As filed with the Securities and Exchange Commission on January 29, 1998
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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

Delaware	1389	72-1123385
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

3850 NORTH CAUSEWAY, SUITE 1770
METAIRIE, LOUISIANA 70002
(504) 838-8222
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

JAMES D. COLE, PRESIDENT
NEWPARK RESOURCES, INC.
3850 NORTH CAUSEWAY, SUITE 1770
METAIRIE, LOUISIANA 70002
(504) 838-8222
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
HOWARD Z. BERMAN, ESQ.
ERVIN, COHEN & JESSUP LLP
9401 WILSHIRE BOULEVARD, 9TH FLOOR
BEVERLY HILLS, CALIFORNIA 90212
(310) 273-6333

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable following the effectiveness of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE(2)
8 5/8% Senior Subordinated Notes due 2007, Series B..	$125,000,000	100%	$ 125,000,000	$36,875
Guarantees of 8 5/8% Senior Subordinated Notes due 2007, Series B.....	$125,000,000	(3)	(3)	None(3)

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(f)(2) under the Securities Act.
(2) Each Registrant other than Newpark Resources, Inc. is a subsidiary of Newpark Resources, Inc. and is guaranteeing the payment of the Notes being registered hereby. Pursuant to Rule 457(n) under the Securities Act, no registration fee is required with respect to these guarantees.
(3) No separate consideration will be received for the guarantees of the 8 5/8% Senior Subordinated Notes due 2007, Series B, by the subsidiaries of Newpark Resources, Inc.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

TABLE OF ADDITIONAL REGISTRANTS

EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION	PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER	I.R.S. EMPLOYER IDENTIFICATION NO.
SOLOCO, L.L.C.	Louisiana	1389	72-1286785
SOLOCO Texas, L.P.	Texas	1389	72-1284720
Batson-Mill, L.P.	Texas	2421	72-1284721
Newpark Texas, L.L.C.	Louisiana	6719	72-1286789
Newpark Holdings, Inc.	Louisiana	6719	72-1286594
Newpark Environmental Management Company L.L.C.	Louisiana	1389	72-0770718
Newpark Environmental Services of Texas L.P.	Texas	1389	72-1312748
Newpark Drilling Fluids, Inc.	Texas	2899	76-0294800
Supreme Contractors, Inc.	Louisiana	1389	72-1089713
Excalibar Minerals, Inc.	Texas	3295	93-1055876
Excalibar Minerals of LA, L.L.C.	Louisiana	3295	72-1363543
Chemical Technologies, Inc.	Texas	2899	76-0476109
Newpark Texas Drilling Fluids, L.P.	Texas	2899	76-0514960
NES Permian Basin, L.P.	Texas	1389	72-1397586
Newpark Environmental Services, Inc.	Delaware	1389	72-1335837
NID, L.P.	Texas	1389	72-1347084
Bockmon Construction Company, Inc.	Texas	1389	74-1536217
Newpark Environmental Services Mississippi, L.P.	Mississippi	1389	72-1373214
Newpark Shipholding Texas, L.P.	Texas	6719	72-1286763
Mallard & Mallard of LA, Inc.	Louisiana	6719	74-2062791

(1) The address, including zip code, and telephone number, including area code, of each of the additional Registrant's executive offices is 3850 North Causeway, Suite 1770, Metairie, Louisiana 70002, (504) 838-8222, and the name, address, including zip code, and telephone number, including area code, of agent for service, is James D. Cole, c/o Newpark Resources, Inc., 3850 North Causeway, Suite 1770, Metairie, Louisiana 70002, (504) 838-8222.

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+A registration statement relating to these securities has been filed with the +
+Securities and Exchange Commission but has not yet become effective.   +
+Information contained herein is subject to completion or amendment. These   +
+securities may not be sold nor may offers to buy be accepted prior to the time+
+the registration statement becomes effective. This prospectus shall not   +
+constitute an offer to sell or the solicitation of an offer to buy nor shall +
+there be any sale of these securities in any State in which such offer,   +
+solicitation or sale would be unlawful prior to registration or qualification +
+under the securities laws of any such State.   +
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SUBJECT TO COMPLETION DATED JANUARY 29, 1998

PROSPECTUS

NEWPARK RESOURCES, INC.

OFFER TO EXCHANGE

UP TO $125,000,000 OF 8 5/8% SENIOR SUBORDINATED NOTES DUE 2007, SERIES B
FOR ANY AND ALL OF THE OUTSTANDING
8 5/8% SENIOR SUBORDINATED NOTES DUE 2007, SERIES A

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M.,
NEW YORK CITY TIME, ON , 1998, UNLESS EXTENDED.

Newpark Resources, Inc., a Delaware corporation ("Newpark" or the "Company"), hereby offers, upon the terms and subject to the conditions set forth in this Prospectus and the accompanying letter of transmittal (the "Letter of Transmittal" and, together with this Prospectus, the "Exchange Offer"), to exchange an aggregate of up to $125,000,000 principal amount of 8 5/8% Senior Subordinated Notes due 2007, Series B (the "Exchange Notes"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for an identical face amount of the issued and outstanding 8 5/8% Senior Subordinated Notes due 2007, Series A (the "144A Notes" and, together with the Exchange Notes, the "Notes") of the Company with the Holders (as defined herein) thereof in integral multiples of $1,000. As of the date of this Prospectus, there is $125,000,000 in aggregate principal amount of the 144A Notes outstanding. The terms of the Exchange Notes are identical in all material respects to the 144A Notes, except that the Exchange Notes have been registered under the Securities Act, and therefore will not bear legends restricting their transfer and will not contain certain provisions providing for an increase in the interest rate payable on the 144A Notes under certain circumstances relating to the Registration Rights Agreement (as defined herein), which provisions will terminate as to all of the Notes upon the consummation of the Exchange Offer. The Exchange Notes will be obligations of the Company evidencing the same indebtedness as the 144A Notes and will be entitled to the benefits of the same Indenture (as defined herein). The Indenture provides for both the issuance of the 144A Notes and the Exchange Notes. See "The Exchange Offer."

Interest on the Exchange Notes will accrue from the date of issuance thereof and will be payable semi-annually on June 15 and December 15 of each year, commencing June 15, 1998. The Exchange Notes will mature on December 15, 2007. The Exchange Notes are redeemable, in whole or in part, for cash at any time on or after December 15, 2002, at the option of the Company, at the redemption prices set forth herein, together with accrued and unpaid interest, if any, to the redemption date. In addition, at the option of the Company, up to 35% of the original aggregate principal amount of the Exchange Notes may be redeemed on or prior to December 1, 2000 at the redemption price set forth herein together with accrued and unpaid interest, if any, to the redemption date with the net proceeds of one or more Public Equity Offerings (as defined herein) of the Company, provided that at least $81.25 million of the aggregate principal amount of the Notes remains outstanding following such redemption. Upon the occurrence of a Change of Control (as defined herein), the Company will be required to make an offer to repurchase all or any part of each holder's Exchange Notes at a cash purchase price equal to 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of purchase. There can be no assurance that the Company will have sufficient funds necessary to repurchase the Exchange Notes upon the occurrence of a Change in Control. The Exchange Notes will not be subject to any sinking fund. The provisions of the Indenture allow the Company to incur additional indebtedness, including Senior Indebtedness (as defined herein), subject to certain limitations. See "Description of the Exchange Notes."

(cover page continued on next page)

SEE "RISK FACTORS" BEGINNING ON PAGE 14 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PARTICIPANTS IN THE EXCHANGE.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is , 1998

The Exchange Notes will be unsecured senior subordinated obligations of the Company and, as such, will be subordinated in right of payment to all existing and future Senior Indebtedness (as defined herein) of the Company. The Exchange Notes will rank pari passu in right of payment with all other existing and future senior subordinated indebtedness, if any, of the Company (including any 144A Notes that remain outstanding after the consummation of the Exchange Offer), and senior in right of payment to all existing and future subordinated indebtedness, if any, of the Company. The Exchange Notes will be guaranteed, jointly and severally, on a senior subordinated basis (the "Guarantees") by substantially all of the Company's subsidiaries (the "Guarantors" and, together with the Company, the "Issuers"). The Guarantees will be unsecured senior subordinated obligations of the Guarantors and will be subordinated to all existing and future Guarantor Senior Indebtedness (as defined herein), which includes all indebtedness under the Credit Facility (as defined herein). As of September 30, 1997, on an as adjusted basis after giving effect to the 144A Notes Offering (as defined herein) and the application of the net proceeds therefrom, the Issuers would have had approximately $129.4 million in aggregate principal amount of indebtedness outstanding, of which approximately $4.4 million would have ranked senior in right of payment to the Exchange Notes and the Guarantees, and the Company would have had an aggregate of $88.0 million of available borrowings under the Credit Facility. See "Description of the Notes--Subordination."

As of the date of this Prospectus, approximately 94% of the consolidated assets of the Company were held by the Guarantors and substantially all the Company's cash flow and net income was generated by the Guarantors. Therefore, the Company's ability to make interest and principal payments when due to holders of the Notes is dependent, in part, upon the receipt of sufficient funds from its subsidiaries.

The Company intends to apply for listing on the New York Stock Exchange (the "NYSE") of the Exchange Notes. The Company's common stock is listed on the NYSE under the symbol "NR."

The Exchange Offer is not conditioned upon any minimum aggregate principal amount of 144A Notes being tendered for exchange. However, the Exchange Offer is subject to certain conditions that may be waived by the Company and to the terms and provisions of the Registration Rights Agreement. The 144A Notes may be tendered only in denominations of $1,000 and integral multiples thereof. The date of acceptance and exchange of the 144A Notes (the "Exchange Date") will be when, as and if the Company has given oral or written notice thereof to the Exchange Agent. 144A Notes tendered pursuant to the Exchange Offer may be withdrawn at any time prior to the Expiration Date (as defined herein). The Company will not receive any proceeds from the Exchange Offer. The Company and the Guarantors will pay certain expenses incident to the Exchange Offer. The Exchange Offer will expire on , 1998 (the "Expiration Date"), and the Company does not currently intend to extend the Expiration Date.

The 144A Notes were offered and sold on December 17, 1997, at a price of $1,000 per $1,000 principal amount of 144A Notes, in a transaction not registered under the Securities Act in reliance upon an exemption from the registration requirements thereof (the "144A Notes Offering"). In general, the 144A Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act. The Exchange Notes are being offered hereby in order to satisfy certain obligations of the Company contained in the Registration Rights Agreement. Following the Exchange Offer, any Holders of 144A Notes will continue to be subject to the existing restrictions on transfer and, as a general matter, the Company will not have any further obligation to such Holders to provide for registration under the Securities Act of transfers of the 144A Notes held by them.

Based on interpretations by the staff of the Securities and Exchange Commission (the "Commission") set forth in no-action letters issued to third parties, the Company believes that the Exchange Notes issued pursuant to the Exchange Offer in exchange for 144A Notes may be offered for resale, resold or otherwise transferred by any Holder thereof (other than any such Holder that is an "affiliate" of the Company within the meaning of Rule 405 promulgated under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of such Holder's business and such Holder does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of such Exchange Notes. Holders of 144A Notes wishing to accept the Exchange Offer must represent to the Company that such conditions have been met.

In some cases, certain broker-dealers may be required to deliver a prospectus in connection with the resale of such Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with any resale of Exchange Notes received in exchange for such 144A Notes where such 144A Notes were acquired by such broker-dealer for its own account as a result of market-making activities or other trading activities (other than 144A Notes acquired directly from the Company). The Company has agreed that, for a period of 180 days after the Exchange Date, it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

The 144A Notes are designated for trading in the Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") market. To the extent that 144A Notes are tendered and accepted in the Exchange Offer, a Holder's ability to sell untendered and tendered but unaccepted 144A Notes could be adversely affected.

Prior to this Exchange Offer, there has been no public market for the 144A Notes or the Exchange Notes. If a market for the Exchange Notes should develop, the Exchange Notes could trade at a discount from their principal amount. Although the Company intends to list the Exchange Notes on the NYSE, there can be no assurance that the application will be approved. The Initial Purchasers (as defined herein) have indicated to the Company that they intend to make a market in the Exchange Notes, but are not obligated to do so, and such market-making activities may be discontinued at any time. As a result, no assurance can be given that an active trading market for the Exchange Notes will develop.

Except as described below, the Exchange Notes issued pursuant to this Exchange Offer will be issued in the form of a single permanent Global Exchange Note (as defined herein), which will be deposited with, or on behalf of, The Depository Trust Company (the "DTC") and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the Global Exchange Note representing the Exchange Notes will be shown on, and transfers thereof will be effected through, records maintained by the DTC and its participants. Notwithstanding the foregoing, 144A Notes held in certificated form will be exchanged solely for Certificated Notes (as defined herein). After the initial issuance of the Global Exchange Note, Certificated Notes will be issued in exchange for beneficial interests in the Global Exchange Note only on the terms set forth in the Indenture. See "Description of the Exchange Notes--Book-Entry, Delivery and Form."

AVAILABLE INFORMATION

Newpark has filed with the Commission a registration statement (the "Registration Statement") under the Securities Act on Form S-4 with respect to the Exchange Notes offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits thereto, certain parts of which are omitted in accordance with the rules and regulations of the Commission. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved. The Registration Statement and any amendments thereto, including exhibits filed or incorporated by reference as a part thereof, are available for inspection and copying at the Commission's offices and are available through the Commission's World Wide Web Site, in each case as described below.

Newpark is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information may be inspected and copied (at prescribed rates) at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549 and at the Commission's regional offices located at Seven World Trade Center, 13th Floor, New York, New York 10048 and at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. The Commission also maintains a World Wide Web site containing such reports, proxy statements and other information, at "http://www.sec.gov". Quotations relating to Newpark's Common Stock appear on the NYSE, and such

reports, proxy statements and other information concerning Newpark can also be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

Newpark has agreed that, if at any time while the 144A Notes are restricted securities within the meaning of the Securities Act or Newpark is not subject to the informational requirements of the Exchange Act, Newpark will furnish to Holders of the 144A Notes and to prospective purchasers designated by such Holders the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the 144A Notes.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents previously filed by Newpark with the Commission pursuant to the Exchange Act are incorporated by reference in this Prospectus: (i) Newpark's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, as amended; (ii) Newpark's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1997, June 30, 1997, as amended, and September 30, 1997; and (iii) Newpark's Current Reports on Form 8-K dated May 14, 1997, November 20, 1997 and December 18, 1997.

All documents filed by Newpark pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Exchange Notes shall be deemed to be incorporated by reference herein and to be a part hereof from the date of the filing of such reports and documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

NEWPARK WILL PROVIDE A COPY OF ANY OR ALL OF THE DOCUMENTS INCORPORATED BY REFERENCE HEREIN (EXCLUSIVE OF EXHIBITS UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE HEREIN), WITHOUT CHARGE, TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, UPON WRITTEN OR ORAL REQUEST TO THE SECRETARY, NEWPARK RESOURCES, INC., 3850 NORTH CAUSEWAY, SUITE 1770, METAIRIE, LOUISIANA 70002, OR BY TELEPHONE AT (504) 838-8222. IN ORDER TO ENSURE TIMELY DELIVERY OF THE DOCUMENTS, ANY REQUEST SHOULD BE MADE BY , 1998 (FIVE BUSINESS DAYS PRIOR TO THE DATE ON WHICH THE FINAL INVESTMENT DECISION MUST BE MADE).

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements appear in a number of places in this Prospectus and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things: (i) the timing and costs of the Company's plans for geographic expansion and service and product extensions; (ii) its relative competitive position as a result of its patented and proprietary technologies; (iii) the extent of enforcement or the pace of adoption of environmental regulations; (iv) its ability to expand the use of recycling of oilfield waste in the make-up of drilling fluids; (v) the Company's financing plans; (vi) trends affecting the Company's financial condition or results of operations; and (vii) the Company's other business and growth strategies. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-

looking statements as a result of various factors. Among others, factors that could adversely affect actual results and performance include decreases in oil and gas prices and other factors affecting the level of oil and gas exploration and production, the status of state regulations regarding NOW and NORM disposal, and the enforcement of such 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, local and regional economic conditions in the areas served by the Company, increased competition in the Company's product lines, realization of cost savings, and the Company's success in integrating potential future acquisitions. The accompanying information contained and incorporated by reference in this Prospectus, including, without limitation, the information set forth under the headings "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," identifies important additional factors that could adversely affect actual results and performance. Participants in the Exchange Offer are urged to carefully consider such factors.

All forward-looking statements attributable to the Company are expressly qualified in their entirety by the foregoing cautionary statement.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by and should be read in conjunction with the more detailed information contained in this Prospectus and the Consolidated Financial Statements and the notes thereto included and incorporated herein by reference. References herein to "Newpark" or the "Company" refer to Newpark Resources, Inc. and its consolidated subsidiaries, and references herein to the "Notes" refer to both the Notes and the related Guarantees, unless the context otherwise requires. The Consolidated Financial Statements of Newpark give effect to the merger of a wholly-owned subsidiary of Newpark and Sampey, Bilbo, Meschi Drilling Fluids Management, Inc. ("SBM") on February 28, 1997, which was accounted for as a pooling-of-interests.

THE COMPANY

Newpark is a leading provider of integrated environmental and oilfield services to the oil and gas exploration and production industry in the U.S. Gulf Coast area, principally in Louisiana and Texas. Services provided, either individually or as part of a comprehensive package, include: (i) oilfield waste services utilizing patented and proprietary technology, including processing and disposing of nonhazardous oilfield waste ("NOW") and oilfield waste that is contaminated with naturally occurring radioactive material ("NORM"); (ii) drilling fluids products and services and related engineering and technical services; (iii) mat rentals and sales in which patented prefabricated wooden mats are used as temporary access roads and worksites in oilfield and other construction applications; and (iv) other integrated environmental and oilfield services, including construction, design and engineering services. In order to take advantage of many customers' increasing focus on outsourcing and vendor consolidation, Newpark has integrated its drilling fluids products and services with its waste disposal and mat services to provide a "one-stop shop" approach to solving customers' problems. For the twelve months ended September 30, 1997, Newpark had total revenues of $194.1 million, and EBITDA (as defined herein) of $81.0 million.

Newpark collects, processes and disposes of oilfield waste, primarily NOW and NORM. Newpark processes NOW received at its facilities primarily for injection into environmentally secure geologic formations deep underground and, to a lesser extent, for disposal at certain landfarming facilities. NOW that is not injected or landfarmed is processed by Newpark into a product which is used as intermediate daily cover material or cell liner and construction material at municipal waste landfills. In 1994, Newpark began processing and disposing of NORM waste. Since June 1996, Newpark has operated under a license authorizing the direct injection of NORM into disposal wells at Newpark's Big Hill, Texas facility, the only offsite facility in the U.S. Gulf Coast licensed for the direct injection of NORM.

Newpark is a full-service provider of drilling fluids and associated engineering and technical services to the onshore and offshore oil and gas exploration industry in the Gulf Coast areas of Louisiana and Texas. Newpark focuses on providing unique solutions to highly technical drilling projects involving complex conditions, as these projects require critical engineering support of the fluids system during the drilling process to ensure optimal performance at the lowest total well cost. Newpark has established its own barite grinding capacity to provide a source of critical raw materials for its drilling fluids operations. Additionally, Newpark has initiated a process to recycle a portion of the drilling fluids received as waste in its NOW disposal business to (i) recover barite and other key chemical components for reuse in the production of drilling fluids, (ii) reduce the cost of materials in producing drilling fluids and (iii) expand Newpark's supply of drilling fluids.

In its mat business, Newpark uses patented interlocking wooden mat systems to provide temporary access roads and worksites in unstable soil conditions, primarily in support of oil and gas exploration

operations along the U.S. Gulf Coast. In response to increasing environmental regulations, in 1994, Newpark began marketing its mat services for use in the construction of pipelines, electrical distribution systems and highways in and through wetlands environments. As a result, this new market for Newpark's mat business has broadened the geographic area served by Newpark to include the coastal areas of the Southeastern U.S., particularly Florida and Georgia. Newpark also markets its mat services to the oil and gas exploration industries in Venezuela and Algeria.

Newpark also provides a comprehensive range of other environmental and oilfield services for its customers' oil and gas exploration and production activities, including site assessment, waste pit design, construction and installation, regulatory compliance assistance, site remediation and site closure, construction services, hook-up and connection of wells and installation of production equipment.

Demand for Newpark's environmental and oilfield services is being driven by three significant trends: (i) increasing oil and gas exploration and production expenditures and activity; (ii) more complex drilling techniques, which tend to generate more waste; and (iii) increasing environmental regulation of NOW and NORM. According to the Baker-Hughes Rotary Rig Count, the number of drilling wells working in the U.S. Gulf Coast recently reached its highest level since 1990, and the average rig count in the region for the nine months ended September 30, 1997 was the highest average since 1985. Newpark believes that technological advances, including the use of three dimensional seismic data and computer-enhanced interpretation of this data, have reduced the risk and cost of finding oil and gas, while improved drilling tools and fluids have reduced the overall cost and length of time to drill a well. The oilfield market for environmental services also has experienced growth due to increased regulatory activity. Louisiana, Texas and other states have enacted comprehensive laws and regulations governing the proper handling of NOW and NORM, and regulations have been proposed in several other states. As a result, generators of waste and landowners have become increasingly aware of the need for proper treatment and disposal of such waste in both the drilling of new wells and the remediation of production facilities.

Newpark's principal executive offices are located at 3850 North Causeway Boulevard, Suite 1770, Metairie, Louisiana 70002-1752, and its telephone number is (504) 838-8222.

BUSINESS STRENGTHS

Proprietary Products and Services. Over the past 15 years, Newpark has acquired and developed, and continues to improve, patented or proprietary technology and know-how which have enabled the Company to provide innovative and unique solutions to oilfield construction and waste disposal customers. Newpark believes that increased customer acceptance of its proprietary products and services has enabled it to take advantage of the recent upturn in drilling and production activity.

Injection of Waste. Since 1992, Newpark has developed and used proprietary technology to dispose of NOW by low-pressure injection into unique geologic structures deep underground. In December 1996, Newpark was issued process patents covering its NOW and NORM waste processing and injection operations. Newpark believes that its proprietary injection technology is currently the most cost-effective method for the offsite disposal of oilfield wastes. Additionally, Newpark believes that its proprietary injection technology is suitable for the disposal of other types of waste, and Newpark recently has filed an application to expand into the nonhazardous industrial waste market.

Patented Mats. Newpark owns or licenses several patents that cover its wooden mats and subsequent improvements. To facilitate entry into new markets and reduce the Company's dependence on the supply of hardwoods, Newpark obtained the exclusive license for a new patented synthetic mat designed from

recycled plastics and other synthetic materials and has begun the development of a manufacturing facility to produce such synthetic mats.

Low Cost Infrastructure. Newpark has assembled an infrastructure covering the entire U.S. Gulf Coast region, including injection disposal sites, transfer stations, barges, mat inventories, mat service centers, hardwood supplies for the construction of mats, and barite supplies for the make-up of drilling fluids. Newpark believes that it owns, leases or has options to acquire a majority of the available injection disposal sites in the U.S. Gulf Coast suitable for its proprietary injection methods. Newpark also owns or leases under long-term charter 43 of the 53 barges currently licensed to transport NOW and NORM. Newpark built a substantial portion of its infrastructure during the depressed market conditions that prevailed prior to 1996 and believes that, under current market conditions, its infrastructure could be duplicated only at significantly higher cost.

Integration of Services. Newpark believes it is one of the few companies in the U.S. Gulf Coast able to provide a package of integrated services and offer a "one-stop shop" approach to solving customers' problems. Newpark's mats provide the access roads and worksites for a majority of the land drilling in the Gulf Coast market, and on-site and off-site waste management services are frequently sold in combination with mat services. Newpark's entry into the drilling fluids business has created the opportunity for it to recycle used drilling fluids and to market drilling fluids with other drilling services, including construction services, related technical and engineering services, disposal of used fluids and other waste material, site cleanup and site closure. Consequently, Newpark believes that it is uniquely positioned to take advantage of the industry trend towards outsourcing and vendor consolidation.

Experience in Regulatory Environment. Newpark believes that its operating history provides it with a competitive advantage in the highly regulated oilfield waste disposal business. As a result of working closely with regulatory officials and citizens' groups, Newpark has gained acceptance for its proprietary injection technology and has received a series of permits for the Company's disposal facilities, including a permit allowing the direct injection of NORM at Newpark's Big Hill, Texas facility. These permits enable Newpark to expand its business and operate cost-effectively. Newpark believes that its proprietary injection method is superior to alternative methods of disposal of oilfield wastes, including landfarming, because injection provides greater assurance that the waste is permanently disposed of and will not contaminate the surrounding property and groundwater. Newpark further believes that increasing environmental regulation and activism will inhibit the widespread acceptance of other disposal methods and the permitting of additional disposal facilities.

Experienced Management Team. Newpark's executive and operating management team has built and augmented Newpark's capabilities over the past ten years, allowing it to develop a base of knowledge and a unique understanding of the oilfield construction and waste disposal markets. Newpark's executive and operating management team has an average of 22 years of industry experience, and an average of eight years with Newpark, including several who have been with Newpark for 20 years or more. Newpark also has strengthened its management team by attracting additional experienced personnel and by retaining key management personnel of the companies it has acquired.

BUSINESS STRATEGY

Service and Product Extensions. Newpark believes that it can apply the waste processing and injection technology it has pioneered and developed in the oil and gas exploration industry to other industrial waste markets. Initially, Newpark intends to focus on wastes generated in the petrochemical processing and refining industries, as many potential customers in these industries are located in the markets already served

by Newpark, and certain wastes generated by these industries have many of the same characteristics as the NOW waste currently handled by Newpark. In addition, Newpark will continue to evaluate the applicability of its injection disposal methods to other industrial waste streams. Newpark is pursuing the development of a synthetic mat system to enhance its current mat fleet and expand into new markets. Newpark believes that synthetic mats may have certain military and emergency response applications.

Implement Newpark's Total Fluids Management Concept. Newpark's strategy is to integrate its operations to provide a "one-stop shop" approach to solving customers' problems. By integrating its drilling fluids and waste disposal services with other on-site fluids management and solids control services, Newpark intends to provide a comprehensive solution to the management of the total fluids stream. Newpark calls this concept "Total Fluids Management" and believes that its ability to provide a comprehensive package of products and services reduces the total cost to the customer and increases operating efficiency.

Geographic Expansion. Newpark believes that significant expansion opportunities exist in each of its product lines, both in domestic markets and in selected foreign markets. Newpark intends to expand its oilfield waste disposal operations domestically into West Texas and the Permian Basin, with initial international expansions planned for Mexico and Venezuela. As part of this strategy, Newpark seeks to continue to add disposal capacity, including new injection wells, throughout the U.S. Gulf Coast region, in order to more efficiently serve its customers. Newpark intends to expand its drilling fluids business through acquisitions and internal growth to the offshore Gulf of Mexico, the mid-continent and Permian Basin regions of the United States, and, internationally, to Mexico, Venezuela and Canada. In its domestic mat business, Newpark will continue to capitalize on environmental regulations affecting the construction of pipelines, electrical distribution systems and highways in and through wetlands and other environmentally sensitive locations. Internationally, Newpark intends to expand its mat operations in Venezuela and Algeria and review expansion opportunities in other parts of Africa, South America, Europe and Asia.

Cost Reductions. Newpark will continue to pursue a strategy of reducing costs in its existing operations to increase margins. Newpark intends to expand the use of washwater recycling facilities and the recycling of oilfield waste from its NOW disposal business for use in its drilling fluids business, as these methods will allow Newpark to reduce the volume of waste transported and disposed of in its injection wells. Newpark also believes that recycling of oilfield waste from its NOW disposal business will provide it with a low-cost source of raw materials for the production of its drilling fluids. Newpark intends to continue to consolidate supply and purchasing functions in its drilling fluids business to eliminate duplicate costs, better utilize its existing asset base and take advantage of manufacturer direct pricing, volume discounts and direct rail transportation.

SUMMARY OF TERMS OF THE EXCHANGE OFFER

The Exchange Offer relates to the exchange of up to $125,000,000 aggregate principal amount of Exchange Notes for up to an equal aggregate principal amount of 144A Notes. The Exchange Notes will be obligations of the Company entitled to the benefits of the Indenture.

Registration Rights Agreement	The 144A Notes were sold by Newpark in the 144A Notes Offering on December 17, 1997, and were subsequently resold to Qualified Institutional Buyers (as defined herein) pursuant to Rule 144A under the Securities Act in a manner exempt from registration under the Securities Act. In connection with the 144A Notes Offering, Newpark entered into the Registration Rights Agreement, which grants Holders of the 144A Notes certain exchange and registration rights. The Exchange Offer is intended to satisfy such exchange and registration rights, which generally terminate upon the consummation of the Exchange Offer. See "The Exchange Offer--Purpose and Effect of the Exchange Offer."
Securities Offered	$125,000,000 in aggregate principal amount of 8 5/8% Senior Subordinated Notes due 2007, Series B.
The Exchange Offer	$1,000 principal amount of the Exchange Notes will be issued in exchange for each $1,000 principal amount of 144A Notes validly tendered and accepted pursuant to the Exchange Offer. As of the date hereof, $125,000,000 in aggregate principal amount of 144A Notes are outstanding. Newpark will issue the Exchange Notes to Holders on or promptly after the Expiration Date. The terms of the Exchange Notes are substantially identical in all material respects (including principal amount, interest rate and maturity) to the terms of the 144A Notes for which they may be exchanged pursuant to the Exchange Offer, except that the Exchange Notes are freely transferable by holders thereof (other than as provided herein), and are not subject to any covenant regarding registration under the Securities Act. See "The Exchange Offer." Other than compliance with applicable federal and state securities laws, including the requirement that the Registration Statement be declared effective by the Commission, there are no material federal or state regulatory requirements to be complied with in connection with the Exchange Offer.
Resale of the Exchange Notes	Based on existing interpretations of the Securities Act by the staff of the Commission set forth in several no-action letters to third parties, and subject to the immediately following sentence, the Company believes that Exchange Notes issued pursuant to the Exchange Offer in exchange for 144A Notes may be offered for resale, resold and otherwise transferred by a Holder thereof (other than (i) a broker-dealer who purchased

	such 144A Notes directly from the Company for resale pursuant to Rule 144A or any other available exemption under the Securities Act or (ii) a person that is an "affiliate" (within the meaning of Rule 405 of the Securities Act) of the Company), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that the Holder is acquiring the Exchange Notes in its ordinary course of business and is not participating, and has no arrangement or understanding with any person to participate, in the distribution of the Exchange Notes. However, any purchaser of Notes who is an affiliate of the Company or who intends to participate in the Exchange Offer for the purpose of distributing the Exchange Notes, or any broker-dealer who purchased the 144A Notes from the Company to resell pursuant to Rule 144A or any other available exemption under the Securities Act, (i) will not be able to rely on the interpretations by the staff of the Commission set forth in the above-mentioned no-action letters, (ii) will not be able to tender its 144A Notes in the Exchange Offer and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Notes unless such sale or transfer is made pursuant to an exemption from such requirements. The Company does not intend to seek its own no-action letter, and there is no assurance that the staff of the Commission would make a similar determination with respect to the Exchange Offer as it has in such no-action letters to third parties. Each broker-dealer that receives Exchange Notes for its own account in exchange for 144A Notes, where such 144A Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, may be a statutory underwriter and must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for 144A Notes where such 144A Notes were so acquired by such broker-dealer. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "The Exchange Offer--Resale of the Exchange Notes" and "Plan of Distribution."
Interest Payments	The Exchange Notes will bear interest at the rate of 8 5/8% per annum from December 17, 1997, the date of issuance of the 144A Notes, or the most recent interest payment date to which interest on such 144A Notes has been paid, whichever is later. Accordingly, Holders of 144A Notes that are accepted for exchange will not receive interest on such 144A Notes that is

	accrued but unpaid at the time of tender, but such interest will be payable on the first interest payment date after the Expiration Date. See "The Exchange Offer--Interest on the Exchange Notes."
Expiration Date	5:00 p.m., New York City time, on , 1998, unless the Exchange Offer is extended, in which case the term "Expiration Date" means the latest date and time to which the Exchange Offer is extended. See "The Exchange Offer--Expiration Date; Extensions; Amendments."
Exchange Date	The date of acceptance for exchange of the 144A Notes will be when, as and if Newpark has given oral or written notice thereof to the Exchange Agent.
Withdrawal Rights	Tenders of 144A Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date by furnishing a written or facsimile notice of withdrawal to the Exchange Agent (as defined herein) containing the information set forth in "The Exchange Offer--Withdrawal of Tenders."
Acceptance of 144A Notes and Delivery of Exchange Notes	Subject to the conditions referred to below, Newpark will accept for exchange any and all 144A Notes which are properly tendered in the Exchange Offer prior to 5:00 p.m., New York City time, on the Expiration Date. The Exchange Notes issued pursuant to the Exchange Offer will be delivered promptly following the Expiration Date. See "The Exchange Offer--Terms of the Exchange Offer."
Conditions to the Exchange Offer	The Exchange Offer is not conditioned upon any minimum aggregate principal amount of 144A Notes being tendered for exchange. The Exchange Offer is subject to certain customary conditions concerning, among other things, changes to existing law and governmental approvals, which may be waived by Newpark. See "The Exchange Offer--Conditions."
Procedures for Tendering 144A Notes	To tender pursuant to the Exchange Offer, a Holder must complete, sign and date the accompanying Letter of Transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein, have the signatures therein guaranteed if required by Instruction 5 of the Letter of Transmittal, and deliver such Letter of Transmittal, or such facsimile, together with the 144A Notes and any other required documentation to the Exchange Agent at the address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. See "The Exchange Offer--Procedures for Tendering." By executing the Letter of Transmittal, each Holder will

	represent to Newpark that, among other things, (i) the Holder or the person receiving such Exchange Notes, whether or not such person is the Holder, is acquiring the Exchange Notes in the ordinary course of business, (ii) neither the Holder nor any such other person intends to participate, or has any arrangement or understanding with any person to participate, in the distribution of such Exchange Notes and (iii) neither the Holder nor any such other person is an "affiliate" (within the meaning of Rule 405 of the Securities Act) of the Company. In lieu of physical delivery of the certificates representing 144A Notes, tendering Holders may transfer 144A Notes pursuant to the procedures for book-entry transfer as set forth under "The Exchange Offer--Procedures for Tendering."
Special Procedures for Beneficial Owners	Any beneficial owner whose 144A Notes are registered in the name of a broker, commercial bank, trust company or other nominee and who wishes to tender in the Exchange Offer should contact such registered holder promptly and instruct such registered holder to tender on such beneficial owner's behalf. If such beneficial owner wishes to tender on such beneficial owner's own behalf, such beneficial owner must, prior to completing and executing the Letter of Transmittal and delivering the 144A Notes, either make appropriate arrangements to register ownership of the 144A Notes in such beneficial owner's name or obtain a properly completed assignment from the registered holder. The transfer of registered ownership may take considerable time, and completion of such transfer prior to the Expiration Date may not be possible. See "The Exchange Offer--Procedures for Tendering."
Guaranteed Delivery Procedures	Holders of 144A Notes who wish to tender their 144A Notes and whose 144A Notes are not immediately available or who cannot deliver their 144A Notes, the Letter of Transmittal or any other documents required by the Letter of Transmittal to the Exchange Agent (or comply with the requirements for book-entry transfer) prior to the Expiration Date may tender their 144A Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer--Guaranteed Delivery Procedures."
Federal Income Tax Consequences	The issuance of the Exchange Notes to Holders pursuant to the terms set forth in this Prospectus should not constitute an exchange for federal income tax purposes. Consequently, no gain or loss for federal income tax purposes should be recognized by Holders upon receipt of the Exchange Notes. See "Certain Federal Income Tax Consequences of the Exchange Offer."

Use of Proceeds	There will be no cash proceeds to Newpark from the exchange of 144A Notes pursuant to the Exchange Offer. See "Use of Proceeds" for information regarding the Company's use of proceeds from the 144A Notes Offering.
Exchange Agent	State Street Bank and Trust Company is serving as Exchange Agent in connection with the Exchange Offer. The address and telephone number of the Exchange Agent is set forth in "The Exchange Offer--Exchange Agent." State Street Bank and Trust Company also serves as Trustee under the Indenture.
Effect on the Holders of 144A Notes	As a result of the making of, and upon acceptance for exchange of all validly tendered 144A Notes pursuant to the terms of, the Exchange Offer, Newpark and the Guarantors will have fulfilled the covenant contained in the Registration Rights Agreement (the "Registration Rights Agreement") dated December 10, 1997 among the Issuers, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Morgan Grenfell Inc. and Salomon Brothers Inc (the "Initial Purchasers"), and, accordingly, there will be no increase in the interest rate on the 144A Notes pursuant to the terms of the Registration Rights Agreement, and the Holders of the 144A Notes will have no further registration or other rights under the Registration Rights Agreement. Holders of the 144A Notes who do not tender their 144A Notes in the Exchange Offer will continue to hold such 144A Notes and will be entitled to all the rights and will be subject to all the limitations applicable thereto under the Indenture dated December 17, 1997 among Newpark, as issuer, the Guarantors, as guarantors, and State Street Bank and Trust Company, as Trustee, relating to the 144A Notes and the Exchange Notes (the "Indenture"), except for any such rights under the Registration Rights Agreement that by their terms terminate or cease to have further effectiveness as a result of the making of, and the acceptance for exchange of all validly tendered 144A Notes pursuant to, the Exchange Offer. All untendered 144A Notes will continue to be subject to the restrictions on transfer provided for in the 144A Notes and the Indenture. In general, the 144A Notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. To the extent that the 144A Notes are tendered and accepted in the Exchange Offer, the trading market for untendered 144A Notes could be adversely affected.
Absence of Dissenters' Rights of Appraisal	Holders of the 144A Notes do not have any dissenters' right of appraisal in connection with the Exchange Offer.

SUMMARY OF TERMS OF EXCHANGE NOTES

The form and terms of the Exchange Notes are the same as the form and terms of the 144A Notes (which they replace), except that the Exchange Notes have been registered under the Securities Act and, therefore, will not bear legends restricting the transfer thereof. In addition, the holders of Exchange Notes generally will not be entitled to further registration rights under the Registration Rights Agreement, and the Exchange Notes will not contain provisions (which currently are included in the 144A Notes) providing for an increase in the interest rate payable on the 144A Notes under certain circumstances relating to the Registration Rights Agreement, which provisions will terminate as to all of the Notes on the consummation of the Exchange Offer. The Exchange Notes will evidence the same debt as the 144A Notes and will be entitled to the benefits of the Indenture. See "Description of the Exchange Notes."

Securities Offered	$125,000,000 aggregate principal amount of 8 5/8% Senior Subordinated Notes due 2007, Series B.
Maturity Date	December 15, 2007.
Interest Payment Dates	June 15 and December 15 of each year, commencing June 15, 1998.
Optional Redemption	The Exchange Notes are redeemable, in whole or in part, for cash at any time on or after December 15, 2002 at the option of Newpark, at the redemption prices set forth herein, together with accrued and unpaid interest, if any, to the redemption date. In addition, at the option of Newpark, up to 35% of the original aggregate principal amount of the Exchange Notes may be redeemed on or prior to December 1, 2000 at a redemption price equal to 108 5/8% of the principal amount thereof, together with accrued and unpaid interest, if any, to the redemption date with the net proceeds of one or more Public Equity Offerings of Newpark, provided that at least $81.25 million aggregate principal amount of the Exchange Notes remains outstanding following such redemption. See "Description of the Exchange Notes--Optional Redemption."
Guarantees	The Exchange Notes will be guaranteed, jointly and severally, on a senior subordinated basis, by substantially all of Newpark's subsidiaries. See "Risk Factors-- Holding Company Structure; Possible Invalidity of Guarantees; Potential Release of Guarantees" and "Description of the Exchange Notes--Guarantees."
Subordination	The Exchange Notes will be unsecured senior subordinated obligations of Newpark and, as such, will be subordinated in right of payment to all existing and future Senior Indebtedness of Newpark, which includes indebtedness under the Credit

	Facility. The Exchange Notes will rank pari passu in right of payment with all other existing and future senior subordinated indebtedness, if any, of Newpark (including any 144A Notes that remain outstanding after the consummation of the Exchange Offer), and senior in right of payment to all existing and future Subordinated Indebtedness, if any, of Newpark. The Guarantees will be unsecured senior subordinated obligations of the Guarantors and will be subordinated to all existing and future Guarantor Senior Indebtedness, which includes indebtedness under the Credit Facility. As of September 30, 1997, on an as adjusted basis after giving effect to the 144A Notes Offering and the application of the net proceeds therefrom, Newpark and the Guarantors would have had approximately $129.4 million in aggregate principal amount of Indebtedness outstanding (excluding up to $17.6 million of third party indebtedness guaranteed by Newpark), of which approximately $4.4 million would have ranked senior in right of payment to the Exchange Notes and the Guarantees, and Newpark would have had an aggregate of $88.0 million of available borrowings under the Credit Facility. See "Risk Factors - Subordination of the Notes and the Guarantees" and "Description of the Exchange Notes--Subordination."
Change of Control	Upon the occurrence of a Change of Control, Newpark will be required to make an offer to repurchase all or any part of each holder's Exchange Notes at a cash purchase price equal to 101% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of purchase. See "Description of the Exchange Notes--Certain Covenants--Change of Control."
Certain Covenants	The Indenture relating to the Notes contains certain restrictive covenants, including, but not limited to, covenants with respect to the following matters: (i) limitation on additional indebtedness; (ii) limitation on restricted payments; (iii) limitation on liens; (iv) disposition of proceeds of asset sales; (v) limitation on sale, issuance and ownership of capital stock of subsidiaries; (vi) limitation on transactions with affiliates; (vii) limitation on dividends and other payment restrictions affecting restricted subsidiaries; (viii) limitation on certain other senior subordinated obligations; (ix) limitation on designation of unrestricted subsidiaries; (x) limitation on non-guarantor restricted subsidiaries; and (xi) restrictions on mergers, consolidations and the transfer of all or substantially all of the assets of Newpark. See "Description of the Exchange Notes--Certain Covenants."
Absence of Public Market for the Exchange Notes	There is no public trading market for the Exchange Notes. Although Newpark intends to apply for listing of the Exchange Notes on the NYSE, there can be no assurance that Newpark's

application will be approved or that an active trading market for the Exchange Notes will develop or continue after the Exchange Offer. Newpark has been advised by the Initial Purchasers that they currently intend to make a market in the Exchange Notes, although they are under no obligation to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Exchange Notes or that an active public market for the Exchange Notes will develop. If an active trading market for the Exchange Notes does not develop, the market price and liquidity of the Exchange Notes may be adversely affected. If the Exchange Notes are traded, they may trade at a discount from the initial offering price of the 144A Notes for which they were exchanged, depending on prevailing interest rates, the market for similar securities, the performance of Newpark and certain other factors. See "Risk Factors--Absence of Public Market for the Exchange Notes."

RISK FACTORS

See "Risk Factors" for a discussion of certain factors that should be considered by Holders of the 144A Notes before deciding to tender 144A Notes in the Exchange Offer.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The following information should be read in conjunction with "Selected Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Newpark's Consolidated Financial Statements and the notes thereto included and incorporated by reference herein.

	YEAR ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,	
	1992	1993	1994	1995	1996	1996	1997
INCOME STATEMENT DATA:	(DOLLARS IN THOUSANDS)						
Revenues:							
NOW and NORM disposal	$ 9,984	$11,354	$ 20,738	$ 31,126	$ 44,905	$ 28,946	$ 45,328
Fluids sales & engineering	--	1,255	6,993	7,738	14,432	9,139	34,641
Mat services	17,387	21,042	23,048	30,775	32,757	20,613	37,588
Integrated services	20,988	23,001	34,246	34,481	42,520	30,578	31,225
Other	1,098	933	1,600	1,600	1,360	1,360	--
Total revenues	49,457	57,585	86,625	105,720	135,974	90,636	148,782
Cost of services provided	36,860	43,389	60,901	70,360	87,081	58,039	89,769
Operating costs	5,519	9,120	9,124	10,693	10,784	7,707	13,763
General and administrative expenses	1,963	2,129	3,231	2,658	2,920	2,168	2,465
Operating income	4,961	2,276	12,109	21,546	32,018	20,284	42,785
Interest expense	847	1,306	2,724	3,833	3,900	2,854	2,703
Interest income	18	5	80	222	223	86	154
Income before income taxes	4,132	975	9,465	17,499	28,341	17,516	40,236
Net income	5,286	446	9,717	12,541	18,503	11,306	25,513
BALANCE SHEET DATA (AT PERIOD END):							
Cash and cash equivalents	$ 553	$ 1,171	$ 1,662	$ 1,500	$ 1,945	$ 1,810	$ 6,179
Property and equipment, net	42,463	51,767	67,677	85,519	114,670	107,960	164,351
Total assets	75,375	91,329	112,572	154,132	289,884	271,576	376,728
Total debt	23,246	30,541	39,462	55,237	47,301	39,544	78,042
Stockholders' equity	44,915	50,467	63,631	77,755	203,441	194,858	257,452
OTHER FINANCIAL DATA:							
EBITDA(a)	$10,791	$ 8,903	$ 20,842	$ 32,231	$ 52,668	$ 33,165	$ 61,453
EBITDA margin	21.8%	15.5%	24.1%	30.5%	38.7%	36.6%	41.3%
Capital expenditures	$13,033	$ 7,224	$ 23,160	$ 24,024	$ 44,521	$ 37,947	$ 58,413
Ratio of EBITDA to interest expense	12.7x	6.8x	7.7x	8.4x	13.5x	11.6x	22.7x
Ratio of total debt to EBITDA	2.2x	3.4x	1.9x	1.7x	0.9x	--	--
Ratio of EBITDA to pro forma interest expense(b)	--	--	--	--	5.1x	--	8.6x
Ratio of pro forma total debt to EBITDA(b)	--	--	--	--	2.5x	--	--

(a) EBITDA is defined as earnings before interest expense, taxes, depreciation, amortization, non-recurring charges, provision for uncollectible accounts and notes receivable and income or loss from discontinued operations. While EBITDA should not be construed as a substitute for operating income or as a better measure of liquidity than cash flows from operating activities, which are determined in accordance with generally accepted accounting principles, it is included herein to provide additional information with respect to Newpark's ability to meet future debt service, capital expenditure and working capital requirements.

(b) Assumes the Exchange Notes were issued at the beginning of the periods indicated.

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this Prospectus, Holders of 144A Notes should carefully consider the following factors before deciding to tender 144A Notes in the Exchange Offer. The risk factors set forth below are generally applicable to the 144A Notes as well as the Exchange Notes.

CONSEQUENCES OF FAILURE TO EXCHANGE 144A NOTES

Holders of 144A Notes who do not exchange their 144A Notes for Exchange Notes pursuant to the Exchange Offer will continue to be subject to the restrictions on transfer of such 144A Notes as set forth in the legend thereon and in the Indenture as a consequence of the issuance of the 144A Notes pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the 144A Notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. The Company does not currently anticipate that it will register the 144A Notes under the Securities Act. In addition, upon consummation of the Exchange Offer, Holders of the 144A Notes that remain outstanding will not be entitled to any rights under the Registration Rights Agreement that by their terms terminate or cease to have further effectiveness as a result of the making of this Exchange Offer. Although the 144A Notes have been designated for trading in the PORTAL market, to the extent that 144A Notes are tendered and accepted in the Exchange Offer, the trading market for the untendered and tendered but unaccepted 144A Notes could be adversely affected.

DEPENDENCE ON OIL AND GAS INDUSTRY

Demand for Newpark's environmental and oilfield services depends in large part upon the level of exploration and production of oil and gas and the industry's willingness to spend capital on environmental and oilfield services, which in turn depends on 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 also affect the industry. Prices for oil and gas historically have been volatile and have reacted to changes in the supply of and the demand for oil and natural gas, domestic and worldwide economic conditions and political instability in oil producing countries. No assurance can be given that current levels of oil and gas activities will be maintained or that demand for Newpark's services will reflect the level of such activities. Prices for oil and natural gas are expected to continue to be volatile and affect the demand for Newpark's services. Shortages of critical equipment and trained personnel to operate such equipment also may limit the level of drilling activity in the oil and gas industry. A material decline in oil or natural gas prices or activities could materially affect the demand for Newpark's services and, therefore, Newpark's consolidated financial statements.

