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 March 31, 2002 Commission File No. 1-2960

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

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

3850 N. CAUSEWAY, SUITE 1770 METAIRIE, LOUISIANA	70002
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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

Common stock, $0.01 par value: 70,797,796 shares at May 1, 2002.

NEWPARK RESOURCES, INC.
INDEX TO FORM 10-Q
FOR THE THREE MONTH PERIOD ENDED
March 31, 2002

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Newpark Resources, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

March 31, December 31, (In thousands, except share data) 2002 2001 - --- ---------- ------------ ASSETS CURRENT ASSETS: Cash and cash equivalents $ 5,496 $ 7,504 Trade accounts receivable, less allowance of $2,177 in 2002 and $2,159 in 2001 75,428 86,702 Notes and other receivables 3,778 2,567 Inventories 44,541 44,144 Deferred tax asset 4,272 4,272 Other current assets 10,293 9,131 --------- --------- TOTAL CURRENT ASSETS 143,808 154,320 Property, plant and equipment, at cost, net of accumulated depreciation 205,984 208,476 Goodwill, net of accumulated amortization 105,746 105,767 Deferred tax asset 18,768 19,609 Other intangible assets, net of accumulated amortization 12,214 12,437 Other assets 21,362 21,879 -----

---- -------
-- $ 507,882
$ 522,488
=========
=========
LIABILITIES
AND
STOCKHOLDERS'
EQUITY
CURRENT
LIABILITIES:
Current
maturities
of long-term
debt $ 3,189
$ 3,355
Accounts
payable
22,972
26,588
Accrued
liabilities
22,695
21,018 -----
---- -------
-- TOTAL
CURRENT
LIABILITIES
48,856
50,961 Long-
term debt
162,015
176,954
Other non-
current
liabilities
551 619
Commitments
and
contingencies
-- --
STOCKHOLDERS'
EQUITY:
Preferred
Stock, $.01
par value,
1,000,000
shares
authorized,
390,000
shares
outstanding
74,082
73,970
Common
Stock, $.01
par value,
100,000,000
shares
authorized,
70,691,019
shares
outstanding
in 2002 and
70,332,017
in 2001 707
703 Paid-in
capital
336,813
335,117
Unearned
restricted
stock
compensation
(786) (940)
Accumulated
other
comprehensive
income
(2,013)
(2,032)

Retained
deficit
(112,343)
(112,864) --
------- ----
----- TOTAL
STOCKHOLDERS'
EQUITY
296,460
293,954 ----
----- ------
--- $
507,882 $
522,488
=========
=========

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF INCOME
For the Three Month Periods Ended March 31,
(Unaudited)

(In thousands, except per share data)	2002	2001
Revenues	$ 75,110	$ 99,397
Operating costs and expenses:		
Cost of services provided	48,646	61,030
Operating costs	19,654	19,106
	68,300	80,136
General and administrative expenses	1,517	1,070
Goodwill amortization	--	1,234
Operating income	5,293	16,957
Foreign currency exchange loss	4	491
Interest income	(171)	(233)
Interest expense	3,122	4,215
Income before income taxes	2,338	12,484
Provision for income taxes	842	4,495
Net income	1,496	7,989
Less: Preferred stock dividends	863	863
Accretion of discount on preferred stock	112	112
Net income applicable to common and common equivalent shares	$ 521	$ 7,014

========
Basic and diluted net income per common and common equivalent share $ 0.01 $ 0.10
========
========

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three Month Periods Ended March 31,
(Unaudited)

(In thousands)	2002	2001
Net income	$ 1,496	$ 7,989
Other comprehensive income (loss):		
Foreign currency translation adjustments	19	(1,304)
Comprehensive income	$ 1,515	$ 6,685

See Accompanying Notes to Consolidated Financial Statements

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Month Periods Ended March 31,
(Unaudited)

(In thousands) 2002 2001 - ----------- --- ------- - -------- CASH FLOWS FROM OPERATING ACTIVITIES: Net income $ 1,496 $ 7,989 Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization 6,076 6,413 Provision for deferred income taxes 842 4,495 Other (956) (113) Change in assets and liabilities: Decrease (increase) in accounts and notes receivable 10,020 (21,318) Decrease (increase) in inventories (397) 140 Increase in other assets (1,640) (7,807) Increase (decrease) in accounts payable (3,820) 5,131 Increase in accrued liabilities and other 1,606 4,149 -------- -- ------ NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES 13,227 (921) ----- --- -------

CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(3,089)	(7,612)
Proceeds from disposal of property, plant and equipment	1,446	1,049
Payments received on notes receivable	674	27
NET CASH USED IN INVESTING ACTIVITIES	(969)	(6,536)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net payments on lines of credit	(14,199)	(21,357)
Principal payments on notes payable and long-term debt	(906)	(96)
Proceeds from exercise of stock options	839	239
NET CASH USED IN FINANCING ACTIVITIES	(14,266)	(21,214)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,008)	(28,671)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,504	31,245
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	$ 5,496	$

2,574
========
========

See Accompanying Notes to Consolidated Financial Statements

NEWPARK RESOURCES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - INTERIM FINANCIAL STATEMENTS

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments necessary to present fairly the financial position of Newpark Resources, Inc. ("Newpark") as of March 31, 2002, and the results of its operations and its cash flows for the three month periods ended March 31, 2002 and 2001. All such adjustments are of a normal recurring nature. These interim financial statements should be read in conjunction with the December 31, 2001 audited financial statements and related notes filed on Form 10-K. The results of operations for the three month period ended March 31, 2002 are not necessarily indicative of the results to be expected for the entire year.

NOTE 2 - EARNINGS PER SHARE

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

	Three Months Ended March 31,	
	2002	2001
Income applicable to common and common equivalent shares	$ 521	$ 7,014
Add: Series B and C Preferred Stock dividends	--	675
Adjusted income applicable to common and common equivalent shares	$ 521	$ 7,689
Weighted average number of common shares outstanding	70,490	69,674
Add: Net effect of dilutive stock options and warrants	451	792
Shares assumed issued		

upon
conversion
of Series
B and C
Preferred
Stock --
7,758 ----
--- ------
- Adjusted
weighted
average
number of
common
shares
outstanding
70,941
78,224
=======
=======
Basic and
diluted
income
applicable
to common
and common
equivalent
shares $
.01 $ .10
=======
=======

Basic net income per share was calculated by dividing net income by the weighted-average number of common shares outstanding during the period. For the three months ended March 31, 2002 and 2001, Newpark had dilutive stock options and warrants of approximately 2.3 million shares and 4.0 million shares, respectively, which were assumed exercised using the treasury stock method. The resulting net effects of stock options and warrants were used in calculating diluted income per share for these periods.

Options and warrants to purchase a total of approximately 8.3 million shares and 5.9 million shares of common stock were outstanding during the three months ended March 31, 2002 and 2001, respectively, but were not included in the computation of diluted income per share because they were anti-dilutive.

The net effect of the assumed conversion of the Series A Preferred Stock has been excluded from the computation of diluted income per share for all periods presented because the effect would be anti-dilutive. The net effects of the assumed conversion of the Series B and Series C Preferred Stock has been excluded from the computation of diluted income per share for the quarter ended March 31, 2002 because the effects would be anti-dilutive.

NOTE 3 - ACCOUNTS AND NOTES RECEIVABLE

Included in trade accounts receivable at March 31, 2002 and December 31, 2001 are (in thousands):

	March 31, 2002	December 31, 2001
Trade receivables	$ 73,357	$ 86,765
Unbilled revenues	4,248	2,096
Gross trade receivables	77,605	88,861
Allowance for doubtful accounts	(2,177)	(2,159)
Net trade receivables	$ 75,428	$ 86,702

NOTE 4 - INVENTORIES

Newpark's inventories consisted of the following items at March 31, 2002 and December 31, 2001:

	March 31, 2002	December 31, 2001
Composite mats	$11,417	$10,854
Drilling fluids raw material and components	28,269	27,243
Logs	3,689	5,081
Supplies		

306 311
Other 860
655 ------
- -------
Total
$44,541
$44,144
=======
=======

NOTE 5 - LONG-TERM DEBT

As of March 31, 2002, Newpark had outstanding $125 million of unsecured senior subordinated notes (the "Notes") which mature on December 15, 2007. Interest on the Notes accrues at the rate of 8-5/8% per annum and is payable semi-annually on June 15 and December 15.

In November 2001, Newpark entered into an interest-rate swap instrument, effectively converting the Notes to a floating rate for a two year period. The swap arrangement expires in December 2003. Under the terms of the swap instrument, Newpark is to receive cash inflows equivalent to the semi-annual fixed rate interest payments due under the Notes in exchange for the obligation to pay semi-annual variable-rate interest payments. The variable rate payments are based on the Libor rate in effect on the payment date, plus a spread of 4.67%. The variable rate payments are payable semi-annually to match the payment dates of the fixed rate interest obligations under the Notes. The effective rate on the variable rate payments as of March 31, 2002, based on the expected Libor rate in effect on the next payment date, was 7.17%.

Newpark has designated this instrument as an ineffective fair value hedge. Accordingly, changes in the instrument's fair value are to be recognized currently in earnings. As of March 31, 2002, Newpark recorded the fair value of the interest-rate swap instrument on the balance sheet as a component of accrued liabilities in the amount of $262,000. This is an increase of $207,000 from the liability recorded as of December 31, 2001. This increase in the recorded liability was recognized as a component of interest expense for the quarter ended March 31, 2001.

