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, 1998 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: 67,160,635 shares at August 12, 1998.

NEWPARK RESOURCES, INC.
INDEX TO FORM 10-Q
FOR THE SIX MONTH PERIOD ENDED
June 30, 1998

Newpark Resources, Inc.
CONSOLIDATED BALANCE SHEETS
As of June 30, 1998 and December 31, 1997

(Unaudited)	June 30,	December 31,
(In thousands, except share data)	1998	1997
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 12,627	$ 20,715
Accounts and notes receivable, less allowance of $2,216 in 1998 and $2,171 in 1997	89,463	73,385
Inventories	26,299	21,147
Deferred tax asset	1,593	3,974
Other current assets	3,585	1,685
TOTAL CURRENT ASSETS	133,567	120,906
Property, plant and equipment, at cost, net of accumulated depreciation	239,133	188,752
Cost in excess of net assets of purchased businesses and identifiable intangibles, net of accumulated amortization	117,532	97,542
Other assets	40,610	39,380
	$ 530,842	$ 446,580
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 84	$ 145
Current maturities of long-term debt	1,828	1,200
Accounts payable	19,391	17,376
Accrued liabilities	10,447	10,074
Current taxes payable	3,522	1,899
TOTAL CURRENT LIABILITIES	35,272	30,694
Long-term debt	160,267	127,235
Other non-current liabilities	1,277	1,314
Deferred taxes payable	17,212	17,568
Commitments and contingencies (See Note 9)	--	--
STOCKHOLDERS' EQUITY:		
Preferred Stock, $.01 par value, 1,000,000 shares authorized, no shares outstanding	--	--
Common Stock, $.01 par value, 100,000,000 shares authorized, 67,016,048 shares outstanding in 1998 and 64,061,289 in 1997	670	640
Paid-in capital	308,281	283,281
Retained earnings (deficit)	7,863	(14,152)
TOTAL STOCKHOLDERS' EQUITY	316,814	269,769
	$ 530,842	$ 446,580

See accompanying Notes to Unaudited Consolidated Financial Statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands, except per share data)	1998	1997	1998	1997
Revenues	$ 67,019	$ 47,959	$ 139,423	$ 90,873
Operating costs and expenses:				
Cost of services provided	36,099	28,618	77,322	55,107
Operating costs	10,436	4,608	20,094	8,272
	46,535	33,226	97,416	63,379
General and administrative expenses	976	774	1,887	1,582
Equity in net (earnings) loss of unconsolidated affiliate	(715)	--	(1,170)	--
Operating income	20,223	13,959	41,290	25,912
Interest income	(329)	(51)	(809)	(95)
Interest expense	2,624	990	5,262	1,845
Income before income taxes	17,928	13,020	36,837	24,162
Provision for income taxes	6,633	4,751	13,357	8,778
Net income	$ 11,295	$ 8,269	$ 23,480	$ 15,384
Weighted average common and common equivalent shares outstanding:				
Basic	66,448	61,921	65,912	61,595
Diluted	67,731	63,281	67,264	62,971
Net income per common and common equivalent share:				
Basic	$ 0.17	$ 0.13	$ 0.36	$ 0.25
Diluted	$ 0.17	$ 0.13	$ 0.35	$ 0.24

See accompanying Notes to Unaudited Consolidated Financial Statements.

Newpark Resources, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30,

(Unaudited)

(In thousands)	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 23,480	$ 15,384
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,170	11,754
Provision for deferred income taxes	2,438	6,154
Net earnings of unconsolidated affiliate	(1,170)	--
Other	408	(17)
Change in assets and liabilities, net of effects of acquisitions:		
Increase in accounts and notes receivable	(7,260)	(5,020)
Increase in inventories	(3,305)	(307)
Increase in other assets	(3,988)	(1,255)
Decrease in accounts payable	(6,498)	(3,607)
(Increase) decrease in accrued liabilities and other	1,712	(4,460)
NET CASH PROVIDED BY OPERATING ACTIVITIES	22,987	18,626
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(55,628)	(36,507)
Proceeds from disposal of property, plant and equipment	137	68
Advances on notes receivable	(2,200)	(168)
Payments received on notes receivable	2,232	24
Acquisitions, net of cash acquired	(7,640)	1,803
NET CASH USED IN INVESTING ACTIVITIES	(63,099)	(34,780)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings on lines of credit	32,650	26,203
Principal payments on notes payable and long-term debt	(4,299)	(10,509)
Proceeds from exercise of stock options	3,521	2,248
NET CASH PROVIDED BY FINANCING ACTIVITIES	31,872	17,942
EFFECT OF EXCHANGE RATE CHANGES IN CASH	152	--
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,088)	1,788
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	20,715	1,945
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	$ 12,627	$ 3,733

Included in accounts payable and accrued liabilities at June 30, 1998 and 1997 were equipment purchases of $3.6 million and $2.9 million, respectively. Also included are notes payable for equipment purchases in the amount of $434,000 and $83,000 at June 30, 1998 and 1997, respectively.