LEVERAGE

As of September 30, 1997, on an as adjusted basis after giving effect to the 144A Notes Offering and the application of the net proceeds therefrom, Newpark would have had approximately $129.4 million of long-term debt (excluding up to $17.6 million of third party indebtedness guaranteed by Newpark), which would have represented approximately 33.4% of its total capitalization. See "Capitalization." In addition, the Indenture and Newpark's other debt instruments will allow Newpark to incur additional indebtedness, including Senior Indebtedness or secured indebtedness in the future. As of September 30, 1997, on an as adjusted basis after giving effect to the 144A Notes Offering and the application of the net proceeds

therefrom, Newpark would have had an aggregate of $88.0 million of available borrowings under the Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources." Newpark's ability to make payments with respect to the Notes and to satisfy its other debt obligations will depend upon its future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, certain of which are beyond Newpark's control. Upon the issuance of the 144A Notes, Newpark's interest expense increased compared to prior years. Newpark believes, based on current circumstances, that Newpark's cash flow, together with available borrowings under the Credit Facility, will be sufficient to service its debt requirements as they become due for the foreseeable future.

The degree to which Newpark is leveraged could have important consequences to holders of the Notes, including: (i) Newpark's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired; (ii) a portion of Newpark's cash flows from operations may be dedicated to the payment of principal and interest on its indebtedness, thereby reducing the funds available to Newpark for its operations; (iii) certain of Newpark's indebtedness contains financial and other restrictive covenants, including those relating to the incurrence of additional indebtedness, the creation of liens, the sale of assets, tangible net worth, ratio of current assets to current liabilities, ratio of total debt to total capitalization and ratio of debt service coverage; (iv) certain of Newpark's borrowings are and will continue to be at variable rates of interest which exposes Newpark to the risk of greater interest rates; and (v) Newpark may be more leveraged than certain of its competitors, which may place Newpark at a relative competitive disadvantage and make Newpark more vulnerable to changing economic conditions. As a result of Newpark's current level of indebtedness, its financial capacity to respond to market conditions, capital needs and other factors may be limited.

SUBORDINATION OF THE NOTES AND THE GUARANTEES

The payment of principal of, premium, if any, and interest on the Notes will be subordinated to the prior payment in full of all existing and future Senior Indebtedness of Newpark, which includes indebtedness under the Credit Facility. Therefore, in the event of a liquidation, dissolution, reorganization or any similar proceeding regarding Newpark, the assets of Newpark will be available to pay obligations on the Notes only after Senior Indebtedness has been paid in full, and there may not be sufficient assets to pay amounts due on all or any of the Notes. In addition, Newpark may not pay principal of, premium, if any, interest on or any other amounts owing in respect of the Notes, make any deposit pursuant to defeasance provisions or purchase, redeem or otherwise retire the Notes, if any Senior Indebtedness is not paid when due (whether upon scheduled repayment, acceleration or otherwise), unless, in either case, such default has been cured or waived, any such acceleration has been rescinded or such indebtedness has been repaid in full. Moreover, under certain circumstances, if any non-payment default exists with respect to Designated Senior Indebtedness (as defined herein), Newpark may not make any payments on the Notes for a specified time, unless such default is cured or waived, any acceleration of such indebtedness has been rescinded or such indebtedness has been repaid in full. See "Description of the Exchange Notes--Subordination." As of September 30, 1997, on an as adjusted basis after giving effect to the 144A Notes Offering and the application of the net proceeds therefrom, Newpark would have had approximately $4.4 million in aggregate principal amount of Senior Indebtedness outstanding (excluding up to $17.6 million in third party indebtedness guaranteed by Newpark), and Newpark would have had an aggregate of $88.0 million of available borrowings under the Credit Facility. Under the terms of the Indenture governing the Notes, and Newpark's other debt instruments, Newpark may incur additional indebtedness, including future Senior Indebtedness or secured indebtedness. See "Description of the Exchange Notes--Certain Covenants."

The Guarantees will be unsecured senior subordinated obligations of the Guarantors and will be subordinated to all existing and future Guarantor Senior Indebtedness, which includes indebtedness of the Guarantors under the Credit Facility. As of September 30, 1997, on an as adjusted basis after giving effect to the 144A Notes Offering and the application of the net proceeds therefrom, the Guarantors would have had outstanding approximately $4.4 million in aggregate principal amount of Guarantor Senior Indebtedness. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources," "Description of Certain Other Indebtedness" and "Description of the Exchange Notes."

HOLDING COMPANY STRUCTURE; POSSIBLE INVALIDITY OF GUARANTEES; POTENTIAL RELEASE OF GUARANTEES

The Notes are the obligations of Newpark. As of the date of this Prospectus, approximately 94% of the consolidated assets of Newpark were held by the Guarantors and substantially all of Newpark's cash flow and net income was generated by the Guarantors. Therefore, Newpark's ability to make interest and principal payments when due to holders of the Notes is dependent, in part, upon the receipt of sufficient funds from its subsidiaries.

Newpark's obligations under the Notes have been guaranteed, jointly and severally, on a senior subordinated basis by each of the Guarantors, which consist of substantially all of Newpark's subsidiaries. To the extent that a court were to find, pursuant to federal or state fraudulent transfer laws or otherwise, that at the time a Guarantor entered into a Guarantee either (a) the Guarantee was incurred by a Guarantor with the intent to hinder, delay or defraud any present or future creditor or the Guarantor contemplated insolvency with a design to favor one or more creditors to the exclusion in whole or in part of others; or (b) the Guarantor did not receive fair consideration or reasonably equivalent value for issuing its Guarantee and, at the time it issued the Guarantee, such Guarantor (i) was insolvent or rendered insolvent by reason of the issuance of such Guarantee, (ii) was engaged or about to engage in a business or transaction for which the remaining assets of such Guarantor constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, the court could avoid or subordinate such Guarantee in favor of the Guarantor's other debts or liabilities. Among other things, a legal challenge of a Guarantee on fraudulent conveyance grounds may focus on the benefits, if any, realized by the Guarantor as a result of the issuance by Newpark of the Notes. To the extent any Guarantee is avoided as a fraudulent conveyance or held unenforceable for any other reason, holders of the Notes would cease to have any claim in respect of such Guarantor and would be creditors solely of Newpark and any Guarantor whose Guarantee was not avoided or held unenforceable.

Based upon financial and other information currently available to it, Newpark believes that the Notes and the Guarantees have been and are being incurred for proper purposes and in good faith and that Newpark and each Guarantor is solvent and will continue to be solvent after issuing the Notes or its Guarantee, as the case may be, will have sufficient capital for carrying on its business after such issuance and will be able to pay its debts as they mature. See "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Certain Other Indebtedness" and "Description of the Exchange Notes."

IMPACT OF GOVERNMENT REGULATIONS

Newpark believes that the demand for its principal environmental services is directly related to regulation of NOW and NORM. Rescission or relaxation of such regulations, or a failure of governmental authorities to enforce such regulations, could result in decreased demand for Newpark's services and,

therefore, could materially affect Newpark's consolidated financial statements. Newpark's business may also be adversely affected by new regulations or changes in other applicable regulations.

NOW is currently exempt from the principal Federal statute governing the handling of hazardous waste. In recent years, proposals have been made to rescind this exemption. The repeal or modification of the exemption covering NOW or modification of applicable regulations or their interpretation regarding the treatment and/or disposal of NOW or NORM waste could require Newpark to alter significantly its method of doing business. Such repeal or modification could have a material adverse effect on Newpark's consolidated financial statements.

LOSS OF TECHNOLOGY RIGHTS

Newpark has been granted U.S. patents on certain aspects of its system for processing and disposing of NOW and NORM. There is no assurance that such patents will give Newpark a meaningful competitive advantage. In addition, the environmental services business in the oilfield industry could be impacted by 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.

COMPETITION

The processing of NOW and NORM waste is a relatively new industry. Competition in this market can be expected to increase as the industry develops. In the meantime, Newpark expects to encounter significant competition from third party competitors in connection with any proposed expansion into additional geographic areas and services. Barriers to entry by competitors in the environmental and oilfield services industries are low. Therefore, competitive products and services have been and may be successfully developed and marketed by others. Newpark also faces competition from oil and gas producing customers who are continually seeking to enhance and develop their own methods of disposal instead of utilizing the services of third party NOW and NORM disposal companies such as Newpark. The desire to use such internal disposal methods could be increased by future technological change and innovation and could limit the ability of Newpark to increase prices. The increased use by Newpark's oil and gas producing customers of their own disposal methods and other competitive factors could have a material adverse effect on Newpark's consolidated financial statements. Newpark also faces competition in the drilling fluids market, where there are several larger companies that may have both lower capital costs and greater geographic coverage than Newpark, as well as numerous smaller companies that may have a lower total cost structure.

FAILURE TO COMPLY WITH GOVERNMENTAL REGULATIONS

Newpark's business is subject to numerous Federal, state and local laws, regulations and policies that govern environmental protection, zoning and other matters. These laws and regulations have changed frequently in the past and it is reasonable to expect additional changes in the future. If existing regulatory requirements change, Newpark may be required to make significant unanticipated capital and operating expenditures. Although Newpark believes that it is presently in material compliance with applicable laws and regulations, there is no assurance that its operations will continue to comply with future laws and regulations. Governmental authorities may seek to impose fines and penalties on Newpark or to revoke or deny the issuance or renewal of operating permits for failure to comply with applicable laws and regulations. Under such circumstances, Newpark might be required to curtail or cease operations or conduct site remediation or other corrective action, which could have a material adverse effect on Newpark's consolidated financial statements.

POTENTIAL ENVIRONMENTAL LIABILITY; INSUFFICIENCY OF INSURANCE

Newpark's business exposes it to the risk of harmful substances escaping into the environment, resulting in personal injury or loss of life, severe damage to or destruction of property, environmental damage and suspension of operations. The current and past activities of Newpark and the activities of its former divisions and subsidiaries could result in the imposition of substantial environmental, regulatory and other liabilities on Newpark, including the costs of cleanup of contaminated sites and site closure obligations. Such liabilities could also be imposed on the basis of negligence, strict liability, breach of contract with customers or, in many instances, as a result of contractual indemnification by Newpark of its customers in the normal course of its business. Injection wells have been used for many years for disposal of oilfield waste; however, certain aspects of Newpark's technology have not been used previously by others and the future performance of such technology is uncertain.

While Newpark maintains liability insurance, the insurance is subject to coverage limits and certain policies exclude coverage for damages resulting from environmental contamination. Although there are currently numerous sources from which such coverage may be obtained, there can be no assurance that insurance will continue to be available to Newpark on commercially reasonable terms, that the possible types of liabilities that may be incurred by Newpark will be covered by its insurance, that Newpark's insurance carriers will be able to meet their obligations under the policies or that the dollar amount of such liabilities will not exceed Newpark's policy limits. Even a partially uninsured claim, if successful and of significant magnitude, could have a material adverse effect on Newpark's consolidated financial statements.

RELIANCE ON KEY PERSONNEL

Newpark is dependent upon the efforts and talents of its executive officers and certain key personnel. Loss of the services of one or more of these persons could adversely affect the operations of Newpark. None of Newpark's executive officers is covered by a long-term employment contract.

RESTRICTIONS IMPOSED BY TERMS OF INDEBTEDNESS

The Indenture governing the terms of the Notes contains certain covenants limiting, subject to certain exceptions, the incurrence of additional indebtedness, the payment of dividends, the redemption of capital stock, the making of certain investments, the issuance of capital stock of subsidiaries, the creation of liens and other restrictions affecting Newpark's subsidiaries, the issuance of guarantees, transactions with affiliates, asset sales and certain mergers and consolidations. A breach of any of these covenants could result in an event of default under the Indenture. In addition, the Credit Facility contains other restrictive covenants and requires Newpark to satisfy certain financial tests. Newpark's ability to comply with such covenants and to satisfy such financial tests may be affected by events beyond its control. A breach of any of these covenants could result in an event of default under the Credit Facility and the Indenture. In the event of a default under the Credit Facility, the lenders thereunder could elect to declare all amounts borrowed, together with accrued interest, to be immediately due and payable, and the lenders under the Credit Facility could terminate all commitments thereunder and, if such borrowed amounts are not paid, enforce their rights pursuant to any security interests on, or commence litigation that could ultimately result in a sale of, certain assets of Newpark. In addition, a default under the Credit Facility could constitute a cross-default under the Indenture, and a default under the Indenture could constitute a cross-default under the Credit Facility. See "Description of Certain Other Indebtedness" and "Description of the Exchange Notes."

POTENTIAL FAILURE TO MAKE PAYMENT UNDER A CHANGE OF CONTROL

Upon the occurrence of a Change of Control, Newpark will be obligated to offer to purchase all or a portion of the Notes at 101% of the principal amount of the Notes, together with accrued and unpaid interest, if any, to the date of purchase. If Newpark does not have sufficient funds to repay all of such indebtedness or is unable to obtain the necessary consents from the holders of Senior Indebtedness, Newpark may be unable to offer to purchase the Notes, which will constitute an event of default under the Indenture. There can be no assurance that Newpark will have sufficient funds available at the time of any Change of Control to make any debt payment (including purchases of Notes) as described above or that Newpark will be able to refinance its outstanding indebtedness in order to permit it to repurchase the Notes or, if such refinancing were to occur, that such financing will be on terms favorable to Newpark. See "Description of the Exchange Notes--Certain Covenants--Change of Control."

The events that constitute a Change of Control under the Indenture may also be events of default under the Credit Facility or other Senior Indebtedness of Newpark. Such events may permit the holders under such debt instruments to reduce the borrowings thereunder or accelerate the debt and, if the debt is not paid, to enforce their rights pursuant to security interests on, or commence litigation that could ultimately result in a sale of, certain assets of Newpark, thereby limiting Newpark's ability to purchase the Notes.

ABSENCE OF PUBLIC MARKET FOR THE EXCHANGE NOTES

The Exchange Notes are being offered to the Holders of the 144A Notes. The 144A Notes were offered and sold in December 1997 to "Qualified Institutional Buyers" (as defined in Rule 144A under the Securities Act) and certain other qualified buyers and are eligible for trading in the PORTAL market.

The Exchange Notes will be new securities for which there currently is no established trading market. Although Newpark intends to apply for listing of the Exchange Notes on the NYSE, there can be no assurance that Newpark's application will be approved or that an active trading market for the Exchange Notes will develop or continue after the Exchange Offer. Although the Initial Purchasers have informed Newpark that they currently intend to make a market in the Exchange Notes, the Initial Purchasers are not obligated to do so, and any such market making may be discontinued at any time without notice. The liquidity of any market for the Exchange Notes will depend upon the number of holders of the Exchange Notes, the interest of securities dealers in making a market in the Exchange Notes and other factors. Accordingly, there can be no assurance as to the development or liquidity of any market for the Exchange Notes. If an active trading market for the Exchange Notes does not develop, the market price and liquidity of the Exchange Notes may be adversely affected. If the Exchange Notes are traded, they may trade at a discount from the initial offering price of the 144A Notes for which they were exchanged, depending upon prevailing interest rates, the market for similar securities, the performance of Newpark and certain other factors. The liquidity of, and trading markets for, the Exchange Notes may also be adversely affected by general declines in the market for non-investment grade debt. Such declines may adversely affect the liquidity of, and trading markets for, the Exchange Notes independent of the financial performance of or prospects for Newpark.

Historically, the market for noninvestment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Exchange Notes. There can be no assurance that the market, if any, for the Exchange Notes will not be subject to similar disruptions. Any such disruptions may have an adverse effect on the holders of the Exchange Notes.

Notwithstanding the registration of the Exchange Notes in the Exchange Offer, Holders who are "affiliates" (as defined under Rule 405 of the Securities Act) of the Company may publicly offer for sale or resell the Exchange Notes only in compliance with the provisions of Rule 144 under the Securities Act. In addition, Holders who participate in the Exchange Offer should be aware that if they accept the Exchange Offer for the purpose of engaging in a distribution, the Exchange Notes received by them may not be publicly reoffered or resold without complying with the registration and prospectus delivery requirements of the Securities Act. As a result, each Holder accepting the Exchange Offer will be required to represent, in connection with its acceptance of the Exchange Offer, that it acquired the Exchange Notes in the ordinary course of business and that it is not engaged in, and does not intend to engage in, a distribution of the Exchange Notes.

EXCHANGE OFFER PROCEDURES

Issuance of the Exchange Notes for 144A Notes pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of such 144A Notes, a properly completed, duly executed Letter of Transmittal (or compliance with the procedures for book-entry transfer if delivery of 144A Notes is to be made by book-entry transfer to an account maintained by the Exchange Agent at the DTC) and all other required documents. Therefore, Holders desiring to tender their 144A Notes in exchange for Exchange Notes should allow sufficient time to ensure timely delivery. Newpark is under no duty to give notification of defects or irregularities with respect to tenders of 144A Notes for exchange. Any 144A Notes that are not tendered or are tendered but not accepted will, following the consummation of the Exchange Offer, continue to be subject to the existing restrictions upon transfer thereof, and, upon consummation of the Exchange Offer, the registration rights under the Registration Rights Agreement generally will terminate. In addition, any Holder who tenders pursuant to the Exchange Offer for the purpose of participating in a distribution of the Exchange Notes may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale. Each broker-dealer that receives Exchange Notes for its own account in exchange for 144A Notes, where such 144A Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See "The Exchange Offer."

THE EXCHANGE OFFER

The following discussion sets forth or summarizes what Newpark believes are the material terms of the Exchange Offer, including those set forth in the Letter of Transmittal distributed with this Prospectus. This summary is qualified in its entirety by reference to the full text of the documents underlying the Exchange Offer, including the Letter of Transmittal and the Registration Rights Agreement, copies of which are filed as exhibits to the Registration Statement of which this Prospectus is a part, and are incorporated by reference herein.

PURPOSE AND EFFECT OF THE EXCHANGE OFFER

In connection with the sale of 144A Notes pursuant to the Purchase Agreement, dated December 10, 1997 (the "Purchase Agreement"), between Newpark and the Initial Purchasers, the Initial Purchasers became entitled to the benefits of the Registration Rights Agreement.

Under the Registration Rights Agreement, Newpark must use its best efforts to (i) file a registration statement in connection with a registered exchange offer of Exchange Notes for 144A Notes within 45 days after December 17, 1997, the date the 144A Notes were issued (the "Issue Date"), (ii) cause such registration

statement to become effective under the Securities Act within 105 days of the Issue Date, (iii) keep such registration statement effective until the closing of such registered exchange offer and (iv) cause such registered exchange offer to be consummated within 135 days after the Issue Date. The registered exchange offer to be made pursuant to the Registration Rights Agreement is intended to provide each Holder of 144A Notes with the opportunity to exchange any and all of its 144A Notes for a like principal amount of Exchange Notes , which will be issued without a restrictive legend and may be reoffered and resold by the Holder without restrictions or limitations under the Securities Act, subject to certain limitations. See "--Resale of the Exchange Notes." Subject to limited exceptions, the Exchange Offer being made hereby, if commenced and consummated within such applicable time periods, will satisfy the foregoing requirements under the Registration Rights Agreement. The term "Holder" with respect to the Exchange Offer means any person in whose name the 144A Notes are registered on the books of Newpark or any other person who has obtained a properly completed assignment from the registered holder or any participant in the DTC system whose name appears on a security position listing as the holder of such 144A Notes and who desires to deliver such 144A Notes by book-entry transfer through the facilities of the DTC.

Upon satisfaction of the foregoing requirements under the Registration Rights Agreement, Newpark will not be required to pay an increased rate of interest on the 144A Notes. Following the consummation of the Exchange Offer, Holders who did not tender their 144A Notes generally will not have any further registration rights under the Registration Rights Agreement, and such 144A Notes will continue to remain subject to certain restrictions on transfer. Accordingly, the liquidity of the market for such 144A Notes could be adversely affected. Holders of 144A Notes seeking liquidity in their investment would have to rely on exemptions to registration requirements under the securities laws, including the Securities Act. Although the 144A Notes have been designated as eligible for trading in the PORTAL market, because it is expected that all or substantially all of the Holders of the 144A Notes will elect to exchange such 144A Notes for Exchange Notes due to the absence of restrictions on the resale of Exchange Notes under the Securities Act, Newpark anticipates that the liquidity of the market for any 144A Notes remaining after the consummation of the Exchange Offer may be substantially limited.

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth in this Prospectus and in the accompanying Letter of Transmittal, Newpark will accept for exchange all 144A Notes properly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the Expiration Date. Newpark will issue $1,000 principal amount of Exchange Notes in exchange for each $1,000 principal amount of outstanding 144A Notes accepted in the Exchange Offer. Holders may tender some or all of their 144A Notes pursuant to the Exchange Offer in denominations of $1,000 and integral multiples thereof.

The form and terms of the Exchange Notes are the same as the form and terms of the 144A Notes except that (i) the Exchange Notes have been registered under the Securities Act and hence will not bear legends restricting the transfer thereof, (ii) the holders of Exchange Notes generally will not be entitled to certain rights under the Registration Rights Agreement, which rights generally will terminate as to all of the Notes upon consummation of the Exchange Offer, and (iii) certain provisions relating to an increase in the stated interest rate on the 144A Notes provided for under certain circumstances will be eliminated. The Exchange Notes will evidence the same debt as the 144A Notes and will be issued under and entitled to the benefits of the Indenture.

As of the date of this Prospectus, $125,000,000 aggregate principal amount of the 144A Notes are outstanding. In connection with the issuance of the 144A Notes, Newpark arranged for the 144A Notes to

be issued and transferable in book-entry form through the facilities of the DTC, acting as depositary. The Exchange Notes will also be issuable and transferable in book-entry form through the DTC.

This Prospectus, together with the accompanying Letter of Transmittal, is initially being sent to all registered Holders of the 144A Notes as of the close of business on , 1998. The Exchange Offer is not conditioned upon any minimum aggregate principal amount of 144A Notes being tendered, and Holders of the 144A Notes do not have any appraisal or dissenters' rights in connection with the Exchange Offer.

Newpark shall be deemed to have accepted validly tendered 144A Notes when, as and if Newpark has given oral or written notice thereof to the Exchange Agent. The Exchange Agent will act as agent for the tendering Holders of 144A Notes for the purposes of receiving the Exchange Notes from Newpark and delivering Exchange Notes to such Holders. Newpark's obligation to accept 144A Notes for exchange pursuant to the Exchange Offer is subject to certain customary conditions as set forth under "--Conditions."

If any tendered 144A Notes are not accepted for exchange because of an invalid tender or the occurrence of certain other events set forth herein, certificates for any such unaccepted 144A Notes will be returned, without expense, to the tendering Holder thereof as promptly as practicable after the Expiration Date.

Holders of 144A Notes who tender pursuant to the Exchange Offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of 144A Notes pursuant to the Exchange Offer. Newpark will pay all charges and expenses, other than certain applicable taxes, in connection with the Exchange Offer. See "--Solicitation of Tenders; Fees and Expenses."

NEITHER THE BOARD OF DIRECTORS OF NEWPARK NOR NEWPARK MAKES ANY RECOMMENDATION TO HOLDERS OF 144A NOTES AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING ALL OR ANY PORTION OF THEIR 144A NOTES PURSUANT TO THE EXCHANGE OFFER. MOREOVER, NO ONE HAS BEEN AUTHORIZED TO MAKE ANY SUCH RECOMMENDATION. HOLDERS OF 144A NOTES MUST MAKE THEIR OWN DECISION WHETHER TO TENDER PURSUANT TO THE EXCHANGE OFFER AND, IF SO, THE AGGREGATE AMOUNT OF 144A NOTES TO TENDER, AFTER READING THIS PROSPECTUS AND THE LETTER OF TRANSMITTAL AND CONSULTING WITH THEIR ADVISORS, IF ANY, BASED ON THEIR OWN FINANCIAL POSITION AND REQUIREMENTS.

EXPIRATION DATE; EXTENSIONS; AMENDMENTS

The Exchange Offer will remain open for acceptance for a period of not less than 30 days after notice is mailed to Holders. The Expiration Date will be 5:00 p.m., New York City time, on , 1998, unless Newpark, in its sole discretion, extends the Exchange Offer, in which case the Expiration Date will be the latest business day to which the Exchange Offer is extended. In order to extend the Expiration Date, Newpark will notify the Exchange Agent of any extension by oral or written notice and will mail to the record Holders an announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. During any such extension, all 144A Notes previously tendered and not withdrawn as herein provided will remain subject to the Exchange Offer and may be accepted for exchange by Newpark.

Newpark reserves the right (i) to delay accepting any 144A Notes, to extend the Exchange Offer or to terminate the Exchange Offer and not accept 144A Notes not previously accepted if any of the conditions set forth under "--Conditions" shall have occurred and shall not have been waived by Newpark, by giving oral or written notice of such delay, extension or termination to the Exchange Agent, or (ii) to amend the terms of the Exchange Offer in any manner. Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof. If the Exchange Offer is amended in a manner determined by Newpark to constitute a material change, Newpark will promptly disclose such amendment in a manner reasonably calculated to inform the Holders of such amendment, and Newpark will extend the Exchange Offer for a period of five to ten business days, depending upon the significance of the amendment and the manner of disclosure to Holders, if the Exchange Offer would otherwise expire during such five to ten business day period.

Without limiting the manner in which Newpark may choose to make public announcement of any extension, amendment or termination of the Exchange Offer, Newpark shall have no obligation to publish, advertise or otherwise communicate any such public announcement, other than by making a timely release to the Dow Jones News Service.

INTEREST ON THE EXCHANGE NOTES

Interest on the Notes is payable semi-annually on June 15 and December 15 of each year at the rate of 8 5/8% per annum. The Exchange Notes will bear interest from the Issue Date or the most recent interest payment date to which interest on the 144A Notes has been paid, whichever is later. Accordingly, Holders of 144A Notes that are accepted for exchange will not receive interest that is accrued but unpaid on the 144A Notes at the time of tender, but such interest will be payable in respect of the Exchange Notes delivered in exchange for such 144A Notes on the first interest payment date after the Expiration Date. Each 144A Note accepted for exchange will cease to bear interest from and after the date of consummation of the Exchange Offer.

PROCEDURES FOR TENDERING

Only a Holder of 144A Notes may tender such 144A Notes pursuant to the Exchange Offer. To tender pursuant to the Exchange Offer, a Holder must complete, sign and date the Letter of Transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein, have the signatures thereon guaranteed if required by Instruction 5 of the Letter of Transmittal, and deliver such Letter of Transmittal or such facsimile, together with the 144A Notes and any other required documents, to the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date (or comply with the procedures for book-entry transfer described below if delivery of 144A Notes is to be made by book-entry transfer to an account maintained by the Exchange Agent at the DTC). Confirmation of such book-entry transfer must be received by the Exchange Agent prior to the Expiration Date.

The tender by a Holder of 144A Notes and the acceptance thereof by Newpark will constitute an agreement between such Holder and Newpark in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal. If less than all of the 144A Notes delivered to the Exchange Agent are tendered, a tendering Holder should fill in the amount of 144A Notes being tendered in the appropriate box on the Letter of Transmittal. The entire amount of 144A Notes delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated.

THE METHOD OF DELIVERY OF 144A NOTES AND THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION

AND RISK OF THE HOLDER. INSTEAD OF DELIVERY BY MAIL, IT IS RECOMMENDED THAT HOLDERS USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE TIMELY DELIVERY TO THE EXCHANGE AGENT BEFORE THE EXPIRATION DATE. NO LETTER OF TRANSMITTAL OR 144A NOTES SHOULD BE SENT TO NEWPARK. HOLDERS MAY REQUEST THEIR RESPECTIVE BROKERS, DEALERS, COMMERCIAL BANKS, TRUST COMPANIES OR NOMINEES TO EFFECT SUCH TENDER FOR SUCH HOLDERS.

Any beneficial Holder whose 144A Notes are registered in the name of such Holder's broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered Holder promptly and instruct such registered Holder to tender on its behalf. If such beneficial Holder wishes to tender on such beneficial Holder's own behalf, such beneficial Holder must, prior to completing and executing the Letter of Transmittal and delivering its 144A Notes, either make appropriate arrangements to register ownership of the 144A Notes in such Holder's name or obtain a properly completed assignment from the registered Holder. The transfer of record ownership may take considerable time, and completion of such transfer prior to the Expiration Date may not be possible.

Signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program (an "Eligible Institution") unless the 144A Notes tendered pursuant thereto are tendered (i) by a registered holder who has not completed the box entitled "Special Registration Instructions" or "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. If the Letter of Transmittal is signed by a person other than the registered Holder of any 144A Notes listed therein, such 144A Notes must be endorsed or accompanied by appropriate assignments which authorizes such person to tender the 144A Notes on behalf of the registered Holder, in each case signed as the name of the registered Holder or Holders appears on the 144A Notes with the signature thereon guaranteed by an Eligible Institution. If the Letter of Transmittal or any 144A Notes or assignments are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by Newpark, evidence satisfactory to Newpark of their authority to so act must be submitted with the Letter of Transmittal.

Newpark understands that the Exchange Agent will make a request promptly after the date of this Prospectus to establish an account with respect to the 144A Notes at the DTC for the purpose of facilitating the Exchange Offer unless the Exchange Agent already has established an account with the DTC suitable for the Exchange Offer, and, subject to the establishment thereof, any financial institution that is a participant in the DTC may make book-entry delivery of the 144A Notes by causing the DTC to transfer such 144A Notes into the Exchange Agent's account with respect to the 144A Notes in accordance with the DTC's procedures for such transfer. Although delivery of 144A Notes may be effected through book-entry transfer into the Exchange Agent's account at the DTC, the Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the Exchange Agent at its address set forth herein under "--Exchange Agent" prior to 5:00 p.m., New York City time, on the Expiration Date. DELIVERY OF DOCUMENTS TO THE DTC DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

All questions as to the validity, form, eligibility (including time of receipt), acceptance of tendered 144A Notes and withdrawal of tendered 144A Notes will be determined by Newpark in its sole discretion, which determination will be final and binding. Newpark reserves the absolute right to reject any and all 144A Notes not properly tendered or any 144A Notes Newpark's acceptance of which would, in the

opinion of counsel for Newpark, be unlawful. Newpark also reserves the right to waive any irregularities or conditions of tender as to particular 144A Notes. Newpark's interpretation of the terms and conditions of the Exchange Offer (including the instructions in the Letter of Transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of 144A Notes must be cured within such time as Newpark shall determine. Neither Newpark, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of 144A Notes, nor shall any of them incur any liability for failure to give such notification. Tenders of 144A Notes will not be deemed to have been made until such irregularities have been cured or waived. Any 144A Notes received by the Exchange Agent that are not properly tendered or the tender of which is otherwise rejected by the Company and as to which the defects or irregularities have not been cured or waived will be returned without cost to such Holder by the Exchange Agent to the tendering Holder thereof (or, in the case of 144A Notes tendered by book-entry transfer into the Exchange Agent's account at the DTC pursuant to the book-entry procedures described above, such non-exchanged 144A Notes will be credited to an account maintained with the DTC), unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

The Letter of Transmittal will include representations to Newpark with respect to certain securities law matters. See "--Resale of the Exchange Notes."

GUARANTEED DELIVERY PROCEDURES

Holders who wish to tender their 144A Notes and (i) whose 144A Notes are not immediately available, or (ii) who cannot deliver their 144A Notes, the Letter of Transmittal or any other required documents to the Exchange Agent (or comply with the procedures for book-entry transfer) prior to the Expiration Date, may effect a tender if:

(a) the tender is made through an Eligible Institution;

(b) prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the Holder of the 144A Notes, the certificate or registration number or numbers of such 144A Notes and the principal amount of 144A Notes tendered, stating that the tender is being made thereby, and guaranteeing that, within three NYSE trading days after the execution of the Notice of Guaranteed Delivery, the Letter of Transmittal (or facsimile thereof), together with the certificate(s) representing the 144A Notes to be tendered in proper form for transfer (or a confirmation of book-entry transfer of such 144A Notes into the Exchange Agent's account at the DTC) and any other documents required by the Letter of Transmittal, will be deposited by the Eligible Institution with the Exchange Agent; and

(c) such properly completed and executed Letter of Transmittal (or facsimile thereof), together with the certificate(s) representing all tendered 144A Notes in proper form for transfer (or a confirmation of book-entry transfer of such 144A Notes into the Exchange Agent's account at the DTC) and all other documents required by the Letter of Transmittal, are received by the Exchange Agent within three NYSE trading days after the execution of the Notice of Guaranteed Delivery.

Upon request to the Exchange Agent, a Notice of Guaranteed Delivery will be sent to Holders who wish to tender their 144A Notes according to the guaranteed delivery procedures set forth above.

WITHDRAWAL OF TENDERS

Except as otherwise provided herein, tenders of 144A Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date.

To withdraw a tender of 144A Notes pursuant to the Exchange Offer, a written or facsimile transmission notice of withdrawal must be received by the Exchange Agent at the address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having deposited the 144A Notes to be withdrawn (the "Depositor"), (ii) identify the 144A Notes to be withdrawn (including the certificate or registration number(s) and principal amount of such 144A Notes, or, in the case of notes tendered by book-entry transfer, the name and number of the account at the DTC to be credited), (iii) be signed by the Depositor in the same manner as the original signature on the Letter of Transmittal by which such 144A Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Trustee with respect to the 144A Notes register the transfer of such 144A Notes into the name of the person withdrawing the tender, (iv) specify the name in which any such 144A Notes are to be registered, if different from that of the Depositor and (v) include a statement that such Holder is withdrawing such Holder's election to have such 144A Notes exchanged. All questions as to the validity, form and eligibility (including time of receipt) of such withdrawal notices will be determined by Newpark, whose determination will be final and binding on all parties. Any 144A Notes so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer, and no Exchange Notes will be issued with respect thereto unless the 144A Notes so withdrawn are validly retendered. Any 144A Notes which have been tendered but which are not accepted for exchange will be returned to the Holder thereof without cost to such Holder as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn 144A Notes may be retendered by following one of the procedures described under "--Procedures for Tendering" at any time prior to the Expiration Date.

CONDITIONS

Notwithstanding any other term of the Exchange Offer, Newpark shall not be required to accept for exchange, or to exchange Exchange Notes for, any 144A Notes, and may terminate or amend the Exchange Offer as provided herein before the acceptance of such 144A Notes, if:

(a) any action or proceeding is instituted or threatened in any court or by or before any governmental agency or regulatory authority or any injunction, order or decree is issued with respect to the Exchange Offer which, in the sole judgment of Newpark, might impair the ability of Newpark to proceed with the Exchange Offer; or

(b) any law, statute, rule, regulation or interpretation by the staff of the Commission is proposed, adopted or enacted, which, in the reasonable judgment of Newpark, might materially impair the ability of Newpark to proceed with the Exchange Offer; or

(c) any governmental approval has not been obtained, which approval Newpark, in its sole discretion, deems necessary for the consummation of the Exchange Offer; or

(d) there shall have been proposed, adopted or enacted any law, statute, rule or regulation (or an amendment to any existing law, statute, rule or regulation) which, in the sole judgment of Newpark, might materially impair the ability of Newpark to proceed with the Exchange Offer.

If Newpark determines in its reasonable judgment that any of the conditions set forth above are not satisfied, Newpark may (i) terminate the Exchange Offer and refuse to accept any 144A Notes and return all tendered 144A Notes to the tendering Holders, (ii) extend the Exchange Offer and retain all 144A Notes tendered prior to the expiration of the Exchange Offer subject, however, to the rights of Holders to withdraw such 144A Notes (see "--Withdrawals of Tenders") or (iii) waive such unsatisfied conditions with respect to the Exchange Offer and accept all properly tendered 144A Notes which have not been withdrawn. Moreover, regardless of whether any of such conditions has occurred, Newpark may amend the Exchange Offer in any manner which, in its good faith judgment, is advantageous to Holders of the 144A Notes.

The foregoing conditions are for the sole benefit of Newpark and may be asserted by Newpark regardless of the circumstances giving rise to any such condition or may be waived by Newpark in whole or in part at any time and from time to time in its sole discretion. The failure by Newpark at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. If a waiver constitutes a material change in the Exchange Offer, Newpark will disclose such change by means of a supplement to this Prospectus that will be distributed to each registered Holder, and Newpark will extend the Exchange Offer for a period of five to ten business days, depending upon the significance of the waiver and the manner of disclosure to the registered Holders, if the Exchange Offer would otherwise expire during such period. Any determination by Newpark concerning the events described above will be final and binding upon all parties.

In addition, Newpark will not accept for exchange any 144A Notes tendered, and no Exchange Notes will be issued in exchange for any such 144A Notes, if at such time any stop order shall be threatened or in effect with respect to the Registration Statement of which this Prospectus is a part or the Indenture is not qualified under the Trust Indenture Act of 1939, as amended. Newpark is required to use every reasonable effort to obtain the withdrawal of any such stop order at the earliest possible time.

The Exchange Offer is not conditioned upon any minimum principal amount of 144A Notes being tendered for exchange.

EXCHANGE AGENT

State Street Bank and Trust Company, the Trustee under the Indenture, has been appointed as Exchange Agent for the Exchange Offer. In such capacity, the Exchange Agent has no fiduciary duties and will be acting solely on the basis of directions of Newpark. All executed Letters of Transmittal must be directed to the Exchange Agent at the applicable address set forth below. Questions and requests for assistance and requests for additional copies of this Prospectus or of the Letter of Transmittal should be directed to the Exchange Agent addressed as follows:

By Mail:	By Facsimile Transmission:	By Overnight or Hand Delivery:
(registered or certified recommended)	(for Eligible Institutions only)	
State Street Bank and Trust Company	(617) 664-5232	State Street Bank and Trust Company
Corporate Trust Department	Attention: Sandra Szczsponik	Corporate Trust Department
P.O. Box 778	Confirm by Telephone:	Two International Place
Boston, MA 02102-0078	(617) 664-5314	Fourth Floor
Attention: Sandra Szczsponik		Boston, MA 02102-0078
		Attention: Sandra Szczsponik

DELIVERY OF THE LETTER OF TRANSMITTAL TO AN ADDRESS OR FACSIMILE NUMBER OTHER THAN SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

SOLICITATION OF TENDERS; FEES AND EXPENSES

The expenses of soliciting tenders pursuant to the Exchange Offer will be borne by Newpark. The principal solicitation for tenders pursuant to the Exchange Offer is being made by mail; however, additional solicitations may be made by telegraph, facsimile, telephone or in person by officers and regular employees of Newpark and its affiliates.

Newpark has not retained any dealer-manager in connection with the Exchange Offer and will not make any payments to brokers, dealers or other persons soliciting acceptances of the Exchange Offer. Newpark will, however, pay the Exchange Agent reasonable and customary fees for its services and will reimburse the Exchange Agent for its reasonable out-of-pocket expenses in connection therewith and pay other registration expenses, including fees and expenses of the Trustee, filing fees, blue sky fees, accounting and legal fees and printing and distribution expenses. Newpark may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Prospectus, Letters of Transmittal and related documents to the beneficial owners of the 144A Notes and in handling or forwarding tenders for exchange.

Newpark will pay all transfer taxes, if any, applicable to the exchange of 144A Notes pursuant to the Exchange Offer. If, however, certificates representing Exchange Notes or 144A Notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered Holder of the 144A Notes tendered, or if tendered 144A Notes are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of 144A Notes pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered Holder or any other persons) will be payable by the tendering Holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering Holder.

ACCOUNTING TREATMENT

The Exchange Notes will be recorded at the same carrying value as the 144A Notes for which they are exchanged, which is the aggregate principal amount of the 144A Notes, as reflected in Newpark's accounting records on the date of exchange. Accordingly, no gain or loss for accounting purposes will be recognized in connection with the Exchange Offer. The cost of the Exchange Offer will be deferred and amortized over the term of the Exchange Notes.

RESALE OF THE EXCHANGE NOTES

Newpark is making the Exchange Offer in reliance on interpretations of the staff of the Commission as set forth in certain no-action letters addressed to third parties in other transactions. However, Newpark has not sought its own no-action letter, and there can be no assurance that the staff of the Commission would take a similar position with respect to the Exchange Offer. Based on these interpretations by the staff of the Commission, Newpark believes that Exchange Notes issued pursuant to the Exchange Offer in exchange for 144A Notes may be offered for resale, resold and otherwise transferred by a Holder thereof (other than any such Holder which is an "affiliate" of Newpark within the meaning of Rule 405 of the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided

that the Holder is acquiring the Exchange Notes in the ordinary course of its business, and such Holder does not intend to participate, and has no arrangement or understanding to participate, in the distribution of such Exchange Notes. Any Holder that is an affiliate of Newpark or that tenders pursuant to the Exchange Offer with the intention to participate, or for the purpose of participating, in a distribution of the Exchange Notes may not rely on the position of the staff of the Commission set forth in the above-referenced no-action letters, but instead must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives Exchange Notes for its own account in exchange for 144A Notes that were acquired by such broker-dealer as a result of market-making activities or other trading activities may be a statutory underwriter and must acknowledge, in the Letter of Transmittal, that it will deliver a prospectus in connection with any resale of such Exchange Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for 144A Notes where such 144A Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. Newpark has agreed that, for a period of 180 days after the Expiration Date, it will make this Prospectus available to broker-dealers for use in connection with any such resales. A broker-dealer which delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act and will be bound by certain provisions of the Registration Rights Agreement (including certain indemnification rights and obligations).

The Letter of Transmittal includes representations to Newpark that, among other things, (i) the Exchange Notes to be acquired pursuant to the Exchange Offer are being acquired in the ordinary course business of the person receiving such Exchange Notes (whether or not such person is the Holder), (ii) neither the Holder nor any such other person is engaged in, intends to engage in or has any arrangement or understanding with any person to participate in the distribution of such Exchange Notes, (iii) neither the Holder nor any such other person is an "affiliate" (as defined in Rule 405 of the Securities Act) of Newpark and (iv) if the tendering Holder is a broker or dealer (as defined in the Exchange Act) (a) it acquired the 144A Notes for its own account as a result of market-making activities or other trading activities and (b) it has not entered into any arrangement or understanding with the Company or any "affiliate" thereof (within the meaning of Rule 405 of the Securities Act) to distribute the Exchange Notes to be received in the Exchange Offer. A breach of any of the foregoing representations could result in the Holder incurring liability under the Securities Act for which it is not indemnified by Newpark.

Newpark has agreed, pursuant to the Registration Rights Agreement and subject to certain specified limitations therein, to register or qualify the Exchange Notes for offer or sale under the securities or blue sky laws of such jurisdictions as any Holder of the Exchange Notes reasonably requests in writing. Such registration or qualification may require the imposition of restrictions or conditions (including suitability requirements for offerees or purchasers) in connection with the offer or sale of any Exchange Notes. Unless a Holder so requests, Newpark does not currently intend to register or qualify the sale of the Exchange Notes in any such jurisdictions.

If any changes in law or the applicable interpretations of the staff of the Commission do not permit the Issuers to effect the Exchange Offer, or if for any other reason the Exchange Offer is not consummated within 135 days of the date of original issuance of the 144A Notes, or if a Holder of the 144A Notes is not permitted by applicable law to participate in the Exchange Offer or elects to participate in the Exchange Offer but does not receive fully tradeable Exchange Notes pursuant to the Exchange Offer, the Issuers will, in lieu of effecting the registration of the Exchange Notes as contemplated herein and at the Issuers' cost, (i) as promptly as practicable, file with the Commission a shelf registration statement (the "Shelf Registration Statement") covering resales of the 144A Notes, (ii) use their best efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act by the 135th day after the date of original issuance of the 144A Notes and (iii) use their best efforts to keep the Shelf Registration Statement effective for a period of two years after its effective date (or for such shorter period that will terminate when all of the 144A Notes covered by the Shelf Registration Statement have been sold pursuant thereto or cease to be outstanding).

Information set forth above concerning certain interpretations of and positions taken by the staff of the Commission is not intended to constitute legal advice and prospective investors should consult their own legal advisors with respect to such matters.

CONSEQUENCES OF FAILURE TO EXCHANGE

As a result of the making of, and upon acceptance for exchange of all validly tendered 144A Notes pursuant to the terms of, the Exchange Offer, Newpark will have fulfilled one of its obligations under the Registration Rights Agreement, and Holders of 144A Notes who do not tender their 144A Notes generally will not have any further registration rights under the Registration Rights Agreement or otherwise. Accordingly, any Holder that does not exchange such Holder's 144A Notes for Exchange Notes will continue to hold the untendered 144A Notes and will be entitled to all the rights and will be subject to all the limitations applicable thereto under the Indenture, except to the extent that such rights or limitations, by their terms, terminate or cease to have further effectiveness as a result of the Exchange Offer.

The 144A Notes that are not exchanged for Exchange Notes pursuant to the Exchange Offer will remain restricted securities and will continue to be subject to the restrictions on transfer set forth in the legend thereon and in the Indenture. Accordingly, such 144A Notes may be offered, resold or otherwise transferred only (i) to Newpark (upon redemption thereof or otherwise), (ii) pursuant to an effective registration statement under the Securities Act, (iii) so long as the 144A Notes are eligible for resale pursuant to Rule 144A under the Securities Act, to a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A, (iv) outside the United States to a foreign person pursuant to the exemption from the registration requirements of the Securities Act provided by Regulation S thereunder, (v) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), or (vi) to an accredited investor as such term is defined under Rule 501 of the Securities Act in a transaction exempt from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. See "Risk Factors--Restrictions on Transfer."

To the extent that 144A Notes are tendered and accepted in the Exchange Offer, the liquidity of the trading market for untendered 144A Notes could be adversely affected.

OTHER

Participation in the Exchange Offer is voluntary, and Holders should carefully consider whether to accept. Holders are urged to consult their financial and tax advisors in making their decision on what action to take.

Newpark may in the future seek to acquire untendered 144A Notes, to the extent permitted by applicable law, in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. Newpark has no present plans to acquire any 144A Notes that are not tendered in the Exchange Offer or to file a registration statement to permit resales of any untendered 144A Notes.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE EXCHANGE OFFER

The following discussion is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed Treasury Department regulations and existing administrative interpretations and court decisions. There can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view, and no ruling from the IRS has been or will be sought. Legislative, judicial or administrative changes or interpretations may be forthcoming that could alter or modify the statements and conditions set forth herein. Any such changes or interpretations may or may not be retroactive and could affect the tax consequences to Holders. Certain Holders of the 144A Notes (including insurance companies, tax-exempt organizations, financial institutions, broker-dealers, foreign corporations and persons who are not citizens or residents of the United States) may be subject to special rules not discussed below. EACH HOLDER OF A 144A NOTE SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF EXCHANGING SUCH HOLDER'S 144A NOTES FOR EXCHANGE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

The issuance of the Exchange Notes to Holders of the 144A Notes pursuant to the terms set forth in this Prospectus should not constitute an exchange for United States federal income tax purposes because such exchange does not represent a significant modification of the debt instruments. Consequently, no gain or loss should be recognized by Holders of the 144A Notes upon receipt of the Exchange Notes, and ownership of the Exchange Notes should be considered a continuation of ownership of the 144A Notes. For purposes of determining gain or loss upon the subsequent sale or exchange of the Exchange Notes, a Holder's basis in the Exchange Notes should be the same as such Holder's basis in the 144A Notes exchanged therefor. A Holder's holding period for the Exchange Notes should include the Holder's holding period for the 144A Notes exchanged therefor.

See also "Description of Certain Federal Income Tax Consequences of an Investment in the Exchange Notes."

USE OF PROCEEDS

Newpark will not receive any cash proceeds from the issuance of the Exchange Notes offered hereby. In consideration for issuing the Exchange Notes as contemplated by this Prospectus, Newpark will receive in exchange a like principal amount of 144A Notes, the terms of which are identical in all material respects to the Exchange Notes. The 144A Notes surrendered in exchange for the Exchange Notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the Exchange Notes will not result in any change in the capitalization of Newpark.

The net proceeds to Newpark from the 144A Notes Offering were approximately $121.5 million. Newpark used the net proceeds from the 144A Notes Offering as follows: (i) approximately $90.5 million was used to repay all the borrowings then outstanding under the Credit Facility, (ii) approximately $17 million has been or will be used to fund capital expenditures and (iii) the balance, consisting of approximately $14 million, will be used for general corporate purposes, including working capital. Pending such use, Newpark invested the balance of the net proceeds in short-term investments. See "Description of Certain Other Indebtedness" for further information regarding the Credit Facility.