As of March 31, 2002, Newpark also maintained a $100.0 million bank credit facility, including up to $25.0 million in standby letters of credit, in the form of a revolving line of credit commitment, which expires February 27, 2005. At March 31, 2002, $13.1 million in letters of credit were issued and outstanding under the facility and $25.5 million was outstanding under the revolving facility, leaving $61.4 million of availability under this facility at March 31, 2002. The facility bears interest at either a specified prime rate (4.75% at March 31, 2002) or the LIBOR rate (2.05% at March 31, 2002), in each case plus a spread determined quarterly based on the ratio of Newpark's funded debt to cash flow. The weighted average interest rates on the outstanding balance under the credit facility for the first three months of 2002 and 2001 were 4.25% and 9.69%, respectively.

The credit facility contains certain financial covenants. As of March 31, 2002, Newpark was in compliance with the covenants contained in the Credit Facility, as amended and restated.

NOTE 6 - NEW ACCOUNTING STANDARDS

On January 1, 2002, Newpark adopted Statement of Financial Accounting Standards No. 141 and 142. These Standards, among other requirements, (i) prohibit the use of pooling-of-interests method of accounting for business combinations, (ii) require that goodwill not be amortized in any circumstance, and (iii) require that goodwill be tested for impairment annually or when events or circumstances occur between annual tests indicating that goodwill for a reporting unit might be impaired. The Standards established a new method for testing goodwill for impairment based on a fair value concept. Newpark completed its fair value testing of goodwill balances during the quarter ended March 31, 2002 and determined that its existing goodwill balances were not impaired under the new standards. Upon adoption of the Standards on January 1, 2002, Newpark ceased to amortize its remaining goodwill balance. Goodwill amortization was approximately $1.2 million for the quarter ended March 31, 2001.

The table below reconciles Newpark's net income and earnings per share as reported to the amounts that would have been reported had these Standards been adopted as of January 1, 2001 (in thousands, except per share amounts):

	March 31, 2002	March 31, 2001
Net income:		
As reported	$1,496	$7,989
Goodwill amortization, net of tax	--	977
As adjusted	$1,496	$8,966
Net income applicable to common and common equivalent shares:		
As reported	$ 521	$7,014
Goodwill amortization, net of tax	--	977
As adjusted	$ 521	$7,991
Basic and diluted earnings per share:		
As reported	$ .01	$ .10
Goodwill amortization, net of tax	--	.01
As adjusted	$ .01	$ .11

NOTE 7 - SEGMENT DATA

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

	Three Months Ended March 31,		Increase/(Decrease)	
	2002	2001	$	%
Revenues by segment:				
E&P waste disposal	$ 11,064	$ 14,672	$ (3,608)	(25)%
Fluids sales & engineering	42,079	50,401	(8,322)	(17)
Mat & integrated services	21,967	34,324	(12,357)	

(36) -------- ----
---- --------
Total revenues $
75,110 $ 99,397
$(24,287) (24)%
======== ========
======== Operating
income by segment:
E&P waste disposal
$ 554 $ 4,228 $
(3,674) (87)%
Fluids sales &
engineering 4,004
6,025 (2,021) (34)
Mat & integrated
services 2,252
9,008 (6,756) (75)
-------- --------
-------- Total by
segment $ 6,810 $
19,261 $(12,451)
(65) General and
administrative
expenses 1,517
1,070 447 42
Goodwill
amortization --
1,234 (1,234)
(100) -------- ---
----- --------
Total operating
income $ 5,293 $
16,957 $(11,664)
(69)% ========
======== ========

The amounts above are shown net of intersegment transfers.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Under a Settlement Agreement with U.S. Liquids (USL), Newpark had the right, but not the obligation, to deliver specified volumes of E&P Waste to USL's facilities until June 30, 2001. Subject to certain conditions, Newpark could extend this arrangement for two additional one-year terms at an annual cost of $8 million, subject to adjustment based on increases in the Consumer Price Index. Newpark had extended the agreement to June 30, 2002, but has informed USL that it will not exercise its right to extend this arrangement beyond the current expiration date. Accordingly, effective July 1, 2002, Newpark will be relieved of any future obligation to pay USL under the terms of the Settlement Agreement.