Interest of $5.6 million and $1.7 million was paid during the six months ending June 30, 1998 and 1997, respectively. Income taxes of $7.1 million and $2.9 million were paid during the six months ending June 30, 1998 and 1997, respectively.

During the six month period ended June 30, 1998, noncash transactions included the transfer of $1.1 million from fixed assets to a note receivable, representing the Company's investment in a manufacturing venture.

See accompanying Notes to Unaudited Consolidated Financial Statements.

NEWPARK RESOURCES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 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" or the "Company") as of June 30, 1998, the results of its operations for the three and six month periods ended June 30, 1998 and 1997 and its cash flows for the six month periods ended June 30, 1998 and 1997. All such adjustments are of a normal recurring nature. These interim financial statements should be read in conjunction with the December 31, 1997 audited financial statements and related notes filed on Form 10-K.

Note 2 The consolidated financial statements include the accounts of Newpark and its wholly-owned subsidiaries. All material intercompany transactions are eliminated in consolidation.

The accompanying unaudited consolidated financial statements for the period ended June 30, 1998 include the effects of three acquisitions that were accounted for as a poolings of interests. Southwestern Universal Corp. combination was completed on March 19, 1998, in exchange for 450,000 shares of Newpark common stock. The Optimum Fluids, Inc. and Optimum Fluids (Sask.), Inc. combinations were completed on May 28, 1998 in exchange for 281,000 shares of Newpark common stock. The Houston Prime Pipe & Supply, Inc. transaction was completed on May 29, 1998, in exchange for 420,000 shares of Newpark common stock. Prior year financial statements have not been restated because the financial information related to these entities were not considered significant in relation to the financial reporting requirements of Newpark.

Operating results prior to the combination of the separate companies and the combined amounts presented in the unaudited consolidated financial statements for the six months ended June 30, 1998 are summarized below:

	(In thousands)
Revenues:	
Newpark	$ 135,099
Southwestern Universal Corp.	1,031
Optimum Fluids, Inc. and Optimum Fluids (Sask.), Inc.	943
Houston Prime Pipe & Supply, Inc.	2,350
Combined	$ 139,423
Net Earnings:	
Newpark	$ 22,930
Southwestern Universal Corp.	192
Optimum Fluids, Inc. and Optimum Fluids (Sask.), Inc.	40
Houston Prime Pipe & Supply, Inc.	318
Combined	$ 23,480

The accompanying unaudited consolidated financial statements also include the results of operations of six acquisitions that were accounted for by the purchase method. Names of companies and consideration given for each are summarized below. Goodwill of $22.0 million was recorded with the acquisition of these entities and will be amortized over 25 years on a straight line basis. The historical results of the operations related to these acquisitions were not considered significant in relation to the financial reporting requirements of Newpark.

Date of Acquisition	Selling Entity	Consideration Shares	Consideration Cash
March 1998	Protec Mud Service, Ltd.	475,918	$4,200,000
April 1998	Qualitex, Inc.	21,816	$ 12,000
May 1998	Chem-Drill, Inc.	48,800	$ --
June 1998	Mid-Continent Completion Fluids, Inc.	345,000	$3,700,000
June 1998	Red Hill Disposal, Inc.	--	$ 600,000
June 1998	Cajun Oilfield Services, Inc.	85,600	$ 200,000

The following unaudited pro forma information presents a summary of consolidated results of operations of the Company and these six acquired companies as if the acquisition had occurred January 1, 1997:

(In thousands except per share data)	Three Months Ended June 30 1998	Three Months Ended June 30 1997	Six Months Ended June 30 1998	Six Months Ended June 30 1997
Revenues	$ 69,046	$ 52,165	$ 149,277	$ 100,438
Net income	11,295	9,034	24,095	16,835
Net income per common and common equivalent share				
Basic	$ .17	$ .14	$ .36	$ .27
Diluted	.17	.14	.36	.26

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

Note 3 The results of operations for the three and six month periods ended June 30, 1998 are not necessarily indicative of the results to be expected for the entire year.

Note 4 In accordance with Statement of Financial Accounting Standards Number 128, "Earnings Per Share", the Company changed its method of calculating earnings per share ("EPS") during 1997. The differences between "basic" and "diluted" weighted average shares outstanding of 1,283,000 and 1,360,000 for the three months ended June 30, 1998 and 1997 respectively, and 1,352,000 and 1,376,000 for the six months ended June 30, 1998 and 1997, respectively, relate to stock options.