Although Newpark fully repaid its outstanding borrowings under the Credit Facility, it may borrow amounts thereunder from time to time in the future for general corporate purposes. As of September 30, 1997, on an as adjusted basis after giving effect to the 144A Notes Offering and the application of the net proceeds therefrom, Newpark would have had an aggregate of $88.0 million of available borrowings under the Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth the consolidated capitalization of Newpark as of September 30, 1997, and on an as adjusted basis to give effect to the 144A Notes Offering and the application of the net proceeds therefrom. The following table should be read in conjunction with the Consolidated Financial Statements of Newpark and the notes thereto included and incorporated by reference herein.

	AS OF SEPTEMBER 30, 1997	
	ACTUAL	AS ADJUSTED
	(IN THOUSANDS)	
Long-term debt(a):		
Credit Facility(b)	$ 73,659	$ --
144A Notes	--	125,000
Other debt	4,383	4,383
Total long-term debt	78,042	129,383
Stockholders' equity	257,452	257,452
Total capitalization	$335,494	$386,835

(a) Includes approximately $1.7 million in current maturities of long-term debt. Excludes a $10.0 million special advance note issued on November 7, 1997, which Newpark repaid with the net proceeds from the 144A Notes Offering. Also excludes up to $17.6 million in third party indebtedness guaranteed by Newpark. For information regarding Newpark's long-term liabilities, see Notes to Consolidated Financial Statements.

(b) As of September 30, 1997, after giving effect to the 144A Notes Offering and the application of the net proceeds therefrom, Newpark would have had $88.0 million in available borrowings under the Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Other Indebtedness."

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The selected consolidated historical financial data presented below for the five years ended December 31, 1996 are derived from the consolidated financial statements of Newpark. The selected historical financial information at and for the nine months ended September 30, 1996 and 1997 is derived from the unaudited consolidated financial statements of Newpark, and, in the opinion of Newpark, includes all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair presentation of the operating results for such interim periods. The results of operations at and for the nine months ended September 30, 1997 are not necessarily indicative of results for the full year. The following data should be read in conjunction with the Consolidated Financial Statements of Newpark and the notes thereto included elsewhere and incorporated by reference herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	YEAR ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,	
	1992	1993	1994	1995	1996	1996	1997
INCOME STATEMENT DATA:	(DOLLARS IN THOUSANDS)						
Revenues	$49,457	$57,585	$ 86,625	$105,720	$135,974	$ 90,636	$148,782
Cost of services provided	36,860	43,389	60,901	70,360	87,081	58,039	89,769
Operating costs	5,519	9,120	9,124	10,693	10,784	7,707	13,763
General and administrative expenses	1,963	2,129	3,231	2,658	2,920	2,168	2,465
Restructure expense	--	--	--	--	2,432	2,432	--
Provision for uncollectible accounts and notes receivable	154	671	1,260	463	739	6	--
Operating income from continuing operations	4,961	2,276	12,109	21,546	32,018	20,284	42,785
Interest income	(18)	(5)	(80)	(222)	(223)	(86)	(154)
Interest expense	847	1,306	2,724	3,833	3,900	2,854	2,703
Non-recurring expense	--	--	--	436	--	--	--
Income from continuing operations before provision for income taxes	4,132	975	9,465	17,499	28,341	17,516	40,236
Provision (benefit) for income taxes	51	(1,837)	(252)	4,958	9,838	6,210	14,723
Income from continuing operations	4,081	2,812	9,717	12,541	18,503	11,306	25,513
Income (loss) from discontinued operations	1,205	(2,366)	--	--	--	--	--
Net income	$ 5,286	$ 446	$ 9,717	$ 12,541	$ 18,503	$ 11,306	$ 25,513
BALANCE SHEET DATA (AT PERIOD END):							
Cash and cash equivalents	$ 553	$ 1,171	$ 1,662	$ 1,500	$ 1,945	$ 1,810	$ 6,179
Property and equipment, net	42,463	51,767	67,677	85,519	114,670	107,960	164,351
Total assets	75,375	91,329	112,572	154,132	289,884	271,576	376,728
Total debt	23,246	30,541	39,462	55,237	47,301	39,544	78,042
Stockholders' equity	44,915	50,467	63,631	77,755	203,441	194,858	257,452
OTHER FINANCIAL DATA:							
EBITDA(a)	$10,791	$ 8,903	$ 20,842	$ 32,231	$ 52,668	$ 33,165	$ 61,453
EBITDA margin	21.8%	15.5%	24.1%	30.5%	38.7%	36.6%	41.3%
Capital expenditures	$13,033	$ 7,224	$ 23,160	$ 24,024	$ 44,521	$ 37,947	$ 58,413
Ratio of EBITDA to interest expense	12.7x	6.8x	7.7x	8.4x	13.5x	11.6x	22.7x
Ratio of total debt to EBITDA	2.2x	3.4x	1.9x	1.7x	0.9x	--	--
Ratio of earnings to fixed charges(b)	4.0x	1.4x	3.7x	4.4x	6.3x	5.5x	9.9x
Ratio of EBITDA to pro forma interest expense(c)	--	--	--	--	5.1x	--	8.6x
Ratio of pro forma total debt to EBITDA(c)	--	--	--	--	2.5x	--	--

(a) EBITDA is defined as earnings before interest expense, taxes, depreciation, amortization, non-recurring charges, provision for uncollectible accounts and notes receivable and income or loss from discontinued operations. While EBITDA should not be construed as a substitute for operating income or as a better measure of liquidity than cash flows from operating activities, which are determined in accordance with generally accepted accounting principles, it is included herein to provide additional information with respect to Newpark's ability to meet future debt service, capital expenditure and working capital requirements.

(b) For purposes of determining the ratio of earnings to fixed charges, earnings are defined as income before taxes plus fixed charges. Fixed charges consist of interest expense and the portion of rent expense which is deemed representative of interest.

(c) Assumes the Notes were issued at the beginning of the periods indicated.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of Newpark's financial condition, results of operations, liquidity and capital resources should be read in conjunction with the Consolidated Financial Statements and the notes thereto included and incorporated by reference herein.

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. In 1993, the United States rig count averaged 754 rigs in operation, and increased to 774 in 1994. In 1995, the rig count averaged 723, the second lowest on record since the advent of the indicator in the 1940's, and in 1996, the rig count increased slightly to an average of 779. For the nine months ended September 30, 1997, the rig count continued to increase to an average of 925.

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) the 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:

	1994	1995	1996	3Q96	4Q96	1Q97	2Q97	3Q97
U.S. rig count.....	774	723	779	803	845	853	933	989
Newpark's market.....	201	194	208	217	219	229	251	258
Newpark's market to total..	26.0%	26.8%	26.7%	27.0%	25.9%	26.8 %	26.9%	26.1%

Source: Baker Hughes Incorporated.

Newpark believes the decline in the rig count within Newpark's market during 1995, which continued in the first quarter of 1996, was primarily the result of low natural gas prices during most of 1995. The decline in the rig count created downward price pressure on Newpark's site preparation and mat rerental businesses. Prices were also negatively impacted by a significant shift in land drilling activity towards the Austin Chalk area, which is further inland and less frequently requires the use of Newpark's mat systems at the drilling locations. During the fourth quarter of 1996, the downward price pressure began to alleviate, as shortages of equipment and supporting services in the land market began to appear as a result of increased drilling activity. In addition, Newpark was able to modify a portion of its mat rental fleet, which allowed Newpark to compete with native rock foundations typically used in inland areas such as the Austin Chalk. As of the week ended January 16, 1998 the U.S. rig count was 989, with 259 rigs within Newpark's market.

RECENT ACQUISITIONS

In February 1997, Newpark acquired SBM, a full-service drilling fluids company, which serves customers in the Louisiana and Texas Gulf Coast, in exchange for an aggregate of 2,328,000 shares of Newpark common stock. The acquisition was accounted for as a pooling-of-interests, with direct acquisition costs of $316,000 charged to current operations. SBM has since changed its name to Newpark Drilling Fluids, Inc. Since the SBM acquisition, Newpark has completed six additional acquisitions in the drilling fluids industry, in exchange for an aggregate of 1,371,112 shares of Newpark common stock. The acquisitions involved four drilling fluids distribution companies, one specialty chemical company and one specialty milling company. To expand its presence and service capabilities in the site preparation business,

Newpark has recently acquired two oilfield site contractors in exchange for an aggregate of 990,888 shares of Newpark common stock. Newpark also has recently acquired additional properties and facilities to expand its disposal capacity, including two active injection wells on 37 acres of land adjacent to Newpark's Big Hill facility, four facilities in the Permian Basin at which brine is extracted and sold and NOW is disposed in the salt domes or caverns created by the extraction process, and 120 acres of land adjacent to its Big Hill facility, which Newpark plans to develop into an industrial waste disposal facility.

RESULTS OF OPERATIONS

	YEAR ENDED DECEMBER 31,					
	1994		1995		1996	
Revenues by product line:	(DOLLARS IN THOUSANDS)					
Fluids management services:						
NOW and NORM disposal	$20,738	23.9%	$ 31,126	29.5%	$ 44,905	33.0%
Fluids sales & engineering	6,993	8.1	7,738	7.3	14,432	10.6
Total fluids management services	27,731	32.0	38,864	36.8	59,337	43.6
Mat services	23,048	26.6	30,775	29.1	32,757	24.1
Integrated services	34,246	39.5	34,481	32.6	42,520	31.3
Other	1,600	1.9	1,600	1.6	1,360	1.0
Total revenues	$86,625	100.0%	$105,720	100.0%	$135,974	100.0%

	NINE MONTHS ENDED SEPTEMBER 30,			
	1996		1997	
Revenues by product line:	(DOLLARS IN THOUSANDS)			
Fluids management services :				
NOW and NORM disposal	$28,946	31.9%	$ 45,328	30.5%
Fluids sales & engineering	9,139	10.1	34,641	23.3
Total fluids management services	38,085	42.0	79,969	53.8
Mat services	20,613	22.7	37,588	25.3
Integrated services	30,578	33.7	31,225	20.9
Other	1,360	1.5	-	-
Total revenues	$90,636	100.0%	$148,782	100.0%

NINE MONTHS ENDED SEPTEMBER 30, 1997 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1996

Revenues

Total revenues increased to $148.8 million in the 1997 period, from $90.6 million in the 1996 period, an increase of $58.2 million, or 64.1%. The increase consisted primarily of a $42.9 million increase in fluids management services revenue and a $17.0 million increase in mat rental revenue. Principal components of the increase in fluids management services revenue were drilling fluids sales and service revenue, which increased $25.5 million, and waste disposal revenue, which increased $16.4 million. Drilling fluids sales increased as a result of a series of acquisitions made during 1997 in the drilling fluids market, the expansion of the businesses acquired through increased inventories and facilities to service new and expanded markets and an increase in drilling activity. The increase in waste disposal revenues can be primarily ascribed to the acquisition of a competitor's marine-related collection operations in August 1996 and increases in the domestic market rig count. NOW revenues for 1997 increased to $42.2 million, compared to $22.1 million in 1996. The volume of NOW received increased to 4.1 million barrels, from 2.4 million barrels. NORM revenue was $3.1 million in 1997, compared to $6.9 million in 1996, due to decreased site remediation

activity. The increase in mat rental revenue reflects two acquisitions, improvements in the domestic market rig count and increased pricing for Newpark's mat inventory.

Restructure Expense

During the nine months ended September 30, 1996, Newpark recorded a non-recurring restructure charge in the amount of $2.4 million. A total of approximately $1.8 million was related to the restructuring of certain of Newpark's NOW processing operations and staffing changes to facilitate the integration of its operations with those acquired from a competitor. Newpark recognized an additional $600,000 of non-recurring costs associated with the termination of processing operations at its original NORM facility at Port Arthur, Texas and the partial closure of the site.

Operating Income

Operating income of $42.8 million in the 1997 period increased $22.5 million, or 110.9%, compared to $20.3 million in the 1996 period. Factors contributing to the increase included increased profitability from disposal operations, increased utilization and higher pricing for Newpark's mat inventory and increased profitability from drilling fluids sales.

Provision for Income Taxes

For the 1997 and 1996 periods, Newpark recorded income tax provisions of $14.7 million and $6.2 million, equal to 36.6% and 35.5% of pre-tax income, respectively.

YEAR ENDED DECEMBER 31, 1996 COMPARED TO YEAR ENDED DECEMBER 31, 1995

Revenues

Total revenues increased to $136.0 million in 1996, from $105.7 million in 1995, an increase of $30.3 million or 28.7%. In the fluid management services area, revenues increased $20.5 million, as NOW revenue increased $11.1 million, NORM revenue increased $2.7 million and product sales and engineering revenue increased $6.7 million. The volume of NOW waste processed increased by 1.1 million barrels, or 36%, to 4.0 million barrels, from 2.9 million in 1995. In addition to increased volume, Newpark benefitted from increased NOW prices. The volume of NORM waste processed grew to 143,500 barrels, from 70,000 barrels in 1995, while pricing declined due to increased volume of lower priced remediation projects made possible by the new direct injection license. In the mat service area, revenue grew by $2.0 million, or 6.4%, due primarily to sales of mats for nonoilfield applications. Revenues in the integrated services area increased $8.0 million due to increased onsite environmental management and other services incidental to site preparation activities, coupled with increased wood product sales.

Operating Income

Operating income increased by $10.5 million, or 48.6%, to $32.0 million in 1996, compared to $21.5 million in 1995. Operating margin improved to 23.5% in 1996, as compared to 20.4% in 1995. The increase resulted primarily from increased profitability from NOW and NORM disposal operations.

General and administrative expenses decreased as a proportion of revenue to 2.1% in 1996, from 2.5% in 1995, and increased in absolute amount by $262,000.

During 1996, Newpark recorded a restructure charge in the amount of $2.4 million. Approximately $1.8 million of this amount was related to the restructuring of certain of Newpark's NOW processing operations and staffing changes to facilitate the integration of its operations with those recently acquired from a competitor. Newpark recognized an additional $600,000 of non-recurring costs associated with the termination of processing operations at its original NORM facility at Port Arthur, Texas, and the partial closure of the site.

Interest Expense

Interest expense was substantially unchanged at $3.9 million in 1996, compared to $3.8 million in 1995.

Provision for Income Taxes

For 1996 and 1995, Newpark recorded income tax provisions of $9.8 million and $5.0 million, for effective tax rates of 34.7% and 28.3%, respectively. The 1995 provision reflects the benefit realized from federal tax carryforwards which were fully recognized in 1995.

YEAR ENDED DECEMBER 31, 1995 COMPARED TO YEAR ENDED DECEMBER 31, 1994

Revenues

Total revenues increased to $105.7 million in 1995, from $86.6 million in 1994, an increase of $19.1 million or 22.0%. The components of the increase by product line are as follows: (i) fluids management services revenues increased $11.1 million, as NOW revenue increased $5.5 million (due almost exclusively to additional volume), NORM processing revenue increased to $6.0 million on approximately 70,000 barrels in the full year 1995, from $1.2 million in revenue and 15,000 barrels in the two months of operations during 1994, and product sales and engineering revenue increased $800,000; (ii) mat revenue increased $7.7 million, or 34%, due to (a) increased volume installed at similar pricing compared to the prior year and (b) an increase in revenues from extended rerentals of $3.6 million resulting from the longer use of sites, as the size of the average location installed in 1995 grew 17% from the prior year, primarily the result of the trend toward deeper drilling in more remote locations, requiring larger sites to accommodate increased equipment and supplies on the site; and (iii) integrated service revenue increased $200,000, or 7.9%, primarily as a result of the increased level of site preparation work incident to the rental of mats.

Operating Income from Continuing Operations

Operating income from continuing operations increased by $9.4 million, or 77.9%, to total $21.5 million in the 1995 period, compared to $12.1 million in the prior year. This represents an improvement in operating margin to 20.4% in 1995, compared to 14.0% in 1994.

Primary components of the increase included: (i) approximately $2.9 million related to the effect of volume increases in both NOW and NORM processing; (ii) $3.6 million from increased mat rerentals; (iii) $1.3 million resulting from the increase in the volume of mats rented, to approximately 200 million board feet, compared to 157 million board feet in 1994, at similar margins; and (iv) an approximate $200,000 increase in operating profit on a better gross margin mix from wood product sales.

The decline of $573,000 in general and administrative expenses primarily reflects the impact of approximately $600,000 of prior year charges for legal costs incurred in an appeal of an expropriation matter.

Additionally, the provision for uncollectible accounts was $797,000 less in the 1995 period as compared to the 1994 period.

Interest Expense

Interest expense increased to $3.8 million in 1995, from $2.7 million in 1994. The increase is a result of an increase in borrowings, proceeds of which were used to fund continued additions to productive capacity, including Newpark's waste processing facilities, its prefabricated mats and additions to inventory, primarily at the sawmill facility.

Non-Recurring Expense

Results for 1995 include $436,000 of non-recurring costs associated with a proposed merger which was not completed.

Provision for Income Taxes

During 1995, Newpark recorded an income tax provision of $5.0 million, or 28.3% of pre-tax income. While Newpark's net operating loss carryforwards remain to be used for income tax return purposes, for financial reporting purposes, substantially all of the remaining net operating loss and tax credit carryforwards applicable to federal taxes were recognized in the first half of the year, which reduced the effective tax rate for that portion of the year. During 1994, Newpark recorded a tax benefit of $252,000 as a result of the availability of net operating loss carryforwards.

LIQUIDITY AND CAPITAL RESOURCES

Newpark's working capital position remained relatively constant during the year ended December 31, 1996, and increased by $27.9 million during the nine months ended September 30, 1997. Key working capital data is provided below:

	AS OF DECEMBER 31,		AS OF SEPTEMBER 30,
	1995	1996	1997
Working capital (in thousands)..	$32,563	$29,881	$57,823
Current ratio.....	2.30	1.77	2.90

For the nine months ended September 30, 1997, Newpark's working capital needs were met primarily from operating cash flow and borrowings under the Credit Facility. Total cash generated from operations of $28.1 million was supplemented by $32.2 million from financing activities, to provide for a total of $56.3 million used in investing activities, including for the purchase of drilling fluids assets, the purchase of mats and the expansion of waste disposal facilities.

On August 12, 1996, Newpark completed the sale of 13.8 million shares of its common stock, generating net proceeds of $98.1 million. A total of $70.5 million was used to complete the acquisition of the marine-related nonhazardous oilfield waste NOW collection operations of Campbell Wells Ltd. ("Campbell Wells"). The remaining proceeds were used to repay $19.0 million of borrowings under the Credit Facility and provide working capital of $8.6 million.

During 1996, Newpark's operating activities generated $24.9 million of cash flow. Net proceeds of the equity offering in excess of the Campbell Wells acquisition price, coupled with the $24.9 million generated by operations and net new borrowings (following the offering) of $11.8 million, were used to fund

investing activities. Exclusive of the Campbell Wells acquisition, the majority of the funds used in investing activities were utilized for the purchase of mats and the expansion of waste disposal facilities, which is reflected in the increase in property, plant and equipment. In addition, Newpark purchased its joint venture partners' interest in Venezuelan mat operations and purchased additional patent rights in Newpark's proprietary business, which is reflected in the increase in other assets.

During 1996, Newpark sold the facility and certain equipment of its former marine service business to the operator of that business. These assets were being leased by the operator and were subject to debt obligations, which were assumed by the purchaser at closing. In addition to the extinguishment of these debt obligations, Newpark received $1.2 million in cash in the transaction. Newpark also has guaranteed certain of the debt obligations of the operator, which is limited to a maximum of $10.0 million and reduces proportionately with debt repayments made by the operator.

On June 30, 1997, Newpark entered into the Credit Facility, which provides for a $90.0 million revolving credit facility maturing on June 30, 2000, including up to $5.0 million in standby letters of credit. At September 30, 1997, $2.0 million in letters of credit were issued and outstanding under the Credit Facility, and an additional $73.7 million was outstanding under the revolving facility. Amounts outstanding 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 upon the ratio of Newpark's funded debt to EBITDA (as defined in 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 of the covenants in the Credit Facility at September 30, 1997. On November 7, 1997, the Credit Facility was amended to provide for a $10.0 million special advance note, which was treated as an additional advance under the Credit Facility. The proceeds of the special advance note were used to acquire certain assets of Anchor Drilling Fluids USA, Inc. ("Anchor Drilling"). The Credit Facility was further amended, effective upon the closing of this 144A Notes Offering, to provide for the release of the security interests in certain of Newpark's assets previously granted to the lenders under the Credit Facility and to permit the sale of the 144A Notes. Newpark used the net proceeds from the 144A Notes Offering to repay all borrowings outstanding under the Credit Facility, including the special advance note. See "Use of Proceeds" and "Description of Certain Other Indebtedness."

Newpark anticipates capital expenditures of approximately $17 million during the fourth quarter of 1997, including: (i) $10 million for the acquisition of certain assets of Anchor Drilling; (ii) $3 million to expand barite milling capacity; (iii) $3 million for the upgrade and purchase of equipment; and (iv) $1 million for the purchase of additional hardwood mats. For 1998, Newpark anticipates capital expenditures of approximately $70 million, including: (i) $10 million to acquire and develop additional injection well sites, (ii) $15 million for expansion of drilling fluids operations, including the purchase of equipment associated with fluids processing and recycling and infrastructure expansions; (iii) $8 million to expand barite milling capacity; (iv) $15 million for the purchase of additional hardwood mats; (v) $4 million for the development of Newpark's synthetic mat system; (vi) $10 million for the upgrade and purchase of equipment; and (vii) $8 million for expansion into industrial waste disposal markets. After taking into account the application of the proceeds from the 144A Notes Offering as described in "Use of Proceeds", Newpark anticipates that all of such capital expenditures will be satisfied with the remaining proceeds from the 144A Notes Offering, borrowings under the Credit Facility and cash flow from operations.

Newpark presently has no commitments beyond the Credit Facility 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 plans. Newpark believes that available borrowings under the Credit Facility and internally generated funds will be sufficient to support its working capital, capital expenditure and debt service requirements for at least the next 12 months. Except as described in the preceding

paragraph, Newpark is not aware of any material capital 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 Newpark's revenues or income.

Deferred Tax Asset

Newpark accounts for income taxes in accordance with Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". This standard requires, among other things, recognition of future tax benefits measured by enacted tax rates attributable to deductible temporary differences between the financial statement and income tax basis of assets and liabilities and to tax net operating loss and credit carryforwards to the extent that realization of such benefits is more likely than not. Newpark believes that the recorded deferred tax assets ($3.1 million at September 30, 1997) are realizable through reversals of existing taxable temporary differences.

BUSINESS

GENERAL

Newpark is a leading provider of integrated environmental and oilfield services to the oil and gas exploration and production industry in the U.S. Gulf Coast area, principally in Louisiana and Texas. Services provided, either individually or as part of a comprehensive package, include: (i) oilfield waste services utilizing patented and proprietary technology, including processing and disposing of nonhazardous oilfield waste ("NOW") and oilfield waste that is contaminated with naturally occurring radioactive material ("NORM"); (ii) drilling fluids products and services and related engineering and technical services; (iii) mat rentals and sales in which patented prefabricated wooden mats are used as temporary access roads and worksites in oilfield and other construction applications; and (iv) other environmental and integrated oilfield services, including construction, design and engineering services. In order to take advantage of many customers' increasing focus on outsourcing and vendor consolidation, Newpark has integrated its drilling fluids products and services with its waste disposal and mat services to provide a "one-stop shop" approach to solving customers' problems. For the twelve months ended September 30, 1997, Newpark had total revenues of $194.1 million, and EBITDA of $81.0 million.

Newpark collects, processes and disposes of oilfield waste, primarily NOW and NORM. Newpark processes NOW received at its facilities primarily for injection into environmentally secure geologic formations deep underground and, to a lesser extent, for disposal at certain landfarming facilities. NOW that is not injected or landfarmed is processed by Newpark into a product which is used as intermediate daily cover material or cell liner and construction material at municipal waste landfills. In 1994, Newpark began processing and disposing of NORM waste. Since June 1996, Newpark has operated under a license authorizing the direct injection of NORM into disposal wells at Newpark's Big Hill, Texas facility, the only offsite facility in the U.S. Gulf Coast licensed for the direct injection of NORM.

Newpark is a full-service provider of drilling fluids and associated engineering and technical services to the onshore and offshore oil and gas exploration industry in the Gulf Coast areas of Louisiana and Texas. Newpark focuses on providing unique solutions to highly technical drilling projects involving complex conditions, as these projects require critical engineering support of the fluids system during the drilling process to ensure optimal performance at the lowest total well cost. Newpark has established its own barite grinding capacity to provide a source of critical raw materials for its drilling fluids operations. Additionally, Newpark has initiated a process to recycle a portion of the drilling fluids received as waste in its NOW disposal business to (i) recover barite and other key chemical components for reuse in the production of drilling fluids, (ii) reduce the cost of materials in producing drilling fluids and (iii) expand Newpark's supply of drilling fluids.

In its mat business, Newpark uses patented interlocking wooden mat systems to provide temporary access roads and worksites in unstable soil conditions, primarily in support of oil and gas exploration operations along the U.S. Gulf Coast. In response to increasing environmental regulations, in 1994, Newpark began marketing its mat services for use in the construction of pipelines, electrical distribution systems and highways in and through wetlands environments. As a result, this new market for Newpark's mat business has broadened the geographic area served by Newpark to include the coastal areas of the Southeastern U.S., particularly Florida and Georgia. Newpark also markets its mat services to the oil and gas exploration industries in Venezuela and Algeria.

Newpark also provides a comprehensive range of other environmental services for its customers' oil and gas exploration and production activities, including site assessment, waste pit design, construction

and installation, regulatory compliance assistance, site remediation and site closure, oilfield construction services, hook-up and connection of wells and installation of production equipment.

INDUSTRY FUNDAMENTALS

Demand for Newpark's environmental and oilfield services is being driven by three significant trends: (i) increasing oil and gas exploration and production expenditures and activity; (ii) more complex drilling techniques, which tend to generate more waste; and (ii) increasing environmental regulation of NOW and NORM. The demand for all of Newpark's services is heightened with increased oil and gas drilling activity. According to the Baker-Hughes Rotary Rig Count, the number of drilling rigs working in the U.S. Gulf Coast region recently reached its highest level since 1990, and the average rig count in the region for the nine month period ended on September 30, 1997 was the highest average since 1985.

Newpark believes that technological advances that have reduced the risk and cost of finding oil and gas are an important factor in the recent upturn. These advances include the use of three dimensional seismic data and the computer-enhanced interpretation of this data, which increases the likelihood of drilling a successful well, and improved drilling tools and drilling fluids, which facilitate faster drilling and reduce the overall cost of the well. These advances also have increased the willingness to drill in coastal marshes and inland waters, and to dig deeper wells at larger locations. Such projects rely heavily on services such as Newpark's integrated environmental services. Deeper wells require the construction of larger locations to accommodate the drilling equipment and the equipment for handling drilling fluids and associated wastes, and generally are in service for significantly longer periods and generate additional mat rental revenues. Deeper wells also require more chemically complex drilling fluids programs, which generate wastes that are more difficult and costly to dispose of than wastes generated by simpler systems used in shallower wells. Newpark believes that deeper drilling has contributed significantly to the increased demand for Newpark's services.

The oilfield market for environmental services has experienced growth due to increased regulatory activity regarding the disposal of exploration and production wastes. Louisiana, Texas and other states have enacted comprehensive laws and regulations governing the proper handling of NOW and NORM, and regulations have been proposed in other states. As a result, generators of waste and landowners have become increasingly aware of the need for proper treatment and disposal of such waste in both the drilling of new wells and the remediation of production facilities.

For many years, prior to current regulation, industry practice was to allow NOW to remain in the environment. Onshore, surface pits were used for the disposal of NOW; offshore or in inland waters, NOW was discharged directly into the water. As a result of increasing public concern over the environment, NOW has in recent years become subject to public scrutiny and governmental regulation. Operators of exploration and production facilities, including major and independent oil companies, have found themselves subject to numerous laws and regulations issued by both state and federal agencies. These laws and regulations have imposed strict requirements for ongoing drilling and production activities in certain geographic areas, as well as for the remediation of sites contaminated by past disposal practices and, in many respects, have prohibited the prior disposal practices. In addition, operators have become increasingly concerned about possible long-term liability for remediation, and landowners have become more aggressive about land restoration. For these reasons, operators are increasingly retaining service companies, such as Newpark, to devise and implement comprehensive waste management techniques to handle waste on an ongoing basis and to remediate past contamination of oil and gas properties.

Regulations and several permits issued under the Clean Water Act have continued the trend towards more stringent regulation of NOW. During September 1996, the comment period was ended on proposed "zero-discharge" regulations for the territorial seas subcategory (corresponding to state territorial waters) of the Gulf of Mexico. Zero-discharge regulations affecting production waste in the coastal subcategory (generally including inland waters and transition zone onshore areas) became effective January 15, 1997. While limited temporary exemptions have been granted to some oil companies by state regulators, these actions have been opposed by leading environmental groups. In addition, several lawsuits have been filed challenging the validity of these regulations. Accordingly, the timing of the implementation of these regulations is uncertain.

Late in 1992, the Louisiana Department of Environmental Quality ("DEQ") promulgated and began to enforce new, stricter limits on the level of radium concentration above which NOW became categorized as NORM. NORM regulations require more stringent worker protection, handling and storage procedures than those required of NOW under Louisiana regulations. The Texas Railroad Commission also has adopted final rules governing the disposal of NORM. Adoption of final regulations has resolved the regulatory uncertainty associated with NORM in Louisiana and Texas. Similar regulations have been promulgated in the States of Mississippi, New Mexico and Arkansas. Draft regulations are presently being reviewed in Oklahoma.

BUSINESS STRENGTHS

Proprietary Products and Services. Over the past 15 years, Newpark has acquired and developed, and continues to improve, patented or proprietary technology and know-how which have enabled the Company to provide innovative and unique solutions to oilfield construction and waste disposal customers. Newpark believes that increased customer acceptance of its proprietary products and services has enabled it to take advantage of the recent upturn in drilling and production activity.

Injection of Waste. Since 1992, Newpark has developed and used proprietary technology to dispose of NOW by low-pressure injection into unique geologic structures deep underground. In December 1996, Newpark was issued process patents covering its NOW and NORM waste processing and injection operations. Newpark believes that its proprietary injection technology is currently the most cost-effective method for the offsite disposal of oilfield wastes. Additionally, Newpark believes that its proprietary injection technology is suitable for the disposal of other types of waste, and Newpark recently has filed an application to expand into the nonhazardous industrial waste market.

Patented Mats. Newpark owns or licenses several patents that cover its wooden mats and subsequent improvements. To facilitate entry into new markets and reduce the Company's dependence on the supply of hardwoods, Newpark obtained the exclusive license for a new patented synthetic mat designed from recycled plastics and other synthetic materials and has begun the development of a manufacturing facility to produce such synthetic mats.

Low Cost Infrastructure. Newpark has assembled an infrastructure covering the entire U.S. Gulf Coast region, including injection disposal sites, transfer stations, barges, mat inventories, mat service centers, hardwood supplies for the construction of mats, and barite supplies for the make-up of drilling fluids. Newpark believes that it owns, leases or has options to acquire a majority of the available injection disposal sites in the U.S. Gulf Coast suitable for its proprietary injection methods. Newpark also owns or leases under long-term charter 43 of the 53 barges currently licensed to transport NOW and NORM. Newpark built a substantial portion of its infrastructure during the depressed market conditions that prevailed prior to 1996

and believes that, under current market conditions, its infrastructure could be duplicated only at significantly higher cost.

Integration of Services. Newpark believes that it is one of the few companies in the U.S. Gulf Coast able to provide a package of integrated services and offer a "one-stop shop" approach to solving customers' problems. Newpark's mats provide the access roads and worksites for a majority of the land drilling in the Gulf Coast market, and on-site and off-site waste management services are frequently sold in combination with mat services. Newpark's entry into the drilling fluids business has created the opportunity for it to recycle used drilling fluids and to market drilling fluids with other drilling services, including construction services, related technical and engineering services, disposal of used fluids and other waste material, site cleanup and site closure. Consequently, Newpark believes that it is uniquely positioned to take advantage of the industry trend towards outsourcing and vendor consolidation.

Experience in Regulatory Environment. Newpark believes that its operating history provides it with a competitive advantage in the highly regulated oilfield waste disposal business. As a result of working closely with regulatory officials and citizens' groups, Newpark has gained acceptance for its proprietary injection technology and has received a series of permits for the Company's disposal facilities, including a permit allowing the direct injection of NORM at Newpark's Big Hill, Texas facility. These permits enable Newpark to expand its business and operate cost-effectively. Newpark believes that its proprietary injection method is superior to alternative methods of disposal of oilfield wastes, including landfarming, because injection provides greater assurance that the waste is permanently disposed of and will not contaminate the surrounding property and groundwater. Newpark further believes that increasing environmental regulation and activism will inhibit the widespread acceptance of other disposal methods and the permitting of additional disposal facilities.

Experienced Management Team. Newpark's executive and operating management team has built and augmented Newpark's capabilities over the past ten years, allowing it to develop a base of knowledge and a unique understanding of the oilfield construction and waste disposal markets. Newpark's executive and operating management team has an average of 22 years of industry experience, and an average of eight years with Newpark, including several who have been with Newpark for 20 years or more. Newpark also has strengthened its management team by attracting additional experienced personnel and by retaining key management personnel of the companies it has acquired.

BUSINESS STRATEGY

Service and Product Extensions. Newpark believes that it can apply the waste processing and injection technology it has pioneered and developed in the oil and gas exploration industry to other industrial waste markets. Initially, Newpark intends to focus on wastes generated in the petrochemical processing and refining industries, as many potential customers in these industries are located in the markets already served by Newpark, and certain wastes generated by these industries have many of the same characteristics as the NOW waste currently handled by Newpark. In addition, Newpark will continue to evaluate the applicability of its injection disposal methods to other industrial waste streams. Newpark is pursuing the development of a synthetic mat system to enhance its current mat fleet and expand into new markets. Newpark believes that synthetic mats may have certain military and emergency response applications.

Implement Newpark's Total Fluids Management Concept. Newpark's strategy is to integrate its operations to provide a "one-stop shop" approach to solving customers' problems. By integrating its drilling fluids and waste disposal services with other on-site fluids management and solids control services, Newpark intends to provide a comprehensive solution to the management of the total fluids stream. Newpark calls

this concept "Total Fluids Management" and believes that its ability to provide a comprehensive package of products and services reduces the total cost to the customer and increases operating efficiency.

Geographic Expansion. Newpark believes that significant expansion opportunities exist in each of its product lines, both in domestic markets and in selected foreign markets. Newpark intends to expand its oilfield waste disposal operations domestically into West Texas and the Permian Basin, with initial international expansions planned for Mexico and Venezuela. As part of this strategy, Newpark seeks to continue to add disposal capacity, including new injection wells, throughout the U.S. Gulf Coast region, in order to more efficiently serve its customers. Newpark intends to expand its drilling fluids business through acquisitions and internal growth to the offshore Gulf of Mexico, the mid-continent and Permian Basin regions of the United States, and, internationally, to Mexico, Venezuela and Canada. In its domestic mat business, Newpark will continue to capitalize on environmental regulations affecting the construction of pipelines, electrical distribution systems and highways in and through wetlands and other environmentally sensitive locations. Internationally, Newpark intends to expand its mat operations in Venezuela and Algeria and review expansion opportunities in other parts of Africa, South America, Europe and Asia.

Cost Reductions. Newpark will continue to pursue a strategy of reducing costs in its existing operations to increase margins. Newpark intends to expand the use of washwater recycling facilities and the recycling of oilfield waste from its NOW disposal business for use in its drilling fluids business, as these methods will allow Newpark to reduce the volume of waste transported and disposed of in its injection wells. Newpark also believes that recycling of oilfield waste from its NOW disposal business will provide it with a low-cost source of raw materials for the production of its drilling fluids. Newpark intends to continue to consolidate supply and purchasing functions in its drilling fluids business to eliminate duplicate costs, better utilize its existing asset base and take advantage of manufacturer direct pricing, volume discounts and direct rail transportation.

DESCRIPTION OF BUSINESS

Offsite Waste Processing

NOW Waste Processing. Generally under state regulation, if NOW cannot be treated for discharge or disposed of on the location where it is generated, it must be transported to a licensed NOW disposal or treatment facility. Three primary alternatives for offsite disposal of NOW are available to generators in the U.S. Gulf Coast: (i) underground injection (see "Injection Wells"); (ii) land-farming; and (iii) processing and conversion of the NOW into a reuse product. In addition, a portion of the NOW can be recycled into a drilling fluids product.

Newpark processed and disposed of 4,142,000 barrels of NOW in the first three quarters of 1997, of which 4,061,000 barrels were generated from current drilling and production operations and 81,000 barrels were generated from the remediation of old pits and production facilities, compared with 2,403,000 barrels in the first three quarters of 1996, of which 2,264,000 were from current drilling and production operations and 139,000 were from remediation activities. Newpark processed and disposed of 3,956,000 barrels of NOW in 1996, of which 3,588,000 barrels were generated from current drilling and production operations and 368,000 barrels were generated from the remediation of old pits and production facilities, compared with 2,905,000 barrels in 1995, of which 2,364,000 were from current drilling and production operations and 541,000 were from remediation activities.

In August 1996, Newpark completed the acquisition of substantially all of the marine-related NOW collection operations, excluding landfarming facilities and associated equipment, of Campbell Wells, a

wholly-owned subsidiary of Sanifill, Inc. In the acquisition, Newpark acquired certain leases associated with five transfer stations located along the U.S. Gulf Coast and three receiving docks at the landfarm facilities operated by Campbell Wells. Newpark is subject to an agreement with Campbell Wells under which an agreed annual quantity of NOW must be delivered to the Campbell Wells' landfarming facilities for a period of 25 years. The landfarms are now operated by U.S. Liquids, Inc. The Campbell Well's acquisition significantly increased Newpark's NOW disposal business and disposal capacity.

Including the facilities acquired from Campbell Wells, Newpark operates ten receiving and transfer facilities located along the U.S. Gulf Coast from Venice, Louisiana, to Corpus Christi, Texas. Waste products are collected at the transfer facilities from three distinct markets: offshore exploration and production; land and inland waters exploration and production; and remediation of existing or inactive well sites and production facilities. These facilities are supported by a fleet of 43 double-skinned barges certified by the U. S. Coast Guard to transport NOW. Waste received at the transfer facilities is transported by barge through the Gulf Intracoastal Waterway to Newpark's processing and transfer facility at Port Arthur, Texas, and trucked to injection disposal facilities at Fannett, Texas. Since the third quarter of 1995, the Fannet facility has served as Newpark's primary NOW injection facility.

Before 1994 a large portion, and in 1995 and later years, a small portion of the waste stream received by Newpark has been converted into a commercial reuse product meeting the specifications under applicable federal and state regulations for reuse as a covering material or cell liner material and for other construction purposes at sanitary landfills. Under applicable regulations, landfills must cover the solid waste deposited daily with earth or other inert material. Newpark's reuse product is deposited at either the City of Port Arthur Municipal Landfill or the City of Beaumont Municipal Landfill for use as cover or construction material pursuant to contracts with the respective cities. This reuse is conducted under authorization from the Texas Natural Resources Conservation Commission. Increased injection capacity and access to the Campbell Wells landfarms has reduced the volume of waste delivered to these landfills as a reuse product. Newpark also has developed alternative uses for the product as roadbase material or construction fill material.

NORM Processing and Disposal. Many alternatives are available to the generator for the treatment and disposal of NORM. These include both chemical and mechanical methods designed to achieve volume reduction, on-site burial of encapsulated NORM within old well bores and soil washing and other techniques of dissolving and suspending the radium in solution for onsite injection of NORM liquids. When the application of these techniques are not economically competitive with offsite disposal, or insufficient to bring the site into compliance with applicable regulations, the NORM must be transported to a licensed storage or disposal facility. A significant factor contributing to the growth in the market has been increased litigation on the part of landowners who contend that their property has been damaged by past practices of the oil and gas industry. In some cases, settlement of the litigation has mandated the remediation of such sites. In addition, these lawsuits have caused other operators to dispose of NORM waste offsite to avoid the threat of future litigation. While litigation has contributed to increased offsite NORM disposal, the project oriented nature of the market makes it difficult to predict the timing of revenues.

Newpark's initial NORM processing facility in Port Arthur, Texas was licensed in September 1994 and began operations October 21, 1994. On May 21, 1996, Newpark was awarded a new license permitting receipt of NORM waste and direct injection disposal of NORM at its Big Hill, Texas facility, eliminating the need to process the waste until it attains NOW characteristics, as was the case at the Port Arthur facility. Additionally, since the processing facility and the disposal wells are now permitted to be located at the same site, transportation costs are minimized. The new license also allows injection of more concentrated NORM into the wells, subject only to Newpark's facility contamination limits. As a result, the capacity and useful

life of the site has been extended and costs have been reduced. The new license has allowed Newpark to reduce prices to customers and encourage the use of the direct injection process for the disposal of large volumes of NORM. During the nine months ended September 30, 1997, Newpark received 24,700 barrels of NORM contaminated waste, as compared to 118,600 barrels during the nine months ended September 30, 1996, while 143,500 barrels were received in 1996 and 70,000 barrels were received in 1995.

Injection Wells. Newpark's injection technology is distinguished from conventional methods in that it utilizes very low pressure, typically under 100 pounds per square inch, to move the waste into the injection zone. Conventional wells typically use pressures as high as 2,000 pounds per square inch. In the event of a formation failure or blockage of the face of the injection zone, such pressure can force waste material beyond the intended zone, posing a potential hazard to the environment. The low pressure used by Newpark is inadequate to drive the injected waste from its intended geologic injection zone.

In February 1993, upon receipt of a permit from the Texas Railroad Commission, Newpark began development of a 50 acre injection well facility in the Big Hill Field in Jefferson County, Texas. Three wells were initially installed at the Big Hill facility and three additional wells have since been successfully completed. During 1995, Newpark licensed and constructed a new injection well facility at a 400 acre site near Fannett, Texas, which was placed in service in September 1995 and now serves as Newpark's primary facility for the disposal of NOW. The Fannett facility currently includes three injection wells and a processing plant which is used to reduce and make uniform the size of the particles in the waste stream to maintain desired flow characteristics in Newpark's injection wells. Because of differences between the geology and physical size of the two sites, the Fannett site is expected to provide greater capacity than the Big Hill site. The injection wells at Fannett receive NOW waste from Newpark's processing facilities at Port Arthur, as well as from customers in the surrounding area. Newpark also has completed a bulk barge unloading facility adjacent to its Port Arthur processing plant. During 1997, Newpark installed a washwater recycling plant at one of its transfer stations and determined to install such a plant at all of its facilities. Newpark believes the use of this process could materially reduce the volume of washwater created by its operations and thereby reduce disposal costs.

Newpark anticipates that it will open additional injection facilities for both NOW and NORM waste in Louisiana, Mississippi and Texas over the next two to three years. In January 1997, Newpark acquired an additional injection facility, which includes two active injection wells on 37 acres of land adjacent to the Big Hill facility, and in October 1997, Newpark acquired four facilities in the Permian Basin at which brine is extracted and sold and NOW is disposed of in the salt domes or caverns created by the extraction process. Newpark has identified a number of additional sites in the U.S. Gulf Coast region as suitable for development of such disposal facilities, has received permits for one additional site in Texas, and plans to file for additional permit authority in Louisiana. Newpark believes that its current processing and disposal capacity will be adequate to provide for expected future demand for its oilfield waste disposal and other environmental services.

Newpark believes that its patented injection technology has application to other industrial waste markets and waste streams. In January 1997, Newpark acquired 120 acres of land adjacent to its Big Hill facility, which it plans to develop into an industrial waste disposal facility. Initially, Newpark intends to focus on wastes generated in the petrochemical processing and refining industries.

Drilling Fluids

Providing full drilling fluids service to its customers is a key step towards implementation of Newpark's Total Fluids Management strategy. Newpark focuses on highly technical drilling projects

involving complex conditions, such as deep horizontal drilling or deep water drilling. These projects require constant monitoring and critical engineering support of the fluids system during the drilling process in order to ensure optimal performance at the lowest total well cost.

In February 1997, Newpark completed the acquisition of SBM (now known as Newpark Drilling Fluids, Inc.), a full-service provider of drilling fluids and associated engineering and technical services to the onshore and offshore oil and gas exploration industry in the Louisiana and Texas Gulf Coast regions. Since completion of the SBM acquisition, Newpark has expanded its drilling fluids operations through additional acquisitions in order to provide a full range of drilling fluids services. These acquisitions included four retail drilling fluids companies, one wholesale drilling fluids company and one specialty chemical company. Newpark also has recently completed the acquisition of certain assets of Anchor Drilling in Louisiana and Texas, which will significantly enhance Newpark's presence in the offshore Gulf of Mexico. Newpark intends to continue to expand its drilling fluids operations through acquisitions and internal expansion.

In May 1997, Newpark acquired a specialty milling company that grinds barite and other industrial minerals at facilities in Houston, Texas and New Iberia, Louisiana. The acquisition provides Newpark with a source of critical raw materials for its drilling fluids operations. Additionally, Newpark is implementing a program to recycle a portion of the drilling fluids received as waste in its NOW disposal business, thereby recovering barite and other key chemical components for reuse in the production of drilling fluids. Newpark believes that this recycling reduces the costs of materials in producing drilling fluids and expands the available supply of drilling fluids. Recycling also helps reduce the volume of NOW waste transported and disposed of by Newpark in its disposal operations.

Mat Rental and Sales

In 1988, Newpark acquired the right to use, in Louisiana and Texas, a patented prefabricated interlocking mat system for the construction of drilling and work sites, which has displaced use of individual hardwood boards. This system is quicker to install and remove than individual hardwood boards, substantially reducing labor costs. Prefabricated mats are also stronger, easier to repair and maintain, and generate less waste material during construction and removal. In 1994, Newpark acquired the exclusive right to use this system in the continental U.S. for the life of the patent. The patent is currently set to expire in 2003. Modifications have been made to the patent, and Newpark has filed an application, which, if granted, would significantly extend the life of the patent. The original holder of the patent continues to fabricate the mats for Newpark and acts as a distributor of mats for non-oilfield applications.

Newpark provides its mat services in two primary markets:

Oilfield Market. Newpark provides this patented interlocking mat system to the oil and gas industry to ensure all-weather access to exploration and production sites in the unstable soil conditions common along the onshore Gulf of Mexico. The mats are generally rented to the customer for an initial period of 60 days; after that time, additional rentals are earned on a monthly basis until the mats are released by the customer.

Wetlands Use. Beginning in 1994, Newpark recognized the development of another market use for its patented mat system in providing access roads and temporary work sites to the pipeline, electrical utility and highway construction industries, as Newpark believes its mats are well suited for use in wetlands and other areas characterized by unstable soil conditions. Demand for these services was spurred by Federal Energy Regulatory Commission orders requiring compliance with environmental protection rules under the Clean Water Act in the pipeline construction business, and since 1995, Newpark has performed projects in

connection with pipeline, electrical utility and highway construction projects in Georgia, Florida, Texas and Louisiana. Revenue from this source was approximately $2.4 million in 1994, approximately $7.0 million in 1995 and approximately $5.8 million during 1996. During the nine months ended September 30, 1997, Newpark received approximately $1.0 million in revenue from non-oilfield mat rentals, as Newpark believes capital expenditures in the electric utility industry have been delayed while the industry adjusts to deregulation.

Rerentals and Sales. Drilling and work sites are typically rented by the customer for an initial period of 60 days. Often, the customer extends the rental term for additional 30 day periods, resulting in additional revenues to Newpark. These rerental revenues provide high margins because only minimal incremental depreciation and maintenance costs accrue to each rerental period. Factors which may increase rerental revenue include: (i) the trend toward increased activity in the "transition zone"; (ii) a trend toward deeper drilling, taking a longer time to reach the desired target; and, (iii) the increased frequency of commercial success, requiring logging, testing, and completion (hook-up), extending the period during which access to the site is required. In the opinion of industry analysts, application of advanced technologies, particularly the use of three-dimensional seismic data, has contributed to these trends. Occasionally, the mats are purchased by the customer when a site is converted into a permanent worksite.