NOTE 9 - SUBSEQUENT EVENTS

Newpark has signed a letter of intent with the holder of all of the outstanding shares of Series A Preferred Stock (Series A Stock) to purchase all of the outstanding shares of Series A Stock. The contemplated purchase price is $15 million plus an amount equal to the accrued but unpaid dividends on the Series A Stock through the date of purchase. Upon execution of a definitive agreement allowing for this purchase, Newpark plans to file a registration statement on Form S-3 to sell only the number of shares of common stock that will be required to pay the purchase price and the expenses of the offering. Newpark believes this purchase and offering will have substantially the same effect as if the Series A Stock had been converted into common stock. Upon completion of the purchase the unamortized balance of the original discount received by the purchaser of the Series A Stock will be charged as a reduction to income available to common stockholders. The unamortized balance of this discount as of March 31, 2002 was $918,000.

Under the original terms of the Series A Stock, effective April 15, 2002, the dividend rate on this issuance is subject to adjustment from 5% to a rate equal to the current yield to maturity on the Notes plus 2.5%. Under the terms of the letter of intent, the holder of the Series A Stock has agreed to defer the adjustment through May 31, 2002, provided that Newpark completes the purchase by that date.

On April 15, 2002, Newpark and the holder of the 120,000 outstanding shares of Series C Preferred Stock (Series C Stock) entered into an agreement under which the holder elected to convert the Series C Stock into common stock as of April 15, 2002, at the variable conversion price then in effect under the governing documents of the Series C Stock, if certain additional agreements are entered into by May 15, 2002. The holder has the right to waive this condition. If this condition is not timely met or waived, the election to convert is automatically rescinded. If the condition is met or waived and the conversion occurs, the applicable conversion price would be $6.30, resulting in the issuance of 4,785,589 shares of common stock including 27,360 shares issuable with respect to accrued but unpaid dividends through April 15, 2002.

Upon the purchase of the Series A Stock and conversion of the Series C Stock, Newpark will cease to accrue dividends at the rate of 5%, or $750,000 per year and 4.5%, or $1,350,000 per year, respectively. This reduction in dividends will significantly offset any dilution to common stockholders that would occur as a result of the purchase and conversion.

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

The following discussion of our financial condition, results of operations, liquidity and capital resources should be read together with our "Unaudited Consolidated Financial Statements" and "Notes to Unaudited Consolidated Financial Statements" as well as our annual report on Form 10-K for the year ended December 31, 2001.

OPERATING ENVIRONMENT AND RECENT DEVELOPMENTS

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

	1Q01	2Q01	3Q01	4Q01	1Q02
U.S. Rig Count	1,137	1,239	1,242	1,004	814
Gulf Coast market	301	321	299	258	224
Gulf Coast market to total	26.5%	25.9%	24.1%	25.7%	27.5%
Canadian Rig Count	553	251	322	278	377

- ---------

Source: Baker Hughes Incorporated

Our primary Gulf Coast market, which accounted for approximately 68% of first quarter 2002 revenues, includes: (1) South Louisiana Land; (2) Texas Railroad Commission Districts 2 and 3; (3) Louisiana and Texas Inland Waters; and (4) Offshore Gulf of Mexico. The Canadian market accounted for approximately 12% of 2002 first quarter revenues. Much of the terrain throughout the oil and gas-producing region of Canada presents soil stability and access problems similar to those encountered in the marsh areas of the U.S. Gulf Coast region. Much of the drilling activity in Canada has historically been conducted when winter temperatures freeze the soil and stabilize it, allowing safe access. Quarterly fluctuations in the Canadian rig count generally reflect the seasonal nature of drilling activity related to these access issues.

Natural gas production accounts for the majority of activity in the markets that we serve. Gas storage levels and demand for natural gas have a

significant impact on gas pricing, which, in turn, affects drilling activity, as gas suppliers need to maintain adequate storage for peak demand levels and insure adequate supplies for anticipated future demand.

Rising commodity prices moderated the demand for natural gas beginning in the second half of 2000, as some commercial users switched to less costly alternate fuel sources when possible. This moderating demand, due to both high gas prices and declining economic activity, resulted in record high levels of gas storage during 2001 and contributed to a decline in commodity prices and exploration activity. Significant declines in exploration activity began in the fourth quarter of 2001 and continued into the first quarter of 2002. The average U.S. rig count declined 34% to 814 in the first quarter of 2002, as compared to the peak of 1,242 for the third quarter of 2001, and declined 28% as compared

to the first quarter of 2001. According to Baker Hughes Incorporated, as of the week ended April 26, 2002, the U.S. rig count was 766, with 201 rigs, or 26.2%, within our primary Gulf Coast market.

The present weakness in commodity prices has also affected activity in the other markets that we serve. Canadian rig activity in the first quarter of 2002 was 32% below the comparable period in 2001. The traditional surge in Canadian activity during the winter season has not been as significant as in recent years. As of the week ended April 26, 2002, the Canadian rig count was down to 84, the lowest level in three years.

