Period.

(c) "***Maximum TSR Percentile***" means the [ ] ([ ]th) percentile.

(d) "***Peer Group***" means the Company and the following entities to the extent such entities or their successors are in existence and have publicly traded common stock as of the last day of the Performance Period, as may be adjusted by the Compensation Committee to account for extraordinary events, such as mergers, acquisitions, divestitures or bankruptcies, affecting the Company or such other entities.

[ ]

(e) "***Performance Certification Date***" means the date as of which the Compensation Committee makes its written certifications of the TSR Vesting Percentage and its determination of whether and the extent to which the applicable Performance Requirements have been met in accordance with Paragraph 2(a) of the Award Agreement.

(f) "***Performance Period***" means the period beginning [ ] and ending on the earlier of [ ], and the date of a Change in Control.

(g) "***Performance Requirement***" means the condition(s) that must necessarily be attained for the vesting of the Cash Award.

(h) "***Performance Vesting Date***" means, if a Change in Control occurs before the last day of the Performance Period (determined without regard to the Change in Control), the date of the Change in Control, and in all other cases, the later of the last day of the Performance Period and the Performance Certification Date.

(i) "***Projected Cash Award***" means the dollar amount set forth in Section 1 of this Cash Award Agreement, which shall initially reflect the dollar amount that would be paid to the Participant if the Company’s TSR Percentile is equal to the Target TSR Percentile.

(j) "***Starting Share Price***" means the average closing price of one share of common stock of the Company or the relevant member of the Peer Group, as applicable, over the 30-day period beginning on the first day of the Performance Period.

(k) "***Target TSR Percentile***" means the [ ] ([ ]th) percentile.

(l) "***Threshold TSR Percentile***" means the [ ] ([ ]th) percentile.

(m) "***TSR***" or "***Total Shareholder Return***" means, for the Company and each member of the Peer Group, as applicable: (i) the Ending Share Price, minus the Starting Share Price, plus cumulative amount of dividends on one share of its common stock for the Performance Period, divided by (ii) the Starting Share Price.

(n) "***TSR Vesting Percentage***" means:

i. if the Company TSR Percentile is less than the Threshold TSR Percentile, zero percent (0%);

ii. if the Company TSR Percentile is at least equal to the Threshold TSR Percentile, but less than the Target TSR Percentile, the sum of (A) [ ] percent ([ ]%) and (B) the percentage derived by multiplying the excess, if any, of the Company TSR Percentile over the Threshold TSR Percentile by [ ];

iii. if the Company TSR Percentile is at least equal to the Target TSR Percentile, but less than the Maximum TSR Percentile, the sum of (A) [ ] percent ([ ]%) and (B) the percentage derived by multiplying the excess, if any, of the Company TSR Percentile over the Target TSR Percentile by [ ]; and

iv. if the Company TSR Percentile is at least equal to the Maximum TSR Percentile, [ ] percent ([ ]%).

In no event may the TSR Vesting Percentage be more than [ ] percent ([ ]%).

* * * * *

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Paul L. Howes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Newpark Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2019

/s/ Paul L. Howes

Paul L. Howes
President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gregg S. Piontek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Newpark Resources, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2019

/s/ Gregg S. Piontek

Gregg S. Piontek
Senior Vice President and Chief Financial Officer

Exhibit 32.1

Certification
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2019, of Newpark Resources, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paul L. Howes, President and Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2019

/s/ Paul L. Howes

Paul L. Howes
President and Chief Executive Officer

Exhibit 32.2

Certification
Pursuant to 18 U.S.C. Section 1350
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended June 30, 2019, of Newpark Resources, Inc. (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gregg S. Piontek, Senior Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2019

/s/ Gregg S. Piontek

Gregg S. Piontek
Senior Vice President and Chief Financial Officer

Exhibit 95.1

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), each operator of a coal or other mine is required to include certain mine safety results in its periodic reports filed with the Securities and Exchange Commission (“SEC”). Our subsidiary, Excalibar Minerals LLC (“Excalibar”), engages in the processing of barite ore and is subject to the jurisdiction of the Mine Safety and Health Administration (“MSHA”). For that reason, we are providing below the required mine safety data for the four specialized barite and calcium carbonate grinding facilities operated by Excalibar that are subject to the regulation by MSHA under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”).

As required by the reporting requirements regarding mine safety included in Section 1503 of the Dodd-Frank Act and the SEC’s final rules promulgated thereunder, the table below presents the following information for the three months ended June 30, 2019 for each of the specialized facilities operated by our subsidiary:

(a) The total number of Mine Act Section 104 significant and substantial citations received, which are for alleged violations of a mining safety standard or regulation where there exists a reasonable likelihood that the hazard could result in an injury or illness of a reasonably serious nature;

(b) The total number of Mine Act Section 104(b) orders received, which are for an alleged failure to totally abate the subject matter of a Mine Act Section 104(a) citation within the period specified in the citation;

(c) The total number of Mine Act Section 104(d) citations and orders received, which are for an alleged unwarrantable failure to comply with a mining safety standard or regulation;

(d) The total number of flagrant violations under Section 110(b)(2) of the Mine Act received;

(e) The total number of imminent danger orders issued under Section 107(a) of the Mine Act;

(f) The total dollar value of proposed assessments from MSHA under the Mine Act;

(g) The total number of mining-related fatalities;

(h) Mine Act Section 104(e) written notices for an alleged pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of a coal mine health or safety hazard, or the potential to have such a pattern; and

(i)The total number of pending legal actions before the Federal Mine Safety and Health Review Commission as required by Section 1503(a)(3) of the Dodd-Frank Act. The number of legal actions pending as of June 30, 2019 that are:

(1)	contests of citations and orders referenced in Subpart B of 29 CFR Part 2700:	0
(2)	contests of proposed penalties referenced in Subpart C of 29 CFR Part 2700:	0
(3)	complaints for compensation referenced in Subpart D of 29 CFR Part 2700:	0
(4)	complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700:	0
(5)	applications for temporary relief referenced in Subpart F of 29 CFR Part 2700:	0
(6)	appeals of judges’ decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of 29 CFR Part 2700:	0

For the Three Months Ended June 30, 2019

Mine or Operating Name/MSHA Identification Number	(A) Section 104 S&S Citations (#)	(B) Section 104(b) Orders (#)	(C) Section 104(d) Citations and Orders (#)	(D) Section 110(b)(2) Violations (#)	(E) Section 107(a) Orders (#)	(F) Total Dollar Value of MSHA Assessments Proposed (#)	(G) Total Number of Mining Related Fatalities (#)	(H) Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	(H) Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	(I) Legal Actions Pending as of Last Day of Period (#)	(I) Legal Actions Initiated During Period (#)	(I) Legal Actions Resolved During Period (#)
Houston Plant / 41-04449	1	—	—	—	—	TBD	—	No	No	—	—	—
Dyersburg Plant / 40-03183	—	—	—	—	—	—	—	No	No	—	—	—
New Iberia Plant / 16-01302	—	—	—	—	—	—	—	No	No	—	—	—
Corpus Christi Plant / 41-04002	—	—	—	—	—	—	—	No	No	—	—	—

In evaluating the above information regarding mine safety and health, investors should take into account factors such as (i) the number of citations and orders will vary depending on the size of the coal mine or facility, (ii) the number of citations issued will vary from inspector-to-inspector and mine-to-mine, and (iii) citations and orders can be contested and appealed, and in that process, may be reduced in severity and amount, and are sometimes dismissed.