Venezuela. The Venezuelan government has enacted legislation designed to speed the opening of its petroleum sector to foreign investment, including international oil companies, in furtherance of a national objective of increasing that country's production of oil to five million barrels per day by the year 2005. Many of the international oil companies investing in Venezuela are existing customers of Newpark. As of September 30, 1997, Newpark had approximately 21,000 mats in inventory in Venezuela. Newpark expects that activity in Venezuela will increase as further exploration concessions are granted.

Other International Expansion. During 1996, Newpark shipped 4,000 interlocking mats to Algeria in an effort to develop a mat rental and sales market in that country. The goal is to replace the gypsum and concrete commonly used in constructing drilling sites in the desert with a more cost effective solution. Newpark will continue to review expansion opportunities in other parts of Africa and South America, as well as in Europe and Asia.

Synthetic Mats. All of the established mat patents utilize hardwood to construct the mat. Newpark has acquired the rights to a patented synthetic molded mat fabricated from recycled plastic, rubber and resins, which Newpark believes will prove to be lighter than hardwood mats, have a longer service life and have lower repair costs. A limited number of pre-production samples of a prototype mat were delivered to Newpark for testing in April 1996. Pending successful results in the testing program and construction by the manufacturer of a production facility (in which Newpark is a minority partner), Newpark expects to begin taking delivery of commercial quantities of these new mats during 1998. Newpark believes that the initial market for the synthetic mat system will be certain military and emergency response type governmental sales.

Other Integrated Services

Promulgation and enforcement of increasingly stringent environmental regulations affecting drilling and production sites has increased the scope of services required by the oil companies. Often it is more efficient for the site operator to contract with a single company that can provide all-weather site access and provide the required onsite and offsite environmental services on a fully integrated basis. Newpark provides a comprehensive range of environmental services necessary for its customers' oil and gas exploration and production activities. These services include:

Site Assessment. Site assessment work begins prior to installation of mats on a drilling site, and generally begins with a study of the proposed well site, which includes site photography, background soil sampling, laboratory analysis and investigation of flood hazards and other native conditions. The assessment determines whether the site has previously been contaminated and provides a baseline for later restoration to pre-drilling condition.

Pit Design, Construction and Drilling Waste Management. Where permitted by regulations and landowners, under its Environmentally Managed Pit ("EMP") Program, Newpark constructs waste pits at drilling sites and monitors the waste stream produced in drilling operations and the contents and condition of the pits with the objective of minimizing the amount of waste generated on the site. Where possible, Newpark disposes of waste onsite by land-farming, through chemical and mechanical treatment of liquid waste and by annular injection into a suitably permitted underground formation. Waste water treated onsite may be reused in the drilling process or, where permitted, discharged into adjacent surface waters.

Regulatory Compliance. Throughout the drilling process, Newpark assists the operator in interfacing with the landowner and regulatory authorities. Newpark also assists the operator in obtaining necessary permits and in complying with record maintenance and reporting requirements.

Site Remediation.

NOW (Drilling). At the completion of the drilling process, under applicable regulations, waste water on the site may be chemically and/or mechanically treated to eliminate its waste-like characteristics and discharged into surface waters. Other waste that may not remain on the surface of the site may be land-farmed on the site or injected under permit into geologic formations to minimize the need for offsite disposal. Any waste that cannot, under regulations, remain onsite is manifested (in Louisiana) and transported to an authorized facility for processing and disposal at the direction of the generator or customer.

NOW (Production). Newpark also provides services to remediate production pits and inactive waste pits including those from past oil and gas drilling and production operations. Newpark provides the following remediation services: (i) analysis of the contaminants present in the pit and a determination of whether remediation is required by applicable state regulation; (ii) treatment of waste onsite, and where permitted, reintroduction of that material into the environment; and (iii) removal, containerization and transportation of NOW waste to Newpark's processing facility.

NORM. In January 1994, Newpark became a licensed NORM contractor, allowing Newpark to perform site remediation work at NORM contaminated facilities in Louisiana and Texas, and recently received the first specific license to perform NORM remediation in Arkansas. Because of the need for increased worker-protective equipment, extensive decontamination procedures and other regulatory compliance issues at NORM facilities, the cost of providing such services is materially greater than at NOW facilities and such services generate proportionately higher revenues and operating margins than similar services at NOW facilities.

Site Closure. Site closure services are designed to restore a site to its pre-drilling condition, reseeded with native grasses. Closure also involves delivery of test results indicating that closure has been completed in compliance with applicable regulations. This information is important to the customer because the operator is subject to future regulatory review and audits. In addition, the information may be required on a current basis if the operator is subject to a pending regulatory compliance order.

General Oilfield Construction Services. Newpark performs general oilfield construction services throughout the U.S. Gulf Coast area between Corpus Christi, Texas and Pensacola, Florida. General oilfield services performed by Newpark include preparing work sites for the installation of mats, connecting wells and placing them in production, laying flow lines and infield pipelines, building permanent roads, grading, lease maintenance (the maintenance and repair of producing well sites), cleanup and general roustabout services. General oilfield services are typically performed under short-term time and material contracts, which are obtained by direct negotiation or bid. During 1997, Newpark acquired two oilfield site contractors, which expanded Newpark's presence and service capabilities in the site preparation and contracting business.

Wood Product Sales. Newpark purchased a sawmill in Batson, Texas, in October 1992 in order to provide access to adequate quantities of hardwood lumber in support of its mat business. The mill's products include lumber, timber, and wood chips, as well as bark and sawdust. Pulp and paper companies in the area supply a large proportion of the hardwood logs processed at the sawmill and, in turn, are the primary customers for wood chips created in the milling process. During 1993, Newpark invested approximately $1.0 million in expansion of the sawmill to increase its capacity for producing wood chips. During 1995, Newpark invested an additional $750,000 to install a log watering system to maintain the level of moisture in the wood chips produced, as desired by its customers, and for expanded and improved sawing capacity, which improved both production and efficiency. Newpark believes that the capacity of the sawmill will be sufficient to meet its anticipated needs for the foreseeable future.

SOURCES AND AVAILABILITY OF RAW MATERIALS AND EQUIPMENT

Newpark believes that its sources of supply for any materials or equipment used in its businesses are adequate for its needs and that it is not dependent upon any one supplier. Newpark acquires the majority of its hardwood needs in its mat business from its own sawmill, and barite used in its drilling fluids business is provided by Newpark's specialty milling company and, to a limited extent, by NOW recycling. No serious shortages or delays have been encountered in obtaining any raw materials.

PATENTS AND LICENSES

Newpark seeks patents and licenses on new developments whenever feasible. On December 31, 1996, Newpark was granted a U.S. patent on its new NOW and NORM waste processing and injection disposal system. Newpark has the exclusive, worldwide license for the life of the patent to use, sell and lease the prefabricated mats that it uses in connection with its site preparation business. The licensor continues to fabricate the mats for Newpark and has the right to sell mats in locations where Newpark is not engaged in business, but only after giving Newpark the opportunity to take advantage of the opportunity itself. The license is subject to a royalty which Newpark can satisfy by purchasing specified quantities of mats annually from the licensor.

The utilization of proprietary technology and systems is an important aspect of Newpark's business strategy. For example, Newpark relies on a variety of unpatented proprietary technologies and know-how in the processing of NOW. Although Newpark believes that this technology and know-how provide it with significant competitive advantages in the environmental services business, competitive products and services have been successfully developed and marketed by others. Newpark believes that its reputation in its industry, the range of services offered, ongoing technical development and know-how, responsiveness to customers and understanding of regulatory requirements are of equal or greater competitive significance than its existing proprietary rights.

CUSTOMERS

Newpark's customers are principally major and independent oil and gas exploration and production companies operating in the U.S. Gulf Coast area, with the vast majority of Newpark's customers concentrated in Louisiana and Texas.

During the year ended December 31, 1996, approximately 46% of Newpark's revenues were derived from six major customers, including three major oil companies, and one customer accounted for approximately 16% of consolidated revenues. During the nine months ended September 30, 1997, approximately 35% of Newpark's revenues were derived from six major customers, including two major oil companies, and no customer accounted for more than 10% of consolidated revenues. Given current market conditions and the nature of the products involved, Newpark does not believe that the loss of any single customer would have a material adverse effect upon Newpark.

Newpark performs services either pursuant to standard contracts or under longer term negotiated agreements. As most of Newpark's agreements with its customers are cancelable upon limited notice, Newpark's backlog is not significant.

Newpark does not derive a significant portion of its revenues from government contracts of any kind.

COMPETITION

Newpark operates in several niche markets where it is a leading provider of services. In Newpark's disposal business, Newpark often competes with its major customers, who continually evaluate the decision whether to use internal disposal methods or utilize a third party disposal company such as Newpark. Other product markets are fragmented and highly competitive, with many competitors providing similar products and services to the industry. In the drilling fluids industry, Newpark faces competition from both larger companies that may have broader geographic coverage, and smaller companies that may have lower capital cost structures.

Newpark believes that the principal competitive factors in its businesses are price, reputation, technical proficiency, reliability, quality, breadth of services offered and managerial experience. Newpark believes that it effectively competes on the basis of these factors and that its competitive position benefits from its proprietary position with respect to the patented mat system used in its site preparation business, its proprietary treatment and disposal methods for both NOW and NORM waste streams and its ability to provide its customers with an integrated well site management program including environmental, drilling fluids and general oilfield services. Additionally, it is often more efficient for the site operator to contract with a single company that can prepare the well site and provide the required onsite and offsite environmental services. Newpark believes that its ability to provide a number of services as part of a comprehensive program enables Newpark to price its services competitively.

ENVIRONMENTAL DISCLOSURES

Newpark has sought to comply with all applicable regulatory requirements concerning environmental quality. Newpark has made, and expects to continue to make, the necessary capital expenditures for environmental protection at its facilities, but does not expect that these will become material in the foreseeable future. No material capital expenditures for environmental protection were made during 1996 or the first nine months of 1997.

Newpark derives a significant portion of its revenue from providing environmental services to its customers. These services have become necessary in order for these customers to comply with regulations governing the discharge of materials into the environment. Substantially all of Newpark's capital expenditures made in the past several years, and those planned for the foreseeable future, are directly or indirectly influenced by the needs of customers to comply with such regulations.

EMPLOYEES

At September 30, 1997, Newpark employed approximately 906 full and part-time personnel, none of which are represented by unions. Newpark considers its relations with its employees to be satisfactory.

ENVIRONMENTAL REGULATION

Newpark deals primarily with NOW and NORM in its waste disposal business. NOW and NORM are generally described as follows:

NOW. Nonhazardous Oilfield Waste, or NOW, is waste generated in the exploration for or production of oil and gas. These wastes typically contain levels of oil and grease, salts or chlorides, and heavy metals in excess of concentration limits defined by state regulators. NOW also includes soils which have become contaminated by these materials. In the environment, oil and grease and chlorides disrupt the food chain and have been determined by regulatory authorities to be harmful to plant and animal life. Heavy metals are toxic and can become concentrated in living tissues.

NORM. Naturally Occurring Radioactive Material, or NORM, is present throughout the earth's crust at very low levels. Among the radioactive elements, only Radium 226 and Radium 228 are slightly soluble in water. Because of their solubility, which can carry them into living plant and animal tissues, these elements present a hazard. Radium 226 and Radium 228 can be leached out of hydrocarbon bearing strata deep underground by salt water which is produced with the hydrocarbons. Radium generally precipitates out of the production stream as it is drawn to the surface and encounters a pressure or temperature change in the well tubing or production equipment, forming a rust-like scale. This scale contains radioactive elements which, over many years, can become concentrated on tank bottoms or at water discharge points at production facilities. Thus, NORM waste is NOW that has become contaminated with these radioactive elements above concentration levels defined by state regulatory authorities.

Newpark's business is affected both directly and indirectly by governmental regulations relating to the oil and gas industry in general, as well as environmental, health and safety regulations that have specific application to Newpark's business. Newpark, through the routine course of providing its services, handles and profiles hazardous regulated material for its customers. Newpark also handles, processes and disposes of nonhazardous regulated materials. This section discusses various federal and state pollution control and health and safety programs that are administered and enforced by regulatory agencies, including, without limitation, the U.S. Environmental Protection Agency ("EPA"), the U.S. Coast Guard, the U.S. Army Corps of Engineers, the Texas Natural Resource Conservation Commission, the Texas Department of Health, the Texas Railroad Commission, the DEQ and the Louisiana Department of Natural Resources. These programs are applicable or potentially applicable to Newpark's current operations. Although Newpark intends to make capital expenditures to expand its environmental services capabilities, Newpark believes that it is not presently required to make material capital expenditures to remain in compliance with federal, state and local provisions relating to the protection of the environment.

RCRA. The Resource Conservation and Recovery Act of 1976, as amended in 1984 ("RCRA"), is the principal federal statute governing hazardous waste generation, treatment, storage and disposal. RCRA and state hazardous waste management programs govern the handling and disposal of "hazardous wastes". The EPA has issued regulations pursuant to RCRA, and states have promulgated regulations under comparable state statutes, that govern hazardous waste generators, transporters and owners and operators of hazardous waste treatment, storage or disposal facilities. These regulations impose detailed operating, inspection, training and emergency preparedness and response standards and requirements for closure, financial responsibility, manifesting of waste, record-keeping and reporting, as well as treatment standards for any hazardous waste intended for land disposal.

Newpark's primary operations involve NOW, which is exempt from classification as a RCRA-regulated hazardous waste. Many state counterparts to RCRA also exempt NOW from classification as a hazardous waste; however, extensive state regulatory programs govern the management of such waste. In addition, in performing other services for its customers, Newpark is subject to both federal (RCRA) and state solid or hazardous waste management regulations as contractor to the generator of such waste.

Proposals have been made in the past to rescind the exemption that excludes NOW from regulation as hazardous waste under RCRA. Repeal or modification of this exemption by administrative, legislative or judicial process could require Newpark to change significantly its method of doing business. There is no assurance that Newpark would have the capital resources available to do so, or that it would be able to adapt its operations to the changed regulations.

Subtitle I of RCRA regulates underground storage tanks in which liquid petroleum or hazardous substances are stored. States have similar regulations, many of which are more stringent in some respects than the federal regulations. The implementing regulations require that each owner or operator of an underground tank notify a designated state agency of the existence of such underground tank, specifying the age, size, type, location and use of each such tank. The regulations also impose design, construction and installation requirements for new tanks, tank testing and inspection requirements, leak detection, prevention, reporting and cleanup requirements, as well as tank closure and removal requirements.

Newpark has a number of underground storage tanks that are subject to the requirements of RCRA and applicable state programs. Violators of any of the federal or state regulations may be subject to enforcement orders or significant penalties by the EPA or the applicable state agency. Newpark is not aware of any existing conditions or circumstances that would cause it to incur liability under RCRA for failure to comply with regulations applicable to underground storage tanks. However, cleanup costs associated with releases from these underground storage tanks or costs associated with changes in environmental laws or regulations could be substantial and could have a material adverse effect on Newpark's consolidated financial statements.

CERCLA. The Comprehensive Environmental Response, Compensation and Liability Act, as amended in 1986 ("CERCLA"), provides for immediate response and removal actions coordinated by the EPA in response to certain releases of hazardous substances into the environment and authorizes the government, or private parties, to respond to the release or threatened release of hazardous substances. The government may also order persons responsible for the release to perform any necessary cleanup. Liability extends to the present owners and operators of waste disposal facilities from which a release occurs, persons who owned or operated such facilities at the time the hazardous substances were released, persons who arranged for disposal or treatment of hazardous substances and waste transporters who selected such facilities for treatment or disposal of hazardous substances. CERCLA has been interpreted to create strict,

joint and several liability for the costs of removal and remediation, other necessary response costs and damages for injury to natural resources.

Among other things, CERCLA requires the EPA to establish a National Priorities List ("NPL") of sites at which hazardous substances have been or are threatened to be released and that require investigation or cleanup. The NPL is subject to change, with additional sites being added and remediated sites being removed from the list. In addition, the states in which Newpark conducts operations have enacted similar laws and keep similar lists of sites which may be in need of remediation.

Although Newpark primarily handles oilfield waste classified as NOW, this waste typically contains constituents designated by the EPA as hazardous substances under RCRA, despite the current exemption of NOW from hazardous substance classification. Where Newpark's operations result in the release of hazardous substances, including releases at sites owned by other entities where Newpark performs its services, Newpark could incur CERCLA liability. Previously owned businesses also may have disposed or arranged for disposal of hazardous substances that could result in the imposition of CERCLA liability on Newpark in the future. In particular, divisions and subsidiaries previously owned by Newpark were involved in extensive mining operations at facilities in Utah and Nevada and in waste generation and management activities in numerous other states. These activities involved substances that may be classified as RCRA hazardous substances. Any of those sites or activities potentially could be the subject of future CERCLA damage claims.

With the exception of the sites discussed in "Environmental Proceedings" below, Newpark is not aware of any present claims against it that are based on CERCLA. Nonetheless, the identification of additional sites at which clean-up action is required could subject Newpark to liabilities which could have a material adverse effect on Newpark's consolidated financial statements.

The Clean Water Act. The Clean Water Act regulates the discharge of pollutants, including NOW, into waters of the United States. The Clean Water Act establishes a system of standards, permits and enforcement procedures for the discharge of pollutants from industrial and municipal waste water sources. The law sets treatment standards for industries and waste water treatment plants, requires permits for industrial and municipal discharges directly into waters of the United States and requires pretreatment of industrial waste water before discharge into municipal systems. The Clean Water Act gives the EPA the authority to set pretreatment limits for direct and indirect industrial discharges.

In addition, the Clean Water Act prohibits certain discharges of oil or hazardous substances and authorizes the federal government to remove or arrange for removal of such oil or hazardous substances. Under the Clean Water Act, the owner or operator of a vessel or facility from which oil or a hazardous substance is discharged into navigable waters may be liable for penalties, the costs of cleaning up the discharge and natural resource damage caused by the spill.

Newpark treats and discharges waste waters at certain of its facilities. These activities are subject to the requirements of the Clean Water Act, and comparable state statutes, and federal and state enforcement of these regulations.

The Clean Water Act also imposes requirements that are applicable to Newpark's customers and are material to its business. EPA Region 6, which includes Newpark's market, continues to issue new and amended National Pollution Discharge Elimination System ("NPDES") general permits further limiting or restricting substantially all discharges of produced water from the Oil and Gas Extraction Point Source Category into waters of the United States. These permits include:

1) Onshore subcategory permits for Texas, Louisiana, Oklahoma and New Mexico issued in February, 1991 (56 Fed. Reg. 7698). These permits completely prohibit the discharge of drilling fluids, drill cuttings, produced water or sand, and various other oilfield wastes generated by onshore operations into waters of the United States. These permits have the effect of requiring that most oilfield wastes follow established state disposal programs. These general permits expired on February 25, 1996, but pursuant to EPA policy, they are considered to remain in effect until reissued by the EPA or superseded by other EPA action.

2) Permits for produced water and produced sand discharges into coastal waters of Louisiana and Texas issued on January 9, 1995 (60 Fed. Reg. 2387). Coastal means "waters of the United States...located landward of the territorial seas". Under these regulations, all such discharges were required to cease by January 1, 1997.

3) The Outer Continental Shelf ("OSC") permit covering oil and gas operations in federal waters in the Gulf (seaward of the Louisiana and Texas territorial seas) was reissued in November 1992 and modified in December 1993. The existing permit was combined with a new source permit on August 9, 1996 (61 Fed. Reg. 41609). This permit prohibits certain discharges of drilling fluids and drill cuttings and includes stricter limits for oil and grease concentrations in produced waters to be discharged. These limits are based on the Best Available Treatment ("BAT") requirements contained in the Oil and Gas Offshore Subcategory national guidelines which were published March 3, 1993. Additional requirements include toxicity testing and bioaccumulation monitoring studies of proposed discharges. The combined permit expired on November 18, 1997; however, the expired permit will continue to be effective for permittees that applied for a new permit prior to the expiration date, until the EPA issues a new general permit for this area or requires permittees to seek individual permits.

4) A permit for the territorial seas of Louisiana was issued on November 4, 1997 (62 Fed. Reg. 59687). The permit becomes effective on December 4, 1997, except for the water quality based limits and certain monitoring requirements that became effective May 4, 1998. The permit prohibits the discharge of drilling fluids, drill cuttings and produced sand. Produced water discharges are limited for oil and grease, toxic metals, organics, and chronic toxicity. The territorial seas part of the Offshore Subcategory begins at the line of ordinary low water along the part of the coast which is in direct contact with the open sea, and extends out three nautical miles. This permit covers both existing sources and new sources. All discharges in state waters must comply with any more stringent requirements contained in Louisiana Water Quality Regulations, LAC 33.IX.7.708. A similar permit will be proposed for the Texas territorial seas in the future.

The combined effect of all these permits closely approaches a "zero discharge standard" affecting all waters except those of the OCS. Newpark and many industry participants believe that these permits and the requirements of the Clean Water Act may ultimately lead to a total prohibition of overboard discharge in the Gulf of Mexico.

The Clean Air Act. The Clean Air Act provides for federal, state and local regulation of emissions of air pollutants into the atmosphere. Any modification or construction of a facility with regulated air emissions must be a permitted or authorized activity. The Clean Air Act provides for administrative and judicial enforcement against owners and operators of regulated facilities, including substantial penalties. In 1990, the Clean Air Act was reauthorized and amended, substantially increasing the scope and stringency of the Clean Air Act's regulations. The Clean Air Act has very little impact on Newpark's operations.

Oil Pollution Act of 1990. The Oil Pollution Act of 1990 contains liability provisions for cleanup costs, natural resource damages and property damages resulting from discharges of oil into navigable waters, as well as substantial penalty provisions. The OPA also requires double hulls on all new oil tankers and barges operating in waters subject to the jurisdiction of the United States. All marine vessels operated by Newpark already meet this requirement.

State Regulation. In 1986, the Louisiana Department of Natural Resources promulgated Order 29-B. Order 29-B contains extensive rules governing pit closure and the generation, treatment, storage, transportation and disposal of NOW. Under Order 29-B, onsite disposal of NOW is limited and is subject to stringent guidelines. If these guidelines cannot be met, NOW must be transported and disposed of offsite in accordance with the provisions of Order 29-B. Moreover, under Order 29-B, most, if not all, active waste pits must be closed or modified to meet regulatory standards; those pits that continue to be allowed may be used only for a limited time. A material number of these pits may contain concentrations of radium that are sufficient to require the waste material to be categorized as NORM.

Rule 8 of the Texas Railroad Commission also contains detailed requirements for the management and disposal of NOW and Rule 94 governs the management and disposal of NORM. In addition, Rule 91 regulates the cleanup of spills of crude oil from oil and gas exploration and production activities, including transportation by pipeline. In general, contaminated soils must be remediated to total petroleum hydrocarbons content of less than 1%. The State of Texas also has established an Oilfield Cleanup Fund to be administered by the Texas Railroad Commission to plug abandoned wells if the Commission deems it necessary to prevent pollution, and to control or clean up certain oil and gas wastes that cause or are likely to cause pollution of surface or subsurface water. Other states (New Mexico, Mississippi, Arkansas) where the Company operates have similar regulations. Oklahoma is presently in the process of drafting NORM oil and gas regulations. Newpark recently received the first specific license to do NORM remediation in Arkansas.

Many states maintain licensing and permitting procedures for the construction and operation of facilities that emit pollutants into the air. In Texas, the Texas Natural Resource Conservation Commission (the "TNRCC") requires companies that emit pollutants into the air to apply for an air permit or to satisfy the conditions for an exemption. Newpark has obtained certain air permits and believes that it is exempt from obtaining other air permits at its facilities including its Port Arthur, Texas, NOW facility. Newpark met with the TNRCC and filed for an exemption in the fall of 1991. A subsequent renewal letter was filed in 1995. Based upon communications with the TNRCC, Newpark expects that it will continue to remain exempt. However, should it not remain exempt, Newpark believes that compliance with the permitting requirements of the TNRCC would not have a material adverse effect on the consolidated financial statements of Newpark.

Other Environmental Laws. Newpark is subject to the Occupation Safety and Health Act that imposes requirements for employee safety and health and applicable state provisions adopting worker health and safety requirements. Moreover, it is possible that other developments, such as increasingly stricter environmental, safety and health laws, and regulations and enforcement policies thereunder, could result in substantial additional regulation of Newpark and could subject to further scrutiny Newpark's handling, manufacture, use or disposal of substances or pollutants. Newpark cannot predict the extent to which its operations may be affected by future enforcement policies as applied to existing laws or by the enactment of new statutes and regulations.

RISK MANAGEMENT

Newpark's business exposes it to substantial risks. For example, Newpark's environmental services routinely involve the handling, storage and disposal of nonhazardous regulated materials and waste, and in some cases, handling of hazardous regulated materials and waste for its customers which are generators of such waste. Newpark could be held liable for improper cleanup and disposal, which liability could be based upon statute, negligence, strict liability, contract or otherwise. As is common in the oil and gas industry, Newpark often is required to indemnify its customers or other third-parties against certain risks related to the services performed by Newpark, including damages stemming from environmental contamination.

Newpark has implemented various procedures designed to ensure compliance with applicable regulations and reduce the risk of damage or loss. These include specified handling procedures and guidelines for regulated waste, ongoing training and monitoring of employees and maintenance of insurance coverage.

Newpark carries a broad range of insurance coverages that management considers adequate for the protection of its assets and operations. This coverage includes general liability, comprehensive property damage, workers' compensation and other coverage customary in its industries; however, this insurance is subject to coverage limits and certain policies exclude coverage for damages resulting from environmental contamination. Newpark could be materially adversely affected by a claim that is not covered or only partially covered by insurance. There is no assurance that insurance will continue to be available to Newpark, that the possible types of liabilities that may be incurred by Newpark will be covered by its insurance, that Newpark's insurance carriers will meet their obligations or that the dollar amount of such liabilities will not exceed Newpark's policy limits.

PROPERTIES

Newpark's corporate offices in Metairie, Louisiana, are occupied at an annual rental of approximately $125,000 under a lease expiring in December 2002.

During 1996, Newpark acquired an office building in Lafayette, Louisiana, to house the administrative offices of two of its subsidiaries.

Newpark's Port Arthur, Texas, NOW and NORM facility is subject to annual rentals aggregating approximately $500,000 under three separate leases. A total of 6.0 acres are under lease with various expiration dates from June 1997 to September 2002, all with extended options to renew.

Newpark owns two injection disposal sites in Jefferson County, Texas, one on 50 acres of land and the other on 400 acres. Eight wells are currently operational at these sites. In January 1997, Newpark completed the purchase of 120 acres located adjacent to one of the disposal sites. Newpark plans to use this property as an industrial waste injection disposal facility. Newpark also has acquired an additional injection facility, which includes two active injection wells on 37 acres of land, adjacent to its Big Hill, Texas facility.

In October 1997, Newpark acquired land and facilities in Andrews, Big Springs, Plains and Fort Stockton, Texas at which brine is extracted and sold and NOW is disposed of in the salt domes or caverns created by the extraction process. A total of 125 acres of land was acquired in this transaction.

Newpark maintains a fleet of 43 barges, of which 19 are owned by Newpark, 10 are under 10-year lease terms, four are under seven-year lease terms and 10 are under five-year lease terms. The barges are

used to transport waste to processing stations and are certified for this purpose by the U. S. Coast Guard. Annual rentals under the barge leases totaled approximately $1.9 million during 1996.

Additional facilities are held under short-term leases with annual rentals aggregating approximately $725,000 during 1996. Newpark believes that its facilities are suitable for their respective uses and adequate for current needs.

Newpark also owns 80 acres occupied as a sawmill facility near Batson, Texas. Newpark believes this facility is adequate for current production needs.

LEGAL PROCEEDINGS

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 Newpark, any recovery or liability in these matters should not have a material effect on Newpark's consolidated financial statements.

ENVIRONMENTAL PROCEEDINGS

In the ordinary course of conducting its business, Newpark becomes involved in judicial and administrative proceedings involving governmental authorities at the federal, state and local levels, as well as private party actions. Pending proceedings that allege liability related to environmental matters are described below. Newpark believes that none of these matters involves material exposure. There is no assurance, however, that such exposure does not exist or will not arise in other matters relating to Newpark's past or present operations.

Newpark was identified by the EPA as a minor or "de minimus" contributor of waste to a disposal site requiring cleanup under CERCLA. That facility, the French Limited site, located in Southeast Texas, is currently undergoing a voluntary cleanup by those parties identified as waste contributors. Five related private party suits have been filed against Newpark and the other potentially responsible parties at the French Limited site. Newpark has settled its potential liability in four of those suits. Management does not anticipate that the outcome of the remaining suit will have a material adverse impact upon Newpark, and anticipates either a nominal settlement or dismissal from the action.

Newpark has been identified as one of 600 contributors of material to the MAR Services facility, a state voluntary cleanup site located in Louisiana. Because Newpark delivered only processed solids meeting the requirements of Louisiana Statewide Executive Order 29-B to the site, it does not believe it has material financial liability for the site cleanup cost. The DEQ is overseeing voluntary cleanup at the site.

Recourse against its insurers under general liability insurance policies for reimbursement of cost and expense in the foregoing CERCLA actions is uncertain as a result of conflicting court decisions in similar cases. In addition, certain insurance policies under which coverage may be afforded contain self-insurance levels that may exceed Newpark's ultimate liability.

Newpark believes that any liability incurred in the foregoing matters will not have a material adverse effect on Newpark's consolidated financial statements.

DIRECTORS AND EXECUTIVE OFFICERS

The following table provides certain information regarding Newpark's current directors and executive officers:

NAME	AGE	POSITION
James D. Cole	56	Chairman of the Board, President, and Chief Executive Officer
William Thomas Ballantine	52	Executive Vice President and Director
Matthew W. Hardey	45	Vice President of Finance and Chief Financial Officer
Dibo Attar(a)	58	Director
William W. Goodson(a)(b)	83	Director
David P. Hunt(a)	56	Director
Alan J. Kaufman(a)(b)	60	Director
James H. Stone(a)(b)	72	Director

(a) Member of the Compensation Committee.
(b) Member of the Audit Committee.

James D. Cole joined Newpark in 1976, serving as Executive Vice President until May 1977, when he was elected President and Chief Executive Officer. Mr. Cole has served as a director since joining Newpark and was elected Chairman of the Board of Directors in April 1996.

William Thomas Ballantine joined Newpark in December 1988, serving as Vice President of Operations, and was elected Executive Vice President in 1992. He was elected a Director of Newpark in October 1993.

Matthew W. Hardey joined Newpark in May 1988 as Treasurer and Assistant Secretary and was elected Vice President of Finance and Chief Financial Officer in April 1991. From 1973 until joining Newpark, Mr. Hardey was employed in the commercial banking business.

Dibo Attar is a business consultant to several domestic and international companies and has been a private investor for more than ten years. Mr. Attar also serves as Chairman of the Board of T.H. Lehman & Co., Inc., KTI, Inc. and Renaissance Entertainment Corp.

William W. Goodson, who retired in 1983, served as Chairman of the Board of Directors of a Newpark subsidiary from 1982 to 1987. For more than five years prior thereto, he was President and Chief Operating Officer of the Newpark subsidiary engaged in the oilfield and environmental construction business, and other Newpark subsidiaries.

David P. Hunt joined Newpark's Board of Directors in November 1995. Prior to joining Newpark and until his retirement in 1995, Mr. Hunt was employed by Consolidated Natural Gas Company for 32 years, having most recently served as President and Chief Executive Officer of New Orleans based CNG Producing Company, an oil and gas exploration and production company. Mr. Hunt also currently serves as a senior consultant to McDermott International.

Alan J. Kaufman has been engaged in the private practice of medicine since 1969. Dr. Kaufman is a neurosurgeon. Dr. Kaufman also is a director of Tesoro Petroleum Corporation.

James H. Stone is Chairman of the Board and Chief Executive Officer of Stone Energy Corporation, which is engaged in oil and gas exploration. Mr. Stone also serves as a Director of Hibernia Corporation.

Directors are elected annually to serve until the next annual meeting of stockholders and until their successors are elected and qualified. Executive officers are appointed by and serve at the discretion of the Board of Directors. No family relationships exist between any of the directors or officers of Newpark.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following summary of certain agreements and instruments of the Company does not purport to be complete and is qualified in its entirety by reference to the various agreements and instruments described. Capitalized terms that are used but not defined in this section have the meanings given such terms in their respective agreement, unless the context otherwise requires.

On June 30, 1997, Newpark, as borrower, and the Guarantors, as guarantors, entered into the Credit Facility with the lenders named therein (the "Lenders") and Bank One, Louisiana, National Association as administrative and syndication agent for the Lenders.

The Credit Facility provides for a $90.0 million revolving credit facility maturing on June 30, 2000, including up to $5.0 million in standby letters of credit. As of September 30, 1997, approximately $73.7 million was outstanding under the Credit Facility, and there were approximately $2.0 million in outstanding standby letters of credit. The amounts borrowed under the Credit Facility were used to refinance term debt, purchase drilling fluids assets, expand mat inventories, acquire disposal assets and provide for working capital. On November 7, 1997, the Credit Facility was amended to provide for a $10.0 million special advance note, due December 31, 1997, the proceeds of which were used to fund the acquisition of certain assets of Anchor Drilling. The special advance note was treated as an additional advance under the Credit Facility. Upon the completion of the 144A Notes Offering, Newpark repaid all amounts outstanding under the Credit Facility, including the amounts outstanding under the special advance note.

Newpark's obligations under the Credit Facility have been guaranteed on a joint and several basis by all of the Guarantors. Borrowings under the Credit Facility were originally secured by the accounts receivable, inventories, equipment and general intangibles of Newpark located in Louisiana and Texas. However, the Credit Facility was amended effective upon the closing of 144A Notes Offering to release the security interests of the Lenders in such assets and to permit the issuance of the 144A Notes.

Advances under the Credit Facility bear interest at a variable rate equal to, at Newpark's option, (i) the Base Rate (defined as the rate established from time to time by Agent) or (ii) the LIBOR rate plus a spread ranging from 1% to 2% depending upon the ratio of Newpark's Consolidated Funded Debt to Consolidated EBITDA. Newpark is required to pay the Lenders under the Credit Facility, on a quarterly basis, a commitment fee on the unused portion of the Credit Facility ranging from 0.25% to 0.50% depending on the ratio of Consolidated Funded Debt to Consolidated EBITDA, measured at the end of each fiscal quarter and calculated on a trailing four quarter basis. Newpark also paid facility fees of $112,500 upon the establishment of the Credit Facility and $25,000 upon the issuance of the special advance note, and will be required to pay administration fees to the agent.

The Credit Facility contains a number of covenants, including, among others, covenants restricting Newpark and the Guarantors with respect to the incurrence of indebtedness; the amendment of the Notes or the Guarantees; the creation of liens; the sale, lease, assignment, transfer or other disposition of assets, including any voting stock of any Guarantor; the making of certain investments, loans or advances; the consummation of certain transactions, such as mergers or consolidations; transactions with affiliates; and declaration of dividends. In addition, the Credit Facility contains affirmative covenants, including among others, requirements regarding payment of taxes and other obligations; compliance with laws; maintenance of insurance; the keeping of books and records; and environmental compliance.

Newpark is also required to comply with certain financial tests and maintain certain financial ratios, including, among others, (i) maintaining a minimum ratio of Consolidated Current Assets to Consolidated

Current Liabilities; (ii) maintaining a minimum ratio of Consolidated Adjusted EBITDA to Consolidated Debt Service; (iii) preventing the ratio of total Debt (including capitalized lease obligations, but excluding the Notes) to Total Capitalization (including the Notes) from exceeding a specified percentage; (iv) maintaining minimum levels of Consolidated Tangible Net Worth; and (v) preventing the ratio of Consolidated Funded Debt to Consolidated EBITDA from exceeding a specified percentage. The Credit Facility contains customary events of default. An event of default under the Credit Facility would allow the Lenders to accelerate or, in certain cases, would automatically cause the acceleration of, the maturity of the indebtedness under the Credit Facility. Such acceleration would restrict the ability of the Company to meet its obligations with respect to the Exchange Notes.

DESCRIPTION OF THE EXCHANGE NOTES

The Exchange Notes offered hereby will be issued, and the 144A Notes were issued, under an Indenture dated as of December 17, 1997 (the "Indenture"), among the Company, the Guarantors and State Street Bank & Trust Company, as trustee (the "Trustee"). Reference to the Notes includes the Exchange Notes and the 144A Notes. Upon the effectiveness of the Registration Statement of which this Prospectus is a part, the Indenture will be subject to and governed by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

The following summary of the material provisions of the Indenture does not purport to be complete and is subject to, and qualified in its entirety by, reference to the provisions of the Indenture, including the definitions of certain terms contained therein and those terms made part of the Indenture by reference to the Trust Indenture Act. A copy of the Indenture is filed as an exhibit to the Registration Statement of which this Prospectus is a part and is incorporated by reference herein. The definitions of certain capitalized terms used in the following summary are set forth below under "--Certain Definitions." All references to the Company in the following summary refer exclusively to Newpark Resources, Inc., a Delaware corporation, and not to any of its subsidiaries.

GENERAL

The Exchange Notes will be issued solely in exchange for an equal principal amount of 144A Notes pursuant to the Exchange Offer. The form and terms of the Exchange Notes will be identical in all material respects to the form and terms of the 144A Notes except that the offering of the Exchange Notes has been registered under the Securities Act, and the Exchange Notes will therefore not be subject to transfer restrictions, registration rights and certain provisions relating to an increase in the stated interest rate on the 144A Notes under certain circumstances. See "The Exchange Offer."

The 144A Notes and the Exchange Notes will constitute a single series of debt securities under the Indenture. If the Exchange Offer is consummated, holders of 144A Notes who do not exchange their 144A Notes for Exchange Notes will vote together with holders of the Exchange Notes for all relevant purposes under the Indenture. In that regard, the Indenture requires that certain actions by the holders thereunder (including acceleration following an Event of Default) must be taken, and certain rights must be exercised, by specified minimum percentages of the aggregate principal amount of the outstanding securities issued under the Indenture. In determining whether holders of the requisite percentage in principal amount have given any notice, consent or waiver or taken any other action permitted under the Indenture, any 144A Notes that remain outstanding after the Exchange Offer will be aggregated with the Exchange Notes, and the holders of such 144A Notes and the Exchange Notes will vote together as a single series for all such purposes. Accordingly, all references herein to specified percentages in aggregate principal amount of the

outstanding Notes shall be deemed to mean, at any time after the Exchange Offer is consummated, such percentages in aggregate principal amount of the 144A Notes and the Exchange Notes then outstanding.

The Notes are unsecured senior subordinated obligations of the Company limited to $125,000,000 aggregate principal amount. The obligations of the Company under the Notes will be guaranteed on an unsecured senior subordinated basis by the Guarantors.

MATURITY, INTEREST AND PRINCIPAL

The Notes will mature on December 15, 2007. Interest on the Notes will accrue at the rate of 8 5/8% per annum and will be payable semi-annually on each June 15 and December 15, commencing June 15, 1998, to the holders of record of the Notes at the close of business on the June 1 and December 1 immediately preceding such interest payment date. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes will be transferable, at the corporate trust office or agency of the Trustee in The City of New York maintained for such purposes. In addition, if the Notes do not remain in book-entry form, interest may be paid at the option of the Company by check mailed to the person entitled thereto as shown on the security register. No service charge will be made for any transfer, exchange or redemption of Notes, except in certain circumstances for any tax or other governmental charge that may be imposed in connection therewith.

The Notes are not subject to the benefit of any mandatory sinking fund. However, upon the occurrence of certain Asset Sales or a Change of Control, holders of Notes will have the right to require the Company to purchase their Notes, as more fully described under "--Certain Covenants--Disposition of Proceeds of Asset Sales" and "--Change of Control," respectively.

OPTIONAL REDEMPTION

Optional Redemption. The Notes will be redeemable at the option of the Company, in whole or in part, at any time on or after December 15, 2002, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period beginning December 15 of the years indicated below:

YEAR	REDEMPTION PRICE
2002	104.313%
2003	102.875%
2004	101.438%
2005 and thereafter	100.000%

In addition, at any time and from time to time prior to or on December 1, 2000, the Company may redeem in the aggregate up to 35% of the original principal amount of the Notes with the proceeds of one or more Public Equity Offerings, at a redemption price (expressed as a percentage of principal amount) of 108 5/8% plus accrued interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least $81.25 million aggregate principal amount of Notes must remain outstanding after each such redemption. Any such redemption must occur within 60 days following the closing of such Public Equity Offering.

Selection and Notice. If less than all of the Notes are to be redeemed at any time, selection of such Notes for redemption will be made by the Trustee in compliance with any applicable requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not then listed on a national securities exchange (or if the Notes are so listed but such exchange does not impose requirements with respect to the selection of debt securities for redemption), on a pro rata basis, by lot or by such method as the Trustee in its sole discretion shall deem fair and appropriate; provided, however, that no Notes of a principal amount of $1,000 or less shall be redeemed in part. Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days before the redemption date, to each holder of Notes to be redeemed, at its address as shown in the security register. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon surrender for cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption unless the Company defaults in the payment of the redemption price.

GUARANTEES

All of the Company's subsidiaries on the date of the Indenture, other than Mallard & Mallard, Inc., BFC Oil Company, JPI Acquisition Corp., Chessher Construction, Inc., Consolidated Mayflower Mines, Inc., George R. Brown Services, Inc., Florida Mat Rental, Inc., International Mat, Ltd., IML de Venezuela, L.L.C. and SOLOCO FSC, Inc., have, jointly and severally, fully and unconditionally guaranteed the Company's obligations under the Notes. In addition, the Indenture provides that if (i) any Restricted Subsidiary of the Company (other than an Exempt Foreign Subsidiary), whether now existing or hereafter formed or acquired, becomes a Significant Subsidiary or (ii) any Restricted Subsidiary of the Company, whether now existing or hereafter formed or acquired, becomes a guarantor, obligor or grantor in respect of any other Indebtedness of the Company or any other Restricted Subsidiary or obligor on its Indebtedness (as more fully described under "--Certain Covenants--Limitation on Non-Guarantor Restricted Subsidiaries"), the Company shall cause such Restricted Subsidiary to enter into a supplemental Indenture pursuant to which such Restricted Subsidiary shall agree to guarantee the Company's obligations under the Notes. If the Company defaults in payment of the principal of, premium, if any, or interest on the Notes, each of the Guarantors will be unconditionally, jointly and severally obligated to duly and punctually pay the same.

The obligations of each Guarantor under its Guarantee are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Guarantor, and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Guarantee or pursuant to its contribution obligations under the Indenture, will result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent conveyance or fraudulent transfer under Federal or state law. Each Guarantor that makes a payment or distribution under its Guarantee shall be entitled to a contribution from each other Guarantor in a pro rata amount based on the net assets of each Guarantor determined in accordance with GAAP. See "--Certain Covenants--Limitation on Issuances of Guarantees of Indebtedness."

Subject to the requirements described under "--Consolidation, Merger, Sale of Assets, Etc.," any Guarantee by a Guarantor shall be automatically and unconditionally released and discharged (i) upon any sale, exchange or transfer to any person (other than an Affiliate of the Company) of all of the Capital Stock of such Restricted Subsidiary, or all or substantially all of the assets of such Restricted Subsidiary, pursuant to a transaction which is in compliance with the Indenture (including, but not limited to, the covenant described in "--Certain Covenants--Disposition of Proceeds of Asset Sales" below) and such Restricted Subsidiary is released from all guarantees and other security, if any, by it of other Indebtedness of the

Company or any Restricted Subsidiaries or (ii) at the request of the Company, if the lenders under the Credit Facility (or any other revolving credit or term loan facility entitled to a guarantee from such Guarantor) unconditionally release such Guarantor from its joint and several obligations under such facility and such Restricted Subsidiary does not then guarantee, or secure with a Lien on any of its assets or properties, any other Indebtedness of the Company or any other Restricted Subsidiary, in each such event described in this clause (ii), such release and discharge to be effective so long as and for such periods that such Guarantor does not guarantee, or secure with a Lien on any of its assets or properties, any Indebtedness of the Company or any other Restricted Subsidiary. Provisions herein and in the Indenture that refer to a person as a Restricted Subsidiary shall also be applicable to a Guarantor, unless otherwise provided by the context; and provisions herein and in the Indenture that refer to a Guarantor shall only be applicable to a Restricted Subsidiary so long as, and during such periods that, such person constitutes a Guarantor when such provisions are being applied. The Company may, at any time and from time to time (including, without limitation, following a release of a Guarantee pursuant to clause (ii) of this paragraph), cause a Restricted Subsidiary to become a Guarantor by executing and delivering a supplemental indenture providing for the guarantee of payment of the Notes by such Restricted Subsidiary on the basis provided in the Indenture. See "--Certain Covenants--Limitation on Non-Guarantor Restricted Subsidiaries."

The Guarantees will be unsecured senior subordinated obligations of the Guarantors and will be subordinated to all existing and future Guarantor Senior Indebtedness, which includes indebtedness of the Guarantors as joint and several obligors under the Credit Facility. As of September 30, 1997, on an as adjusted basis after giving effect to the sale of the 144A Notes and the application of the net proceeds therefrom and the Credit Facility, the Guarantors would have had outstanding approximately $4.4 million in aggregate principal amount of Guarantor Senior Indebtedness which ranked senior in right of payment to the Guarantees.

SUBORDINATION

Payments of any distribution on or with respect to the Senior Subordinated Obligations of the Company will be subordinated, to the extent set forth in the Indenture, in right of payment to the prior payment in full in cash or cash equivalents of all existing and future Senior Indebtedness which includes, without limitation, Credit Facility Obligations of the Company. The Exchange Notes will rank prior in right of payment only to other indebtedness of the Company which is, by its terms, expressly subordinated in right of payment to the Exchange Notes, and the Exchange Notes will in all respects rank pari passu with all other Senior Subordinated Obligations of the Company, including any 144A Notes that remain outstanding. There is currently no indebtedness of the Company which is, by its terms, expressly subordinated in right of payment to the Notes, and there is currently no indebtedness of the Company which is pari passu in right of payment with the Notes. In addition, the Senior Subordinated Obligations of the Company will be effectively subordinated to all of the creditors of its subsidiaries, including trade creditors. See "Risk Factors--Holding Company Structure; Possible Invalidity of Guarantees; Potential Release of Guarantees."

The Indenture provides that in the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relating to the Company (or its creditors, as such) or its assets, or (b) any liquidation, dissolution or other winding-up of the Company, whether voluntary or involuntary, or (c) any assignment for the benefit of creditors or other marshaling of assets or liabilities of the Company, all Senior Indebtedness must be paid in full in cash or cash equivalents before any direct or indirect payment or distribution, whether in cash, property or securities (excluding certain permitted equity and subordinated debt securities referred to in the Indenture as "Permitted Junior Securities"), is made on account of the Senior Subordinated Obligations of the Company. If, notwithstanding the foregoing, the Trustee or the holder of any Note receives any payment

or distribution of properties or assets of the Company of any kind or character, whether in cash, property or securities, by set-off or otherwise, in respect of Senior Subordinated Obligations of the Company before all Senior Indebtedness is paid or provided for in full, then the Trustee or the holders of Notes receiving any such payment or distribution (other than a payment or distribution forthwith in the form of Permitted Junior Securities) will be required to pay or deliver such payment or distribution to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of the Company for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full.

During the continuance of any default in the payment when due (whether at Stated Maturity, upon scheduled repayment, upon acceleration or otherwise) of principal of or premium, if any, or interest on, or of unreimbursed amounts under drawn letters of credit or fees relating to letters of credit constituting, any Designated Senior Indebtedness (a "Payment Default"), no direct or indirect payment or distribution by or on behalf of the Company or any Subsidiary of any kind or character shall be made on account of the Senior Subordinated Obligations of the Company unless and until such default has been cured or waived or has ceased to exist or such Designated Senior Indebtedness shall have been discharged or paid in full in cash or cash equivalents.

In addition, during the continuance of any default other than a Payment Default with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may then be accelerated (a "Non-payment Default"), after receipt by the Trustee from the holders (or their representative) of such Designated Senior Indebtedness of a written notice of such Non-payment Default, no payment or distribution of any kind or character may be made by the Company on account of the Senior Subordinated Obligations of the Company for the period specified below (the "Payment Blockage Period").