We have begun to penetrate non-oilfield markets with our new Dura-Base(TM) composite mat system. The continued development of new markets for this product could also help mitigate expected declines in 2002 for our traditional oilfield mat and integrated services market, especially in Canada. During the first quarter of 2002, 2,300 of the 3,800 composite mats sold were to non-oilfield customers.

The Environmental Protection Agency recently published final regulations imposing new limitations on the discharge into the Gulf of Mexico of cuttings from wells drilled using synthetic oil-based fluid systems. These regulations became effective February 19, 2002, with compliance phased in over a period of six months thereafter. We believe that the new regulations could result in an increase in waste disposal volume in this market and increase the demand for our DeepDrill(TM) family of drilling fluids products.

OTHER MARKET TRENDS

Current short-term industry forecasts suggest that the average number of rigs active in our primary Gulf Coast market is likely to continue to decline through the second quarter of 2002, but begin an upward trend thereafter. While the average number of rigs is expected to decline in the second quarter, we anticipate continued market penetration of critical, deep water and geologically deeper wells with our DeepDrill(TM) family of products, which should help to lessen the effects of these expected declines. We believe that Canadian drilling activity will continue to be weak throughout 2002 as compared to 2001.

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

RESULTS OF OPERATIONS

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

	Three Months Ended March 31,		Increase/(Decrease)	
	2002	2001	$	%
Revenues by segment:				
E&P waste disposal	$ 11,064	$ 14,672	$ (3,608)	(25)%
Fluids sales & engineering	42,079	50,401	(8,322)	(17)
Mat & integrated services	21,967	34,324	(12,357)	(36)
Total revenues	$ 75,110	$ 99,397	$ (24,287)	(24)%
Operating income by segment:				
E&P waste disposal	$ 554	$ 4,228	$ (3,674)	(87)%
Fluids sales & engineering	4,004	6,025	(2,021)	(34)
Mat & integrated services	2,252	9,008	(6,756)	(75)
Total by segment	$ 6,810	$ 19,261	$ (12,451)	(65)
General and administrative expenses	1,517	1,070	447	42
Goodwill amortization	--	1,234	(1,234)	(100)
Total operating income	$ 5,293	$ 16,957	$ (11,664)	(69)%

The amounts above are shown net of intersegment transfers.

On January 1, 2002, Newpark adopted Statement of Financial Accounting Standards No. 141 and 142. These Standards, among other requirements, (i) prohibit the use of pooling-of-interests method of accounting for business combinations, (ii) require that goodwill not be amortized in any circumstance, and (iii) require that goodwill be tested for impairment annually or when events or circumstances occur between annual tests indicating that goodwill for a reporting unit might be impaired. The Standards established a new method for testing goodwill for impairment based on a fair value concept. Newpark completed its fair value testing of goodwill balances during the quarter ended March 31, 2002 and determined that its existing goodwill balances were not impaired under the new standards. Upon adoption of the Standards on January 1, 2002, Newpark ceased to amortize its remaining goodwill balance. Goodwill amortization was approximately $1.2 million, or $977,000 net of tax, for the quarter ended March 31, 2001.

The table below reconciles Newpark's net income and earnings per share as reported to the amounts that would have been reported had these Standards been adopted as of January 1, 2001 (in thousands, except per share amounts):

	March 31, 2002	March 31, 2001
Net income:		
As reported	$ 1,496	$ 7,989
Goodwill amortization, net of tax	--	977
As adjusted	$ 1,496	$ 8,966
Net income applicable to common and common equivalent shares:		
As reported	$ 521	$ 7,014
Goodwill amortization, net of tax	--	977
As adjusted	$ 521	$ 7,991
Basic and diluted earnings per share:		
As reported	$ .01	$ .10
Goodwill amortization, net of tax	--	.01
As adjusted	$ .01	$ .11

Revenues

E&P Waste Disposal: Waste disposal revenue declined $3.6 million, or 25%, on a 32% decline in waste volumes received. During the first quarter of 2002, we received 730,000 barrels of E&P waste, compared to 1,078,000 barrels in the comparable quarter of 2001. This decline in waste volumes received is due primarily to the 28% decline in active rigs and the entrance of several new competitors into our market during the last cycle. The average revenue per barrel increased 11% to $12.94, as compared to an average of $11.70 for the first quarter of 2001, as a result of favorable changes in the mix of waste streams received.

Regulations limiting offshore discharges of synthetic fluids and drill cuttings containing synthetic fluids were finalized and became effective February 19, 2002, with a six month phase in period allowed. These regulations prohibit the discharge of synthetic fluids and reduce the allowable percentage of synthetic fluids contained in drill cuttings to 6.9% of total discharges by volume. We expect to experience some increase in waste volumes as a result of these new regulations once they are phased in.