Note 5 Included in accounts and notes receivable at June 30, 1998 and December 31, 1997 (in thousands) are:

	1998	1997
Trade receivables	$ 76,607	$ 66,161
Unbilled revenues	9,931	7,509
Gross trade receivables	86,538	73,670
Allowance for doubtful accounts	(2,616)	(2,171)
Net trade receivables	83,922	71,499
Notes and other receivables	5,541	1,886
Total	$ 89,463	$ 73,385

Note 6 The Company's inventories consisted of the following items at June 30, 1998 and December 31, 1997:

(In thousands)	1998	1997
Drilling fluids raw materials and components	$12,798	$ 5,956
Logs	8,104	8,546
Board road lumber	3,708	5,017
Supplies	1,058	686
Other	631	942
Total	$26,299	$21,147

Note 7 Interest of $534,000 and $184,000 was capitalized during the three months ended June 30, 1998 and 1997, respectively. For the six months ended June 30, 1998 and 1997, interest of $830,000 and $261,000 was capitalized, respectively.

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

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

As of June 30, 1998, the Company maintained a $90.0 million bank in the form of a revolving line of credit commitment. The is unsecured. It bears interest at either a specified prime rate or the LIBOR rate plus a spread which is determined quarterly based upon the ratio of the Company's funded debt to cash flow. The line of credit requires monthly interest payments and matures on June 30, 2000. At June 30, 1998, $17.0 million of letters of credit were issued and outstanding and $32.7 million was advanced under the facility, leaving a net of $40.3 million available for cash advances under the line of credit.

The Credit Facility requires that the Company maintain certain specified financial ratios and comply with other usual and customary requirements. The Company was in compliance at June 30, 1998.

Note 9 Newpark and its subsidiaries are involved in litigation and other claims or assessments on matters arising in the normal course of business. In the opinion of management, any recovery or liability in these matters will not have a material adverse effect on Newpark's consolidated financial statements.

In the normal course of business, in conjunction with its insurance programs, the Company has established letters of credit in favor of certain insurance companies in the amount of $1.0 million at June 30, 1998. At June 30, 1998 the Company had outstanding guaranty obligations totaling $1.2 million in connection with facility closure obligations.

In conjunction with the acquisition of the marine related E&P collection operations of Campbell Wells ("Campbell"), the Company acquired Disposeco, thereby assuming the obligations provided in the "NOW Disposal Agreement" between Disposeco and Campbell. The "NOW Disposal Agreement" provides that for each of the 25 years following the closing, Newpark will deliver to Campbell for disposal at its landfarms the lesser of one-third of the barrels from a defined market area or 1,850,000 barrels of E&P waste, subject to certain adjustments including carry forward provisions. As of June 30, 1998 the Company delivered approximately 1.2 million barrels of E&P waste related to its most recent annual commitment. The initial price per barrel to be paid by Newpark to Campbell is $5.50 per barrel and is subject to adjustment in future years. Prior to any adjustments, Newpark's obligation is $10.2 million annually. In addition, the liability of Newpark under the agreement is reduced by certain prohibited revenues earned by Campbell or its affiliates.

On July 24, 1998, U. S. Liquids (the owner of Campbell) initiated a demand for arbitration as provided for in the "NOW Disposal Agreement". The demand relates to a difference between 1,850,000 barrels and the barrels of waste actually delivered by Newpark to the landfarms during the most recent annual period. During the period subject to the arbitration demand, directions received by Newpark from its customers rendered it commercially impossible for the Company to comply with the provisions of the agreement. The Company and U. S. Liquids are continuing discussions and negotiations intended to amicably resolve this matter. In the opinion of management, any liability in this matter will not have a material adverse affect on Newpark's consolidated financial statements.

Note 10 The Company has adopted Statement of Financial Accounting Standard No. 130, "Reporting Comprehensive Income" ("SFAS 130") which provides guidance for the presentation and display of comprehensive income. Management believes this statement did not have a significant effect on the Company's financial statement presentation.

During 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131). SFAS 131 establishes standards for disclosure of operating segments, products, services, geographic areas and major customers. The Company is required to adopt this standard for its fiscal year ended December 31, 1998. Management believes that the implementation of SFAS 131 will not have a material impact on the presentation of the Company's financial statements, but may require additional disclosure.

In February 1998, the FASB issued Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits" ("SFAS 132"). SFAS 132 revises the standards for disclosure of pension and other postretirement benefit plans by standardizing the disclosure requirements, requiring additional information on changes in the benefit obligations and fair values of plan assets, and eliminating certain disclosure requirements no longer considered to be useful. These new disclosure requirements are designed to improve the understandability of benefit disclosures for financial analysis. The Company is required to adopt this standard for fiscal 1999. Management believes that the implementation of SFAS 132 will not have a material impact on the Company's financial statements and disclosures.