The Payment Blockage Period shall commence upon the receipt of a notice of a Non-payment Default by the Trustee from the holders (or their representative) of Designated Senior Indebtedness stating that such notice is a payment blockage notice pursuant to the Indenture and shall end on the earliest to occur of the following events: (i) 179 days shall have elapsed since the receipt by the Trustee of such notice; (ii) the date, as set forth in a written notice to the Company or the Trustee from the holders (or their representative) of the Designated Senior Indebtedness initiating such Payment Blockage Period, on which such default is cured or waived or ceases to exist (provided that no other Payment Default or Non-payment Default has occurred or is then continuing after giving effect to such cure or waiver); (iii) the date on which such Designated Senior Indebtedness is discharged or paid in full in cash or cash equivalents; or (iv) the date, as set forth in a written notice to the Company or the Trustee from the holders (or their representative) of the Designated Senior Indebtedness initiating such Payment Blockage Period, on which such Payment Blockage Period shall have been terminated by written notice to the Company or the Trustee from the holders (or their representative) of Designated Senior Indebtedness initiating such Payment Blockage Period, after which the Company, subject to the subordination provisions set forth above and the existence of another Payment Default, shall promptly resume making any and all required payments in respect of the Notes, including any missed payments. Only one Payment Blockage Period with respect to the Notes may be commenced within any 360 consecutive day period. No Non-payment Default with respect to Designated Senior Indebtedness that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period will be, or can be, made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 360 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days (it being acknowledged that any subsequent action, or any breach of any financial covenant for a period commencing after the date of commencement of such Payment Blockage Period, that, in either case, would give rise to a Non-payment Default pursuant to any provision

under which a Non-payment Default previously existed or was continuing shall constitute a new Non-payment Default for this purpose; provided that, in the case of a breach of a particular financial covenant, the Company shall have been in compliance for at least one full 90 consecutive day period commencing after the date of commencement of such Payment Blockage Period). In no event will a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Trustee of the notice, and there must be a 181 consecutive day period in any 360-day period during which no Payment Blockage Period is in effect. If, notwithstanding the foregoing, the Company makes any payment or distribution to the Trustee or the holder of any Note prohibited by the subordination provision of the Indenture, then such payment or distribution will be required to be paid over and delivered forthwith to the holders (or their representative) of Designated Senior Indebtedness.

If the Company fails to make any payment on the Notes when due or within any applicable grace period, whether or not on account of the payment blockage provisions referred to above, such failure would constitute an Event of Default under the Indenture and would enable the holders of the Notes to accelerate the maturity thereof. See "--Events of Default."

By reason of such subordination, in the event of liquidation, receivership, organization or insolvency, creditors of the Company who are holders of Senior Indebtedness may recover more, ratably, than the holders of the Notes, and funds which would be otherwise payable to the holders of the Notes will be paid to the holders of the Senior Indebtedness to the extent necessary to pay the Senior Indebtedness in full, and the Company may be unable to meet its obligations in full with respect to the Notes. In addition, as described above, the Senior Subordinated Obligations of the Company will be effectively subordinate to the claims of creditors of the Company's subsidiaries including trade creditors.

As of September 30, 1997, on an as adjusted basis after giving effect to the sale of the 144A Notes and the application of the net proceeds therefrom, the aggregate amount of outstanding Senior Indebtedness of the Company would have been approximately $1.9 million (all of which would be guarantees of Indebtedness of the Company's consolidated subsidiaries), in addition to certain bid and performance bonds (or letters of credit in respect of bids or performance obligations) outstanding ($2.0 million at September 30, 1997), and the aggregate amount of Guarantor Senior Indebtedness (including Indebtedness guaranteed by the Company) would have been approximately $4.4 million. The foregoing amounts do not include the undrawn portions under the Credit Facility and up to $17.6 million of third party indebtedness guaranteed by the Company. See "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" and "Description of Certain Other Indebtedness."

Although the Indenture contains limitations on the amount of additional Indebtedness that the Company and the Restricted Subsidiaries may incur, the amounts of such Indebtedness could be substantial and, in any case, such indebtedness may be Senior Indebtedness of the Company or Indebtedness of Subsidiaries (including an Unrestricted Subsidiary), to which the Notes will be structurally subordinated. See "--Certain Covenants--Limitation on Additional Indebtedness." There is no indebtedness of the Company which is subordinated in right of payment to the Notes, and there is no indebtedness of the Company which is pari passu in right of payment with the Notes.

Each Guarantee of a Guarantor will be an unsecured senior subordinated obligation of such Guarantor, ranking pari passu with, or senior in right of payment to, all other existing and future Indebtedness of such Guarantor that is expressly subordinated to Guarantor Senior Indebtedness. The Indebtedness evidenced by the Guarantees is subordinated to Guarantor Senior Indebtedness to the same extent as the Notes are subordinated to Senior Indebtedness, and during any period when payment on the Notes is blocked by Designated Senior Indebtedness, payment on the Guarantees will be similarly blocked.

CERTAIN COVENANTS

The Indenture contains the following covenants, among others:

Limitation on Additional Indebtedness. The Indenture provides that the Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee, or in any other manner become liable, contingently or otherwise (in each case, to "incur") for the payment of, any Indebtedness (including any Acquired Indebtedness); provided that (i) the Company and each Guarantor is permitted to incur Indebtedness (including Acquired Indebtedness) and (ii) a Restricted Subsidiary which is not a Guarantor is permitted to incur Acquired Indebtedness if (y), immediately after giving pro forma effect thereto, the Consolidated Fixed Charge Coverage Ratio of the Company would be equal to or greater than 2.00:1 and (z) no Default or Event of Default shall have occurred and be continuing at the time such Indebtedness or Acquired Indebtedness, as the case may be, is incurred or would occur as a result of such incurrence.

Notwithstanding the foregoing, the Company (and, to the extent specifically set forth below, the Guarantors) may incur each and all of the following Indebtedness (including any Acquired Indebtedness):

(i) (a) Indebtedness of the Company or any Guarantor under the Credit Facility in an aggregate principal amount at any time outstanding not to exceed $100 million, and any fees, premiums, expenses (including costs of collection), indemnities and other similar amounts payable in connection with such Indebtedness; and (b) other Indebtedness of the Company or any Guarantor outstanding on the Issue Date (other than Indebtedness described in clause (i)(a), (ii) or (v) of this covenant);

(ii) Indebtedness of the Company evidenced by the Notes and Indebtedness of each Guarantor under its Guarantee;

(iii) Interest Rate Protection Obligations of the Company or any Guarantor covering Indebtedness of the Company or any Guarantor incurred in the ordinary course of business and permitted to be incurred by the Company or any Guarantor, as the case may be, pursuant to the Indenture; provided that the notional principal amount of any such Interest Rate Protection Obligations does not exceed 100% of the principal amount of the Indebtedness to which such Interest Rate Protection Obligations expressly relates;

(iv) Indebtedness of the Company or any of the Guarantors under Currency Agreement Obligations; provided that such Currency Agreement Obligations (a) do not increase the Indebtedness or other obligations of the Company and the Guarantors outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder and (b) are entered into in the ordinary course of business for the purpose of limiting risks that arise in the ordinary course of business of the Company and the Guarantors;

(v) Indebtedness of the Company owed to a Restricted Subsidiary and Indebtedness of a Guarantor owed to the Company or another Guarantor; provided that (a) any subsequent issuance or transfer of Capital Stock or any Designation that results in such Restricted Subsidiary or Guarantor (as the case may be) ceasing to be a Restricted Subsidiary or any subsequent transfer, pledge or assignment of such Indebtedness (other than to the Company or another Guarantor) will be deemed to constitute the incurrence of such Indebtedness by the Company or such Guarantor, as

the case may be, not permitted by this clause (v) and (b) any such Indebtedness of the Company owed to a Restricted Subsidiary and any such Indebtedness of a Guarantor owed to another Guarantor, must be unsecured and subordinated in right of payment to the prior payment in full and performance of the Company's obligations under the Indenture and the Notes, and such Guarantor's obligations under its Guarantee, as the case may be;

(vi) Indebtedness of the Company or any Guarantor incurred in respect of bid, performance and payment bonds (other than in respect of Indebtedness), surety bonds, trade letters of credit, bankers' acceptances and letters of credit supporting bids, advance payments and performance obligations of the Company or any Guarantor (other than in respect of Indebtedness), in each case incurred in the ordinary course of business;

(vii) Indebtedness of the Company or any Guarantor (a) representing Capitalized Lease Obligations or (b) Purchase Money Obligations for property acquired in the ordinary course of business, which taken together do not exceed $20 million in aggregate amount at any time outstanding;

(viii) Indebtedness of the Company or any Guarantor to the extent the proceeds thereof are used to Refinance Indebtedness of the Company (including all or a portion of the Notes) or any Guarantor to the extent the Indebtedness to be Refinanced, has been incurred under or referred to in the first paragraph of this covenant or clauses (i)(b), (ii), (vii)(b) or (ix); provided that the principal amount of Indebtedness incurred pursuant to this clause (viii) (or, if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness) shall not exceed the sum of the principal amount of Indebtedness so Refinanced (or, if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness plus any accredited value attributable thereto since the original issuance of such Indebtedness) plus the amount of any premium required to be paid in connection therewith pursuant to the terms of such Indebtedness or the amount of any premium reasonably determined by the Company or a Guarantor, as applicable, as necessary to accomplish the foregoing by means of a tender or exchange offer or privately negotiated purchase, plus the amount of expenses in connection therewith; and

(ix) Indebtedness of the Company and the Guarantors (which may include any Indebtedness incurred for any purpose, including but not limited to the purposes referred to in clauses (i) through (viii) above) in an aggregate amount which, together with the amount of all other Indebtedness of the Company and the Guarantors outstanding on the date of such incurrence (other than Indebtedness permitted by clauses (i) through (viii) above or the initial paragraph of this covenant) does not exceed $25 million.

Notwithstanding the immediately preceding paragraph of this covenant, the Indenture provides that neither the Company nor any Guarantor shall incur any Indebtedness pursuant to such immediately preceding paragraph of this covenant if the proceeds thereof are used, directly or indirectly, (i) to Refinance any Subordinated Obligations of the Company or such Guarantor, as the case may be, unless such Indebtedness (A) shall be subordinated to the Notes or the relevant Guarantee to at least the same extent as such Subordinated Obligations, (B) has an Average Life to Stated Maturity greater than the lesser of (y) the remaining Average Life to Stated Maturity of the Subordinated Obligations being Refinanced or (z) the remaining Average Life to Stated Maturity of the Notes, and (C) has a Stated Maturity for its final scheduled

principal payment later than the Stated Maturity for the final scheduled principal payment of the Subordinated Obligations being Refinanced, or (ii) to Refinance any Pari Passu Indebtedness, unless such Refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Pari Passu Indebtedness.

Limitation on Restricted Payments. The Indenture provides that the Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other distribution or payment on or in respect of Capital Stock of the Company or any Restricted Subsidiary or any payment made to the direct or indirect holders (in their capacities as such) of Capital Stock of the Company or any Restricted Subsidiary (other than dividends or distributions payable solely (a) in Capital Stock of the Company (other than Redeemable Capital Stock), (b) in rights to purchase Capital Stock of the Company (other than Redeemable Capital Stock) and (c) to the Company);

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Capital Stock of the Company or any Restricted Subsidiary (other than any such Capital Stock owned by a Wholly-Owned Restricted Subsidiary);

(iii) make any principal payment on, or purchase, defease, repurchase, redeem or otherwise acquire or retire for value, prior to any scheduled maturity, scheduled repayment, scheduled sinking fund payment or other Stated Maturity, any Subordinated Obligations (other than any such Subordinated Obligations owed to a Wholly-Owned Restricted Subsidiary); or

(iv) make any Investment (other than a Permitted Investment) in any person

(such payments or Investments described in (but not excluded from) the preceding clauses (i) (other than by reason of the proviso thereto), (ii), (iii) and (iv) are collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than in cash, shall be the Fair Market Value of the asset(s) proposed to be transferred by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment), (A) no Default shall have occurred and be continuing, (B) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made from and after the Issue Date would not exceed the sum of (1) 50% of the aggregate Consolidated Net Income of the Company accrued on a cumulative basis during the period (treated as one accounting period) beginning on the Issue Date and ending on the last day of the fiscal quarter of the Company immediately preceding the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Net Income of the Company for such period shall be a deficit, minus 100% of such deficit) plus (2) the aggregate net cash proceeds received by the Company either (x) as capital contributions in the form of common equity to the Company after the Issue Date or (y) from the issuance or sale of Capital Stock (excluding Redeemable Capital Stock but including Capital Stock issued upon the conversion of convertible Indebtedness, in exchange for outstanding Indebtedness or from the exercise of options, warrants or rights to purchase Capital Stock (other than Redeemable Capital Stock)) of the Company to any person (other than to a Restricted Subsidiary or to an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) after the Issue Date plus (3) the aggregate net cash proceeds received by the Company from the issuance or sale subsequent to the Issue Date of its Capital Stock (other than Redeemable Capital Stock) to an employee stock ownership or stock purchase plan, provided, however, that if such employee stock ownership or stock purchase plan incurs any Indebtedness with respect thereto, such aggregate amount shall be limited to an amount equal to any increase in the consolidated net worth of the Company resulting from principal

repayments made by such employee stock ownership or stock purchase plan with respect to such Indebtedness plus (4) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date (excluding any Investment made pursuant to clause (iv) of the following paragraph), an amount equal to the lesser of the return of capital with respect to such investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment plus (5) 100% of the aggregate amount of all Investments previously made on or after the date of the Indenture in any Unrestricted Subsidiary upon the revocation of the designation of such Unrestricted Subsidiary as such, other than Investments made in such Unrestricted Subsidiary pursuant to clause (iv) of the following paragraph and (C) the Company could incur $1.00 of additional Indebtedness under the first paragraph of the "Limitation on Additional Indebtedness" covenant described above. For purposes of the preceding clause (B)(2), upon the issuance of Capital Stock either from the conversion of convertible Indebtedness or in exchange for outstanding Indebtedness or upon the exercise of options, warrants or rights, the amount counted as net cash proceeds received will be the cash amount received by the Company at the original issuance of the Indebtedness that is so converted or exchanged or from the issuance of options, warrants or rights, as the case may be, plus the incremental amount of cash received by the Company, if any, upon the conversion, exchange or exercise thereof.

None of the foregoing provisions will prohibit (i) the payment of any dividend within 60 days after the date of its declaration, if at the date of declaration such payment would be permitted by the foregoing paragraph; provided, however, that at the time of payment of such dividend, no other Default shall have occurred and be continuing (or result therefrom); (ii) the redemption, repurchase or other acquisition or retirement of any shares of any class of Capital Stock of the Company or any Restricted Subsidiary in exchange for, or out of the net cash proceeds of, a substantially concurrent issue and sale of other shares of Capital Stock (other than Redeemable Capital Stock) of the Company to any person (other than to a Restricted Subsidiary or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees); provided that such net cash proceeds are excluded from clause (B)(2)(y) of the preceding paragraph; (iii) so long as no Default shall have occurred and be continuing, any redemption, repurchase or other acquisition or retirement of Subordinated Obligations by exchange for, or out of the net cash proceeds of, a substantially concurrent issue and sale of (1) Capital Stock (other than Redeemable Capital Stock) of the Company to any person (other than to a Restricted Subsidiary or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees); provided that any such net cash proceeds are excluded from clause (B)(2)(y) of the preceding paragraph; or (2) Indebtedness of the Company so long as such Indebtedness (x) is subordinated to the Notes in the same manner and at least to the same extent as the Subordinated Obligations being redeemed, repurchased, acquired or retired, (y) has no Stated Maturity earlier than the 91st day after the Stated Maturity for the final scheduled principal payment of the Notes and (z) is permitted to be incurred pursuant to the "Limitation on Additional Indebtedness" covenant described above; and (iv) the making of Investments constituting Restricted Payments made after the Issue Date as a result of the receipt of non-cash consideration from any Asset Sale made pursuant to and in compliance with the covenant "--Disposition of Proceeds of Asset Sales." In computing the amount of Restricted Payments previously made for purposes of clause (B) of the preceding paragraph, Restricted Payments made under the immediately preceding clauses (i) and (iv) shall be included.

Limitation on Liens. (a) The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind against or upon any of the Company's or such Restricted Subsidiary's (as the case may be) property or assets, whether now owned or acquired after the date of the Indenture, or any proceeds therefrom, which secures either (i) Subordinated Obligations (other than Subordinated Obligations of a Restricted Subsidiary owing to the Company secured by assets of such Restricted Subsidiary), unless the Notes or Guarantees, as the case

may be, are secured by a Lien on such property, assets or proceeds that is senior in priority to the Liens securing such Subordinated Obligations or (ii) Pari Passu Indebtedness unless the Notes or Guarantees, as the case may be, are equally and ratably secured with the Liens securing such Pari Passu Indebtedness. The foregoing covenant will not apply to any Lien securing Acquired Indebtedness, provided that any such Lien extends only to the properties or assets that were subject to such Lien prior to the related acquisition by the Company or such Restricted Subsidiary and was not created, incurred or assumed in contemplation of such transaction.

(b) Notwithstanding the foregoing, any Lien granted by the Company or any Restricted Subsidiary to secure the Notes or Guarantees, as the case may be, created pursuant to paragraph (a) above shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release by the holders of the Indebtedness of the Company or any Restricted Subsidiary described in paragraph (a) above of their Lien (including any deemed release upon payment in full of all obligations under such Indebtedness), at a time when (A) no other Pari Passu Indebtedness and Subordinated Obligations of the Company or any Restricted Subsidiary has been secured by such property or assets of the Company or any such Restricted Subsidiary or (B) the holders of all such other Pari Passu Indebtedness and Subordinated Obligations which is secured by such property or assets of the Company or any such Restricted Subsidiary also release their Lien in such property or assets (including any deemed release upon payment in full of all obligations under such Indebtedness).

Change of Control. The Indenture provides that, upon the occurrence of a Change of Control, the Company shall be obligated to make an offer to purchase (a "Change of Control Offer") and shall, subject to the provisions described below, purchase, on a business day not more than 60 nor less than 30 days following the occurrence of the Change of Control, all of the then outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any (the "Change of Control Purchase Price"), to the Change of Control Purchase Date. The Company shall, subject to the provisions described below, be required to purchase all Notes properly tendered into the Change of Control Offer and not withdrawn. The Change of Control Offer is required to remain open for at least 20 business days and until the close of business on the Change of Control Purchase Date.

In order to effect such Change of Control Offer, the Company shall, not later than the 30th day after the Change of Control, mail to each holder of Notes notice of the Change of Control Offer, which notice shall govern the terms of the Change of Control Offer and shall state, among other things, the procedures that holders of Notes must follow to accept the Change of Control Offer.

If a Change of Control Offer is made, there can be no assurance that the Company will have available funds sufficient to pay the Change of Control Purchase Price for all of the Notes that might be delivered by holders of Notes seeking to accept the Change of Control Offer. Instruments governing Senior Indebtedness may prohibit the Company from purchasing any Notes prior to their Stated Maturity, including pursuant to a Change of Control Offer. If a Change of Control occurs at a time when the Company does not have available funds sufficient to pay the Change of Control Purchase Price or at a time when the Company is prohibited from purchasing the Notes (and the Company is unable to obtain the consent of such holders of Senior Indebtedness or to repay such Senior Indebtedness), an Event of Default would occur under the Indenture. The definition of Change of Control includes an event by which the Company sells, conveys, transfers or leases all or substantially all of its Properties to any Person; the phrase "all or substantially all" is subject to applicable legal precedent and as a result in the future there may be uncertainty as to whether a Change of Control has occurred. The Company shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer at the Change of Control Purchase Price, at the same times and otherwise in compliance with the requirements applicable to a Change

of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The occurrence of the events constituting a Change of Control under the Indenture will result in an event of default under the Credit Facility as presently in effect and, thereafter, the lenders will have the right to require repayment of the borrowings thereunder in full. The Credit Facility as presently in effect does not permit the purchase of the Notes absent consent of the lenders thereunder in the event of a Change of Control.

The Company will comply with Section 14(e) and Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, if a Change of Control occurs and the Company is required to purchase Notes as described above.

Disposition of Proceeds of Asset Sales. The Indenture provides that the Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, make any Asset Sale unless (i) the Company or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares, properties or assets sold or otherwise disposed of, and (ii) with respect to any Asset Sale for which the consideration exceeds $5 million, at least 75% of such consideration consists of cash and/or Cash Equivalents (with Indebtedness of the Company or any Restricted Subsidiary (other than any Restricted Subsidiary that will cease to be a Restricted Subsidiary as a result of such Asset Sale) being counted as cash for all purposes of this covenant if the Company or the Restricted Subsidiary is unconditionally released from any liability therefor). Net Cash Proceeds of any Asset Sale may be applied to repay Specified Indebtedness or Credit Facility Obligations (but only if the commitments or amounts available to be borrowed under such Specified Indebtedness or the Credit Facility, as the case may be, are permanently reduced by the amount of such payment). To the extent that such Net Cash Proceeds are not applied as provided in the preceding sentence, the Company or a Restricted Subsidiary, as the case may be, may apply the Net Cash Proceeds from such Asset Sale, within 360 days of the date of such Asset Sale, to an investment in properties and assets that were the subject of such Asset Sale or in properties and assets that are similar to the properties and assets that will be used in the business of the Company and the Restricted Subsidiaries existing on the Issue Date or in businesses reasonably related thereto ("Replacement Assets"). Any Net Cash Proceeds from any Asset Sale not applied as provided in the preceding two sentences, within 360 days of the date of such Asset Sale, constitute "Excess Proceeds" subject to disposition as provided below.

When the aggregate amount of Excess Proceeds equals or exceeds $10 million, the Company shall make an offer to purchase, from all holders of the Notes and any then outstanding Pari Passu Indebtedness required to be repurchased or repaid on a permanent basis in connection with an Asset Sale, an aggregate principal amount of Notes and any such Pari Passu Indebtedness equal to such Excess Proceeds as follows:

(i) (a) The Company shall make an offer to purchase (a "Net Proceeds Offer") from all holders of the Notes in accordance with the procedures set forth in the Indenture the maximum principal amount (expressed as a multiple of $1,000) of Notes that may be purchased out of an amount (the "Payment Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Notes and the denominator of which is the sum of the outstanding principal amount of the Notes and such Pari Passu Indebtedness, if any (subject to proration if such amount is less than the aggregate Offered Price (as defined in clause (ii) below) of all Notes tendered), and (b) to the extent required by any such Pari Passu Indebtedness and provided there is a permanent reduction in the principal amount of such Pari Passu Indebtedness, the Company shall make an offer to purchase such Pari Passu Indebtedness (a "Pari Passu Offer")

in an amount (the "Pari Passu Indebtedness Amount") equal to the excess of the Excess Proceeds over the Payment Amount.

(ii) The offer price for the Notes shall be payable in cash in an amount equal to 100% of the principal amount of the Notes tendered pursuant to a Net Proceeds Offer, plus accrued and unpaid interest, if any, to the date such Net Proceeds Offer is consummated (the "Offered Price"), in accordance with the procedures set forth in the Indenture. To the extent that the aggregate Offered Price of the Notes tendered pursuant to a Net Proceeds Offer is less than the Payment Amount relating thereto or the aggregate amount of the Pari Passu Indebtedness that is purchased or repaid pursuant to the Pari Passu Offer is less than the Pari Passu Indebtedness Amount (such shortfall constituting a "Net Proceeds Deficiency"), the Company may use such Net Proceeds Deficiency, or a portion thereof, for general corporate purposes, subject to the limitations of the "Limitation on Restricted Payments" covenant.

(iii) If the aggregate Offered Price of Notes validly tendered and not withdrawn by holders thereof exceeds the Payment Amount, Notes to be purchased will be selected on a pro rata basis. Upon completion of such Net Proceeds Offer and Pari Passu Offer, the amount of Excess Proceeds shall be reset to zero.

The Company will comply with Section 14(e) and Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, if an Asset Sale occurs and the Company is required to purchase Notes as described above.

Limitation on Sale, Issuance and Ownership of Capital Stock of Restricted Subsidiaries. The Indenture provides that the Company (i) will not, directly or indirectly, sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, (ii) will not permit any of the Restricted Subsidiaries, directly or indirectly, to issue or sell or otherwise dispose of any Capital Stock (other than (A) to the Company or a Wholly-Owned Restricted Subsidiary or (B) to the extent such shares represent directors' qualifying shares or shares required by applicable law to be held by a person other than the Company or a Wholly-Owned Subsidiary), (iii) will not permit any person (other than the Company or a Wholly-Owned Restricted Subsidiary), directly or indirectly, to own any Capital Stock of any Restricted Subsidiary except for Capital Stock of a Restricted Subsidiary issued and outstanding at the time such Restricted Subsidiary became a Subsidiary of the Company; provided that such Capital Stock was not issued in anticipation of such person becoming a Subsidiary of the Company and (iv) will not permit any person, directly or indirectly, to acquire Capital Stock of any Restricted Subsidiary from the Company or any Wholly-Owned Restricted Subsidiary except upon the acquisition of all the outstanding Capital Stock of such Restricted Subsidiary in accordance with the terms of the Indenture.

Limitation on Transactions with Affiliates. The Indenture provides that the Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, transfer, disposition, purchase, exchange or lease of assets, property or services, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Company (other than a Wholly-Owned Restricted Subsidiary) except (i) on terms that are no less favorable to the Company or the Restricted Subsidiary, as the case may be, than those which could have been obtained in a comparable transaction at such time from persons who do not have such a relationship with the Company, (ii) with respect to any transaction or series of related transactions involving aggregate payments or value equal to or greater than $2 million, the terms of such transaction or transactions, as the case may be, shall be set forth in writing and the Company shall have delivered an officer's certificate to the Trustee certifying that such transaction or

series of related transactions comply with the preceding clause (i), and (iii) with respect to any transaction or series of related transactions involving aggregate payments or value equal to or greater than $5 million, the terms of such transaction or transactions, as the case may be, shall be set forth in writing and the Company shall have delivered an officer's certificate to the Trustee certifying that such transaction or series of transactions (A) comply with the preceding clause (i) and (B) have been approved by a majority of the Board of Directors of the Company, including a majority of the disinterested directors of the Board of Directors of the Company, or in lieu of the certification required by the preceding clause (B), the Company shall have delivered to the Trustee a written opinion of an investment banking firm of national standing or other recognized independent expert with experience appraising the terms and conditions of the type of transaction or series of related transactions for which its opinion is being delivered stating that the transaction or series of related transactions is fair to the Company or such Restricted Subsidiary from a financial point of view. For the purposes of the foregoing, a director of the Company shall not be considered "interested" with respect to a transaction solely by virtue of being a director of the other party to such transaction. This covenant will not restrict the Company from (a) making dividends permitted by the covenant "--Limitation on Restricted Payments," (b) paying reasonable and customary regular fees to directors of the Company who are not employees of the Company, (c) making loans or advances to officers of the Company and the Restricted Subsidiaries in the ordinary course of business for bona fide business purposes of the Company in an aggregate principal amount not to exceed $1 million outstanding at any one time and (d) the Company's employee compensation and other benefit arrangements existing on the Issue Date or thereafter entered into by the Company or any Restricted Subsidiary in the ordinary course of business.

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries. The Indenture provides that the Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness owed to the Company or any other Restricted Subsidiary, (c) make loans or advances to the Company or any other Restricted Subsidiary or (d) transfer any of its properties or assets to the Company or any other Restricted Subsidiary (other than any customary restriction on transfers of property subject to a Lien permitted under the Indenture (other than a Lien on cash not constituting proceeds of non-cash property subject to a Lien permitted under the Indenture)), except for such encumbrances or restrictions existing under or by reason of (i) the mandatory provisions of general applicability of applicable law or governmental regulation, (ii) customary non-assignment provisions of any contract or any licensing agreement entered into by the Company or any of the Restricted Subsidiaries in the ordinary course of business or any lease governing a leasehold interest of the Company or any Restricted Subsidiary, (iii) any agreement or other instrument of a person acquired by the Company or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets (including subsequently acquired property or assets to the extent subject thereto) of the person, so acquired, (iv) any encumbrance or restriction in the Credit Facility or any other agreement, in each case, as in effect on the Issue Date, or otherwise modified from time to time; provided that any such modification is no less favorable to the holders of Notes (as determined by the Board of Directors of the Company) than the applicable provision as in effect on the Issue Date and (v) any encumbrance or restriction pursuant to any agreement that extends, restructures, refinances, renews, refunds or replaces any agreement described in clause (ii), (iii) or (iv) above, which is no less favorable to the holders of Notes (as determined by the Board of Directors of the Company) than those existing under the agreement being extended, restructured, refinanced, renewed, refunded or replaced.

Limitation on Certain Senior Subordinated Obligations. The Indenture provides that the Company will not, and will not permit any Guarantor or Restricted Subsidiary which is not a Guarantor to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise in any manner become directly or indirectly liable for or with respect to or otherwise permit to exist any Indebtedness which is expressly subordinate or junior in right of payment in any respect to any Indebtedness of the Company or such Guarantor or Restricted Subsidiary which is not a Guarantor, as the case may be, unless such Indebtedness ranks pari passu in right of payment with the Notes or the Guarantee of such Guarantor, or is expressly subordinated in right of payment to the Notes or such Guarantee at least to the same extent as the Notes or such Guarantee are subordinate in right of payment to Senior Indebtedness or Guarantor Senior Indebtedness, as the case may be.

Limitation on Designation of Unrestricted Subsidiaries. The Indenture provides that the Company may, pursuant to resolution of its Board of Directors, designate any Subsidiary of the Company as an "Unrestricted Subsidiary" under the Indenture (a "Designation") only if:

(i) no Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(ii) the Company would be permitted under the Indenture to make an Investment at the time of Designation (assuming the effectiveness of such Designation) in an amount (the "Designation Amount") equal to the Fair Market Value of the Capital Stock of such Subsidiary on such date;

(iii) the Company would be permitted under the Indenture to incur $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "--Limitation on Additional Indebtedness" at the time of Designation (assuming the effectiveness of such Designation);

(iv) with respect to the Subsidiary to be designated an Unrestricted Subsidiary, each of the Company and its Subsidiaries, other than the Subsidiary to be designated an Unrestricted Subsidiary, is in compliance with the provisions of clauses (x), (y) and (z) of the next following paragraph, as if such Subsidiary to be so designated had been and is an Unrestricted Subsidiary for all purposes of such clauses, at the time of, and after giving effect to, such Designation (assuming the effectiveness of such Designation); and

(v) the Subsidiary to be designated an Unrestricted Subsidiary, or any Subsidiary thereof, owns no Capital Stock or Indebtedness of, owes no Indebtedness to, or holds no Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated at the time of or after giving effect to such Designation (assuming the effectiveness of such Designation).

In the event of any such Designation, the Company shall be deemed to have made an Investment constituting a Restricted Payment pursuant to the covenant "--Limitation on Restricted Payments" for all purposes of the Indenture in the Designation Amount. The Indenture further provides that the Company shall not and shall not permit any Restricted Subsidiary to, directly or indirectly, at any time (x) provide credit support for, or a guarantee of, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness), (y) be directly or indirectly liable for any Indebtedness of an Unrestricted Subsidiary or (z) be directly or indirectly liable for any Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence

of a default with respect to any Indebtedness of any Unrestricted Subsidiary (including any right to take enforcement action against such Unrestricted Subsidiary), except in the case of clause (x) or (y) to the extent permitted under the covenant described under "--Limitation on Restricted Payments."

The Indenture further provides that the Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") if:

(i) no Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture.

All Designations and Revocations must be evidenced by Board Resolutions of the Company delivered to the Trustee certifying compliance with the foregoing provisions.

Limitation on Non-Guarantor Restricted Subsidiaries.

(i) The Indenture provides that the Company will not permit any Restricted Subsidiary, other than the Guarantors, directly or indirectly, to secure the payment of any Senior Indebtedness, and the Company will not, and will not permit any Restricted Subsidiary to, pledge any intercompany notes representing obligations of any Restricted Subsidiary (other than the Guarantors) to secure the payment of any Senior Indebtedness, unless in each case such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Notes by such Restricted Subsidiary, which guarantee shall be on the same terms as the guarantee of the Senior Indebtedness (if a guarantee of Senior Indebtedness is granted by any such Restricted Subsidiary) except that the guarantee of the Notes need not be secured and shall be subordinated to the claims against such Restricted Subsidiary in respect of Senior Indebtedness to the same extent as the Notes are subordinated to Senior Indebtedness under the Indenture.

(ii) The Indenture further provides that the Company will not permit any Restricted Subsidiary which is not a Guarantor to incur any Indebtedness (other than Acquired Indebtedness) or guarantee the payment of any Indebtedness of the Company or any other Restricted Subsidiary unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a Guarantee of the Notes by such Restricted Subsidiary which Guarantee will be subordinated to Guarantor Senior Indebtedness (but no other Indebtedness) to the same extent that the Notes are subordinated to Senior Indebtedness and (b), with respect to any guarantee of Subordinated Obligations by a Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's Guarantee at least to the same extent as such Subordinated Obligations is subordinated to the Notes.

(iii) With respect to each supplemental indenture to the Indenture delivered pursuant to the preceding paragraphs (i) and (ii), (a) each such Restricted Subsidiary shall waive, and agree not in any manner whatsoever to claim to take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee until such time as the obligations guaranteed thereby are paid in full and (b) such Restricted Subsidiary shall deliver to the Trustee an opinion of independent legal counsel to the effect that such Guarantee has been duly executed and authorized and constitutes a valid, binding and enforceable obligation of such Restricted Subsidiary, except insofar as

enforcement thereof may be limited by bankruptcy, insolvency or similar laws (including, without limitation, all laws relating to fraudulent transfer and fraudulent conveyances) and except insofar as enforcement thereof is subject to general principles of equity.

(iv) Subject to the requirements described under "--Consolidation, Merger, Sale of Assets, Etc.," any Guarantee by a Restricted Subsidiary of the Notes shall provide by its terms that it shall be automatically and unconditionally released and discharged (a) upon any sale, exchange or transfer, to any person not an Affiliate of the Company, of all of the Company's Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary, which transaction is in compliance with the terms of the Indenture and such Restricted Subsidiary is released from all guarantees and other security, if any, by it of other Indebtedness of the Company or any Restricted Subsidiaries or (b) at the request of the Company, if the holders of the Indebtedness of the Company or any other Restricted Subsidiary, as the case may be, described in clauses (i) and (ii) above unconditionally release their guarantee or Lien, as the case may be, of such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), such release and discharge to be effective at such time as, and for such periods that, (A) no other Indebtedness of the Company or any other Restricted Subsidiary, as the case may be, has been secured or guaranteed by such Restricted Subsidiary, as the case may be, and (B) the holders of all such other Indebtedness which is guaranteed by such Restricted Subsidiary also unconditionally release their guarantee by, or Lien in assets or properties of, such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness).

Reporting Requirements. The Indenture requires that the Company file with the Commission the annual reports, quarterly reports and other documents required to be filed with the Commission pursuant to Sections 13 and 15(d) of the Exchange Act, to the extent such filings are accepted by the Commission and whether or not the Company has a class of securities registered under the Exchange Act. The Company is required to file with the Trustee, within 30 days after it files them with the Commission, copies of such reports and documents (with exhibits) and to cause such reports and documents (without exhibits) to be distributed to all holders of the Notes then shown in the securities register.

CONSOLIDATION, MERGER, SALE OF ASSETS, ETC.

The Indenture provides that the Company will not, in any transaction or series of related transactions, merge or consolidate with or into, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to, any person or persons, and that the Company will not permit any of the Restricted Subsidiaries to enter into any such transaction or series of related transactions if such transaction or series of related transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Company or of the Company and the Restricted Subsidiaries, taken as a whole, to any other person or persons, unless at the time and after giving effect thereto (i) either (A)(1) if the transaction or transactions is a merger or consolidation involving the Company as a constituent to the merger or consolidation, the Company shall be the surviving person of such merger or consolidation or (2) if the transaction or related transactions is a merger or consolidation involving a Restricted Subsidiary as a constituent to the merger or consolidation, such Restricted Subsidiary shall be the surviving person of such merger or consolidation and such surviving person shall be a Restricted Subsidiary, or (B)(1) the person formed by such consolidation or into which the Company or such Restricted Subsidiary is merged or to which the properties and assets of the Company or such Restricted Subsidiary, as the case may be, substantially as an entirety, are transferred (any such surviving person or transferee person being the "Surviving Entity") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and (2) in the case of a transaction involving the

Company as a constituent to the merger or consolidation, or as the transferor of all or substantially all of its assets or taken as a whole, all or substantially all of the assets of it and the Restricted Subsidiaries, the Surviving Entity shall expressly assume by a supplemental indenture executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company under the Notes and the Indenture, and in each case, the Indenture shall remain in full force and effect, (ii) immediately after giving effect to such transaction or series of related transactions on a pro forma basis (including, without limitation, any Indebtedness incurred or anticipated to be incurred in connection with or as a result of such transaction or series of related transactions), no Default shall have occurred and be continuing and the Company, or the Surviving Entity, as the case may be, after giving effect to such transaction or series of related transactions on a pro forma basis, could incur $1.00 of additional Indebtedness under the first paragraph of the "--Limitation on Additional Indebtedness" covenant described above and (iii) each Guarantor shall have executed and delivered to the Trustee, in form and substance satisfactory to the Trustee, a supplemental indenture confirming such Guarantor's Obligations to pay principal of and premium (if any) and interest on the Notes pursuant to its Guarantee.

In connection with any consolidation, merger, transfer, lease or other disposition contemplated by the provisions described in the foregoing paragraph, the Company shall deliver, or cause to be delivered, to the Trustee, in form reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, transfer, lease or other disposition and each supplemental indenture in respect thereof complies with the requirements under the Indenture.

The Indenture further provides that the Company will not permit any Guarantor, in any transaction or series of related transactions, to merge or consolidate with or into, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to any person or persons unless at the time and after giving effect thereto, (i) either (a) the Guarantor will be the continuing corporation or (b) the person (if other than the Guarantor and except in the case of a Guarantor that has been disposed of in its entirety to another person, whether through merger, consolidation or sale of Capital Stock or assets, if in connection therewith the Company provides an officer's certificate to the Trustee to the effect that the Company will comply with its obligations under "--Disposition of Proceeds of Asset Sales" in respect of such disposition) formed by such consolidation or into which such Guarantor is merged or the person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the properties and assets of the Guarantor (the "Surviving Guarantor Entity") will be a corporation duly organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and such person expressly assumes, by a supplemental indenture, in a form satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee and such Guarantee will remain in full force and effect; (ii) immediately before and immediately after giving effect to such transaction on a pro forma basis, no Default or Event of Default will have occurred and be continuing; and (iii) at the time of the transaction such Guarantor or the Surviving Guarantor Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, transfer, lease or other transaction and the supplemental indenture in respect thereof comply with the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Upon any consolidation or merger or any transfer of all or substantially all of the assets of the Company, any Restricted Subsidiary which is not a Guarantor, or any Guarantor in accordance with the foregoing, in which the Company or such Guarantor, as the case may be, is not the Surviving Entity or the Surviving Guarantor Entity, as the case may be, then such Surviving Entity or Surviving Guarantor Entity, as the case may be, shall succeed to, and be substituted for, and may exercise every right and power of, the

Company or such Guarantor, as the case may be, under the Indenture or such Guarantee, as the case may be, with the same effect as if the Surviving Entity had been named as the Company therein or the Surviving Guarantor Entity had been named the Guarantor therein, as the case may be, but neither the Company nor such Guarantor, as the case may be, in the case of a lease by any of them of all or substantially all of its assets shall be released from the obligation to pay the principal of and premium (if any) and interest on the Notes or the obligations of the Guarantee, as the case may be; provided that, solely for purposes of computing cumulative Consolidated Net Income for purposes of clause (B) of the first paragraph of the covenant "Limitation on Restricted Payments" above, the cumulative Consolidated Net Income of any persons other than the Company and the Restricted Subsidiaries shall only be included for periods subsequent to the effective time of such merger, consolidation, combination or transfer of assets.

The Indenture provides that for all purposes of the Indenture and the Notes (including the provision of this covenant and the covenants described in "--Limitation on Additional Indebtedness", "--Limitation on Restricted Payments" and "--Limitation on Liens"), Subsidiaries of any Surviving Entity will, upon such transaction or series of transactions, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to the covenant described under "--Limitation on Designations of Unrestricted Subsidiaries" and all Indebtedness, and all Liens on property or assets, of the Company and the Restricted Subsidiaries immediately prior to such transaction or series of transactions will be deemed to have been incurred upon such transaction or series of transactions.

EVENTS OF DEFAULT

The following are "Events of Default" under the Indenture:

(i) default in the payment of the principal of, or premium, if any, when due and payable, on any Note (at its Stated Maturity, upon optional redemption, upon required purchase, upon acceleration or otherwise); or

(ii) default in the payment of an installment of interest on any of the Notes, when due and payable, and the continuation of such default for a period of 30 days or more; or

(iii) the failure by the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor to comply with its obligations described under "Consolidation, Merger, Sale of Assets, Etc." above, the failure to make or consummate a Change of Control Offer in accordance with the Company's obligations under the covenant described under "Change of Control" above, or the failure to make or consummate an offer in accordance with the Company's obligations under the covenant described under "Disposition of Proceeds of Asset Sales" above; or

(iv) the failure by the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor to perform or observe any other term, covenant or agreement contained in the Notes, any Guarantee or the Indenture (other than a default specified in clause (i), (ii) or (iii) above) for a period of 30 days after written notice of such failure stating that it is a "notice of default" under the Indenture and requiring the Company to remedy the same shall have been given (x) to the Company by the Trustee or (y) to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the Notes then outstanding; or

(v) default or defaults under one or more agreements, instruments, mortgages, bonds, debentures or other evidences of Indebtedness (a "Debt Instrument") under which the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor or the Company and one or more

Guarantors or Restricted Subsidiaries who are not Guarantors then have outstanding Indebtedness in excess of $10 million, individually or in the aggregate, and either (x) the principal amount of such Indebtedness is already due and payable in full or (y) such default or defaults have resulted in the acceleration of the maturity of such Indebtedness; or

(vi) the commencement of proceedings, or the taking of any enforcement action (including by way of set-off), by any holder of at least $10 million in aggregate principal amount of Indebtedness of the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor, after a default under such Indebtedness, to retain in satisfaction of such Indebtedness or to collect or seize, dispose of or apply in satisfaction of such Indebtedness, property or assets of the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor having a Fair Market Value in excess of $10 million individually or in the aggregate; or

(vii) one or more judgments, orders or decrees of any court or regulatory or administrative agency of competent jurisdiction for the payment of money in excess of $10 million over the coverage under applicable binding insurance policies issued by a solvent insurer which has accepted such coverage, either individually or in the aggregate, shall be entered against the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor or any of their respective properties and shall not be discharged, settled or fully bonded and either (A) commencement by any creditor of an enforcement proceeding upon such judgment (other than a judgment that is stayed by reason of pending appeal or otherwise) or (B) there shall have been a period of 60 consecutive days after the date on which any period for appeal has expired and during which a stay of enforcement of such judgment, order or decree shall not be in effect; or

(viii) any Guarantee shall for any reason cease to be, or shall for any reason asserted by any Guarantor or the Company not be, in full force and effect and enforceable in accordance with its terms, except to the extent provided for by the Indenture and any such Guarantee; or

(ix) certain events of bankruptcy, insolvency or bankruptcy reorganization with respect to the Company, any Guarantor or any Significant Subsidiary of the Company shall have occurred.

If an Event of Default (other than as specified in clause (ix) above with respect to the Company) shall occur and be continuing, the Trustee, by notice to the Company, or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Trustee and the Company, may declare the principal of, premium, if any, and accrued interest on all of the outstanding Notes due and payable immediately, upon which declaration all amounts payable in respect of the Notes shall be immediately due and payable. If an Event of Default specified in clause (ix) above with respect to the Company occurs and is continuing, then the principal of, premium, if any, and accrued interest on all of the outstanding Notes shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder of Notes.

Notwithstanding the foregoing, if a declaration of acceleration in respect of the Notes because an Event of Default specified in (i) clause (v) above shall have occurred and be continuing, such Event of Default and any consequential acceleration shall be automatically rescinded if the Indebtedness that is the subject of such Event of Default has been repaid, or if the default relating to such Indebtedness is waived or cured and, if such Indebtedness has been accelerated, the holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness (provided, in each case, that such repayment, waiver, cure or rescission is effected within a period of 10 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration), or (ii) clause (vi) above shall have occurred

and be continuing, such Event of Default and any consequential acceleration shall be automatically rescinded if the proceedings or enforcement action with respect to the Indebtedness that is the subject of such Event of Default is terminated or rescinded, or such Indebtedness is repaid and only so long as any holder of such Indebtedness shall not have applied any property or assets referenced in clause (vi) above in satisfaction of such Indebtedness, and, in the case of both (i) and (ii) above, written notice of such repayment, or cure or waiver and rescission, as the case may be, shall have been given to the Trustee by the Company or by the requisite holders of such Indebtedness or a trustee, fiduciary or agent for such holders, within 45 days after such declaration of acceleration in respect of the Notes and no other Event of Default shall have occurred which has not been cured or waived during such 45-day period, and so long as such rescission of any such acceleration does not conflict with any judgment or decree.

After a declaration of acceleration under the Indenture, but before a judgment or decree for payment of money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Company and the Trustee, may rescind such declaration and its consequences if: (a) the Company has paid or deposited with the Trustee a sum sufficient to pay (i) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, (ii) all overdue interest on all Notes, (iii) the principal of and premium, if any, on any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes, and (iv) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the rate borne by the Notes which has become due otherwise than by such declaration of acceleration; (b) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and (c) all Events of Default, other than the non-payment of principal of, premium, if any, and interest on the Notes that has become due solely by such declaration of acceleration, have been cured or waived.

The holders of not less than a majority in aggregate principal amount of the outstanding Notes may on behalf of the holders of all the Notes waive any past default and its consequences under the Indenture except a default in the payment of the principal of, premium, if any, or interest on any Note, or in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note outstanding.

No holder of any of the Notes has any right to institute any proceeding with respect to the Indenture or any remedy thereunder, unless such holder shall have previously given to the Trustee written notice of a continuing Event of Default and unless the holders of at least 25% in aggregate principal amount of the outstanding Notes have made written request, and offered reasonable security or indemnity, to the Trustee to institute such proceeding within 30 days after receipt of such notice and the Trustee, within such 30-day period, has not complied with such request and has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not apply, however, to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, or interest on, such Note on or after the respective due dates expressed in such Note.

During the existence of an Event of Default, the Trustee is required to exercise such rights and powers vested in it under the Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. Subject to the provisions of the Indenture relating to the duties of the Trustee, whether or not an Event of Default shall occur and be continuing, the Trustee is not under any obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the Notes unless such holders shall have offered to the Trustee reasonable security or indemnity. Subject to certain provisions

concerning the rights of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee under the Indenture.

If a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee shall mail to each holder of the Notes notice of the Default or Event of Default within 90 days after obtaining knowledge thereof. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if the Trustee in good faith determines that withholding the notice is in the interest of the Noteholders.

The Company is required to furnish to the Trustee annual and quarterly statements as to the performance by the Company of its obligations under the Indenture and as to any default in such performance. The Company is also required to notify the Trustee within ten business days of any event which is, or after notice or lapse of time or both would become, an Event of Default; provided, however, any Default based upon non-compliance with the foregoing notification requirement may be (i) expressly waived or (ii) cured if the event giving rise to the requirement for such notification shall have been waived or cured, in each case, in accordance with the terms of the Indenture.

DEFEASANCE OR COVENANT DEFEASANCE OF INDENTURE

The Company may, at its option and at any time, terminate its obligations with respect to the Notes then outstanding ("defeasance"). Such defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the Notes then outstanding, except for (i) the rights of holders of outstanding Notes to receive payment in respect of the principal of, premium, if any, and interest on such Notes when such payments are due, (ii) the Company's obligations to issue temporary Notes, register the transfer or exchange of any Notes, replace mutilated, destroyed, lost or stolen Notes and maintain an office or agency for receipt of payments in respect of the Notes, (iii) the rights, powers, trusts, duties and immunities of the Trustee, and (iv) the defeasance provisions of the Indenture. In addition, the Company may, at its option and at any time, elect to terminate its obligations with respect to certain covenants that are set forth in the Indenture, some of which are described under "--Certain Covenants" above, and any subsequent failure to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Notes ("covenant defeasance"). If the Company exercises its defeasance option or its covenant defeasance option, each Guarantor will be released from all its obligations with respect to its Guarantee.