Fluids Sales and Engineering: Revenues for this segment declined $8.3 million, or 17%, to $42.1 million during the first quarter of 2002, as compared

to the first quarter of 2001. The average number of rigs we serviced declined by 34%, from 196 in 2001 to 130 in 2002. The revenue decline was significantly less than the decline in the number of rigs serviced as we continued to benefit from our focus on deeper drilling projects in key markets. As a result, the average annual revenue per rig increased 26% to approximately $1.3 million in the first quarter of 2002, as compared to approximately $1.0 million for the comparable period in 2001.

Beginning in March 2002, we experienced an increase in programming requests for new drilling fluids projects, which are beginning to turn into revenue opportunities in the second quarter of 2002 and could result in revenue growth for the second half of 2002. We

anticipate that drilling fluids revenue will lead our revenue growth over the remainder of the year, with expected improvement in drilling activity.

The new synthetic based fluid regulations could also impact favorably the acceptance of our DeepDrill(TM) family of products, since the discharge of these products would be exempt from these new regulations, thus reducing the disposal costs of our customers. These new regulations have helped us recently to open discussions about our drilling fluids products, services, and capabilities with many operators who are not currently drilling fluids customers

Mat and Integrated Services: Mat rental revenue for the quarter was $22.0 million, as compared to $34.3 million in the comparable prior year quarter, representing a decline of 36%. Both pricing and volume of mats rented in the core Gulf Coast market declined substantially compared to a year ago due to reduced land drilling activity and the absence of activity in the marsh and transition zone market during the first quarter of 2002. Average rental pricing declined to $.61 from $1.39 per square foot, and the volume of mats installed declined 35% to 3.2 million square feet. In addition to the decline in new installation volume and pricing, the volume of re-rentals (i.e. revenues which extend beyond the initial contractual period), the most profitable revenues for this segment, declined by more than 50% in the first quarter of 2002 as compared to 2001. Highly competitive pricing in the Gulf Coast mat rental market is expected to persist until land and marsh drilling activity improves, which is expected to occur later in 2002.

During the first quarter of 2002, we sold 3,800 composite mats, generating revenue of $5.9 million, as compared to $8.9 million of revenue on 5,700 mats sold in the comparable period of 2001. The sales in 2002 were outside our historic oilfield markets and included the first shipment of composite mats to Alaska. We continue to develop leads on several large projects outside of our primary North American oil service market, and expect that these new markets will be the source of increasing composite mat revenue for the remainder of 2002. Sales to these new markets are also expected to help offset the declines we have experienced in composite mat sales to the Canadian market in 2002. With improvement in commodity pricing, we anticipate that Canadian composite mat sales will increase again in 2003.

Operating Income

E&P Waste Disposal: Waste disposal operating income declined $3.7 million on a $3.6 million decline in revenues. Operating costs remained unchanged for this segment during the first quarter of 2002, as compared to the first quarter of 2001. Operating costs declined by $1.3 million as compared to the fourth quarter of 2001. Of this amount, $400,000 results from lower variable process costs due to reduced volume handled in the quarter. The remaining $900,000 reduction reflects fixed cost reduction efforts. We expect to fully implement our cost reduction measures by July 1, 2001, at which time our obligations under a settlement agreement with U.S. Liquids (USL) will be eliminated as further discussed below.

In December 2000, we exercised our option to extend our right to dispose of specified volumes of E&P waste at some of USL's disposal facilities for one year from July 1, 2001, under the terms of a settlement agreement. As part of this extension, we doubled the amount of waste volume that we could dispose of at these facilities and extended USL's agreement not to compete with us in the E&P disposal business until June 30, 2002. We exercised this option in anticipation of increased volumes of waste streams resulting from

the recently enacted discharge regulations for synthetic fluids. In consideration of the extension of the agreement, including extension of the non-competition agreement, our costs of disposal under this contract increased by approximately $2 per barrel beginning July 1, 2001.

Due to the decline in waste volumes resulting from the decrease in rig activity, and in an effort to improve the variable nature of our waste disposal cost structure, we have not exercised our option to extend our right to dispose of wastes under the settlement agreement beyond the current expiration date of June 30, 2002. Accordingly, as of that date we will be relieved of any future obligation to pay USL under the terms of the settlement agreement and USL will be relieved of any non-competition provisions. The annual commitment under the previously extended settlement agreement was approximately $8.2 million.