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

The following discussion of the Company's financial condition, results of operations, liquidity and capital resources should be read in conjunction with the accompanying "Unaudited Consolidated Financial Statements" and "Notes to Unaudited Consolidated Financial Statement" as well as the Company's annual report on form 10-K for the year ended December 31, 1997.

RECENT ACQUISITIONS

During the six months ended June 30, 1998, the Company completed six separate acquisitions in the drilling fluids industry and three acquisitions in the solids control, processing and disposal industry. The consideration paid for these acquisitions aggregated 2,128,134 shares of Newpark common stock and $8.7 million in cash. Six transactions were accounted for as purchases, which resulted in an excess of purchase price over net assets acquired of $22.0 million. The other three acquisitions were accounted for as poolings of interests effective as of January 1, 1998. Prior year financial statements have not been restated because the financial information related to these entities was not significant in relation to the financial reporting requirements of the Company. These acquisitions provided the Company entry into 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. The acquisitions also provided the Company entry into the onsite fluids processing market, which is a key additional component of the Company's "Minimization Management" ("MM") strategy.

BUSINESS DEVELOPMENT

The majority of the growth in revenue in the first half of 1998 as compared to 1997 resulted from the continuing rapid development of the Company's drilling fluids business. With the Company's increased participation in the drilling fluids market, the Company began to introduce its MM approach to meeting the needs of its customers. MM refers to the linking of drilling fluids sales and engineering with on-site processing, solids control, and recycling, with off-site recycling and disposal. The Company anticipates that it will continue to make acquisitions that are strategic to the Company's core operations and enhance its MM strategy.

The objective of MM is to improve the productivity of the drilling process, and minimize the cost to the operator. MM draws upon the proprietary services historically offered by the Company, and combines them with new capabilities developed in conjunction with its drilling fluids and processing unit to achieve this goal. The engineering, selection and application of drilling fluids to a particular geologic formation, the onsite processing and recycling of those fluids and application of solids control methods to segregate waste from the drilling fluids, and the availability and use of disposal methods both onsite and offsite, are key elements of MM. Newpark has the internal capability to provide these services as a coordinated product offering that can reduce the customer's cost of drilling. Factors that would encourage the use of MM by a customer include the opportunity of improved drilling economics, increasing regulatory and compliance issues, and the continuing trend toward downsizing of corporate staffs, which encourages the outsourcing of many services.

The Company is currently working on the following projects, which are all complimentary to its core business activities:

- The Company has recently obtained exclusive rights to equipment which will provide the ability to recycle products from spent drilling fluids, which were previously treated as part of the E&P waste stream. Such recycling will also reduce the volume of E&P waste generated on a drill site. This equipment will give the Company access to new markets and is an important link in its MM process.

- Newpark has developed new and proprietary drilling fluids designed to avoid two major sources of environmental contamination typically created by conventional drilling fluids. Conventional drilling fluids may contain high concentrations of salt and oil, which have been identified as harmful to the environment. The Company is currently marketing two patented, proprietary products that avoid the use of these materials, thereby reducing the potential for damage to the environment.

- Through a 49% owned joint venture, the Company has begun limited production of a new composite molded mat. It is anticipated that, if the mats prove successful in field testing, these new mats will reduce trucking and handling cost, substantially eliminate mat repair cost and improve margins in the Company's mat rental business.

- Permits to operate non-hazardous industrial waste disposal wells on properties recently acquired for that purpose are in process in Louisiana and Texas and could be issued during the fourth quarter. Newpark expects to enter this new market during 1999.

- The Company has recently implemented a washwater recycling system to reduce the amount of waste created at its facilities in the cleaning of customers' vessels and containers, thereby reducing the customer's long term liability. This will reduce the volume of waste transferred to the Company's injection facilities by up to 33% for disposal and reduce its operating costs.

OVERVIEW

The Baker-Hughes Rotary Rig Count has historically been viewed as the most significant single indicator of oil and gas drilling activity in the domestic market. Newpark's primary market area includes the following rig count measurement areas: (i) South Louisiana Land; (ii) Texas Railroad Commission

Districts 2 and 3; (iii) Louisiana and Texas Inland Waters; and (iv) Offshore Gulf of Mexico. The rig count trend in Newpark's primary markets have tracked these national trends as set forth in the table below:

	1Q97	2Q97	3Q97	4Q97	1Q98	2Q98
U.S. Rig Count	853	933	989	997	968	864
Newpark's market	229	251	258	273	283	266
Newpark's market to total	26.8%	26.9%	26.1%	27.4%	29.2%	30.8%

As of the week ended July 31, 1998, the U.S. rig count was 822 with 227 rigs, or 27.6%, within Newpark's primary market.