In order to exercise either defeasance or covenant defeasance, (i) the Company must irrevocably deposit with the Trustee, in trust for the benefit of the holders of the Notes, cash in United States dollars, U.S. Government Obligations (as defined in the Indenture), or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on the outstanding Notes to redemption or maturity, (ii) the Company shall have delivered to the Trustee an opinion of counsel to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred (in the case of defeasance, such opinion must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax laws), (iii) no Default or Event of Default (a) shall have occurred and be continuing on the date of such deposit or (b) insofar as clause (ix) under the first paragraph under "--Events of Default" is concerned, at any time during the period ending on the 91st day after the date of deposit, (iv) such defeasance or covenant defeasance shall not cause the Trustee

to have a conflicting interest under the Indenture or the Trust Indenture Act with respect to any securities of the Company, (v) such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any other material agreement or instrument to which the Company is a party or by which the Company is bound, and (vi) the Company shall have delivered to the Trustee an officers' certificate and an opinion of counsel, which, taken together, state that all conditions precedent under the Indenture to either defeasance or covenant defeasance, as the case may be, have been complied with and that no violations under agreements governing any other outstanding Indebtedness would result therefrom.

SATISFACTION AND DISCHARGE

The Indenture shall upon request of the Company cease to be of further effect (except as to certain provisions governing registration of transfer and exchange of the Notes and payments thereon) when (A) either (1) all Notes theretofore authenticated and delivered (other than (i) Notes which have been destroyed, lost or stolen and which have been replaced or paid and (ii) Notes for whose payment (x) cash in United States dollars or (y) U.S. Government Obligations maturing as to principal, premium, if any, and interest in such amounts of money and at such times as are sufficient without consideration of any reinvestment of such interest, to pay principal of and interest on the outstanding Notes not later than one day before the due date of any payment, have theretofore been deposited in trust with the Trustee or any Paying Agent) have been delivered to the Trustee for cancellation, or (2) all such Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable, or (ii) will become due and payable at their Stated Maturity within one year, or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company or any Guarantor, in the case of (2)(i), (2)(ii) or (2)(iii) above, has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on such Notes not theretofore delivered to the Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be, together with instructions from the Company irrevocably directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be; (B) the Company or any Guarantor has paid or caused to be paid all other sums then due and payable hereunder by the Company; and (C) the Company has delivered to the Trustee an officers' certificate and an opinion of counsel which, taken together, state that all conditions precedent herein relating to the satisfaction and discharge of this Indenture have been complied with.

AMENDMENTS AND WAIVERS

From time to time, the Company, when authorized by a Board Resolution, the Guarantors and the Trustee may, without the consent of the holders of any outstanding Notes, amend, waive or supplement the Indenture or the Notes for certain specified purposes, including, among other things, curing ambiguities, defects or inconsistencies, qualifying, or maintaining the qualification of, the Indenture under the Trust Indenture Act or making any change that does not materially and adversely affect the rights of any holder. Other amendments or modifications of the Indenture or the Notes may be made by the Company and the Trustee with the consent of the holders of not less than a majority of the aggregate principal amount of the outstanding Notes; provided that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby, (i) reduce the principal amount of, extend the fixed maturity of or alter the redemption provisions of the Notes, (ii) change the currency in which the Notes or any premium or the interest thereon is payable, (iii) reduce the percentage in principal amount of outstanding Notes that must consent to an amendment, supplement or waiver or consent to take any action under the Indenture or the Notes, (iv) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes, (v) waive a default in payment with respect to the Notes, (vi) following the occurrence of a Change

of Control or Asset Sale, amend, change or modify the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control or make and consummate the offer with respect to any Asset Sale or modify any of the provisions or definitions with respect thereto in a manner adverse to the holders of the Notes, (vii) reduce or change the rate or time for payment of interest on the Notes, (viii) modify or change any provision of the Indenture affecting the subordination of the Notes or any Guarantee in a manner adverse to the holders of the Notes or any such Guarantee or (ix) make any other change in any Guarantee that could adversely affect a holder of a Note.

Subject to the limitations set forth above, the holders of a majority in aggregate principal amount of the outstanding Notes may waive compliance by the Company with certain restrictive provisions of the Indenture. The holders of a majority in aggregate principal amount of the outstanding Notes may waive any past default under the Indenture, except a default in the payment of principal or premium, if any, or interest on the Notes.

THE TRUSTEE

State Street Bank & Trust Company is the Trustee under the Indenture and has been appointed by the Company as Registrar and Paying Agent with regard to the Notes.

The Indenture (including the provisions of the Trust Indenture Act incorporated by reference therein) contains limitations on the rights of the Trustee thereunder, should it become a creditor of the Company, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions; provided, however, if it acquires any conflicting interest (as defined in the Trust Indenture Act) it must eliminate such conflict or resign.

GOVERNING LAW

The Indenture, the Notes and the Guarantees are governed by the laws of the State of New York, without regard to the principles of conflicts of law.

CONSENT TO JURISDICTION AND SERVICE

The Indenture provides that each of the Company and the Guarantors irrevocably appoint Corporation Trust System as its agent for service of process in any suit, action or proceeding with respect to the Indenture, any Guarantee or the Notes and for actions brought under federal or state securities laws brought in any federal or state court located in The City of New York and submits to such jurisdiction.

CERTAIN DEFINITIONS

"Acquired Indebtedness" means Indebtedness (but no Refinancing thereof) of a person (a) assumed in connection with an Asset Acquisition from such person or (b) existing at the time such person becomes a Subsidiary of any other person, but not including Indebtedness incurred in connection with, or in anticipation of, such person becoming a Subsidiary.

"Affiliate" means, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, "control," when used with respect to any person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting

securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of this definition, beneficial ownership of 10% or less of the voting common equity (on a fully diluted basis) or options or warrants to purchase such equity (but only if exercisable at the date of determination or within 60 days thereof) of a person shall not, in and of itself, be deemed to constitute control of such person.

"Asset Acquisition" means (a) an Investment by the Company or any Subsidiary of the Company in any other person pursuant to which such person shall become a Restricted Subsidiary, or shall be merged with or into the Company or any Restricted Subsidiary, or (b) the acquisition by the Company or any Restricted Subsidiary of the assets of any person which constitute all or substantially all of the assets of such person or any division, operating unit or line of business of such person.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition by the Company or any Restricted Subsidiary to any person other than the Company or a Restricted Subsidiary), in one or a series of related transactions, of: (a) any Capital Stock of any Subsidiary of the Company; (b) all or substantially all of the properties and assets of any division or line of business of the Company or any Restricted Subsidiary; or (c) any other properties or assets of the Company or a Restricted Subsidiary other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include (i) for purposes of the covenant described under "--Certain Covenants--Disposition of Proceeds of Asset Sales" only, any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets (A) that is governed by, and made in compliance with, the provisions described under "--Consolidation, Merger, Sale of Assets, Etc.," or (B) constitutes a Change of Control pursuant to clause (b) of the definition thereof, (ii) any sale of worn-out or obsolete equipment that, in the Company's reasonable judgment, is no longer used or useful in the business of the Company or the Restricted Subsidiaries; (iii) any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets, whether in one transaction or a series of related transactions, involving assets with a Fair Market Value not in excess of $1 million; (iv) any lease of assets or property entered into in the ordinary course of business and with respect to which the Company or any Restricted Subsidiary is the lessor, except any such lease that provides for the acquisition of such assets or property by the lessee during or at the term thereof for an amount that is less than the Fair Market Value thereof as determined at the time the right to acquire such assets or property is granted, in which case an Asset Sale shall be deemed to occur at the time such right is granted; and (v) the sale of any property received pursuant to clause (h) of the definition of "Permitted Investment."

"Attributable Value" means, as to a Capitalized Lease Obligation under which any person is at the time liable and at any date as of which the amount thereof is to be determined, the capitalized amount thereof that would appear on the face of a balance sheet of such person in accordance with GAAP.

"Average Life to Stated Maturity" means as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness multiplied by (b) the amount of each such principal payment by (ii) the sum of all such principal payments.

"Bankruptcy Law" means Title 11 of the United States Code or any similar federal, state or foreign law for the relief of debtors.

"Board Resolution" means, with respect to a person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such person, the principal financial officer of such person or any other

authorized officer of such person or a person duly authorized by any of them, to have been duly adopted by the Board of Directors of such person and to be in full force and effect on the date of such certification.

"Capital Stock" means, with respect to any person, any and all shares, interests, participations, rights in or other equivalents of or interests in (however designated) equity of such person (including any Preferred Stock), and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such equity.

"Capitalized Lease Obligation" means any obligation to pay rent or other amounts under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under GAAP, and, for the purpose of the Indenture, the amount of such obligation at any date shall be the Attributable Value thereof at such date.

"Cash Equivalents" means, at any time: (i) any evidence of Indebtedness with a maturity of 360 days or less from the date of acquisition thereof issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof); (ii) (x) demand and time deposits and certificates of deposit or acceptances with a maturity of 360 days or less from the date of acquisition thereof of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than $500 million and (y) Eurocurrency time deposits maturing within 360 days from the date of acquisition thereof with any branch or office of any commercial bank organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development (the "OECD"), and comparable in quality to the Investments permitted by the preceding clause (x); (iii) commercial paper with a maturity of 360 days or less issued by a corporation that is not an Affiliate of the Company organized under the laws of any State of the United States or the District of Columbia and rated at least A-1 by S&P or at least P-1 by Moody's or at least an equivalent rating category of another nationally recognized securities rating agency; (iv) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the government of the United States of America or issued by any agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within 360 days from the date of acquisition; (v) deposits available for withdrawal on demand with any commercial bank organized under the laws of any country that is a member of the OECD and has total assets in excess of $100 million or with any commercial bank organized under the laws of any other country (other than the United States) in which the Company or any Restricted Subsidiary maintains an office or is engaged in offshore operations, provided that (a) all such deposits are required to be made in such accounts in the ordinary course of business and (b) such deposits do not at any one time exceed $5 million in the aggregate; and (vi) money market funds organized under the laws of the United States of America or any State thereof and sponsored by a registered broker dealer or mutual fund distributor, that invest substantially all of their assets in any of the types of investments described in clause (i), (ii) or (iii) above.

"Change of Control" means the occurrence of any of the following events: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the contractual right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the outstanding Voting Stock of the Company (for the purposes of this clause (a), such person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such person is the beneficial owner (as defined in this

clause (a)), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of such parent corporation); (b) the Company consolidates with, or merges with or into, another person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding Voting Stock of the Company is converted into or exchanged for (1) Voting Stock (other than Redeemable Capital Stock) of the surviving or transferee corporation or (2) cash, securities and other property in an amount which could be paid by the Company as a Restricted Payment under the Indenture and (ii) immediately after such transaction, no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the contractual right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total Voting Stock of the surviving or transferee corporation; or (c) during any consecutive two-year period, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved by a vote of at least two thirds of the directors then still in office who were either directors at the beginning of such period or persons whose election as directors or nomination for election was previously so approved) cease for any reason to constitute at least a majority of the Board of Directors of the Company then in office.

"Commission" means the Securities and Exchange Commission.

"Consolidated EBITDA" means, with respect to the Company for any period, (i) the sum of, without duplication, the amount for such period, taken as a single accounting period, of (a) Consolidated Net Income, (b) Consolidated Non-cash Charges, (c) Consolidated Interest Expense and (d) Consolidated Income Tax Expense, less (ii) non-cash items increasing Consolidated Net Income for such period.

"Consolidated Fixed Charge Coverage Ratio" means, with respect to the Company, the ratio of the aggregate amount of Consolidated EBITDA of the Company for the four full fiscal quarters for which financial information in respect thereof is available immediately preceding the date of the transaction (the "Transaction Date") giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio (such four full fiscal quarter period being referred to herein as the "Four Quarter Period") to the aggregate amount of Consolidated Fixed Charges of the Company for the Four Quarter Period. In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a pro forma basis for the period of such calculation to, without duplication, (a) the incurrence of any Indebtedness of the Company or any of the Restricted Subsidiaries during the period commencing on the first day of the Four Quarter Period to and including the Transaction Date (the "Reference Period"), including, without limitation, the incurrence of the Indebtedness giving rise to the need to make such calculation (and the application of the net proceeds thereof), as if such incurrence (and application) occurred on the first day of the Reference Period, (b) an adjustment to eliminate or include, as the case may be, the Consolidated EBITDA and Consolidated Fixed Charges of such person directly or indirectly attributable to assets which are the subject of any Asset Sale or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Company or one of the Restricted Subsidiaries (including any person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness) occurring during the Reference Period, as if such Asset Sale (after giving effect to any Designation of Unrestricted Subsidiaries) or Asset Acquisition occurred on the first day of the Reference Period and (c) the retirement of Indebtedness during the Reference Period which cannot thereafter be

reborrowed occurring as if retired on the first day of the Reference Period. For purposes of calculating "Consolidated Fixed Charges" for this "Consolidated Fixed Charge Coverage Ratio," interest on Indebtedness incurred during the Four Quarter Period under any revolving credit facility which can be borrowed and repaid without reducing the commitments thereunder shall be the actual interest during the Four Quarter Period. Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio", (i) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date, (ii) if interest on any Indebtedness actually incurred on the Transaction Date may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on the Transaction Date will be deemed to have been in effect during the Reference Period; and (iii) notwithstanding clauses (i) and (ii) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Rate Protection Obligations, shall be deemed to have accrued at the rate per annum resulting after giving effect to the operation of such agreements.

"Consolidated Fixed Charges" means, with respect to the Company for any period, the amounts for such period of Consolidated Interest Expense.

"Consolidated Income Tax Expense" means, with respect to the Company for any period, the provision for federal, state, local and foreign income taxes of the Company and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to the Company for any period, without duplication, the sum of (i) the interest expense of the Company and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP related to Indebtedness, excluding fees related to the issuance of the Notes, but including, without limitation, (a) any amortization of debt discount, (b) the net cost under Interest Rate Protection Obligations and Currency Agreement Obligations (including any amortization of discounts), (c) the interest portion of any deferred payment obligation which in accordance with GAAP is required to be reflected on an income statement, (d) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing (other than in respect of Letters of Credit relating to bid, performance and advance payment obligations incurred in the ordinary course of business), (e) dividends payable in respect of Redeemable Capital Stock (whether or not paid), (f) all accrued interest and (g) interest accruing on any Indebtedness of any other Person to the extent such Indebtedness is guaranteed by the Company or any Restricted Subsidiary or secured by a Lien on assets of the Company or any Restricted Subsidiary to the extent such Indebtedness constitutes Indebtedness of the Company or any Restricted Subsidiary (whether or not such guarantee or Lien is called upon) and (ii) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by the Company and the Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" means, with respect to the Company, for any period, the consolidated net income (or loss) of the Company (including the Restricted Subsidiaries) for such period as determined in accordance with GAAP consistently applied adjusted, to the extent included in calculating such net income, by excluding, without duplication, (i) all extraordinary gains or losses (net of fees and expenses relating to the transaction giving rise thereof) and the non-recurring cumulative effect of accounting charges, (ii) except to the extent actually received by the Company and any Restricted Subsidiary, income of the Company and the Restricted Subsidiaries derived from or in respect of all Investments in persons other than

any Restricted Subsidiary, (iii) net income (or loss) of any person combined with the Company or one of the Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) any gain or loss realized upon the termination of any employee pension benefit plan, on an after-tax basis, (v) gains or losses in respect of any Asset Sales by the Company or one of the Restricted Subsidiaries (net of fees and expenses relating to the transaction giving rise thereto), on an after-tax basis, (vi) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income (A) is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Restricted Subsidiary or its stockholders or (B) requires the approval of any minority interest in such Restricted Subsidiary except to the extent dividends or similar distributions are actually declared payable to the Company by such Restricted Subsidiary and (vii) the cumulative effect of a change in accounting principles; provided that there shall be included in net income of the Company or such Restricted Subsidiary dividends or distributions excluded from net income of such person in a previous fiscal period pursuant to clause (ii) or clause (vi) to the extent such dividends or distributions are actually received in the current fiscal period.

"Consolidated Non-cash Charges" means, with respect to the Company for any period, the aggregate depreciation, amortization and other non-cash expenses (including, without limitation, non-cash reserves and non-cash charges) of the Company and the Restricted Subsidiaries reducing Consolidated Net Income of the Company and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Credit Facility" means the Restated Credit Agreement dated as of June 30, 1997, as amended on November 7, 1997 and December 10, 1997, among the Company, certain of its Subsidiaries as guarantors, the financial institutions from time to time lenders party thereto, Bank One, Louisiana, National Association, as administrative and syndication agent, and Deutsche Bank, A.G., New York Branch and/or Cayman Islands Branch, as documentation agent, and any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such agreement or such related notes, guarantees, collateral documents, instruments or agreements, or any of them, may be amended, modified, supplemented, extended, restated, replaced (including replacement after the termination of such agreement), restructured, renewed or otherwise Refinanced from time to time in one or more credit agreements, loan agreements, instruments or similar documents and agreements, as such may be further amended, modified, supplemented, extended, restated, replaced (including replacement after the termination of such agreement), restructured, renewed or otherwise Refinanced from time to time, in each case in accordance with and as permitted by the Indenture.

"Credit Facility Obligations" means all monetary obligations of every nature of the Company or a Restricted Subsidiary, including without limitation, obligations to pay principal and interest, reimbursement obligations under letters of credit, fees, expenses and indemnities, from time to time owned to the lenders or any agent under or in respect of the Credit Facility.

"Currency Agreement Obligations" means the obligations of any person under any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect such person against fluctuations in currency values.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Designated Senior Indebtedness" means (i) all Senior Indebtedness under the Credit Facility Obligations and (ii) any other Senior Indebtedness which (a) at the time of incurrence equals or exceeds $15 million in aggregate principal amount and (b) is specifically designated by the Company in the instrument evidencing such Senior Indebtedness as "Designated Senior Indebtedness" for purposes of the Indenture.

Exempt Foreign Subsidiary" means (i) any Restricted Subsidiary engaged in business permitted under this Indenture exclusively outside the United States of America, irrespective of its jurisdiction of incorporation and (ii) any other Subsidiary whose assets (excluding any cash and Cash Equivalents) consist exclusively of Capital Stock or Indebtedness of one or more Restricted Subsidiaries described in clause (i) of this definition, that, in any case, is so designated by the Company in an Officers' Certificate delivered to the Trustee and (a) is not a guarantor of, and has not granted any Lien to secure, the Credit Facility or any other Indebtedness of the Company or any Subsidiary other than another Exempt Foreign Subsidiary and (b) does not have total assets that, when aggregated with the total assets of all other Exempt Foreign Subsidiaries, exceed 25% of the Company's consolidated total assets, as determined in accordance with GAAP, as reflected on the Company's most recent quarterly or annual balance sheet. The Company may revoke the designation of any Exempt Foreign Subsidiary by notice to the Trustee.

"Fair Market Value" with respect to any asset or property means the sale value that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a Board Resolution of the Company delivered to the Trustee, which determination shall be conclusive for all purposes of the Indenture.

"GAAP" means, at any date, generally accepted accounting principles in the United States set forth in the Statements of Financial Accounting Standards and the Interpretations, Accounting Principles Board Opinions and AICPA Accounting Research Bulletins that are applicable to the circumstances as of the date of determination and consistently applied; provided, however, that, except as otherwise provided, all calculations made for purposes of determining compliance with the terms of the covenants set forth in "Certain Covenants" and other provisions of the Indenture shall utilize GAAP in effect at the Issue Date.

"Guarantee" means a Guarantee by a Guarantor of the Company's obligations with respect to the Notes, which Guarantee will be subordinated to Senior Indebtedness of such Guarantor on the terms described under "Subordination." Any such Guarantee (i) will be substantially in the form prescribed by the Indenture, (ii) will be limited in amount to an amount not to exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering such Guarantee, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally and (iii) will provide (a) that, upon the sale, exchange or transfer, to any person (other than an Affiliate of the Company), of all the Capital Stock of such Guarantor, or all or substantially all of the assets of such Guarantor, pursuant to a transaction in compliance with the Indenture, or (b) upon such Guarantor's release from all third-party Indebtedness of the Company or any other Restricted Subsidiary, such Guarantor shall for and during the applicable periods as provided in the Indenture, be released from its obligations under its Guarantee.

"guarantee" means, as applied to any obligation, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and (ii) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment or damages in the

event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, the payment of amounts drawn down by letters of credit.

"Guarantor" means (i) SOLOCO, L.L.C., a limited liability company formed under the laws of the State of Louisiana, SOLOCO Texas, L.P., a limited partnership formed under the laws of the State of Texas, Batson-Mill, L.P., a limited partnership formed under the laws of the State of Texas, Newpark Texas, L.L.C., a limited liability company formed under the laws of the State of Louisiana, Newpark Holdings, Inc., a corporation organized under the laws of the State of Louisiana, Newpark Environmental Management Company, L.L.C., a limited liability company formed under the laws of the State of Louisiana, Newpark Environmental Services of Texas L.P., a limited partnership formed under the laws of the State of Texas, Newpark Drilling Fluids, Inc., a corporation organized under the laws of the State of Texas, Supreme Contractors, Inc., a corporation organized under the laws of the State of Louisiana, Excalibar Minerals, Inc., a corporation organized under the laws of the State of Texas, Excalibar Minerals of LA., L.L.C., a limited liability company formed under the laws of the State of Louisiana, Chemical Technologies, Inc., a corporation organized under the laws of the State of Texas, Newpark Texas Drilling Fluids, L.P., a limited partnership formed under the laws of the State of Texas, NES Permian Basin, L.P., a limited partnership formed under the laws of the State of Texas, Newpark Environmental Services, Inc., a corporation organized under the laws of the State of Delaware, NID. L.P., a limited partnership formed under the laws of the State of Texas, Bockmon Construction Company, Inc., a corporation organized under the laws of the State of Texas, Newpark Shipholding Texas, L.P., a limited partnership formed under the laws of the State of Texas, Mallard & Mallard of LA., Inc., a corporation organized under the laws of the State of Louisiana, and Newpark Environmental Services Mississippi, L.P., a limited partnership formed under the laws of the State of Mississippi, and (ii) each other Restricted Subsidiary that delivers, or as a result of becoming a Significant Subsidiary or incurring certain types of third-party Indebtedness or guarantees, is required to deliver, a Guarantee pursuant to the terms of the Indenture; and with respect to each person now or hereafter referred to by either of the preceding clauses (i) and (ii), so long as and during such periods that its Guarantee shall be in effect pursuant to the terms of the Indenture.

"Guarantor Senior Indebtedness" means the principal of, premium, if any, and interest on, any Indebtedness of a Guarantor, whether outstanding on the Issue Date or thereafter created, incurred, assumed or guaranteed by such Guarantor, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to such Guarantor's Guarantee. Without limiting the generality of the foregoing, "Guarantor Senior Indebtedness" shall also include the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceedings under any Bankruptcy Laws, whether or not such interest is an allowable claim in such proceeding) on, and all other amounts owing in respect of, Credit Facility Obligations of such Guarantor. Notwithstanding the foregoing, Guarantor Senior Indebtedness of a Guarantor will not include (a) Indebtedness of such Guarantor evidenced by its Guarantee, (b) Indebtedness of such Guarantor that is expressly subordinated or junior in right of payment to any Guarantor Senior Indebtedness of such Guarantor or its Guarantee, (c) Indebtedness which, when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is by its terms without recourse to such Guarantor, (d) any repurchase, redemption or other obligation in respect of Redeemable Capital Stock of such Guarantor, (e) to the extent it might constitute Indebtedness, any liability for federal, state, local or other taxes owed or owing by such Guarantor, (f) Indebtedness of such Guarantor to the Company or any of the Company's other Subsidiaries or any other Affiliate of the Company or any of such Affiliate's Subsidiaries and (g) that portion of any Indebtedness of such Guarantor which at the time of incurrence is incurred in violation of the Indenture (but, as to any such Indebtedness, no such violation shall be deemed to exist for purposes of this clause (g) if the holder or holders of such Indebtedness or their representative or such Guarantor shall have furnished to the Trustee an opinion, unqualified in all

material respects, of independent legal counsel, addressed to the Trustee (which legal counsel may, as to matters of fact, rely upon a certificate of such Guarantor) to the effect that the incurrence of such Indebtedness does not violate the provisions of such Indenture); provided, that the foregoing exclusions shall not affect the priorities of any Indebtedness arising solely by operation of law in any case or proceeding or similar event described in clause (a), (b) or (c) of the second paragraph of the provisions of the Indenture described under the caption "--Subordination."

"Indebtedness" means, with respect to any person, without duplication; (a) all liabilities of such person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables, advances on contracts and other accrued current liabilities incurred in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such person in connection with any letters of credit, banker's acceptance or other similar credit transaction, (b) all obligations of such person evidenced by notes, debentures or other similar instruments, (c) all indebtedness, liabilities and obligations of such person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade accounts payable arising in the ordinary course of business, (d) all Capitalized Lease Obligations of such person, (e) all Redeemable Capital Stock of such person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends, (f) all obligations of such person under or in respect of Currency Agreement Obligations and Interest Rate Protection Obligations of such person, (g) all liabilities, indebtedness and obligations of the type referred to in the preceding clauses (a) through (f) of other persons and all dividends of other persons for the payment of which such person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee, (h) all liabilities, indebtedness and obligations of the type referred to in the preceding clauses (a) through (g) of other persons which is secured by (or for which the holder of such Indebtedness has an existing contractual right, contingent or otherwise, to be secured by) any Lien upon property (including, without limitation, accounts and contract rights) owned by such person, even though such person has not assumed or become liable for the payment of such Indebtedness (the amount of such obligation after being deemed to be the lesser of the value of such property or asset or the amount of the obligation so secured), and (i) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (a) through (h) above. For purposes hereof, (x) the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Capital Stock, such fair market value shall be the Fair Market Value of such Redeemable Capital Stock (provided that if such Redeemable Capital Stock is not at the date of determination permitted or required to be repurchased, the "maximum fixed repurchase price" shall be the book value of such Redeemable Capital Stock) and (y) Indebtedness is deemed to be incurred pursuant to a revolving credit facility each time an advance is made thereunder. For purposes of the covenant "Limitation on Additional Indebtedness," in determining the principal amount of any Indebtedness to be incurred by the Company or a Restricted Subsidiary or which is outstanding at any date, (x) the principal amount of any Indebtedness which provides that an amount less than the principal amount thereof shall be due upon any declaration of acceleration thereof shall be the accredited value thereof at the date of determination and (y) effect shall given to the impact of any Interest Rate Protection Obligations and Currency Agreement Obligations with respect to such Indebtedness. When any person becomes a Restricted Subsidiary, there shall be deemed to have been an incurrence by such Restricted Subsidiary of all Indebtedness for which it is liable at the time it becomes a Restricted Subsidiary. If the Company or any of the Restricted Subsidiaries, directly or indirectly, guarantees Indebtedness of a third person, there shall be deemed to be an incurrence of such guaranteed

Indebtedness as if the Company or such Restricted Subsidiary had directly incurred or otherwise assumed such guaranteed Indebtedness.

"Interest Rate Protection Obligations" means the obligations of any person pursuant to any arrangement with any other person whereby, directly or indirectly, such person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such person calculated by applying a fixed or floating rate of interest on the same nominal amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"Investment" means, with respect to any person, any direct or indirect loan or other extension of credit, guarantee or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other person. "Investments" shall exclude contracts in progress and extensions of trade credit by any person in the ordinary course of business of such person. In addition to the foregoing, any foreign exchange contract, currency swap or similar agreement shall constitute an Investment hereunder.

"Issue Date" means December 17, 1997, the date on which the 144A Notes were originally issued under the Indenture.

"Lien" means any mortgage, charge, pledge, lien (statutory or other), security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind. A person shall be deemed to own subject to a Lien any property which such person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement having substantially the same economic effect as any of the foregoing.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents, including, without limitation, payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel and investment bankers) related to such Asset Sale, (ii) provisions for all taxes payable as a result of such Asset Sale, (iii) amounts required to be paid and which have been paid, or amounts required to be pledged and which are pledged, to secure Indebtedness owed, to any person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale (which, in the case of a Lien, is being pledged or applied to permanently reduce indebtedness secured by such Lien) and (iv) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an officers' certificate delivered to the Trustee.

"Pari Passu Indebtedness" means (a) any Indebtedness of the Company ranking pari passu in right of payment with the Notes and (b) with respect to any Guarantor, Indebtedness ranking pari passu in right of payment to its Guarantee.

"Permitted Investment" means any of the following: (a) Investments in the Company or any Restricted Subsidiary (including any person that pursuant to such Investment becomes a Restricted Subsidiary) and any person that is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Company or any Wholly-Owned Restricted Subsidiary at the time such Investment is made; (b) Investments in prepaid expenses, negotiable instruments and other similar instruments (other than of Affiliates) held for collection; (c) Investments in Cash Equivalents; (d) Investments in deposits with respect to leases, workers' compensation or utilities provided to third parties in the ordinary course of business; (e) Investments in the Notes; (f) Investments in agreements giving rise to Interest Rate Protection Obligations and Currency Agreement Obligations permitted by the covenant "--Limitation on Additional Indebtedness"; (g) loans or advances to officers, employees or consultants of the Company and the Restricted Subsidiaries in the ordinary course of business for bona fide business purposes of the Company and the Restricted Subsidiaries (including travel and moving expenses) not in excess of $1 million in the aggregate at any one time outstanding; (h) Investments in evidence of Indebtedness, securities or other property received from another person by the Company or any of the Restricted Subsidiaries in connection with any bankruptcy proceeding or by reason of a composition or readjustment of debt or a reorganization of such person or as a result of foreclosure, perfection or enforcement of any Lien in exchange for evidences of Indebtedness, securities or other property of such person held by the Company or any of the Restricted Subsidiaries, or for other liabilities or obligations of such other person to the Company or any of the Restricted Subsidiaries that were created in accordance with the terms of the Indenture: (i) non-cash consideration received as a result of Asset Sales permitted under the "Disposition of Proceeds of Asset Sales" covenant; (j) Investments not to exceed $5 million at any one time outstanding in any person whose business is performed substantially outside of the United States of America and who is in a similar line of business as the Company or a Restricted Subsidiary; (k) Investments not to exceed $10 million at any time outstanding in any person who is engaged in the business of providing drilling fluids or associated engineering and technical services to the onshore or offshore oil and gas exploration industry; and (l) so long as no Default shall have occurred and be continuing, the making of Investments constituting Restricted Payments in persons (other than Wholly-Owned Restricted Subsidiaries of the Company) made after the Issue Date not to exceed $10 million at any time outstanding.

"person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" means with respect to any person, any and all shares, interests, participation or other equivalents (however designated) of such person's preferred or preference stock whether now outstanding or issued after the Issue Date, including, without limitation, all classes and series of preferred or preference stock of such person.

"Public Equity Offering" means an underwritten primary public offer and sale of common stock of the Company pursuant to a registration statement that has been declared effective by the Commission pursuant to the Securities Act (other than a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"Purchase Money Obligation" means any Indebtedness secured by a Lien on assets related to the business of the Company or the Restricted Subsidiaries, and any additions and accessions thereto, which are

purchased or constructed by the Company or any Restricted Subsidiary at any time after the Issue Date; provided that (i) any security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created (collectively a "Security Agreement") shall be entered into prior to the date that is 90 days after the purchase or substantial completion of the construction of such assets and shall at all times be confined solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom, (ii) at no time shall the aggregate principal amount of the outstanding Indebtedness secured thereby be increased, except in connection with the purchase of additions and accessions thereto and except in respect of fees and other obligations in respect of such Indebtedness and (iii) (A) the aggregate outstanding principal amount of Indebtedness secured thereby (determined on a per asset basis in the case of any additions and accessions) shall not at the time such Security Agreement is entered into exceed 100% of the purchase price to the Company or any Restricted Subsidiary of the assets subject thereto or (B) the Indebtedness secured thereby shall be with recourse solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom.

"Redeemable Capital Stock" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time, would be required to be redeemed prior to the final Stated Maturity of the principal of the Notes or is redeemable at the option of the holder thereof at any time prior to the final Stated Maturity of the principal of the Notes.

"Refinance" means, in respect of any Indebtedness, to refinance, amend, modify, supplement, restate, extend, renew, rearrange, restructure, refund, repay, prepay, purchase, repurchase, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"Restricted Subsidiary" means any Subsidiary of the Company that has not been designated by the Board of Directors of the Company, by a Board Resolution of the Company delivered to the Trustee, as an Unrestricted Subsidiary pursuant to and in compliance with the covenant described under "--Certain Covenants--Limitation on Designations of Unrestricted Subsidiaries." Any such designation may be revoked by a Board Resolution of the Company delivered to the Trustee, subject to the provisions of such covenant. For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law or government regulation shall be disregarded in determining the ownership of a Restricted Subsidiary.

"S&P" means Standard & Poor's Corporation and its successors.

"Senior Indebtedness" means, the principal of, premium, if any, and interest on any Indebtedness of the Company, whether outstanding on the Issue Date or thereafter created, incurred or assumed, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Notes. Without limiting the generality of the foregoing, "Senior Indebtedness" shall also include the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any Bankruptcy Law, whether or not such interest is an allowable claim in such proceeding) on, and all other amounts owing in respect of, Credit Facility Obligations of the Company. Notwithstanding the foregoing, "Senior Indebtedness" shall not include (a) Indebtedness evidenced by the Notes, (b) Indebtedness that is expressly subordinate or junior in right of payment to any Senior Indebtedness, (c) Indebtedness which, when incurred and without respect to any election under Section 1111(b) of Title 11, United States Code, is by its terms without recourse to the Company, (d) any repurchase, redemption or other obligation in respect of Redeemable Capital Stock of the Company, (e) to the extent it

might constitute Indebtedness, amounts owing for goods, materials or services purchased in the ordinary course of business or consisting of trade payables or other current liabilities (other than any current liabilities owing under the Credit Facility Obligations or the current portion of any long-term Indebtedness which would constitute Senior Indebtedness but for the operation of this clause (e)), (f) to the extent it might constitute Indebtedness, any liability for federal, state, local or other taxes owed or owing by the Company, (g) Indebtedness of the Company to a Subsidiary of the Company or any other Affiliate of the Company or any of such Affiliate's Subsidiaries and (h) that portion of any Indebtedness of the Company which at the time of incurrence is incurred in violation of the Indenture (but, as to any such Indebtedness, no such violation shall be deemed to exist for purposes of this clause (h) if the holder or holders of such Indebtedness or their representative or the Company shall have furnished to the Trustee an opinion, unqualified in all material respects, of independent legal counsel, addressed to the Trustee (which legal counsel may, as to matters of fact, rely upon a certificate of the Company) to the effect that the incurrence of such Indebtedness does not violate the provisions of such Indenture); provided that the foregoing exclusions shall not affect the priorities of any Indebtedness arising solely by operation of law in any case or proceeding or similar event described in clause (a), (b) or (c) of the second paragraph of "--Subordination."

"Senior Subordinated Obligations" means, with respect to the Company or any Guarantor, as the case may be, (i) any principal of, premium, if any, and interest on, and any other amounts (including, without limitation, any payment obligations with respect to the Notes arising as a result of any Asset Sale, Change of Control or redemption) owing in respect of, the Notes payable pursuant to the terms of the Notes or the Indenture or upon acceleration of the Notes, with respect to the Company, (ii) the Guarantee of such Guarantor, with respect to a Guarantor, and (iii) any other Indebtedness of the Company or such Guarantor that specifically provides that such Indebtedness is to rank pari passu with the Notes or such Subsidiary Guarantee, as the case may be, in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of the Company or such Guarantor, which is not Senior Indebtedness of the Company or such Guarantor.

"Significant Subsidiary" means any Subsidiary of the Company which, as of the relevant date of determination, would be a "significant subsidiary" as defined in Rule 1.02(w) of Regulation S-X under the Securities Act as of the Issue Date, assuming the Company is the "registrant" referred to in such definition; provided that no Unrestricted Subsidiary shall be deemed a Significant Subsidiary.

"Specified Indebtedness" means any Senior Indebtedness and any Guarantor Senior Indebtedness.

"Stated Maturity" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which any principal of such Note or such installment of interest is due and payable, and when used with respect to any other Indebtedness or any installments of interest thereon, means any date specified in the instrument governing such Indebtedness as the fixed date on which the principal of such Indebtedness, or such installment of interest thereon, is due and payable.

"Subordinated Obligations" means Indebtedness of the Company or a Guarantor (whether outstanding on the Issue Date or thereafter incurred) which by its terms is expressly subordinated in right of payment to the Notes or its Guarantee, as the case may be.

"Subsidiary" means, with respect to any person, (i) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such person, by one or more Subsidiaries of such person or by such person and one or more Subsidiaries of such person and (ii) any other person (other than a corporation), including, without limitation, a limited liability company and a limited partnership, in which such person, one or more Subsidiaries of such person or such person and one or more Subsidiaries of such

person, directly or indirectly, at the date of determination thereof, has at least a majority ownership interest entitled to vote in the election of directors, members, partners, managers, officers, agents or trustees thereof (or other person performing similar functions) or is a general partner (or serves in a similar capacity to such person). For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law or governmental regulation shall be disregarded in determining the ownership of a Subsidiary.

"taxes" means any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto) imposed or levied by or on behalf of a Taxing Authority.

"Taxing Authority" means any government or any political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"Unrestricted Subsidiary" means a Subsidiary of the Company designated as such pursuant to and in compliance with the covenant described under "--Certain Covenants--Limitation on Designations of Unrestricted Subsidiaries," and any Subsidiary of such Unrestricted Subsidiary. Any such designation may be revoked by a Board Resolution of the Company delivered to the Trustee, subject to the provisions of such covenant.

"U.S. Government Obligations" means direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America for the payment of which guarantee or obligation the full faith and credit of the United States is pledged.

"Voting Stock" means any shares of any class or classes of Capital Stock pursuant to which the holders of such shares have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of any person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"Wholly-Owned Restricted Subsidiary" means a Restricted Subsidiary of which 100% of the outstanding Capital Stock is owned by the Company and/or another Wholly-Owned Restricted Subsidiary. For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law or governmental regulation shall be disregarded in determining the ownership of a Restricted Subsidiary.

BOOK ENTRY DELIVERY AND FORM

The 144A Notes offered and sold to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act are represented by two permanent Global Notes in definitive, fully registered book-entry form (the "Rule 144A Global Notes") and are registered in the name of Cede & Co., as nominee of the DTC, on behalf of purchasers of the 144A Notes represented thereby for credit to the respective accounts of such purchasers (or to such other accounts as they may direct) at the DTC.

The certificates representing the Exchange Notes will be issued in fully registered form. Except as described in the next paragraph, the Exchange Notes initially will be represented by a single, permanent Global Exchange Note, in definitive, fully registered form without interest coupons (the "Global Exchange Note" and together with the Rule 144A Global Notes, the "Global Notes"), and the Global Exchange Note

will be deposited with the Trustee as custodian for the DTC and registered in the name of Cede & Co. or such other nominee as the DTC may designate.

Holders of Notes who elect to take physical delivery of their certificates instead of holding their interest through a Global Note (collectively referred to herein as the "Non-Global Holders") will be issued in registered form a certificated Note ("Certificated Note"). Upon the transfer of any Certificated Note initially issued to a Non-Global Holder, such Certificated Note will, unless the transferee requests otherwise or the Global Note has previously been exchanged in whole for Certificated Notes, be exchanged for an interest in the appropriate Global Note.

THE GLOBAL NOTES

The Company expects that pursuant to procedures established the by the DTC (a) upon deposit of the Global Exchange Note, the DTC or its custodian will credit on its internal system portions of the Global Exchange Note, as appropriate, to the respective accounts of persons who own beneficial interests in the Global Exchange Note and who have accounts with such depositary and (b) ownership of the Exchange Notes will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by the DTC or its nominee (with respect to interests of Participants (as defined below) and the records of Participants (with respect to interests of persons other than Participants)). Ownership of beneficial interests in the Global Exchange Note will be limited to persons who have accounts with the DTC ("Participants") or persons who hold interests through Participants. Holders may hold their interests in the Global Exchange Note directly through the DTC if they are Participants in such system or, if they are not Participants, indirectly through organizations which are Participants in such system.

So long as the DTC or its nominee is the registered owner of a Global Note, the DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by the Global Note for all purposes under the Indenture and the Notes. Except as provided below, owners of beneficial interests in a Global Note will not be entitled to have Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Certificated Notes, and will not be considered the owners or holders thereof under the Indenture for any purpose, including with respect to the giving of any directions, instruction or approval to the Trustee thereunder. As a result, the ability of a person having a beneficial interest in Notes represented by a Global Note to pledge or transfer such interest to persons or entities that do not participate in the DTC system or to otherwise take action with respect to such interest may be affected by the lack of a physical certificate evidencing such interest. No beneficial owner of an interest in the Global Exchange Note will be able to transfer such interest except in accordance with the applicable procedures of the DTC, in addition to those provided for under the Indenture.

Each person owning a beneficial interest in a Global Note must rely on the procedures of the DTC and, if such person is not a Participant or an Indirect Participant (as defined below), on the procedures of the Participant through which such person owns its interest, to exercise any rights of a Holder of Notes under the Indenture or such Global Note. The Company understands that under existing industry practice, if the Company requests any action of Holders of Notes, or a person that is an owner of a beneficial interest in a Global Note desires to take any action that the DTC, as the Holder of such Global Note, is entitled to take, the DTC would authorize the Participants to take such action and the Participants would authorize persons owning through such Participants to take such action or would otherwise act upon the instruction of such persons. Neither the Company nor the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of Notes by the DTC, or for maintaining, supervising or reviewing any records of the DTC relating to such Notes or for any other matter relating to the actions or procedures of the DTC.

Payments with respect to the principal of, premium, if any, and interest on, any Notes represented by a Global Note registered in the name of DTC or its nominee on the applicable record date will be payable by the Trustee to or at the direction of the DTC or its nominee in its capacity as the registered Holder of the Global Note representing such Notes under the Indenture. Under the terms of the Indenture, the Company and the Trustee may treat the persons in whose names the Notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payment and for any and all other purposes whatsoever. Consequently, neither the Company nor the Trustee has or will have any responsibility or liability for the payment of such amounts to beneficial owners of interests in the Global Note (including principal, premium, if any, and interest). The Company believes, however, that it is currently the policy of the DTC to immediately credit the accounts of the relevant Participants with such payment, in amounts proportionate to their respective holdings in principal amount of beneficial interests in the relevant Notes as shown on the records of the DTC. Payments by Participants and Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practice and will be the responsibility of the Participants or the Indirect Participants and the DTC.

Transfers between Participants in the DTC will be effected in accordance with the DTC's rules and will be settled in immediately available funds. If a Holder requires physical delivery of a Certificated Note for any reason, including to sell Notes to persons in states which require physical delivery of such Notes or to pledge such Notes, such Holder must transfer its interest in the Global Note in accordance with the procedures of the DTC and in accordance with the procedures set forth in the Indenture.

The DTC has advised the Company as follows: the DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. The DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies (collectively, the "Indirect Participants") that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. Persons who are not Participants may beneficially own securities held by or on behalf of the DTC only through the DTC's Participants or Indirect Participants.

Although the DTC is expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among Participants of the DTC, it is under no obligation to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Trustee, the Registrar or the Paying Agent will have any responsibility for the performance by the DTC, Participants or Indirect Participants of their obligations under the rules and procedures governing their operations.

The information in this section concerning the DTC and the DTC's book-entry system has been obtained from sources the Company believes to be reliable, but the Company takes no responsibility for the accuracy thereof.

CERTIFICATED NOTES

Subject to certain conditions, any person having a beneficial interest in a Global Note may, upon request to the Trustee, exchange such beneficial interest for Notes in the form of Certificated Notes. Upon any such issuance, the Trustee is required to register such Notes in the name of, and cause the

same to be delivered to, such person or persons (or the nominee of any thereof). In addition, if (a) the DTC or any successor depositary (the "Depositary") notifies the Company in writing that the Depositary is no longer willing or able to act as a depositary and the Company is unable to locate a qualified successor within 90 days or (b) an Event of Default has occurred and is continuing with respect to the Notes, then, upon surrender by the registered owner or Holder of a Global Note (a "Global Note Holder") of its Global Note, Notes in the form of Certificated Notes will be issued to each person that such Global Note Holder and the Depositary identify as the beneficial owner of the related Notes.

Neither the Company nor the Trustee will be liable for any delay by the related Global Note Holder or the Depositary in identifying the beneficial owners of the related Notes, and each such person may conclusively rely on, and will be protected in relying on, instructions from such Global Note Holder or the Depositary for all purposes (including with respect to the registration and delivery, and the respective principal amounts, of the Notes to be issued).

DESCRIPTION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE EXCHANGE NOTES

The following is a summary of the material United States federal income tax consequences of the acquisition, ownership and disposition of the Exchange Notes by a United States Holder (as defined below). This summary deals only with United States Holders that will hold the Exchange Notes as capital assets. The discussion does not cover all aspects of federal taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of the Exchange Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the federal income tax laws (such as banks, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Exchange Notes as part of straddles, hedging transactions or conversion transactions for federal tax purposes or investors whose functional currency is not United States dollars). Furthermore, the discussion below is based on provisions of the Code, and regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified so as to result in United States federal income tax consequences different from those discussed below. EACH HOLDER OF 144A NOTES SHOULD CONSULT ITS OWN TAX ADVISORS CONCERNING THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IN LIGHT OF ITS PARTICULAR SITUATION, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION.

As used herein, the term "United States Holder" means a beneficial owner of the Exchange Notes that is (i) a citizen or resident of the United States for United States federal income tax purposes, (ii) a corporation created or organized under the laws of the United States or any State thereof, (iii) a person or entity that is otherwise subject to United States federal income tax on a net income basis in respect of income derived from the Exchange Notes, or (iv) a partnership to the extent the interest therein is owned by a person who is described in clause (i), (ii) or (iii) of this paragraph.

INTEREST

Interest paid on an Exchange Note will be taxable to a United States Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes.

ORIGINAL ISSUE DISCOUNT

Under the applicable provisions of the Code, the 144A Notes were issued with no original issue discount for federal income tax purposes. Because the Exchange Notes should be treated as a continuation of the 144A Notes, there also should be no original issue discount applicable to the Exchange Notes.

PURCHASE, SALE, EXCHANGE, RETIREMENT AND REDEMPTION OF THE EXCHANGE NOTES

In general (with certain exceptions described below), a United States Holder's tax basis in an Exchange Note should equal the price paid for the 144A Notes for which such Exchange Note was exchanged pursuant to the Exchange Offer. A United States Holder generally will recognize gain or loss on the sale, exchange, retirement, redemption or other disposition of an Exchange Note (or portion thereof) equal to the difference between the amount realized on such disposition and the United States Holder's tax basis in the Exchange Note (or portion thereof). Except to the extent attributable to accrued but unpaid interest, gain or loss recognized on such disposition of an Exchange Note will be capital gain or loss and will be long-term capital gain or loss if such Exchange Note is held for more than one year and will be subject to tax at a reduced rate if such Exchange Note is held for more than 18 months.

BOND PREMIUM

If a United States Holder acquired a 144A Note for an amount more than the amount payable at maturity (or at an earlier call date if a smaller premium would result), the Holder may elect to amortize and deduct such bond premium on a yield to maturity basis. Once made, such an election applies to all bonds (other than bonds the interest on which is excludable from gross income) held by the United States Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States Holder, unless the IRS consents to a revocation of the election. The basis of an Exchange Note will be reduced by any amortizable bond premium taken as a deduction.

MARKET DISCOUNT

The receipt of an Exchange Note in exchange for a 144A Note purchased other than at original issue may be affected by the market discount provisions of the Code. These rules generally provide that, subject to a statutorily defined de minimis exception, if a United States Holder purchased a 144A Note at a "market discount," as defined below, and thereafter recognizes gain upon a disposition of the Exchange Note acquired in exchange therefor (including dispositions by gift or redemption), the lesser of such gain (or appreciation, in the case of a gift) or the portion of the market discount that has accrued ("accrued market discount") while the Exchange Note (and its predecessor 144A Note, if any) was held by such United States Holder will be treated as ordinary interest income at the time of disposition rather than as capital gain. For a 144A Note, "market discount" is the excess of the stated redemption price at maturity over the tax basis immediately after its acquisition by a United States Holder. Market discount generally will accrue ratably during the period from the date of acquisition to the maturity date of the Note, unless the United States Holder elects to accrue such discount on the basis of the constant yield method. Such an election applies only to the Note with respect to which it is made and is irrevocable.