Fluids Sales and Engineering: The $2.0 million decline in fluids sales and engineering operating income is due primarily to the decline in revenue of $8.3 million and represents an incremental margin of 24% (defined as the change in operating income divided by the change in revenues). Operating margins for this segment declined from 12.0% for the quarter ended March 31, 2001 to 9.5% for the quarter ended March 31, 2002, primarily due to lower revenues which resulted in less coverage of fixed operating costs. The operating margin of this segment is affected by the mix of products sold. There is a significant difference in the gross margins recognized on commodity products and those recognized for specialty products. We expect to recognize the benefits of our proprietary products such as DeepDrill(TM) as these products gain wider customer acceptance. In addition, we expect to see margin improvement as we continue to penetrate the offshore Gulf of Mexico market, as sales in this market typically earn higher margins.

Mat and Integrated Services: Mat and integrated services operating income declined $6.8 million on a $12.4 million decline in revenues, representing an incremental margin of 55%. The high incremental margin is primarily attributable to the significant reduction in re-rental income, this segment's most profitable revenue, and the decline in pricing due to competitive factors. In addition, this decline in incremental margin reflects the impact of lower composite mat sales, which typically generate a gross margin of approximately 45%.

Foreign Currency Gain/Loss

During the first quarter of 2001, we recognized foreign currency losses of $490,000, primarily associated with composite mat sales in Canada, which typically originate in the U.S. and are denominated in Canadian dollars. Foreign currency losses were insignificant in the first quarter of 2002, primarily as a result of the decline in composite mat sales to Canada.

Interest Income/Expense

Net interest expense was $3.0 million for the first quarter of 2002, a decrease of $1 million, or 25%, as compared to $4.0 million for the first quarter of 2001. The decrease in net interest cost is due to a decrease of $11.1 million in average outstanding borrowings and a decline in the average effective interest rate from 9.7% in 2001 to 7.4% in 2002. The decrease in the effective interest rate resulted from prime rate and Libor rate reductions

experienced during 2001 and the effects of our interest rate swap arrangement entered into in November 2001. The swap arrangement resulted in a decrease in interest expense of $331,000 in 2002 as compared to 2001, after consideration of changes in the valuation of the swap arrangement.

Provision for Income Taxes

For the quarter ended March 31, 2002 we recorded an income tax provision of $842,000, reflecting an income tax rate of 36%. For the quarter ended March 31, 2001, we recorded an income tax provision of $4.5 million, reflecting an income tax rate of 36%.

LIQUIDITY AND CAPITAL RESOURCES

Cash generated from operations for the first quarter totaled $13.2 million and was used principally to fund net capital expenditures of $1.6 million and to repay $15.1 million of debt. With the reduction in planned capital expenditures for 2002 noted below, we plan some further reductions in the outstanding balance of our credit facility in 2002 from operations, in spite of the current weakness in rig activity. Key working capital data is provided below:

	March 31,	December 31,
Working Capital (000's)	$ 94,952	$ 103,359
Current Ratio	2.94	3.03

During the first quarter of 2002, we generated approximately $6.4 million of additional cash by reducing non-cash working capital. This reduction in working capital needs was primarily related to a reduction in accounts receivable due to revenue declines and our efforts to reduce total days outstanding. The reduction in accounts receivable in the first quarter was partially offset by decreases in accounts payable. With the likelihood of reduced composite mat sales in 2002, especially in the first half of the year, we have reduced our planned orders of composite mats for delivery in 2002 to 15,000 mats. This reduced number of mat receipts, along with expected 2002 sales, should result in a reduction in our composite mat inventory by the end of 2002.

We anticipate that our working capital requirements for the first half of 2002 will be minimal as a result of the current weakness in rig activity. If market conditions improve in the second half of 2002 as anticipated, we will likely have to supplement our operating cash flows with borrowings under our credit facility to fund the resulting increase in working capital. Our concerted effort to reduce the outstanding balance of our credit facility has provided us with access to readily available capital resources for the next anticipated upward cycle in activity.

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

	March 31, 2002	December 31, 2001
Long-term debt:		
Credit facility	$ 25,516	$ 39,715
Subordinated debt	125,000	125,000
Other	11,499	12,239
Total long-term debt	162,015	176,954
Stockholders' equity	296,460	293,954
Total capitalization	$ 458,475	$ 470,908
Debt to total capitalization	35.3%	37.6%

Effective January 31, 2002, we completed the resyndication of our $100 million bank credit facility, expanding the participants to six banks from four, and extending the term through February 2005. The compliance ratios were simplified, and minor technical changes were implemented to simplify the documentation. At March 31, 2002, $13.1 million in letters of credit were issued and outstanding under the facility and $25.5 million was outstanding under the revolving facility, leaving $61.4 million of availability under this facility at March 31, 2002. We plan to limit capital expenditures in 2002 to approximately $12 million, half of which is associated with maintenance capital requirements. We anticipate that cash flow from operations will provide the majority of our cash needs and that the availability under our credit facility will be sufficient to meet our working capital funding needs in any cyclical recovery.