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Source: Baker Hughes Incorporated

The recent decline in rig activity is affecting the Company's revenue and is expected to continue to affect future period revenues until oil prices recover.

The increase in the percentage of rigs during 1998 from 1997 in Newpark's primary market as compared to the total domestic rig count, reflects the importance of natural gas drilling relative to oil in that market. Natural gas production accounts for the majority of activity in the Gulf Coast region. Lower oil prices in the first and second quarter of 1998 slowed drilling in markets more oriented toward oil, such as the Austin Chalk region, West Texas and areas which produce primarily heavy oil, such as Canada and Venezuela.

SUBSEQUENT EVENT

On July 24, 1998, U. S. Liquids (the owner of Campbell) initiated a demand for arbitration as provided for in the "Now Disposal Agreement". The demand relates to a difference between 1,850,000 barrels and the barrels of waste actually delivered by Newpark to the landfarms during the most recent annual period. During the period subject to the arbitration demand, directions received by Newpark from its customers rendered it commercially impossible for the Company to comply with the provisions of the agreement. The Company and U. S. Liquids are continuing discussions and negotiations intended to amicably resolve this matter. In the opinion of management, any liability in this matter will not have a material adverse affect on Newpark's consolidated financial statements.

RESULTS OF OPERATIONS

The following table represents revenue by product line, for the three month and six month periods ended June 30, 1998 and 1997:

	Three Month Periods ended June 30, (Dollars in thousands)			
	1998		1997	
Revenues by product line:				
Fluids management services:				
E&P waste and NORM disposal	$ 15,467	23.1%	$ 15,284	31.9%
Fluids sales & engineering	24,929	37.2	11,670	24.3
Fluids management services	40,396	60.3	26,954	56.2
Mat services	14,878	22.2	10,644	22.2
Support services	11,745	17.5	10,361	21.6
Total revenues	$ 67,019	100.0 %	$ 47,959	100.0%

	Six Month Periods ended June 30, (Dollars in thousands)			
	1998		1997	
Revenues by product line:				
Fluids management services:				
E&P waste and NORM disposal	$ 33,531	24.0%	$ 29,119	32.0%
Fluids sales & engineering	50,270	36.1	18,620	20.5
Fluids management services	83,801	60.1	47,739	52.5
Mat services	29,935	21.5	23,898	26.3
Support services	25,687	18.4	19,236	21.2
Total revenues	$139,423	100.0 %	$ 90,873	100.0%

THREE MONTH PERIOD ENDED JUNE 30, 1998 COMPARED TO THREE MONTH PERIOD ENDED JUNE 30, 1997

Revenues

Total revenues increased to $67.0 million in 1998, from $48.0 million in 1997, an increase of $19.1 million, or 39.7%. The major components of the increase in revenues were a $13.3 million increase in drilling fluids sales, a $4.2 million increase in mat services, and a $1.4 million increase in support services.

During 1998, the Company received 1.2 million barrels of E&P waste for disposal, generating revenue of $14.8 million at an average price of $11.72 per barrel. This compares to volume of 1.4 million barrels in the 1997 period, and average pricing of $9.88 per barrel which generated revenue of $14.2 million. Volume declined from 1.6 million barrels in the first quarter of 1998 due to lower drilling activity and as a result of the Company's waste minimization efforts to reduce the volume of wash water created at transfer facilities in the vessel and container cleaning process. E&P waste accounted for 96% and 93% of disposal revenue in 1998 and 1997, respectively.

Drilling fluids sales increased $13.3 million or 113.6% as a result of a series of purchase acquisitions made during 1997 and 1998, and the rapid expansion of the businesses acquired.

The increase of $4.2 million or 39.8% in mat rental revenue reflects the year-over-year improvement in transition zone drilling activity, increased average pricing for Newpark's mat inventory related to a change in mix, the completion of a purchase acquisition in 1997, and an increase in non-oilfield wetlands activity. Mat rental revenues include revenues earned on the initial mat installation, which typically includes the first 60 days of rental, and rerentals earned beyond the initial installation term. In 1998, the initial rentals accounted for approximately 52.9% of mat service revenues with rerentals accounting for approximately 47.1%. In 1997, initial rentals accounted for 67.6% of the total mat service revenues and rerentals accounted for approximately 32.4%.

Support services revenue grew from $10.4 million in 1997 to $11.8 million in 1998, which represents an increase of $1.4 million, or 13.5%. This increase in revenues is directly attributable to increased drilling activity in Newpark's market in 1998 as compared to 1997 and includes revenue from installation of production equipment and facilities as well as end-of-drilling cleanup and site restoration at drilling locations. Remediation of old sites and facilities activity was immaterial.