In lieu of including the accrued market discount in income at the time of disposition, a United States Holder of an Exchange Note acquired in exchange for a 144A Note

acquired at a market discount may elect to include the accrued market discount in income currently either ratably or using the constant yield method. Once made, such an election applies to all other obligations that the United States Holder purchases at a market discount during the taxable year for which the election is made and in all subsequent taxable years of the United States Holder, unless the IRS consents to a revocation of the election. If an election is made to include accrued market discount in income currently, the basis of the Note in the hands of the United States Holder will be increased by the accrued market discount thereon as it is includable in income. A United States Holder of a market discount Note who does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to such Note, if any, in an amount not exceeding the accrued market discount on such Note until the maturity or disposition of such Note.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Payments of interest on, and the proceeds of sale or other disposition of the Notes payable to a United States Holder may be subject to information reporting requirements, and backup withholding at a rate of 31% will apply to such payments if, among other things, the United States Holder fails to provide an accurate taxpayer identification number or to report all interest and dividends required to be shown on its federal income tax returns. Certain United States Holders (including, among others, corporations) are not subject to backup withholding on such payments. United States Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such an exemption.

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offer in exchange for 144A Notes that were acquired by such broker-dealer as a result of market-making activities or other trading activities (a "Participating Broker-Dealer") must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a Participating Broker-Dealer in connection with resales of any such Exchange Notes. Newpark has agreed that, starting on the Expiration Date and ending on the close of business on the 180/th/ day following the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any Participating Broker-Dealer for use in connection with any such resale.

Newpark will not receive any proceeds from any sales of Exchange Notes by Participating Broker-Dealers. Exchange Notes received by Participating Broker-Dealers may be sold from time to time, in one or more transactions on one or more exchanges (Newpark intends to apply for listing of the Exchange Notes on the NYSE, but there can be no assurance that such application will be approved), in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resales may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any Participating Broker-Dealer that resells such Exchange Notes. Any Participating Broker-Dealer and any broker-dealer that participates in a distribution of Exchange Notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a Participating

Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. See "The Exchange Offer--Resale of the Exchange Notes."

For a period of 180 days after the Expiration Date, Newpark will promptly send additional copies of this Prospectus and any amendment or supplement of this Prospectus to any Participating Broker-Dealer that requests such documents in the Letter of Transmittal. Newpark and the Guarantors have agreed to pay certain expenses incident to the Exchange Offer and will indemnify the holders of the 144A Notes against certain liabilities, including certain liabilities that may arise under the Securities Act.

LEGAL MATTERS

Certain legal matters will be passed upon for the Issuers by Ervin, Cohen & Jessup LLP, Beverly Hills, California.

EXPERTS

The Consolidated Financial Statements of Newpark as of December 31, 1995 and 1996 and for each of the three years in the period ended December 31, 1996 included in this Prospectus and incorporated by reference from Newpark's Annual Report on Form 10-K for the year ended December 31, 1996, as amended, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report which is included and incorporated by reference herein, and has been so included and incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders of
Newpark Resources, Inc.

We have audited the accompanying consolidated balance sheets of Newpark Resources, Inc. and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Newpark Resources, Inc. and subsidiaries at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
May 14, 1997

NEWPARK RESOURCES, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	DECEMBER 31,		SEPTEMBER 30,
	1995	1996	1997
			(UNAUDITED)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,500	$ 1,945	$ 6,179
Accounts and notes receivable, less allowance of $768 in 1995, $1,695 in 1996 and $1,925 in 1997	39,898	48,369	58,167
Inventories	12,039	7,470	18,305
Deferred tax asset	2,701	8,144	3,149
Other current assets	1,450	2,727	2,457
TOTAL CURRENT ASSETS	57,588	68,655	88,257
Property, plant and equipment, at cost, net of accumulated depreciation	85,519	114,670	164,351
Cost in excess of net assets of purchased businesses and identifiable intangibles, net of accumulated amortization	4,340	83,512	97,579
Other assets	6,685	23,047	26,541
	$154,132	$289,884	$376,728
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Notes payable	$ 287	$ 647	$ 67
Current maturities of long-term debt	7,844	11,736	1,583
Accounts payable	12,167	15,091	18,975
Accrued liabilities	3,562	9,835	7,566
Current taxes payable	1,165	1,465	2,243
TOTAL CURRENT LIABILITIES	25,025	38,774	30,434
Long-term debt	47,106	34,918	76,392
Other non-current liabilities	285	2,644	2,077
Deferred taxes payable	3,961	10,107	10,373
Commitments and contingencies (See Note J).	--	--	--
STOCKHOLDERS' EQUITY:			
Preferred Stock, $.01 par value, 1,000,000 shares authorized, no shares outstanding	--	--	--
Common Stock, $.01 par value, 80,000,000 shares authorized, 44,864,708 shares outstanding in 1995, 60,438,464 in 1996 and 63,997,888 in 1997	444	600	634
Paid-in capital	146,800	253,829	282,574
Retained earnings (deficit)	(69,489)	(50,988)	(25,756)
TOTAL STOCKHOLDERS' EQUITY	77,755	203,441	257,452
	$154,132	$289,884	$376,728

See accompanying Notes to Consolidated Financial Statements.

NEWPARK RESOURCES, INC.

CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEARS ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1994	1995	1996	1996	1997
				(UNAUDITED)	
Revenues	$86,625	$105,720	$135,974	$ 90,636	$ 148,782
Operating costs and expenses:					
Cost of services provided.	60,901	70,360	87,081	58,039	89,769
Operating costs	9,124	10,693	10,784	7,707	13,763
	70,025	81,053	97,865	65,746	103,532
General and administrative expenses	3,231	2,658	2,920	2,168	2,465
Restructure expense	--	--	2,432	2,432	--
Provision for uncollectible accounts and notes receivable	1,260	463	739	6	--
Operating income	12,109	21,546	32,018	20,284	42,785
Interest income	(80)	(222)	(223)	(86)	(154)
Interest expense	2,724	3,833	3,900	2,854	2,703
Non-recurring expense	--	436	--	--	--
Income before income taxes	9,465	17,499	28,341	17,516	40,236
Provision (benefit) for income taxes	(252)	4,958	9,838	6,210	14,723
Net income	$ 9,717	$ 12,541	$ 18,503	$ 11,306	$ 25,513
Weighted average common and common equivalent shares outstanding:					
Primary	42,772	45,640	52,792	49,892	64,160
Fully diluted	43,096	45,808	52,992	50,112	64,636
Net income per common and common equivalent share:					
Primary	$ .23	$ .27	$ .35	$ .23	$ .40
Fully diluted	$ .23	$ .27	$ .35	$ .23	$ .39

See accompanying Notes to Consolidated Financial Statements.

NEWPARK RESOURCES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(IN THOUSANDS)
(INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 IS UNAUDITED)

	COMMON STOCK	PAID-IN CAPITAL	RETAINED EARNINGS (DEFICIT)	TOTAL
BALANCE, JANUARY 1, 1994	$416	$133,074	$(83,023)	$ 50,467
Employee stock options	4	947	--	951
Other	--	2,496	--	2,496
Net income	--	--	9,717	9,717
BALANCE, DECEMBER 31, 1994	420	136,517	(73,306)	63,631
Employee stock options	4	1,579	--	1,583
Stock dividend	20	8,704	(8,724)	--
Net income	--	--	12,541	12,541
BALANCE, DECEMBER 31, 1995	444	146,800	(69,489)	77,755
Employee stock options	12	4,944	(2)	4,954
Public offering	140	96,249	--	96,389
Acquistions	4	5,836	--	5,840
Net income	--	--	18,503	18,503
BALANCE, DECEMBER 31, 1996	600	253,829	(50,988)	203,441
Employee stock options	12	8,379	(9)	8,382
Acquisitions	22	20,366	(272)	20,116
Net income	--	--	25,513	25,513
BALANCE, SEPTEMBER 30, 1997	$634	$282,574	$(25,756)	$257,452

See accompanying Notes to Consolidated Financial Statements.

NEWPARK RESOURCES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED DECEMBER 31,			NINE MONTHS ENDED SEPTEMBER 30,	
	1994	1995	1996	1996	1997
				(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	$ 9,717	$12,541	$ 18,503	$ 11,306	$ 25,513
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	7,393	10,000	17,220	10,357	18,514
Provision for doubtful accounts	974	190	775	6	--
Provision (benefit) from deferred income taxes	(383)	3,326	4,738	3,165	10,460
Loss (gain) on sales of assets	(3)	80	36	56	19
Change in assets and liabilities net of effects of acquisitions:					
Decrease (increase) in accounts and notes receivable	(4,003)	(16,410)	(10,410)	4,789	(5,289)
Decrease (increase) in inventories	702	(4,897)	188	113	(10,667)
Increase in other assets	(1,875)	(1,509)	(1)	(29)	(1,141)
(Decrease) increase in accounts payable	(152)	1,896	1,395	(1,099)	(2,497)
(Decrease) increase in accrued liabilities and other	(864)	2,227	(7,579)	(3,523)	(6,786)
NET CASH PROVIDED BY OPERATING ACTIVITIES	11,506	7,444	24,865	25,141	28,126
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(23,160)	(24,024)	(44,521)	(37,947)	(58,413)
Disposal of property, plant and equipment	102	567	1,492	1,557	95
Investment in joint ventures	30	(1,094)	(4,406)	--	(376)
Net cash acquired in connection with acquisitions	--	--	--	--	2,411
Payments received on notes receivable	--	249	440	--	--
Advances on notes receivable	(1,000)	(227)	(112)	--	--
Purchase of Campbell Wells assets	--	--	(70,330)	(70,500)	--
Purchase of patents	--	--	(5,700)	(5,700)	--
Purchase of partners' joint venture interest	--	--	(1,131)	(1,170)	--
Proceeds from sale of net assets of discontinued operations	661	--	--	--	--
NET CASH USED IN INVESTING ACTIVITIES	(23,367)	(24,529)	(124,268)	(113,760)	(56,283)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net borrowings on lines of credit	492	20,796	5,749	9,103	40,103
Principal payments on notes payable, and long-term debt	(10,709)	(20,784)	(12,294)	(22,623)	(11,694)
Proceeds from issuance of debt	21,617	15,328	3,374	2,190	--
Proceeds from exercise of stock options	897	1,266	4,953	2,193	3,832
Proceeds from issuance of stock, net of expenses	--	--	98,066	98,066	--
Other	55	317	--	--	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	12,352	16,923	99,848	88,929	32,241
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	491	(162)	445	310	4,084
NET INCREASE IN CASH FOR POOLED ACQUISITION FOR THE TWO MONTHS ENDED DECEMBER 31, 1996	--	--	--	--	150
CASH AND CASH EQUIVALENTS AT					

BEGINNING OF PERIOD.....	$ 1,171	$ 1,662	$ 1,500	$ 1,500	$ 1,945
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	$ 1,662	$ 1,500	$ 1,945	$ 1,810	$ 6,179

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(INFORMATION WITH RESPECT TO SEPTEMBER 30, 1996 AND 1997 AND THE NINE MONTH PERIODS THEN ENDED IS UNAUDITED)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PRINCIPLES OF CONSOLIDATION. Newpark Resources, Inc. ("Newpark" or the "Company") provides comprehensive environmental management and oilfield construction services to the oil and gas industry in the Gulf Coast region, principally Louisiana and Texas. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All financial statements have been restated to include the effects of the Sampey, Bilbo, Meschi, Drilling Fluids Management, Inc. ("SBM") acquisition that was accounted for as a pooling of interests. All material intercompany transactions are eliminated in consolidation.

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

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

FAIR VALUE DISCLOSURES. Statement of Financial Accounting Standards ("SFAS") No. 107, "Disclosures about Fair Value of Financial Instruments", requires the disclosure of the fair value of all significant financial instruments. The estimated fair value amounts have been developed based on available market information and appropriate valuation methodologies. However, considerable judgment is required in developing the estimates of fair value. Therefore, such estimates are not necessarily indicative of the amounts that could be realized in a current market exchange. After such analysis, management believes the carrying values of the Company's significant financial instruments (consisting of cash and cash equivalents, receivables, payables and long-term debt) approximate fair values at December 31, 1996 and 1995.

INVENTORIES. Inventories are stated at the lower of cost (principally average and first-in, first-out) or market. Such inventories consist of logs, supplies, and board road lumber. Board road lumber is amortized on the straight-line method over its estimated useful life of approximately one year.

DEPRECIATION AND AMORTIZATION. Depreciation of property, plant and equipment, including interlocking board road mats, is provided for financial reporting purposes on the straight-line method over the estimated useful lives of the individual assets which range from three to forty years. For income tax purposes, accelerated methods of depreciation are used.

The cost in excess of net assets of purchased businesses ("excess cost") is being amortized on a straight-line basis over twenty-five to forty years, except for $2,211,000 relating to acquisitions prior to 1971 that is not being amortized. Management of the Company periodically reviews the carrying value of the excess cost in relation to the current and expected operating results of the businesses which benefit therefrom in order to assess whether there has been a permanent impairment of the excess cost of the net purchased assets. Accumulated amortization on excess cost was $1,253,000 and $437,000 at December 31, 1996 and 1995, respectively.

REVENUE RECOGNITION. Revenues from certain contracts, which are typically of short duration, are reported as income on a percentage-of-completion method. Contract revenues are recognized in the proportion that costs incurred bear to the estimated total costs of the contract. When an ultimate loss is anticipated on a contract, the entire estimated loss is recorded. Included in accounts receivable are unbilled revenues in the amounts of $6,600,000 and $8,600,000 at December 31, 1996 and 1995, respectively, all of which are due within a one year period.

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

NON-RECURRING EXPENSE. Results for the 1995 period include $436,000 of non-recurring cost associated with a proposed merger which was not completed.

INTEREST CAPITALIZATION. For the years ended December 31, 1996, 1995 and 1994 the Company incurred interest cost of $4,415,000, $4,291,000, and $2,869,000 of which $515,000, $458,000, and $145,000, respectively, was capitalized on qualifying construction projects. For the nine months ended September 30, 1997 and 1996 the Company incurred interest cost of $3,461,000 and $3,296,000, respectively, of which $758,000 and $442,000, respectively, was capitalized on qualified construction projects.

INCOME PER SHARE. Primary and fully diluted net income per share is based on the weighted average number of shares of common stock and common stock equivalents outstanding during the year. Common stock equivalents consist of stock options. All per share and weighted average share amounts have been restated to give retroactive effect to a 2-for-1 stock split, effected in the form of a 100% stock dividend, approved by the Board of Directors on October 27, 1997, a 2-for-1 stock split approved by the stockholders on May 14, 1997 and a 5% stock dividend declared and paid during 1995.

STOCK-BASED COMPENSATION. SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations and has adopted the disclosure-only provisions of SFAS 123. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. See Note H.

NEW ACCOUNTING PRONOUNCEMENTS. In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards Number 128 "Earnings per share" ("SFAS 128") which changes the method of calculating earnings per share (EPS). SFAS 128 requires the presentation of "basic" EPS and "diluted" EPS on the face of the statement of income. Basic EPS is computed by dividing the net income available to common stockholders by the weighted average shares of outstanding common stock. The calculation of diluted EPS is similar to basic EPS except that the denominator includes dilutive common stock equivalents such as stock options and warrants. The statement is effective for financial statements for periods ending after December 31, 1997. The Company will adopt SFAS 128 in the fourth quarter of 1997, as early adoption is not permitted. The adoption of this standard will not have a significant impact on the Company's reported EPS amounts.

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

B. ACQUISITIONS AND DISPOSITIONS

On August 12, 1996, the Company acquired from Campbell Wells, Ltd. ("Campbell") substantially all of the non-landfarm assets and certain leases associated with five transfer stations located along the Gulf Coast and three receiving docks at the landfarm facilities operated by Campbell for cash consideration of $70.5 million.

This acquisition has been accounted for under the purchase method and the results of the operations of the acquired business have been included in the consolidated financial statements since the date of acquisition. The purchase price was allocated based on estimated fair values at the date of acquisition. This resulted in an excess of purchase price over assets acquired of $77.2 million, of which $68.7 million is being amortized on a straight-line basis over 35 years, and $8.5 million is being amortized on a straight-line basis over 25 years.

The following unaudited pro forma information presents a summary of consolidated results of operations of the Company and Campbell as if the acquisition and the related equity offering had occurred January 1, 1995.

	1995	1996
	(IN THOUSANDS EXCEPT PER SHARE DATA)	
Revenues	$124,557	$152,753
Net income	16,018	20,460
Net income per common and common equivalent share:		
Primary	$ 0.35	$ 0.39
Fully diluted	0.35	0.38

These unaudited pro forma results have been prepared for comparative purposes only and include certain adjustments, such as additional amortization expense as a result of goodwill, the net effect on operating costs related to the combined operations, reduced interest expense as a result of debt reduction from the proceeds of the offering, and the net impact of the above adjustments on income tax expense. They do not purport to be indicative of the results of operations which actually would have resulted had the combination been in effect on January 1, 1995, or of future results of operations of the consolidated entities.

Concurrent with the Campbell acquisition, the Company entered into an agreement to provide a certain volume of waste over a future period to Campbell. See further discussion in Note J.

In conjunction with this acquisition and the acquisition of a new waste disposal license, the Company recorded a third quarter restructure charge of $2.4 million, $1.6 million after taxes, or $0.03 per common share. A total of approximately $1.8 million was related to the restructuring of certain of the Company's NOW processing operations and staffing changes to facilitate the integration of its operations with those recently acquired by Campbell. The Company recognized an additional $.6 million of non-recurring costs associated with the termination of processing operations at its original NORM facility at Port Arthur, Texas and the partial closure of the site.

On August 29, 1996, the Company sold the land, buildings and certain equipment comprising substantially all of the assets of its former marine repair operation to the operator of the facility and refinanced certain advances previously made to the operator. The assets sold had previously been subject to an operating lease to the same party, and the purchase was made under the terms of a purchase option granted in the original lease. The sales price of approximately $16.0 million represents the net book value of the assets sold and refinanced. The consideration received included $1.2 million in cash, $7.2 million in notes receivable, and $7.6 million in debt obligations, which were assumed by the operator. The notes receivable are included in other assets and have been recorded at their estimated fair value which approximates the amount at which they can be prepaid at the operator's options during the term of the notes. The notes receivable include two notes, one of which is in the face amount of $8,534,000, bears interest at 5.0% per annum, with interest and principal payable at September 30, 2003. The second note is in the face amount of $600,000, bears interest at 8.0% per annum and is payable in monthly and annual installments of principal and interest through September 30, 2003. Both notes are secured by a second lien on the assets sold as well as certain guarantees of the operator. The Company has guaranteed certain of the debt obligations of the operator, which is limited to a maximum of $10 million and reduces proportionately with debt repayments made by the operator.

On February 28, 1997, Newpark issued 2,328,000 shares of its common stock in exchange for all of the outstanding common stock of SBM. SBM is a full service drilling fluids company serving the onshore and offshore Louisiana and Texas Gulf Coast drilling markets. This business combination has been accounted for as a pooling of interests, and accordingly, the consolidated financial statements for periods prior to the combination have been restated to include the accounts and results of operations of SBM.

Prior to the combination SBM's fiscal year end was October 31. Newpark's fiscal year is December 31. In applying pooling of interests accounting, the December 31, Newpark consolidated financial statements were combined with the October 31 SBM financial statements for all years presented.

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

	YEAR ENDED DECEMBER 31,	
	1995	1996
	(IN THOUSANDS)	
Revenues:		
Newpark	$ 97,982	$ 121,542
SBM	7,738	14,432
Combined	$ 105,720	$ 135,974
Net Earnings:		
Newpark	$ 12,236	$ 18,453
SBM	306	50
Combined	$ 12,542	$ 18,503

In addition to SBM, Newpark acquired several other companies in 1997. Certain of these acquisitions have been accounted for by the purchase method and include the results of operations of the acquired companies since their respective acquisition dates in 1997. These acquisitions were completed in exchange for an aggregate of 1,193,332 shares of Newpark common stock. The historical results of operations related to these acquisitions individually and in the aggregate were not considered significant in relation to the financial reporting requirements of Newpark.

Also during 1997, Newpark acquired two additional companies, the acquisitions of which have been accounted for as pooling of interests. These combinations were completed in exchange for an aggregate of 1,168,000 shares of Newpark common stock. Prior year financial statements have not been restated because the financial information related to these entities individually and in the aggregate were not considered significant in relation to the financial reporting requirements of Newpark. The results of operations related to these entities during 1997, prior to the combination dates, were also not considered significant.

C. PROPERTY, PLANT AND EQUIPMENT

The Company's investment in property, plant and equipment at December 31, 1996 and 1995 is summarized as follows:

	1995	1996
	(IN THOUSANDS)	
Land	$ 5,072	$ 2,411
Buildings and improvements	30,172	17,258
Machinery and equipment	44,203	53,297
Board road mats	46,386	78,881
Other	2,584	2,579
	128,417	154,426
Less accumulated depreciation	(42,898)	(39,756)
	$85,519	$114,670

D. CREDIT ARRANGEMENTS AND LONG-TERM DEBT

Credit arrangements and long-term debt consisted of the following at December 31, 1996 and 1995:

	1995	1996
	(IN THOUSANDS)	
Bank--line of credit	$18,378	$11,778
Bank--term note	25,000	27,223
Bank--line of credit	--	2,350
Building loan	482	1,799
Acquisition financing due in 1999 with an interest rate of 7%	--	1,375
Note payable to stockholder at 10% due in 2000	484	382
Assets subject to lease, financed through 2001 with an interest rate of 10.1%	8,075	--
Acquisition financing due in 1996 with an interest rate of 8%	327	--
Other, principally installment notes secured by machinery and equipment, payable through 2001 with interest at 3.3% to 13.5%	2,204	1,747
	54,950	46,654
Less: current maturities of long-term debt	(7,844)	(11,736)
Long-term portion	$47,106	$34,918

As of September 30, 1997, the Company maintained a $90.0 million bank credit facility in the form of a revolving line of credit commitment. As of December 31, 1996, the Company maintained a $60.0 million bank credit facility with $25.0 million in the form of a revolving line of credit commitment and $35.0 million in a term note. The credit facility is secured by a pledge of substantially all of the Company's accounts receivable, inventory and property, plant, and equipment. It bears interest at either a specified prime rate (8.25% at December 31, 1996 and 8.5% at September 30, 1997) or the LIBOR rate (5.563% at December 31, 1996 and 5.77% at September 30, 1997) plus a spread which is determined quarterly based upon the ratio of the Company's funded debt to cash flow. The average interest rate for the year ended December 31, 1996 was 7.41%. The line of credit requires monthly interest payments and matures on June 30, 2000. At December 31, 1996, $1.8 million of letters of credit were issued and outstanding, leaving a net of $23.2 million available for cash advances under the line of credit, against which $11.8 million had been borrowed. At September 30, 1997, $2.0 million of letters of credit were issued and outstanding and $73.07 million had been borrowed. The outstanding balance on the term note at December 31, 1996 was $27.2 million. The average interest rate for the year ended December 31, 1996 was 7.82%. 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 with the respective agreements at December 31, 1996 and at September 30, 1997.

In November 1996, an amendment to the credit facility was approved by the banks, which eliminated the monthly borrowing base determination, reduced certain of the restrictive and compliance covenants contained in the facility, and reduced the frequency of financial reporting.

The Company also had an additional revolving credit loan agreement whereby it could borrow a maximum of $2,500,000. Borrowings under this revolving credit loan agreement were limited to the amount of certain accounts receivable and inventory. The aggregate advances outstanding as of December 31, 1996 totaled $2,350,000, due August 30, 1997. Under the terms of the agreement, interest was payable monthly at the bank's prime rate plus 1%. This line of credit was paid in full subsequent to December 31, 1996.

Maturities of long-term debt are $11,736,000 in 1997, $21,099,000 in 1998, $8,466,000 in 1999, $4,105,000 in 2000, $180,000 in 2001 and $1,068,000 thereafter.

E. INCOME TAXES

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

	YEAR ENDED DECEMBER 31,		
	1994	1995	1996
	(IN THOUSANDS)		
Current tax expense	$ 115	$ 1,632	$ 3,670
Deferred tax expense (benefit)	(367)	3,326	6,168
Total provision (benefit)	$ (252)	$ 4,958	$ 9,838

The deferred tax expense (benefit) includes a decrease in the valuation allowance for deferred tax assets of $236,000, $1,700,000, and $3,129,000 for 1996, 1995 and 1994, respectively.

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

	YEAR ENDED DECEMBER 31,		
	1994	1995	1996
Income tax expense at statutory rate	34.0%	34.0%	35.0%
Non-deductible portion of business expenses	(2.4)	1.4	1.0
Tax benefit of NOL utilization	(36.6)	(9.7)	(1.0)
Other	2.3	2.6	(.3)
Total income tax expense (benefit)	(2.7)%	28.3	34.7%

For federal income tax purposes, the Company has net operating loss carryforwards ("NOLs") of approximately $10 million (net of amounts disallowed pursuant to IRC Section 382) that, if not used, will expire in 1999 through 2010. The Company also has approximately $4 million of alternative minimum tax credit carryforwards, which are not subject to expiration and are available to offset future regular income taxes subject to certain limitations. These carryforwards have been recognized for financial reporting purposes.

Temporary differences and carryforwards which give rise to a significant portion of deferred tax assets and liabilities at December 31, 1996 and 1995 are as follows:

	1995	1996
	(IN THOUSANDS)	
Deferred tax assets:		
Net operating losses	$ 8,769	$ 4,424
Accruals not currently deductible	--	3,041
Alternative minimum tax credits	1,592	4,028
All other	398	1,496
Total deferred tax assets	10,759	12,989
Valuation allowance	(236)	--
Net deferred tax assets	$10,523	$12,989
Deferred tax liabilities:		
Depreciation	$ 8,783	$11,032
Amortization	1,823	726
All other	1,177	3,194
Total deferred tax liabilities	11,783	14,952
Total net deferred tax liabilities	$(1,260)	$(1,963)

Under SFAS No. 109 a valuation allowance must be established to offset a deferred tax asset if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. At December 31, 1995, the deferred tax liabilities of the consolidated group exceeded the deferred tax assets, therefore a deferred tax benefit was recorded for the full amount of the remaining federal NOLs. The valuation allowance at December 31, 1995, related to certain state NOLs that were not yet recognized in the financial statements. At December 31, 1996, the Company recognized a deferred tax benefit for these state NOLs for financial reporting purposes. The Company believes that its estimate of future earnings based on contracts in place, the overall improved gas market, and its prior earnings trend supports the recorded net state deferred tax asset.

F. PREFERRED STOCK

The Company has been authorized to issue up to 1,000,000 shares of Preferred Stock, $.01 par value, none of which are issued or outstanding at September 30, 1997.

G. COMMON STOCK

On May 14, 1997, the stockholders of the Company approved an increase in the number of authorized common stock shares to 80,000,000. This allowed the Company to effect a 2-for-1 stock split authorized by the Board of Directors on February 26, 1997. Another 2-for-1 stock split, effected in the form of a 100% stock dividend, was approved by the Board of Directors on October 27, 1997. All share and per share amounts have been adjusted retroactively to reflect these stock splits.

Changes in outstanding Common Stock for the years ended December 31, 1996, 1995, and 1994 were as follows:

	1994	1995	1996
	(IN THOUSANDS OF SHARES)		
Outstanding, beginning of year	41,760	42,272	44,864
Dividend shares issued	--	2,020	--
Shares issued for pubic offering	--	--	13,800
Shares issued to settle royalty obligations	--	--	434
Shares issued to acquire mat patent rights	--	--	276
Shares issued upon exercise of options	512	572	1,064
Outstanding, end-of-year	42,272	44,864	60,438

H. STOCK OPTION PLANS

At December 31, 1996, the Company had four stock-based compensation plans, which are described below. The Company applies Accounting Principles Board Opinion 25 ("APB 25") and related Intrepretations in accounting for its plans. Accordingly, no compensation cost has been recognized for its stock option plans as the exercise price of all stock options granted thereunder is equal to the fair value at the date of grant. Had compensation costs for the Company's stock-based compensation plans been determined based on the fair value at the grant dates for awards under those plans consistent with the method of Financial Accounting Standards Board Statement No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

		YEAR ENDED DECEMBER 31,	
		1995	1996
		(IN THOUSANDS, EXCEPT PER SHARE DATA)	
Net income	As reported	$ 12,542	$ 18,503
	Pro forma	12,208	17,541
Primary earnings per share	As reported	0.27	0.35
	Pro forma	0.26	0.33
Fully diluted earnings per share	As reported	0.27	0.35
	Pro forma	0.26	0.33

The fair value of each option grant is estimated on the date of grant using the Black- Scholes option-pricing model with the following assumptions for grants in 1996: no dividend yield; expected volatility of 40.8%; risk-free interest rate of 6.2%; and expected life of 4 years. The following assumptions were used for options granted in 1995: no dividend yield; expected volatility of 41.6%; risk-free interest rate of 6.0%; and expected life of 4 years.

A summary of the status of the Company's four stock option plans as of December 31, 1996, and 1995, and changes during the periods ending on those dates is presented below:

	YEARS ENDED DECEMBER 31,			
	1995		1996	
	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
Outstanding at beginning of year	2,159,924	$2.54	3,980,032	$3.26
Granted	2,327,000	3.85	1,264,000	8.16
Exercised	(548,668)	2.17	(1,066,768)	2.73
Dividend	130,440	3.29	--	--
Canceled	(88,664)	3.43	(67,132)	3.78
Outstanding at end of year	3,980,032	3.26	4,110,132	4.90
Weighted-average fair value of options granted during the year	$ 1.55		$ 3.28	

The following table summarizes information about stock options outstanding at December 31, 1996:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED-AVERAGE EXERCISE PRICE
$1.73 to $2.35	435,196	3.87	$2.00	363,868	$1.98
$3.28 to $4.94	2,434,936	5.48	3.72	932,996	3.66
$6.13 to $9.31	1,240,000	6.87	8.22	--	--
Total	4,110,132			1,296,864	

The Amended and Restated Newpark Resources, Inc. 1988 Incentive Stock Option Plan (the "1988 Plan") was adopted by the Board of Directors on June 22, 1988 and thereafter was approved by the stockholders. The 1988 Plan was amended and restated by the Board of Directors and stockholders in 1992 to increase the number of shares of Common Stock issuable thereunder from 420,000 to 1,890,000; was further amended by the Board of Directors and stockholders in 1994 to increase the number of shares of Common Stock issuable thereunder from 1,890,000 to 2,730,000, and was further amended by the Board of Directors and stockholders in 1995 to increase the number of shares of Common Stock issuable thereunder from 2,730,000 to four million shares. An option may not be granted for an exercise price less than the fair market value on the date of grant and may have a term of up to ten years.

The 1992 Directors' Stock Option Plan (the "1992 Directors' Plan") was adopted on October 21, 1992 by the Compensation Committee and, thereafter, was approved by the stockholders in 1993.

The purpose of the 1992 Directors' Plan was to provide two directors ("Optionees") additional compensation for their services to Newpark and to promote an increased incentive and personal interest in the welfare of Newpark by such directors. The Optionees were each granted a stock option to purchase 210,000 shares of Common Stock at an exercise price of $2.08 per share, the fair market value of the Common Stock on the date of grant for a term of ten years. No additional options may be granted under the Directors' Plan. At December 31, 1996, all options had been exercised under this plan.

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

Upon the adoption of the 1993 Non-Employee Directors' Plan, the five non-employee directors were each granted a stock option to purchase 63,000 shares of Common Stock at an exercise price of $2.14 per share, the fair market value of the Common Stock on the date of grant. In addition, each new Non-Employee Director, on the date of his or her election to the Board of Directors automatically will be granted a stock option to purchase 63,000 shares of Common Stock at an exercise price equal to the fair market value of the Common Stock on the date of grant. The determination of fair market value of the Common Stock is based on market quotations. On November 2, 1995, the Board of Directors adopted, and the stockholders approved on June 12, 1996, amendments to the Non-Employee Directors' Plan to increase the maximum number of shares issuable thereunder from 630,000 to 840,000 and to provide for the automatic grant at five year intervals of additional stock options to purchase 42,000 shares of Common Stock to each non-employee director who continues to serve on the Board. At December 31, 1996, 105,000 options had been exercised under the 1993 Non-Employee Directors' Plan.

On November 2, 1995, the Board of Directors adopted, and on June 12, 1996 the stockholders approved, the Newpark Resources, Inc. 1995 Incentive Stock Option Plan (the "1995 Plan"), pursuant to which the Compensation Committee may grant incentive stock options and nonstatutory stock options to designated employees of Newpark. Initially, a maximum of 2,100,000 shares of Common Stock may be issued under the 1995 Plan, with such maximum number increasing on the last business day of each fiscal year of Newpark, commencing with the last business day of the fiscal year ending December 31, 1996, by a number equal to 1.25% of the number of shares of Common Stock issued and outstanding on the close of business on such date, with a maximum number of shares of Common Stock that may be issued upon exercise of options granted under the 1995 Plan being limited to 5,250,000. At December 31, 1996 there were 1,584,000 options outstanding under the 1995 plan, 168,000 of which were exercisable.

I. SUPPLEMENTAL CASH FLOW INFORMATION

During 1996, the Company's noncash transactions included the acquisition of certain patents and exclusivity rights in exchange for 354,364 shares of the Company's common stock and $5,700,000 in cash. In connection with the purchase of certain of these patents the Company recorded a deferred tax liability of $767,000. Transfers from inventory to fixed assets of $4,625,000 were also made during the period. As discussed in Note B, the Company sold and refinanced $16,000,000 of certain assets in exchange for $7,200,000 of notes receivable, $1,200,000 in cash and the assumption by the buyer of $7,600,000 in debt obligations.

During 1994, the Company's noncash transactions included the consummation of the sale of the operations of the Company's marine repair business for $661,000 in cash and a $400,000 note receivable.

Included in accounts payable and accrued liabilities at December 31, 1996, 1995 and 1994, were equipment purchases of $1,283,000, $4,141,000 and $774,000, respectively. Included in accounts payable and accrued liabilities at September 30, 1997 and 1996 were equipment purchases of $3,466,000 and $1,498,000, respectively Also included are notes payable for equipment purchases in the amount of $83,000 at September 30, 1997.

Interest of $4,217,000, $4,290,000 and $2,713,000, was paid in 1996, 1995 and 1994, respectively and interest of $3,308,000 and $3,371,000 was paid during the nine months ended September 30, 1997 and 1996, respectively. Income taxes of $3,186,000, $56,000 and $90,200 were paid in 1996, 1995 and 1994, respectively and income taxes of $4,151,000 and $3,163,000 were paid during the nine months ended September 30, 1997, and 1996, respectively.

J. COMMITMENTS AND CONTINGENCIES

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

In conjunction with the closing of the Campbell acquisition, 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 NOW, subject to certain adjustments. 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 $10,175,000 annually. In addition, the liability of Newpark under the agreement is reduced by certain prohibited revenues earned by Campbell or Sanifill.

During 1992, the State of Texas assessed additional sales taxes for the years 1988-1991. The Company has filed a petition for redetermination with the Comptroller of Public Accounts. The Company believes that the ultimate resolution of this matter will not have a material adverse effect on the 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 $1,650,000 at September 30, 1997, and $1,750,000 and $2,825,000 at December 31, 1996 and 1995, respectively. At September 30, 1997, and December 31, 1996 the Company had outstanding guaranty obligations totaling $865,000 respectively, in connection with facility closure bonds issued by an insurance company. At December 31, 1995, such outstanding guaranty obligations totaled $469,000.

Since May 1988, the Company has held the exclusive right to use a patented prefabricated mat system with respect to the oil and gas exploration and production industry within the State of Louisiana. On June 20, 1994, the Company entered into a new license agreement by which it obtained the exclusive right to use the same patented prefabricated mat system, without industry restriction, throughout the continental United States. The license agreement requires, among other things, that the company purchase a minimum of 20,000 mats annually through 2003. The Company has met this annual mat purchase requirement since the inception of the agreement. Any purchases in excess of that level may be applied to future annual requirements. The Company's annual commitment to maintain the agreement in force is currently estimated to be $4,600,000.

On August 29, 1996, the Company sold the land, buildings and certain equipment comprising substantially all of the assets of its former marine repair operation to the operator of the facility. These assets had previously been subject to an operating lease to the same party, and the purchase was made under the terms of a purchase option granted in the original lease. The Company has guaranteed certain of the debt obligations of the operator, which is limited to a maximum of $10 million and reduces proportionately with debt repayments made by the operator.

At December 31, 1995, the Company had outstanding a letter of credit in the amount of $3,816,000 issued to a state regulatory agency to assure funding for future site closure obligations at its NORM processing facility.

The Company leases various manufacturing facilities, warehouses, office space, machinery and equipment and transportation equipment under operating leases with remaining terms ranging from one to ten years with various renewal options. Substantially all leases require payment of taxes, insurance and maintenance costs in addition to rental payments. Total rental expenses for all operating leases were $5,251,000, $5,253,000, and $4,090,000, in 1996, 1995 and 1994, respectively.

Future minimum payments under noncancelable operating leases, with initial or remaining terms in excess of one year are: $3,093,000 in 1997, $2,581,000 in 1998, $2,402,000 in 1999, $2,233,000 in 2000, $1,548,000 in 2001, and $1,070,000 thereafter.

Capital lease commitments are not significant.

K. BUSINESS AND CREDIT CONCENTRATION

During 1996 two customers each accounted for greater than 10% of revenues. One customer accounted for approximately 16% and 15%, $21,620,000 and $15,890,000, of total revenues for 1996 and 1995, respectively. The other customer accounted for 9.4%, or $12,836,000, of revenues for 1996. In 1994, the Company did not derive ten percent or more of its revenues from sales to any single customer.

Export sales are not significant.

L. CONCENTRATIONS OF CREDIT RISK

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

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

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

M. SUPPLEMENTAL SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	QUARTER ENDED			
	MAR 31	JUN 30	SEP 30	DEC 31
	(IN THOUSANDS, EXCEPT PER SHARE DATA)			
FISCAL YEAR 1995				
Revenues	$ 24,680	$ 24,938	$ 26,555	$ 29,547
Operating income	4,009	5,030	5,682	6,825
Net income	2,772	3,423	2,829	3,518
Net income per share				
Primary	0.06	0.08	0.06	0.08
Fully diluted	0.06	0.08	0.06	0.08
FISCAL YEAR 1996				
Revenues	$ 28,373	$ 29,091	$ 33,172	$ 45,338
Operating income	6,102	6,955	7,227	11,734
Net income	3,317	3,973	4,016	7,197
Net income per share				
Primary	0.07	0.09	0.07	0.12
Fully diluted	0.07	0.09	0.07	0.12

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUERS OR ANY OF THE INITIAL PURCHASERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, THE EXCHANGE NOTES OR GUARANTEES IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGES IN THE FACTS SET FORTH IN THIS PROSPECTUS OR IN THE AFFAIRS OF THE ISSUERS SINCE THE DATE HEREOF.

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$125,000,000

[LOGO APPEARS HERE]

NEWPARK RESOURCES, INC.

OFFER TO EXCHANGE

8 5/8% SENIOR SUBORDINATED
NOTES DUE 2007, SERIES B
FOR 8 5/8% SENIOR SUBORDINATED
NOTES DUE 2007, SERIES A

PROSPECTUS

, 1998

PART II - INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware (the "GCL") permits a corporation to, and the registrant's bylaws require that it, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

As permitted under Section 145 of the GCL, the registrant's bylaws also provide that it shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. However, in such an action by or on behalf of a corporation, no indemnification may be made in respect of any claim, issue or matter as to which the person is adjudged liable for negligence or misconduct in the performance of his duty to the corporation unless, and only to the extent that the court determines that, despite the adjudication of liability but in view of all the circumstances, the person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

In addition, the indemnification provided by section 145 shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

The registrant's Certificate of Incorporation (the "Certificate") provides that the registrant shall indemnify, to the fullest extent permitted by law, each of its officers, directors, employees and agents who was or is a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer, employee or agent of the registrant. The Certificate also provides that, to the fullest extent permitted by law, no director of the registrant shall be liable to the registrant or its stockholders for monetary damages for breach of his fiduciary duty as a director.

The Certificate also provides that the registrant may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the registrant, or is serving at the request of the registrant as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability incurred by such person in any such capacity, or arising out of his status as such, regardless of whether the registrant is empowered to indemnify such person under the provisions of law. Newpark does not currently maintain any such insurance.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

4.1 Indenture, dated as of December 17, 1997, among Newpark Resources, Inc., each of the Guarantors identified therein and State Street Bank and Trust Company, as Trustee.

4.2 Registration Rights Agreement, dated as of December 10, 1997, among Newpark Resources, Inc., each of the Guarantors identified therein, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Morgan Grenfell Inc., and Salomon Brothers Inc.

4.3 Form of the Newpark Resources, Inc. 8 5/8% Senior Subordinated Notes due 2007, Series A (contained in the Indenture filed as Exhibit 4.1).

4.4 Form of the Newpark Resources, Inc. 8 5/8% Senior Subordinated Notes due 2007, Series B (contained in the Indenture filed as Exhibit 4.1).

4.5 Form of Guarantees of the Newpark Resources, Inc. 8 5/8% Senior Subordinated Notes due 2007 (contained in the Indenture filed as Exhibit 4.1).

5.1 Opinion of Ervin, Cohen & Jessup LLP.*

10.1 Purchase Agreement, dated as of December 10, 1997, among Newpark Resources, Inc., each of the Guarantors identified therein, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Morgan Grenfell Inc., and Salomon Brothers Inc.

12.1 Statements re computation of ratios of earnings to fixed charges.

23.1 Consent of Deloitte & Touche LLP.

23.2 Consent of Ervin, Cohen & Jessup LLP (included in Exhibit 5.1).*

24.1 Powers of Attorney (included on the signature pages to this Registration Statement).

25.1 Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of State Street Bank and Trust Company.

99.1 Form of Letter of Transmittal.

99.2 Form of Notice of Guaranteed Delivery.

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* To be filed by amendment.

ITEM 22. UNDERTAKINGS

A. The registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more

that a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (A)(1)(i) and (A)(1)(ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement related to the securities offered therein, and the offering of such securities at the time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

D. The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the Prospectus pursuant to Item 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

E. The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK RESOURCES, INC.

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

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board, President and Chief Executive Officer	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President of Finance and Chief Financial Officer	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Controller	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998
/s/ Dibo Attar Dibo Attar	Director	January 28, 1998

SIGNATURE	TITLE	DATE
/s/ W.W. Goodson - ---------- W. W. Goodson	Director	January 28, 1998
/s/ David P. Hunt - ---------- David P. Hunt	Director	January 28, 1998
/s/ Dr. Alan J. Kaufman - ---------- Dr. Alan J. Kaufman	Director	January 28, 1998
/s/ James H. Stone - ---------- James H. Stone	Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

SOLOCO, L.L.C.

By /s/ James D. Cole

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

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board, President and Chief Executive Officer	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer)	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ Ronald Latiolais Ronald Latiolais	President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

SOLOCO TEXAS, L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole - ----------	President and Director	January 28, 1998
James D. Cole		
/s/ Matthew W. Hardey - ----------	Vice President (Principal Financial Officer) and Director	January 28, 1998
Matthew W. Hardey		
/s/ Kathleen D. Lacoste - ----------	Principal Accounting Officer	January 28, 1998
Kathleen D. Lacoste		
/s/ Wm. Thomas Ballantine - ----------	Executive Vice President and Director	January 28, 1998
Wm. Thomas Ballantine		

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

BATSON-MILL, L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole - --- James D. Cole	President and Director	January 28, 1998
/s/ Matthew W. Hardey - --- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste - --- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - --- Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK TEXAS, L.L.C.

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole - ---------- James D. Cole	President and Director	January 28, 1998
/s/ Matthew W. Hardey - ---------- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste - ---------- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - ---------- Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK HOLDINGS, INC.

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole - ---------- James D. Cole	President and Director	January 28, 1998
/s/ Matthew W. Hardey - ---------- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste - ---------- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - ---------- Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK ENVIRONMENTAL
MANAGEMENT COMPANY, L.L.C.

By /s/ James D. Cole

James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole - --- James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey - --- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste - --- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - --- Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ Frank Boudreaux - --- Frank Boudreaux	President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK ENVIRONMENTAL SERVICES OF TEXAS L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole - ---------- James D. Cole	President and Director	January 28, 1998
/s/ Matthew W. Hardey - ---------- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste - ---------- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - ---------- Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK DRILLING FLUIDS, INC.

By /s/ James D. Cole
James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ James A. Sampey James A. Sampey	President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

SUPREME CONTRACTORS, INC.

By /s/ James D. Cole
James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer)	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ Mark L. Phillips Mark L. Phillips	President and Director	January 28, 1998
/s/ Ronald Latiolais Ronald Latiolais	Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

EXCALIBAR MINERALS, INC.

By /s/ James D. Cole

James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole --- James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey --- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste --- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine --- Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ Thomas E. Eisenman --- Thomas E. Eisenman	President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

EXCALIBAR MINERALS OF LA., L.L.C.

By /s/ James D. Cole
James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ Thomas E. Eisenman Thomas E. Eisenman	President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

CHEMICAL TECHNOLOGIES, INC.

By /s/ James D. Cole
James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ James A. Sampey James A. Sampey	President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK TEXAS DRILLING FLUIDS, L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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SIGNATURE	TITLE	DATE
/s/ James D. Cole - ---------- James D. Cole	President and Director	January 28, 1998
/s/ Matthew W. Hardey - ---------- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste - ---------- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - ---------- Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NES PERMIAN BASIN, L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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SIGNATURE	TITLE	DATE
/s/ James D. Cole - ----------	President and Director	January 28, 1998
James D. Cole		
/s/ Matthew W. Hardey - ----------	Vice President (Principal Financial Officer) and Director	January 28, 1998
Matthew W. Hardey		
/s/ Kathleen D. Lacoste - ----------	Principal Accounting Officer	January 28, 1998
Kathleen D. Lacoste		
/s/ Wm. Thomas Ballantine - ----------	Executive Vice President and Director	January 28, 1998
Wm. Thomas Ballantine		

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK ENVIRONMENTAL SERVICES, INC.

By /s/ James D. Cole
James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Vice President and Director	January 28, 1998
/s/ Frank Boudreaux Frank Boudreaux	President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NID, L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole
James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	President and Director	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

BOCKMON CONSTRUCTION COMPANY, INC.

By /s/ James D. Cole

James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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SIGNATURE	TITLE	DATE
/s/ James D. Cole --- James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey --- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste --- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine --- Wm. Thomas Ballantine	President and Director	January 28, 1998
/s/ Hill Dishman --- Hill Dishman	President and Director	January 28, 1998
/s/ Ronald Latiolais --- Ronald Latiolais	Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK ENVIRONMENTAL SERVICES
MISSISSIPPI, L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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/s/ Matthew W. Hardey - ---------- Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste - ---------- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - ---------- Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

NEWPARK SHIPHOLDING TEXAS, L.P.

By: Newpark Holdings, Inc., General Partner

By /s/ James D. Cole

James D. Cole, President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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/s/ Kathleen D. Lacoste - ---------- Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Wm. Thomas Ballantine - ---------- Wm. Thomas Ballantine	Executive Vice President and Director	January 28, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Metairie, State of Louisiana on January 28, 1998.

MALLARD & MALLARD OF LA, INC.