The credit facility bears interest at either a specified prime rate (4.75% at March 31, 2002) or the LIBOR rate (2.05% at March 31, 2002), in each case plus a spread determined quarterly based on the ratio of Newpark's funded debt to cash flow. The weighted average interest rates on the outstanding balance under the credit facility for the first three months of 2002 and 2001 were 4.25% and 9.69%, respectively.

The credit facility contains certain financial covenants. As of March 31, 2002, Newpark was in compliance with the covenants contained in the Credit Facility, as amended and restated. Our Senior Subordinated Notes do not contain any financial covenants. However, if we do not meet the financial covenants of the bank credit facility and are unable to obtain an amendment from the banks, we would be in default of the credit facility which would cause the Notes to be in default and immediately due. The Notes, the bank credit facility and the certificates of designation relating to our preferred stock also contain covenants that significantly limit the payment of dividends on our Common Stock.

With respect to off balance sheet liabilities, we lease most of our office and warehouse space, rolling stock, and certain pieces of operating equipment under operating leases. In addition, as discussed below, during 2001 we entered into a limited duration interest rate swap arrangement. Furthermore, we have issued a guaranty of certain debt obligations of the manufacturer of our composite mats. This guaranty is backed by letters of credit. The underlying debt obligation of the manufacturer matures in approximately six

years and current sales of composite mats are generating sufficient cash flows to support this debt, which is amortizing on schedule. The details of these various arrangements are more fully disclosed in the "Notes to the Financial Statements" included in Form 10-K for the year ended December 31, 2001.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks that are inherent in our financial instruments arising from transactions that are entered into in the normal course of business. Historically, we have not entered into derivative financial instrument transactions to manage or reduce market risk or for speculative purposes. However, in November 2001, we did enter into an interest-rate swap arrangement. A discussion of our primary market risk exposure in financial instruments is presented below.

Long-term Debt

We are subject to interest rate risk on our long-term fixed interest rate senior subordinated notes. The bank credit facility has a variable interest rate and, accordingly, is not subject to interest rate risk. All other things being equal, the fair market value of debt with a fixed interest rate will increase as interest rates fall. Conversely, the fair market value of this debt will decrease as interest rates rise. Our policy has historically been to manage exposure to interest rate fluctuations by using a combination of fixed and variable-rate debt.

In November 2001, we entered into an interest-rate swap arrangement, effectively converting our $125 million fixed-rate senior subordinated notes to a floating rate for a two year period. The swap arrangement expires in December 2003. We are accounting for this instrument under the provisions of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" which requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. We have designated this instrument as an "ineffective fair value hedge". Accordingly, changes in the instrument's fair value are to be recognized currently in earnings. As of March 31, 2002, we recorded the fair value of the interest-rate swap instrument on the balance sheet as a component of accrued liabilities in the amount of $262,000. This is an increase of $207,000 from the liability recorded as of December 31, 2001. This increase in the recorded liability was recognized as a component of interest expense for the quarter ended March 31, 2001.

Under the terms of the swap instrument, we are to receive cash inflows equivalent to the semi-annual fixed rate interest payments due under the Notes (which accrue at a fixed rate of 8.625%) in exchange for the obligation to pay semi-annual variable-rate interest payments. The variable rate payments are based on the Libor rate in effect on the payment date, plus a spread of 4.67%. The variable rate payments are payable semi-annually to match the payment dates of the fixed rate interest obligations under the Notes. The effective rate on the variable rate payments as of March 31, 2002, based on the expected Libor rate in effect on the next payment date, was 7.2%.

The Notes mature on December 15, 2007. There are no scheduled principal payments under the Notes prior to the maturity date. However, all or some of the Notes may be redeemed at a premium after December 15, 2002. We have no current plans to repay the Notes ahead of their scheduled maturity.

During the three months ended March 31, 2002, we reduced our total long-term variable-rate debt by $14.2 million.

Foreign Currency

Our principal foreign operations are conducted in Canada. There is exposure to future earnings due to changes in foreign currency exchange rates when transactions are denominated in currencies other than our functional currencies. We primarily conduct our business in the functional currency of the jurisdictions in which we operate. 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 because the dollar amount of such transactions has not warranted the use of hedging instruments.

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

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

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

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

- increased competition in our product lines;

- our success in integrating acquisitions;

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

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

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

- adverse weather conditions, which could disrupt drilling operations;

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

- any delays in implementing the new synthetic fluids disposal regulations or the failure of these regulations to materially impact waste disposal volumes or drilling fluids revenues; and

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

PART II

ITEM 6. EXHIBIT AND REPORTS ON FORM 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

None.

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: May 3, 2002

NEWPARK RESOURCES, INC.

By: /s/ Matthew W. Hardey

Matthew W. Hardey, Vice President
and Chief Financial Officer