Operating Costs and Expenses

Newpark's gross margin on sales increased from 40.3% in 1997 to 46.1% in the 1998 quarter. This increase resulted primarily from improved gross margins in its drilling fluids business. Much of the improvement was offset by increases in operating costs as the Company built the staff and infrastructure necessary to support a larger scale of operations; however, operating income increased from 29.1% in 1997 to 30.2% in 1998 of revenues.

General and Administrative Expenses

General and administrative expenses increased by $202,000 from 1997 to 1998 due to expansion of the Company's operations, but decreased slightly as a percentage of revenues.

Equity Earnings of Unconsolidated Affiliate

At the end of 1997 Newpark entered into a joint venture to provide drilling fluids products and services to Mexico. The Company's share of profits for the second quarter of 1998 were $715,000.

Operating Income

Operating income of $20.2 million or 30.2% in the 1998 period increased $6.2 million, or 44.9%, compared to $14.0 million or 29.1% of revenue in the 1997 period. Factors contributing to the increase include increased contribution from rapid growth in drilling fluids revenue, increased profitability from disposal operations, and increased utilization and higher pricing realized in mat services.

Interest Income and Interest Expense

Net interest expense was $2.3 million in 1998 as compared to $939,000 in 1997. The increase in net interest cost is due to an increase of $89.1 million in average outstanding borrowings and an increase in average effective interest rates from 7.23% in 1997 to 8.69% in 1998. The increase in average outstanding borrowings and average effective interest rates is due to the issuance of $125 million of ten year, 8-5/8% senior subordinated notes in December 1997 and additional borrowings under the Credit Facility. The proceeds from the senior subordinated notes and the Credit Facility were used to fund acquisitions, capital expenditures and working capital for growth.

Provision for Income Taxes

For the 1998 and 1997 periods, Newpark recorded income tax provisions of $6.6 million and $4.8 million, equal to 37.0% and 36.5% of pre-tax income, respectively.

SIX MONTH PERIOD ENDED JUNE 30, 1998 COMPARED TO SIX MONTH PERIOD ENDED JUNE 30, 1997

Revenues

Total revenues increased to $139.4 million in 1998, from $90.9 million in 1997, an increase of $48.6 million, or 53.4%. The major components of the increase in revenue were a $4.4 million increase in disposal revenues, a $31.7 million increase in drilling fluids sales, a $6.0 million increase in mat services revenue, and a $6.5 million increase in support services.

The increase in waste disposal revenues resulted primarily from higher pricing. The average price per barrel increased to $11.28 from $9.69. E&P waste revenues, which constitute 97% of 1998 waste disposal revenues and 94% of 1997 waste disposal revenues, increased to $32.4 million in 1998, compared to $27.3 million in 1997. The volume of E&P waste received was approximately 2.8 million barrels in both periods.

Drilling fluids sales increased $31.7 million or 170.0% as a result of a series of acquisitions made during 1997 and 1998, and the rapid expansion of the businesses acquired.

The increase of $6.0 million or 25.3% in mat rental revenue reflects an increase in non-oilfield wetlands pipeline activity, the year-over-year improvement in transition zone drilling activity, increased pricing for Newpark's mat inventory, and the completion of a purchase acquisition in 1997. In 1998, initial rentals accounted for approximately 57.5% of mat service revenues with rerentals accounting for approximately 42.5%. In 1997, initial rentals accounted for 54.6% of the total mat service revenues and rerentals accounted for approximately 45.4%.

Support services revenue grew from $19.2 million in 1997 to $25.7 million in 1998, which represents an increase of $6.5 million, or 33.5%. This increase in revenues is directly attributable to increased installation of production equipment and facilities as well as end-of-drilling cleanup and site restoration at drilling locations resulting from increased drilling activity in Newpark's market in 1998 as compared to 1997. Remediation of old sites and facilities activity was immaterial.

Operating Costs and Expenses

Newpark's gross margin on sales increased from 39.4% in 1997 to 44.5% in 1998. This increase resulted primarily from improved gross margins in its drilling fluids business. Much of the improvement was offset by increases in operating costs as the Company built the staff and infrastructure necessary to support a larger scale of operations; however, operating income increased from 28.5% in 1997 to 29.6% in 1998.

General and Administrative Expenses

General and administrative expenses increased by $305,000 from 1997 to 1998 due to rapid expansion of the Company's operations, but decreased as a percentage of revenues to 1.3% in 1998 from 1.7% in 1997.

Operating Income

Operating income of $41.3 million in the 1998 period increased $15.4 million, or 59.3%, compared to $25.9 million in the 1997 period. Factors contributing to the increase include increased contribution from rapid growth in drilling fluids revenue, increased profitability from disposal operations, and increased utilization and higher pricing for Newpark's mat inventory.

Interest Income and Interest Expense

Net interest expense was $4.5 million in 1998 as compared to $1.8 million in 1997. The increase in net interest cost is due to an increase in average outstanding borrowings and an increase in average effective interest rates from 6.93% in 1997 to 8.38% in 1998. The increase in average outstanding borrowings and average effective interest rates is due to the issuance of $125 million of ten year, 8-5/8% senior subordinated notes in December 1997 and additional borrowings under the Credit Facility. The proceeds from the senior subordinated notes and the Credit Facility were used to fund acquisitions, capital expenditures and working capital for growth.

Provision for Income Taxes

For the 1998 and 1997 periods, Newpark recorded income tax provisions of $13.4 million and $8.8 million, respectively, equal to 36.3% of pre-tax income in each period.

NEW ACCOUNTING PRONOUNCEMENTS

The Company has adopted Statement of Financial Accounting Standard No. 130, "Reporting Comprehensive Income" ("SFAS 130") which provides guidance for the presentation and display of comprehensive income. Management believes this statement did not have a significant effect on the financial statement presentation.

During 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131). SFAS 131 establishes standards for disclosure of operating segments, products, services, geographic areas and major customers. The Company is required to adopt this standard for its fiscal year ended December 31, 1998. Management believes that the implementation of SFAS 131 will not have a material impact on the presentation of the Company's financial statements, but may require additional disclosure.

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital position increased by $8.1 million during the six months ended June 30, 1998. Key working capital data is provided below:

	June 30, 1998	December 31, 1997
Working Capital (000's)	$ 98,295	$ 90,212
Current Ratio	3.79	3.94

The increase in working capital is primarily attributable to the overall increase in the Company's business activity.

For the six months ended June 30, 1998, Newpark's working capital needs were met primarily from operating cash flow, net proceeds from the subordinated debt issue and borrowings under the Company's Credit Facility. Cash on hand, along with cash generated from operations of $23.0 million, was supplemented by $31.9 million from financing activities to provide for a total of $63.1 million used in investing activities, including the purchase of drilling fluids and barite grinding assets, the purchase of mats and supporting equipment, the expansion of waste disposal facilities and the development of future waste disposal sites and facilities.

Newpark maintains a $90.0 million revolving bank Credit Facility, which matures on June 30, 2000, including up to $20.0 million in standby letters of credit. At June 30, 1998, $17.0 million in letters of credit were issued and outstanding under the Credit Facility, and $32.7 million was outstanding under the revolving facility. Advances under the Credit Facility bear interest at either (i) a specified prime rate or (ii) the LIBOR rate plus a spread which is determined quarterly based on the Credit Facility. The Credit Facility requires that Newpark maintain certain specified financial ratios and comply with other usual and customary requirements. Newpark was in compliance with all requirements of the Credit Facility at June 30, 1998.

For 1998, Newpark anticipates capital expenditures of approximately $60 to $70 million, including: (i) funds to acquire and develop additional injection well sites; (ii) funds to expand drilling fluids operations, including the purchase of equipment associated with fluids processing and recycling and infrastructure expansions; (iii) funds to expand barite milling capacity; (iv) funds for the purchase of additional mats, including funds for Newpark's synthetic mat system; (v) funds for the upgrade and purchase of equipment; and (vi) funds for expansion into industrial waste disposal markets.

Potential sources of additional funds, if required by the Company, would include additional borrowings and the sale of equity securities. The Company presently has no commitments beyond its working capital and bank lines of credit by which it could obtain additional funds for current operations; however, it regularly evaluates potential borrowing arrangements which may be utilized to fund future expansion. Newpark believes that its current source of capital, coupled with internally generated funds, will be sufficient to support its working capital, capital expenditure and debt service requirements for the foreseeable future. Except as described in the preceding paragraph, Newpark is 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 beyond the next 12 months.

Inflation has not materially impacted the Company's revenues or income.

YEAR 2000

In accordance with the U.S. Securities and Exchange Commission's Staff Legal Bulletin No. 5, the Company has assessed both the cost of addressing and the costs or consequences of incomplete or untimely resolution of the Year 2000 issue. Most of the Company's major systems have already been updated in the normal course of business or replaced with applications that are year 2000 compliant. Accordingly, the Company has determined that its estimated costs related to the year 2000 issue are not anticipated to be material to the Company's business, operations or financial condition.

In addition, the Company is in the process of initiating formal communications with its significant suppliers and major customers to determine the extent to which the Company is vulnerable to those third parties failure to remedy their own Year 2000 issues. The Company can give no assurance that the systems of other companies on which the Company's systems rely will be converted on time or that a failure to convert by another company would not have a material adverse effect on the Company.

FORWARD-LOOKING STATEMENTS

The foregoing discussion contains `forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934, as amended. There are risks and uncertainties that could cause future events and results to differ materially from those anticipated by management in the forward-looking statements included in this report. Among these risks and uncertainties are (a) the level of exploration for and production of oil and gas and the industry's willingness to spend capital on environmental and oilfield services; (b) 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; (c) domestic and international political, military, regulatory and economic conditions; (d) other risks and uncertainties generally applicable to the oil and gas exploration and production industry; (e) any rescission or relaxation of existing regulations affecting the disposal of E&P waste and NORM, failure of governmental authorities to enforce such regulations or the ability of industry participants to avoid or delay compliance with such regulations; (f) 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; (g) increased competition in the Company's product lines; and (h) the Company's success in introducing new products and integrating potential future acquisitions.

PART II

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

During the quarter ended June 30, 1998, Newpark completed five acquisition transactions involving the issuance of its Common Stock without registration under the Securities Act of 1933, as amended (the "Act"). In these transactions, Newpark Common Stock was issued in exchange for all of the common stock of the acquired entity or net assets of the entity. All of the transactions involving the acquisition of the outstanding shares of the acquired entity were accomplished through the merger of that entity into one of Newpark's wholly-owned subsidiaries. Below is a schedule of the pertinent information for each transaction:

Date of Acquisition	Selling Entity	Type of Acquisition	Consideration Shares	Consideration Cash
April 1998	Qualitex, Inc.	Merger	21,816	$ 12,000
May 1998	Chem-Drill, Inc.	Asset Purchase	48,800	$ --
June 1998	Houston Prime Pipe & Supply, Inc.	Merger	420,000	$ --
June 1998	Mid-Continent Completion Fluids, Inc.	Merger	345,000	$3,700,000
June 1998	Cajun Oilfield Services, Inc.	Merger	85,600	$ 200,000

None of the foregoing transactions was accomplished by any form of general solicitation or general advertisement, and Newpark provided each acquiring party with the information required by Rule 502(b) of Regulation D under the Act. Each acquiring party also agreed that the shares of Common Stock acquired will be held for investment purposes and that the representative certificates may bear restrictive legends indicating that the securities may not be freely transferred. In each transaction, Newpark had reasonable grounds to believe that each purchaser was capable of evaluating the merits and risks of the investment and acquired the Common Stock for investment purposes only. Accordingly, Newpark believes that the foregoing transactions were exempt from the registration provisions of the Act pursuant to the exemption provided by Rule 506 of Regulation D, by reason of such transaction being by an issuer and not involving any public offering within the meaning of Section 4(2) of the Act.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) Newpark Resources, Inc. held an Annual Meeting of Stockholders on May 13, 1998.

(b) The following seven directors were elected at that meeting to serve until the next Annual Stockholders' Meeting, with the following votes cast:

	For
Dibo Attar	58,424,690
William Thomas Ballantine	58,424,777
James D. Cole	58,424,825
W. W. Goodson	58,424,717
David P. Hunt	58,424,745
Alan Kaufman	58,424,737
James H. Stone	58,424,681

There were 120,439 votes withheld from voting on the directors.

(c) The stockholders approved the amendment to Newpark's Certificate of Incorporation to increase the authorized number of shares of Common Stock from 80,000,000 to 100,000,000. There were 57,487,094 votes cast in favor of the amendment, 863,835 votes cast against the amendment, and 194,181 votes abstained from voting on the amendment.

(d) The stockholders approved the adoption of the Amended and Restated 1993 Non-Employee Director's Stock Option Plan. There were 55,329,774 votes cast in favor of the adoption, 2,960,677 votes cast against the adoption, and 254,658 votes abstained from voting on the adoption.

ITEM 6. EXHIBIT AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

27.2 Restated Financial Data Schedule

(b) The registrant filed a report on Form 8-K on June 4, 1998 relating to the private placement under Regulation S of 281,000 shares of Newpark common stock issued in connection with the acquisition of Optimum Fluids, Inc. and Optimum Fluids (Sask.), Inc.

NEWPARK RESOURCES, INC.

SIGNATURES

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

Date: August 13, 1998

NEWPARK RESOURCES, INC.

By: /s/Matthew W. Hardey

Matthew W. Hardey, Vice President
and Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
27.1	Financial Data Schedule
27.2	Restated Financial Data Schedule

5
1,000

3-MOS
DEC-31-1998
APR-01-1998
JUN-30-1998
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(82,278)
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(35,272)
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(316,144)
(530,842)
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6,633
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11,295
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1,000

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MAR-30-1998
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