By /s/ James D. Cole
James D. Cole, Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints James D. Cole and Matthew W. Hardey, and each of them, as his true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

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SIGNATURE	TITLE	DATE
/s/ James D. Cole James D. Cole	Chairman of the Board	January 28, 1998
/s/ Matthew W. Hardey Matthew W. Hardey	Vice President (Principal Financial Officer) and Director	January 28, 1998
/s/ Kathleen D. Lacoste Kathleen D. Lacoste	Principal Accounting Officer	January 28, 1998
/s/ Ronald Latiolais Ronald Latiolais	President and Director	January 28, 1998
/s/ Wm. Thomas Ballantine Wm. Thomas Ballantine	Vice President and Director	January 28, 1998

EXHIBIT 4.1

==========

NEWPARK RESOURCES, INC.

and

GUARANTORS

INDENTURE

Dated as of December 17, 1997

STATE STREET BANK & TRUST COMPANY
Trustee

$125,000,000

144A Senior Subordinated Notes

8 5/8% Senior Subordinated Notes due 2007, Series A

8 5/8% Senior Subordinated Notes due 2007, Series B

==========

Reconciliation and tie between Trust Indenture Act of 1939,
as amended, and Indenture, dated as of December 17, 1997

Trust Indenture Act Section	Indenture Section
(S) 310 (a)(1)	609
(a)(2)	609
(b)	607, 610
(S) 311 (a)	613
(S) 312 (a)	701
(b)	702
(c)	702
(S) 313 (a)	703
(c)	703, 704
(S) 314 (a)	704
(a)(4)	1020
(c)(1)	103
(c)(2)	103
(e)	103
(S) 315 (a)	601(b)
(b)	602
(c)	601(a)
(d)	601(c), 603
(e)	514
(S) 316 (a) (last sentence)	101 ("Outstanding")
(a)(1)(A)	502, 512
(a)(1)(B)	513
(b)	508
(c)	105
(S) 317 (a)(1)	503
(a)(2)	504
(b)	1003
(S) 318 (a)	108
(c)	108

Note: This reconciliation and tie shall not, for any purpose, be deemed to be a part of this Indenture.

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INDENTURE, dated as of December 17, 1997, among NEWPARK RESOURCES, INC., a Delaware corporation (the "Company"), the GUARANTORS (as defined hereinafter) and STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking and trust company, as trustee (in such capacity, the "Trustee").

RECITALS OF THE COMPANY AND THE GUARANTORS

The Company has duly authorized the creation of an issue of 8 5/8% Senior Subordinated Notes due 2007, Series A (together with all such Series A Securities issued in replacement of or exchange for any other Series A Securities, the "Series A Securities" or the "Initial Securities"), and an issue of 8 5/8% Senior Subordinated Notes due 2007, Series B (together with all such Series B Securities issued in replacement of or exchange for any other Series B Securities, the "Series B Securities" and, together with the Series A Securities, the "Securities"), of substantially the tenor and amount hereinafter set forth, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture and the Securities;

Each Guarantor has duly authorized the issuance of a Guarantee of the Securities, of substantially the tenor hereinafter set forth, and to provide therefor, each Guarantor has duly authorized the execution and delivery of this Indenture and its Guarantee;

This Indenture is subject to, and shall be governed by, the provisions of the Trust Indenture Act that are required to be part of and to govern indentures qualified under the Trust Indenture Act;

All acts and things necessary have been done to make (i) the Securities, when duly issued and executed by the Company and authenticated and delivered hereunder, the valid obligations of the Company, (ii) the Guarantees, when executed by each of the Guarantors and delivered hereunder, the valid obligation of each of the Guarantors and (iii) this Indenture a valid agreement of the Company and each of the Guarantors in accordance with the terms of this Indenture;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(b) whenever this Indenture refers to a provision of the Trust Indenture Act, the provision is incorporated by reference in and made a part hereof, and the following Trust Indenture Act terms used in this Indenture have the following meanings: (i) "indenture notes" means the Securities, (ii) "indenture noteholder" means a Holder, (iii) "indenture to be qualified" means this Indenture, and (iv) "obligor" on the indenture notes means the Company; and all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(d) "or" is not exclusive and "including" means "including without limitation";

(e) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(f) provisions apply to successive events and transactions;

(g) all references to $, US$, dollars or United States dollars shall refer to the lawful currency of the United States of America; and

(h) all references herein to particular Sections or Articles refer to this Indenture unless otherwise so indicated.

Certain terms used principally in Article Four are defined in Article Four.

"ACQUIRED INDEBTEDNESS" means Indebtedness (but no Refinancing thereof) of a person (a) assumed in connection with an Asset Acquisition from such person or (b) existing at the time such person becomes a Subsidiary of any other person, but not including Indebtedness incurred in connection with, or in anticipation of, such person becoming a Subsidiary.

"ADMINISTRATIVE AGENT" means Bank One, Louisiana, National Association, as Administrative Agent under the Credit Facility.

"AFFILIATE" means, with respect to any specified person, any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, "control," when used with respect to any person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of this definition, beneficial ownership of 10% or less of the voting common equity (on a fully diluted basis) or options or warrants to purchase such equity (but only if exercisable at the date of determination or within 60 days thereof) of a person shall not, in and of itself, be deemed to constitute control of such person.

"ASSET ACQUISITION" means (a) an Investment by the Company or any Subsidiary of the Company in any other person pursuant to which such person shall become a Restricted Subsidiary, or shall be merged with or into the Company or any Restricted Subsidiary, or (b) the acquisition by the Company or any Restricted Subsidiary of the assets of any person which constitute all or substantially all of the assets of such person or any division, operating unit or line of business of such person.

"ASSET SALE" means any sale, issuance, conveyance, transfer, lease or other disposition by the Company or any Restricted Subsidiary to any person other than the Company or a Restricted Subsidiary), in one or a series of related transactions, of: (a) any Capital Stock of any Subsidiary of the Company; (b) all or substantially all of the properties and assets of any division or line of business of the Company

or any Restricted Subsidiary; or (c) any other properties or assets of the Company or a Restricted Subsidiary other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include (i) for purposes of Section 1012 only, any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets (A) that is governed by, and made in compliance with, the provisions described under Article Eight or (B) constitutes a Change of Control pursuant to clause (b) of the definition thereof, (ii) any sale of worn-out or obsolete equipment that, in the Company's reasonable judgment, is no longer used or useful in the business of the Company or the Restricted Subsidiaries; (iii) any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets, whether in one transaction or a series of related transactions, involving assets with a Fair Market Value not in excess of $1,000,000; (iv) any lease of assets or property entered into in the ordinary course of business and with respect to which the Company or any Restricted Subsidiary is the lessor, except any such lease that provides for the acquisition of such assets or property by the lessee during or at the term thereof for an amount that is less than the Fair Market Value thereof as determined at the time the right to acquire such assets or property is granted, in which case an Asset Sale shall be deemed to occur at the time such right is granted; and (v) the sale of any property received pursuant to clause (h) of the definition of "Permitted Investment."

"ATTRIBUTABLE VALUE" means, as to a Capitalized Lease Obligation under which any person is at the time liable and at any date as of which the amount thereof is to be determined, the capitalized amount thereof that would appear on the face of a balance sheet of such person in accordance with GAAP.

"AVERAGE LIFE TO STATED MATURITY" means as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness multiplied by (b) the amount of each such principal payment by (ii) the sum of all such principal payments.

"BANKRUPTCY LAW" means Title 11, United States Code, as amended, or any similar United States federal or state law relating to bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any much law.

"BOARD OF DIRECTORS" means the board of directors of the Company or any Guarantor, as the case may be, or any duly authorized committee of such board.

"BOARD RESOLUTION" means, with respect to a person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such person, the principal financial officer of such person or any other authorized officer of such person or a person duly authorized by any of them, to have been duly adopted by the Board of Directors of such person and to be in full force and effect on the date of such certification.

"BOOK-ENTRY SECURITY" means any Global Securities bearing the legend specified in Section 202 evidencing all or part of a series of Securities, authenticated and delivered to the Depositary for such series or its nominee, and registered in the name of such Depositary or nominee.

"BUSINESS DAY" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions or trust companies in The City of New York or the city in which the Corporate Trust Office of the Trustee is located are authorized or obligated by law, regulation or executive order to close.

"CAPITAL STOCK" means, with respect to any person, any and all shares, interests, participations, rights in or other equivalents of or interests in (however designated) equity of such person (including any Preferred Stock), and any rights (other than debt securities convertible into capital stock), warrants or options exchangeable for or convertible into such equity.

"CAPITALIZED LEASE OBLIGATION" means any obligation to pay rent or other amounts under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed) that is required to be classified and accounted for as a capital lease obligation under GAAP, and, for the purpose of the Indenture, the amount of such obligation at any date shall be the Attributable Value thereof at such date.

"CASH EQUIVALENTS" means, at any time: (i) any evidence of Indebtedness with a maturity of 360 days or less from the date of acquisition thereof issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof); (ii) (x) demand and time deposits and certificates of deposit or acceptances with a maturity of 360 days or less from the date of acquisition thereof of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than $500,000,000 and (y) Eurocurrency time deposits maturing within 360 days from the date of acquisition thereof with any branch or office of any commercial bank organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development (the "OECD"), and comparable in quality to the Investments permitted by the preceding clause (x); (iii) commercial paper with a maturity of 360 days or less issued by a corporation that is not an Affiliate of the Company organized under the laws of any State of the United States or the District of Columbia and rated at least A-1 by S&P or at least P-1 by Moody's or at least an equivalent rating category of another nationally recognized securities rating agency; (iv) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the government of the United States of America or issued by any agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within 360 days from the date of acquisition; (v) deposits available for withdrawal on demand with any commercial bank organized under the laws of any country that is a member of the OECD and has total assets in excess of $100,000,000 or with any commercial bank organized under the laws of any other country (other than the United States) in which the Company or any Restricted Subsidiary maintains an office or is engaged in offshore operations, provided that (a) all such deposits are required to be made in such accounts in the ordinary course of business and (b) such deposits do not at any one time exceed $5,000,000 in the aggregate; and (vi) money market funds organized under the laws of the United States of America or any State thereof and sponsored by a registered broker dealer or mutual fund distributor, that invest substantially all of their assets in any of the types of investments described in clause (i), (ii) or (iii) above.

"CHANGE OF CONTROL" means the occurrence of any of the following events: (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the contractual right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the outstanding Voting Stock of the Company (for the purposes of the clause (a), such person shall be deemed to beneficially own any Voting Stock of a specified corporation held by a parent corporation, if such person is the beneficial owner (as defined in this clause (a)), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of such parent corporation); (b) the Company consolidates with, or merges with or into, another person or sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets to any person, or any person consolidates with, or merges with or into, the Company in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding Voting Stock of the Company is converted into or exchanged for (1) Voting Stock (other than Redeemable Capital Stock) of the surviving or transferee corporation or (2) cash, securities and other property in an amount which could be paid by the Company as a Restricted Payment under the Indenture and (ii) immediately after such transaction, no "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the

Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the contractual right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total Voting Stock of the surviving or transferee corporation; or (c) during any consecutive two-year period, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved by a vote of at least two thirds of the directors then still in office who were either directors at the beginning of such period or persons whose election as directors or nomination for election was previously so approved) cease for any reason to constitute at least a majority of the Board of Directors of the Company then in office.

"COMMISSION" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act then the body performing such duties at such time.

"COMPANY" means Newpark Resources, Inc., a corporation incorporated under the laws of Delaware, until a successor person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor person.

"COMPANY REQUEST" or "COMPANY ORDER" means a written request or order signed in the name of the Company by any one of its Chairman of the Board, its President, its Chief Executive Officer, its Chief Financial Officer or a Vice President (regardless of Vice Presidential designation), and by any one of its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"CONSOLIDATED EBITDA" means, with respect to the Company for any period, (i) the sum of, without duplication, the amount for such period, taken as a single accounting period, of (a) Consolidated Net Income, (b) Consolidated Non-cash Charges, (c) Consolidated Interest Expense and (d) Consolidated Income Tax Expense, less (ii) non-cash items increasing Consolidated Net Income for such period.

"CONSOLIDATED FIXED CHARGE COVERAGE RATIO" means, with respect to the Company, the ratio of the aggregate amount of Consolidated EBITDA of the Company for the four full fiscal quarters for which financial information in respect thereof is available immediately preceding the date of the transaction (the "Transaction Date") giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio (such four full fiscal quarter period being referred to herein as the "Four Quarter Period") to the aggregate amount of Consolidated Fixed Charges of the Company for the Four Quarter Period. In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated EBITDA" and "Consolidated Fixed Charges" shall be calculated after giving effect on a pro forma basis for the period of such calculation to, without duplication, (a) the incurrence of any Indebtedness of the Company or any of the Restricted Subsidiaries during the period commencing on the first day of the Four Quarter Period to and including the Transaction Date (the "Reference Period"), including, without limitation, the incurrence of the Indebtedness giving rise to the need to make such calculation (and the application of the net proceeds thereof), as if such incurrence (and application) occurred on the first day of the Reference Period, (b) an adjustment to eliminate or include, as the case may be, the Consolidated EBITDA and Consolidated Fixed Charges of such person directly or indirectly attributable to assets which are the subject of any Asset Sale or Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Company or one of the Restricted Subsidiaries (including any person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Indebtedness) occurring during the Reference Period, as if such Asset Sale (after giving effect to any Designation of Unrestricted Subsidiaries) or Asset Acquisition occurred on the first day of the Reference Period and (c) the retirement of Indebtedness during the Reference Period which cannot thereafter be reborrowed occurring as if retired

on the first day of the Reference Period. For purposes of calculating "Consolidated Fixed Charges" for this "Consolidated Fixed Charge Coverage Ratio," interest on Indebtedness incurred during the Four Quarter Period under any revolving credit facility which can be borrowed and repaid without reducing the commitments thereunder shall be the actual interest during the Four Quarter Period. Furthermore, in calculating "Consolidated Fixed Charges" for purposes of determining the denominator (but not the numerator) of this "Consolidated Fixed Charge Coverage Ratio", (i) interest on outstanding Indebtedness determined on a fluctuating basis as of the Transaction Date and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the Transaction Date, (ii) if interest on any Indebtedness actually incurred on the Transaction Date may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on the Transaction Date will be deemed to have been in effect during the Reference Period; and (iii) notwithstanding clauses (i) and (ii) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Interest Rate Protection Obligations, shall be deemed to have accrued at the rate per annum resulting after giving effect to the operation of such agreements.

"CONSOLIDATED FIXED CHARGES" means, with respect to the Company for any period, the amounts for such period of Consolidated Interest Expense.

"CONSOLIDATED INCOME TAX EXPENSE" means, with respect to the Company for any period, the provision for federal, state, local and foreign income taxes of the Company and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED INTEREST EXPENSE" means, with respect to the Company for any period, without duplication, the sum of (i) the interest expense of the Company and the Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP related to Indebtedness, excluding fees related to the issuance of the Securities, but including, without limitation, (a) any amortization of debt discount, (b) the net cost under Interest Rate Protection Obligations and Currency Agreement Obligations (including any amortization of discounts), (c) the interest portion of any deferred payment obligation which in accordance with GAAP is required to be reflected on an income statement, (d) all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing (other than in respect of letters of credit relating to bid, performance and advance payment obligations incurred in the ordinary course of business), (e) dividends payable in respect of Redeemable Capital Stock (whether or not paid), (f) all accrued interest and (g) interest accruing on any Indebtedness of any other person to the extent such Indebtedness is guaranteed by the Company or any Restricted Subsidiary or secured by a Lien on assets of the Company or any Restricted Subsidiary to the extent such Indebtedness constitutes Indebtedness of the Company or any Restricted Subsidiary (whether or not such guarantee or Lien is called upon) and (ii) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by the Company and the Restricted Subsidiaries during such period as determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED NET INCOME" means, with respect to the Company, for any period, the consolidated net income (or loss) of the Company (including the Restricted Subsidiaries) for such period as determined in accordance with GAAP consistently applied adjusted, to the extent included in calculating such net income, by excluding, without duplication, (i) all extraordinary gains or losses (net of fees and expenses relating to the transaction giving rise thereof) and the non-recurring cumulative effect of accounting charges, (ii) except to the extent actually received by the Company and any Restricted Subsidiary, income of the Company and the Restricted Subsidiaries derived from or in respect of all Investments in persons other than any Restricted Subsidiary, (iii) net income (or loss) of any person combined with the Company or one of the Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) any gain or loss realized upon the termination of any employee pension benefit plan, on an after-tax basis, (v) gains or losses in respect of

any Asset Sales by the Company or one of the Restricted Subsidiaries (net of fees and expenses relating to the transaction giving rise thereto), on an after-tax basis, (vi) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income (A) is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Restricted Subsidiary or its stockholders or (B) requires the approval of any minority interest in such Restricted Subsidiary except to the extent dividends or similar distributions are actually declared payable to the Company by such Restricted Subsidiary and (vii) the cumulative effect of a change in accounting principles; provided that there shall be included in net income of the Company or such Restricted Subsidiary dividends or distributions excluded from net income of such person in a previous fiscal period pursuant to clause (ii) or clause (vi) to the extent such dividends or distributions are actually received in the current fiscal period.

"CONSOLIDATED NON-CASH CHARGES" means, with respect to the Company for any period, the aggregate depreciation, amortization and other non-cash expenses (including, without limitation, non-cash reserves and non-cash charges) of the Company and the Restricted Subsidiaries reducing Consolidated Net Income of the Company and the Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"CORPORATE TRUST OFFICE" means the office of the Trustee or an affiliate or agent thereof at which at any particular time the corporate trust business for the purposes of this Indenture shall be principally administered, which office at the date of execution of this Indenture is located at 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103.

"CREDIT FACILITY" means the Restated Credit Agreement dated as of June 30, 1997, as amended on November 7, 1997 and December 10, 1997, among the Company, certain of its Subsidiaries as guarantors, the financial institutions from time to time lenders party thereto, Bank One, Louisiana, National Association, as administrative and syndication agent, and Deutsche Bank, A.G., New York Branch and/or Cayman Islands Branch, as documentation agent, and any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, as such agreement or such related notes, guarantees, collateral documents, instruments or agreements, or any of them, may be amended, modified, supplemented, extended, restated, replaced (including replacement after the termination of such agreement), restructured, renewed or otherwise Refinanced from time to time in one or more credit agreements, loan agreements, instruments or similar documents and agreements, as such may be further amended, modified, supplemented, extended, restated, replaced (including replacement after the termination of such agreement), restructured, renewed or otherwise Refinanced from time to time, in each case in accordance with and as permitted by the Indenture.

"CREDIT FACILITY OBLIGATIONS" means all monetary obligations of every nature of the Company or a Restricted Subsidiary, including without limitation, obligations to pay principal and interest, reimbursement obligations under letters of credit, fees, expenses and indemnities, from time to time owned to the lenders or any agent under or in respect of the Credit Facility.

"CURRENCY AGREEMENT OBLIGATIONS" means the obligations of any person under any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect such person against fluctuations in currency values.

"DEFAULT" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"DEPOSITARY" means, with respect to the Securities issued in the form of one or more Book-Entry Securities, The Depository Trust Company ("DTC"), its nominees and successors, or another person

designated as Depositary by the Company, which must be a clearing agency registered under the Exchange Act.

"DESIGNATED SENIOR INDEBTEDNESS" means (i) all Senior Indebtedness under the Credit Facility Obligations and (ii) any other Senior Indebtedness which (a) at the time of incurrence equals or exceeds $15,000,000 in aggregate principal amount and (b) is specifically designated by the Company in the instrument evidencing such Senior Indebtedness as "Designated Senior Indebtedness" for purposes of the Indenture.

"DISINTERESTED DIRECTOR" means, with respect to any transaction or series of related transactions, a member of the Board of Directors of the Company who does not have any material direct or indirect financial interest in or with respect to such transaction or series of related transactions. No non-management director shall be deemed not to be a Disinterested Director by reason of his or her receipt of reasonable and customary director's fees or the participation in reasonable and customary director's stock grant, stock option or stock benefit plans, or such other form of director remuneration as is reasonable and customary.

"EVENT OF DEFAULT" has the meaning specified in Section 501.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"EXCHANGE OFFER" means the exchange offer by the Company and the Guarantors of Series B Securities for Series A Securities to be effected pursuant to Section 2.1 of the Registration Rights Agreement.

"EXCHANGE OFFER REGISTRATION STATEMENT" means the registration statement under the Securities Act contemplated by Section 2.1 of the Registration Rights Agreement.

"EXEMPT FOREIGN SUBSIDIARY" means (i) any Restricted Subsidiary engaged in business permitted under this Indenture exclusively outside the United States of America, irrespective of its jurisdiction of incorporation and (ii) any other Subsidiary whose assets (excluding any cash and Cash Equivalents) consist exclusively of Capital Stock or Indebtedness of one or more Restricted Subsidiaries described in clause (i) of this definition, that, in any case, is so designated by the Company in an Officers' Certificate delivered to the Trustee and (a) is not a guarantor of, and has not granted any Lien to secure, the Credit Facility or any other Indebtedness of the Company or any Subsidiary other than another Exempt Foreign Subsidiary and (b) does not have total assets that, when aggregated with the total assets of all other Exempt Foreign Subsidiaries, exceed 25% of the Company's consolidated total assets, as determined in accordance with GAAP, as reflected on the Company's most recent quarterly or annual balance sheet. The Company may revoke the designation of any Exempt Foreign Subsidiary by notice to the Trustee.

"FAIR MARKET VALUE" with respect to any asset or property means the sale value that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a Board Resolution of the Company delivered to the Trustee, which determination shall be conclusive for all purposes of this Indenture.

"GAAP" means, at any date, generally accepted accounting principles in the United States set forth in the Statements of Financial Accounting Standards and the Interpretations, Accounting Principles Board Opinions and AICPA Accounting Research Bulletins that are applicable to the circumstances as of the date of determination and consistently applied; provided, however, that, except as otherwise provided, all calculations made for purposes of determining compliance with the terms of the covenants

set forth in "Certain Covenants" and other provisions of the Indenture shall utilize GAAP in effect at the Issue Date.

"GLOBAL SECURITIES" means the Rule 144A Global Securities, the Regulation S Global Securities and the Series B Global Securities to be issued as Book-Entry Securities issued to the Depositary in accordance with Section 306.

"GUARANTEE" means a Guarantee by a Guarantor of the Company's obligations with respect to the Securities, which Guarantee will be subordinated to Senior Indebtedness of such Guarantor on the terms described under Section 1416. Any such Guarantee (i) will be substantially in the form prescribed by the Indenture, (ii) will be limited in amount to an amount not to exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering such Guarantee, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally and (iii) will provide (a) that, upon the sale, exchange or transfer, to any person (other than an Affiliate of the Company), of all the Capital Stock of such Guarantor, or all or substantially all of the assets of such Guarantor, pursuant to a transaction in compliance with the Indenture, or (b) upon such Guarantor's release from all third-party Indebtedness of the Company or any other Restricted Subsidiary, such Guarantor shall for and during the applicable periods as provided in the Indenture, be released from its obligations under its Guarantee.

"GUARANTEE" means, as applied to any obligation, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of such obligation and (ii) an agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment or damages in the event of non-performance) of all or any part of such obligation, including, without limiting the foregoing, the payment of amounts drawn down by letters of credit.

"GUARANTOR" means (i) SOLOCO, L.L.C., a limited liability company formed under the laws of the State of Louisiana, SOLOCO Texas, L.P., a limited partnership formed under the laws of the State of Texas, Batson-Mill, L.P., a limited partnership formed under the laws of the State of Texas, Newpark Texas, L.L.C., a limited liability company formed under the laws of the State of Louisiana, Newpark Holdings, Inc., a corporation organized under the laws of the State of Louisiana, Newpark Environmental Management Company, L.L.C., a limited liability company formed under the laws of the State of Louisiana, Newpark Environmental Services of Texas L.P., a limited partnership formed under the laws of the State of Texas, Newpark Drilling Fluids, Inc., a corporation organized under the laws of the State of Texas, Supreme Contractors, Inc., a corporation organized under the laws of the State of Louisiana, Excalibar Minerals, Inc., a corporation organized under the laws of the State of Texas, Excalibar Minerals of LA., L.L.C., a limited liability company formed under the laws of the State of Louisiana, Chemical Technologies, Inc., a corporation organized under the laws of the State of Texas, Newpark Texas Drilling Fluids, L.P., a limited partnership formed under the laws of the State of Texas, NES Permian Basin, L.P., a limited partnership formed under the laws of the State of Texas, Newpark Environmental Services, Inc., a corporation organized under the laws of the State of Delaware, NID, L.P., a limited partnership formed under the laws of the State of Texas, Bockmon Construction Company, Inc., a corporation organized under the laws of the State of Texas, Newpark Shipholding Texas, L.P., a limited partnership formed under the laws of the State of Texas, Mallard & Mallard of LA., Inc., a corporation organized under the laws of the State of Louisiana, and Newpark Environmental Services Mississippi, L.P., a limited partnership formed under the laws of the State of Mississippi, and (ii) each other Restricted Subsidiary that delivers, or as a result of becoming a Significant Subsidiary or incurring certain types of third-party Indebtedness or guarantees, is required to deliver, a Guarantee pursuant to the terms of the Indenture; and with respect to each person now or hereafter referred to by either of the preceding clauses (i) and (ii), so long as and during such periods that its Guarantee shall be in effect pursuant to the terms of the Indenture.

"GUARANTOR SENIOR INDEBTEDNESS" means the principal of, premium, if any, and interest on, any Indebtedness of a Guarantor, whether outstanding on the Issue Date or thereafter created, incurred, assumed or guaranteed by such Guarantor, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to such Guarantor's Guarantee. Without limiting the generality of the foregoing, "Guarantor Senior Indebtedness" shall also include the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceedings under any Bankruptcy Laws, whether or not such interest is an allowable claim in such proceeding) on, and all other amounts owing in respect of, Credit Facility Obligations of such Guarantor. Notwithstanding the foregoing, Guarantor Senior Indebtedness of a Guarantor will not include (a) Indebtedness of such Guarantor evidenced by its Guarantee, (b) Indebtedness of such Guarantor that is expressly subordinated or junior in right of payment to any Guarantor Senior Indebtedness of such Guarantor or its Guarantee, (c) Indebtedness which, when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is by its terms without recourse to such Guarantor, (d) any repurchase, redemption or other obligation in respect of Redeemable Capital Stock of such Guarantor, (e) to the extent it might constitute Indebtedness, any liability for federal, state, local or other taxes owed or owing by such Guarantor, (f) Indebtedness of such Guarantor to the Company or any of the Company's other Subsidiaries or any other Affiliate of the Company or any of such Affiliate's Subsidiaries and (g) that portion of any Indebtedness of such Guarantor which at the time of incurrence is incurred in violation of the Indenture (but, as to any such Indebtedness, no such violation shall be deemed to exist for purposes of this clause (g) if the holder or holders of such Indebtedness or their representative or such Guarantor shall have furnished to the Trustee an opinion, unqualified in all material respects, of independent legal counsel, addressed to the Trustee (which legal counsel may, as to matters of fact, rely upon a certificate of such Guarantor) to the effect that the incurrence of such Indebtedness does not violate the provisions of such Indenture); provided, that the foregoing exclusions shall not affect the priorities of any Indebtedness arising solely by operation of law in any case or proceeding or similar event described in clause (a), (b) or (c) of the introductory clause of Section 1417.

"HOLDER" means a person in whose name a Security is registered in the Security Register.

"INDEBTEDNESS" means, with respect to any person, without duplication; (a) all liabilities of such person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables, advances on contracts and other accrued current liabilities incurred in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such person in connection with any letters of credit, banker's acceptance or other similar credit transaction, (b) all obligations of such person evidenced by notes, debentures or other similar instruments, (c) all indebtedness, liabilities and obligations of such person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade accounts payable arising in the ordinary course of business, (d) all Capitalized Lease Obligations of such person, (e) all Redeemable Capital Stock of such person valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends, (f) all obligations of such person under or in respect of Currency Agreement Obligations and Interest Rate Protection Obligations of such person, (g) all liabilities, indebtedness and obligations of the type referred to in the preceding clauses (a) through (f) of other persons and all dividends of other persons for the payment of which such person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee, (h) all liabilities, indebtedness and obligations of the type referred to in the preceding clauses (a) through (g) of other persons which is secured by (or for which the holder of such Indebtedness has an existing contractual right, contingent or otherwise, to be secured by) any Lien upon property (including, without limitation, accounts and contract rights) owned by such person, even though such person has not assumed or become liable for the payment of such Indebtedness (the amount of such obligation after being deemed to be the lesser of the value of such property or asset or the amount of the obligation so secured), and (i) any amendment, supplement,

modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (a) through (h) above. For purposes hereof, (x) the "maximum fixed repurchase price" of any Redeemable Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Redeemable Capital Stock, such fair market value shall be the Fair Market Value of such Redeemable Capital Stock (provided that if such Redeemable Capital Stock is not at the date of determination permitted or required to be repurchased, the "maximum fixed repurchase price" shall be the book value of such Redeemable Capital Stock) and (y) Indebtedness is deemed to be incurred pursuant to a revolving credit facility each time an advance is made thereunder. For purposes of Section 1008, in determining the principal amount of any Indebtedness to be incurred by the Company or a Restricted Subsidiary or which is outstanding at any date, (x) the principal amount of any Indebtedness which provides that an amount less than the principal amount thereof shall be due upon any declaration of acceleration thereof shall be the accredited value thereof at the date of determination and (y) effect shall given to the impact of any Interest Rate Protection Obligations and Currency Agreement Obligations with respect to such Indebtedness. When any person becomes a Restricted Subsidiary, there shall be deemed to have been an incurrence by such Restricted Subsidiary of all Indebtedness for which it is liable at the time it becomes a Restricted Subsidiary. If the Company or any of the Restricted Subsidiaries, directly or indirectly, guarantees Indebtedness of a third person, there shall be deemed to be an incurrence of such guaranteed Indebtedness as if the Company or such Restricted Subsidiary had directly incurred or otherwise assumed such guaranteed Indebtedness.

"INDENTURE" means this instrument as originally executed (including all exhibits and schedules thereto) and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"INDENTURE OBLIGATIONS" means the obligations of the Company and any other obligor under this Indenture or under the Securities including any Guarantor, to pay principal of, premium, if any, and interest when due and payable, and all other amounts due or to become due, under or in connection with this Indenture, the Securities and the performance of all other obligations to the Trustee and the Holders under this Indenture and the Securities, according to the respective terms hereof and thereof.

"INITIAL SECURITIES" has the meaning stated in the first recital of this Indenture.

"INITIAL PURCHASERS" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Morgan Grenfell Inc. and Salomon Brothers Inc.

"INTEREST PAYMENT DATE" means the Stated Maturity of an installment of interest on the Securities.

"INTEREST RATE PROTECTION OBLIGATIONS" means the obligations of any person pursuant to any arrangement with any other person whereby, directly or indirectly, such person is entitled to receive from time to time periodic payments calculated by applying either a floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such person calculated by applying a fixed or floating rate of interest on the same nominal amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements.

"INVESTMENT" means, with respect to any person, any direct or indirect loan or other extension of credit, guarantee or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other person. "Investments" shall exclude contracts in progress and extensions of trade credit by any person in the ordinary course of business of such person. In addition

to the foregoing, any foreign exchange contract, currency swap or similar agreement shall constitute an Investment hereunder.

"ISSUE DATE" means the date on which the Securities are originally issued under this Indenture.

"LIEN" means any mortgage, charge, pledge, lien (statutory or other), security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind. A person shall be deemed to own subject to a Lien any property which such person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement having substantially the same economic effect as any of the foregoing.

"MATURITY" means, when used with respect to the Securities, the date on which the principal of the Securities becomes due and payable as therein provided or as provided in this Indenture, whether at Stated Maturity, the Offer Date or the Redemption Date and whether by declaration of acceleration, Offer in respect of Excess Proceeds, Change of Control Offer in respect of a Change of Control, call for redemption or otherwise.

"MOODY'S" means Moody's Investors Service, Inc. or any successor rating agency.

"NET CASH PROCEEDS" means, with respect to any Asset Sale, the proceeds thereof in the form of cash or Cash Equivalents, including, without limitation, payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of (i) brokerage commissions and other fees and expenses (including, without limitation, fees and expenses of legal counsel and investment bankers) related to such Asset Sale, (ii) provisions for all taxes payable as a result of such Asset Sale, (iii) amounts required to be paid and which have been paid, or amounts required to be pledged and which are pledged, to secure Indebtedness owed, to any person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale (which, in the case of a Lien, is being pledged or applied to permanently reduce indebtedness secured by such Lien) and (iv) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an officers' certificate delivered to the Trustee.

"NON-U.S. PERSON" means a person that is not a "U.S. Person" as defined in Regulation S under the Securities Act.

"NON-U.S. SUBSIDIARIES" means Subsidiaries organized under the laws of jurisdictions other than the United States and the states and territories thereof.

"OFFICERS' CERTIFICATE" means a certificate signed by the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer or a Vice President (regardless of Vice Presidential designation), and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or any Guarantor, as the case may be, and delivered to the Trustee.

"OPINION OF COUNSEL" means a written opinion of counsel, who may be counsel for the Company or any Guarantor unless an Opinion of Independent Counsel is required pursuant to the terms of this Indenture, and who shall be acceptable to the Trustee.

"OPINION OF INDEPENDENT COUNSEL" means a written opinion of counsel which is issued by a person who is not an employee, director or consultant (other than non-employee legal counsel) of the Company or any Guarantor and who shall be reasonably acceptable to the Trustee.

"OUTSTANDING" when used with respect to Securities means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or any Affiliate thereof) in trust or set aside and segregated in trust by the Company or any Affiliate thereof (if the Company or any Affiliate thereof shall act as its own Paying Agent) for the Holders of such Securities; provided that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made;

(c) Securities, except to the extent provided in Sections 402 and 403, with respect to which the Company has effected defeasance or covenant defeasance as provided in Article Four; and

(d) Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee and the Company proof reasonably satisfactory to each of them that such Securities are held by a bona fide purchaser in whose hands the Securities are valid obligations of the Company; provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, any Guarantor, or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, any Guarantor or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor or such other obligor.

"PARI PASSU INDEBTEDNESS" means (a) any Indebtedness of the Company which ranks pari passu in right of payment to the Securities and (b) with respect to any Guarantor, Indebtedness which ranks pari passu in right of payment to its Guarantee.

"PAYING AGENT" means any person (including the Company) authorized by the Company to pay the principal of, premium, if any, or interest on, any Securities on behalf of the Company.

"PERMITTED INVESTMENT" means any of the following: (a) Investments in the Company or any Restricted Subsidiary (including any person that pursuant to such Investment becomes a Restricted Subsidiary) and any person that is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Company or any Wholly-Owned Restricted Subsidiary at the time such Investment is made; (b) Investments in prepaid expenses, negotiable instruments and other similar instruments (other than of Affiliates) held for collection; (c) Investments in Cash Equivalents; (d) Investments in deposits with respect to leases, workers' compensation or utilities provided to third parties in the ordinary course of business; (e) Investments in the Securities; (f) Investments in agreements giving rise to Interest Rate Protection Obligations and Currency Agreement Obligations permitted by

Section 1008; (g) loans or advances to officers, employees or consultants of the Company and the Restricted Subsidiaries in the ordinary course of business for bona fide business purposes of the Company and the Restricted Subsidiaries (including travel and moving expenses) not in excess of $1,000,000 in the aggregate at any one time outstanding; (h) Investments in evidence of Indebtedness, securities or other property received from another person by the Company or any of the Restricted Subsidiaries in connection with any bankruptcy proceeding or by reason of a composition or readjustment of debt or a reorganization of such person or as a result of foreclosure, perfection or enforcement of any Lien in exchange for evidences of Indebtedness, securities or other property of such person held by the Company or any of the Restricted Subsidiaries, or for other liabilities or obligations of such other person to the Company or any of the Restricted Subsidiaries that were created in accordance with the terms of the Indenture: (i) non-cash consideration received as a result of Asset Sales permitted under Section 1012; (j) Investments not to exceed $5,000,000 at any one time outstanding in any person whose business is performed substantially outside of the United States of America and who is in a similar line of business as the Company or a Restricted Subsidiary; (k) Investments not to exceed $10,000,000 at any time outstanding in any person who is engaged in the business of providing drilling fluids or associated engineering and technical services to the onshore or offshore oil and gas exploration industry; and (l) so long as no Default shall have occurred and be continuing, the making of Investments constituting Restricted Payments in persons (other than Wholly-Owned Restricted Subsidiaries of the Company) made after the Issue Date not to exceed $10,000,000 at any time outstanding.

"PERSON" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"PREDECESSOR SECURITY" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 308 in exchange for a mutilated Security or in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Security.

"PREFERRED STOCK" means with respect to any person, any and all shares, interests, participation or other equivalents (however designated) of such person's preferred or preference stock whether now outstanding or issued after the Issue Date, including, without limitation, all classes and series of preferred or preference stock of such person.

"PROSPECTUS" means the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Series A Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"PUBLIC EQUITY OFFERING" means an underwritten primary public offer and sale of common stock of the Company pursuant to a registration statement that has been declared effective by the Commission pursuant to the Securities Act (other than a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"PURCHASE MONEY OBLIGATION" means any Indebtedness secured by a Lien on assets related to the business of the Company or the Restricted Subsidiaries, and any additions and accessions thereto, which are purchased or constructed by the Company or any Restricted Subsidiary at any time after the Issue Date; provided that (i) any security agreement or conditional sales or other title retention contract pursuant to which the Lien on such assets is created (collectively a "Security Agreement") shall be entered into prior to the date that is 90 days after the purchase or substantial completion of the

construction of such assets and shall at all times be confined solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom, (ii) at no time shall the aggregate principal amount of the outstanding Indebtedness secured thereby be increased, except in connection with the purchase of additions and accessions thereto and except in respect of fees and other obligations in respect of such Indebtedness and (iii) (A) the aggregate outstanding principal amount of Indebtedness secured thereby (determined on a per asset basis in the case of any additions and accessions) shall not at the time such Security Agreement is entered into exceed 100% of the purchase price to the Company or any Restricted Subsidiary of the assets subject thereto or (B) the Indebtedness secured thereby shall be with recourse solely to the assets so purchased or acquired, any additions and accessions thereto and any proceeds therefrom.

"QIB" means a "Qualified Institutional Buyer" under Rule 144A under the Securities Act.

"REDEEMABLE CAPITAL STOCK" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time, would be required to be redeemed prior to the final Stated Maturity of the principal of the Securities or is redeemable at the option of the holder thereof at any time prior to the final Stated Maturity of the principal of the Securities, or, at the option of the holder thereof at any time prior to the final Stated Maturity of the principal of the Securities.

"REDEMPTION DATE" when used with respect to any Security to be redeemed pursuant to any provision in this Indenture means the date fixed for such redemption by or pursuant to this Indenture.

"REDEMPTION PRICE" when used with respect to any Security to be redeemed pursuant to any provision in this Indenture means the price at which it is to be redeemed pursuant to this Indenture.

"REFINANCE" means, in respect of any Indebtedness, to refinance, amend, modify, supplement, restate, extend, renew, rearrange, restructure, refund, repay, prepay, purchase, repurchase, redeem, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement, dated as of December 10, 1997, among the Company, the Guarantors and the Initial Purchasers.

"REGISTRATION STATEMENT" means any registration statement of the Company and the Guarantors which covers any of the Series A Securities (and related guarantees) or Series B Securities (and related guarantees) pursuant to the provisions of the Registration Rights Agreement, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"REGULAR RECORD DATE" for the interest payable on any interest Payment Date means the June 1 or December 1 (whether or not a Business Day) next preceding such Interest Payment Date.

"REGULATION S GLOBAL SECURITIES" means one or more permanent global Securities in registered form representing the aggregate principal amount of Securities sold in reliance on Regulation S under the Securities Act.

"RESPONSIBLE OFFICER" when used with respect to the Trustee means any officer assigned to the Corporate Trust Office or any other officer of the Trustee to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"RESTRICTED SUBSIDIARY" means any Subsidiary of the Company that has not been designated by the Board of Directors of the Company, by a Board Resolution of the Company delivered to the Trustee, as an Unrestricted Subsidiary pursuant to and in compliance with Section 1017. Any such designation may be revoked by a Board Resolution of the Company delivered to the Trustee, subject to the provisions of such covenant. For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law or government regulation shall be disregarded in determining the ownership of a Restricted Subsidiary.

"RULE 144A GLOBAL SECURITIES" means one or more permanent global Securities in registered form representing the aggregate principal amount of Securities sold in reliance on Rule 144A under the Securities Act.

"S&P" means Standard & Poor's Rating Corporation, or any successor rating agency.

"SECURITIES ACT" means the Securities Act of 1933, as amended, or any successor statute.

"SENIOR INDEBTEDNESS" means, the principal of, premium, if any, and interest on any Indebtedness of the Company, whether outstanding on the Issue Date or thereafter created, incurred or assumed, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Securities. Without limiting the generality of the foregoing, "Senior Indebtedness" shall also include the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any Bankruptcy Law, whether or not such interest is an allowable claim in such proceeding) on, and all other amounts owing in respect of, Credit Facility Obligations of the Company. Notwithstanding the foregoing, "Senior Indebtedness" shall not include (a) Indebtedness evidenced by the Securities, (b) Indebtedness that is expressly subordinate or junior in right of payment to any Senior Indebtedness, (c) Indebtedness which, when incurred and without respect to any election under Section 1111(b) of Title 11, United States Code, is by its terms without recourse to the Company, (d) any repurchase, redemption or other obligation in respect of Redeemable Capital Stock of the Company, (e) to the extent it might constitute Indebtedness, amounts owing for goods, materials or services purchased in the ordinary course of business or consisting of trade payables or other current liabilities (other than any current liabilities owing under the Credit Facility Obligations or the current portion of any long-term Indebtedness which would constitute Senior Indebtedness but for the operation of this clause (e)), (f) to the extent it might constitute Indebtedness, any liability for federal, state, local or other taxes owed or owing by the Company, (g) Indebtedness of the Company to a Subsidiary of the Company or any other Affiliate of the Company or any of such Affiliate's Subsidiaries and (h) that portion of any Indebtedness of the Company which at the time of incurrence is incurred in violation of the Indenture (but, as to any such Indebtedness, no such violation shall be deemed to exist for purposes of this clause (h) if the holder or holders of such Indebtedness or their representative or the Company shall have furnished to the Trustee an opinion, unqualified in all material respects, of independent legal counsel, addressed to the Trustee (which legal counsel may, as to matters of fact, rely upon a certificate of the Company) to the effect that the incurrence of such Indebtedness does not violate the provisions of such Indenture); provided that the foregoing exclusions shall not affect the priorities of any Indebtedness arising solely by operation of law in any case or proceeding or similar event described in clause (a), (b) or (c) the introductory clause of Section 1302.

"SENIOR SUBORDINATED OBLIGATIONS" means, with respect to the Company or any Guarantor, as the case may be, (i) any principal of, premium, if any, and interest on, and any other amounts (including, without limitation, any payment obligations with respect to the Securities arising as a result of any Asset Sale, Change of Control or redemption) owing in respect of, the Securities payable pursuant to the terms of the Securities or the Indenture or upon acceleration of the Securities, with respect to the Company, (ii) the Guarantee of such Guarantor, with respect to a Guarantor, and (iii) any other Indebtedness of the Company or such Guarantor that specifically provides that such Indebtedness is to rank pari passu with

the Securities or such Subsidiary Guarantee, as the case may be, in right of payment and is not subordinated by its terms in right of payment to any Indebtedness or other obligation of the Company or such Guarantor, which is not Senior Indebtedness of the Company or such Guarantor.

"SENIOR REPRESENTATIVE" means the agent, indenture trustee or other trustee or representative for any Senior Indebtedness.

"SERIES B GLOBAL SECURITIES" means one or more permanent global Securities in registered form representing the aggregate principal amount of Series B Securities exchanged for Series A Securities pursuant to the Exchange Offer.

"SHELF REGISTRATION STATEMENT" means a "shelf" registration statement of the Company and the Guarantors pursuant to Section 2.2 of the Registration Rights Agreement, which covers all of the Registrable Securities (as defined in the Registration Rights Agreement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary of the Company which, as of the relevant date of determination, would be a "significant subsidiary" as defined in Rule 1.02(w) of Regulation S-X under the Securities Act as of the Issue Date, assuming the Company is the "registrant" referred to in such definition; provided that no Unrestricted Subsidiary shall be deemed a Significant Subsidiary.

"SPECIAL RECORD DATE" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 309.

"SPECIFIED INDEBTEDNESS" means any Senior Indebtedness and any Guarantor Senior Indebtedness.

"STATED MATURITY" means, when used with respect to any Note or any installment of interest thereon, the date specified in such Note as the fixed date on which any principal of such Note or such installment of interest is due and payable, and when used with respect to any other Indebtedness or any installments of interest thereon, means any date specified in the instrument governing such Indebtedness as the fixed date on which the principal of such Indebtedness, or such installment of interest thereon, is due and payable.

"SUBORDINATED OBLIGATIONS" means Indebtedness of the Company or a Guarantor (whether outstanding on the Issue Date or thereafter incurred) which by its terms is expressly subordinated in right of payment to the Securities or its Guarantee, as the case may be.

"SUBSIDIARY" means, with respect to any person, (i) a corporation a majority of whose Voting Stock is at the time, directly or indirectly, owned by such person, by one or more Subsidiaries of such person or by such person and one or more Subsidiaries of such person and (ii) any other person (other than a corporation), including, without limitation, a limited liability company and a limited partnership, in which such person, one or more Subsidiaries of such person or such person and one or more Subsidiaries of such person, directly or indirectly, at the date of determination thereof, has at least a majority ownership interest entitled to vote in the election of directors, members, partners, managers, officers, agents or trustees thereof (or other person performing similar functions) or is a general partner (or serves in a similar capacity to such person). For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law or governmental regulation shall be disregarded in determining the ownership of a Subsidiary.

"TAXES" means any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and any other liabilities related thereto) imposed or levied by or on behalf of a Taxing Authority.

"TAXING AUTHORITY" means any government or any political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

"TRUSTEE" means the person named as the "Trustee" in the first paragraph of this Indenture, until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor trustee.

"TRUST INDENTURE ACT" means the Trust Indenture Act of 1939, as amended, or any successor statute.

"UNRESTRICTED SUBSIDIARY" means a Subsidiary of the Company designated as such pursuant to and in compliance with Section 1017 and any Subsidiary of such Unrestricted Subsidiary. Any such designation may be revoked by a Board Resolution of the Company delivered to the Trustee, subject to the provisions of such covenant.

"U.S. GOVERNMENT OBLIGATIONS" means direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America for the payment of which guarantee or obligation the full faith and credit of the United States is pledged.

"VOTING STOCK" means any shares of any class or classes of Capital Stock pursuant to which the holders of such shares have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of any person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

"WHOLLY-OWNED RESTRICTED SUBSIDIARY" means a Restricted Subsidiary of which 100% of the outstanding Capital Stock is owned by the Company and/or another Wholly-Owned Restricted Subsidiary. For purposes of this definition, any directors' qualifying shares or investments by foreign nationals mandated by applicable law or governmental regulation shall be disregarded in determining the ownership of a Restricted Subsidiary.

Section 102. Other Definitions.

Term	Defined in Section
"Act"	105
"Additional Interest"	202
"Agent Members"	306
"Change of Control Date"	1011
"Change of Control Offer"	1011
"Change of Control Purchase Date"	1011
"Change of Control Purchase Notice"	1011
"Change of Control Purchase Price"	1011
"covenant defeasance"	403
"Defaulted Interest"	309
"defeasance"	402
"Defeasance Redemption Date"	404

"Defeased Securities"	401
"Designation"	1017
"Designation Amount"	1017
"Event Date"	202
"Excess Proceeds"	1012
"incur"	1008
"Initial Securities"	Recitals
"Net Proceeds Deficiency"	1012
"Net Proceeds Offer"	1012
"Non-payment Default"	1303
"Offer Date"	1012
"Offered Price"	1012
"Payment Amount"	1012
"Pari Passu Indebtedness Amount"	1012
"Pari Passu Offer"	1012
"Payment Amount"	1012
"Payment Blockage Period"	1303
"Payment Default"	1303
"Permitted Guarantor Junior Securities"	1417
"Permitted Junior Securities"	1302
"Physical Securities"	306
"Private Placement Legend"	202
"Registration Default"	202
"Regulation S"	201
"Replacement Assets"	1012
"Required Filing Date"	1019
"Restricted Payments"	1009
"Revocation"	1017
"Rule 144A"	201
"Securities"	Recitals
"Security Amount"	1012
"Security Register"	305
"Security Registrar"	305
"Series A Securities"	Recitals
"Series B Securities"	Recitals
"Special Payment Date"	309
"Surviving Entity"	801
"Surviving Guarantor Entity"	801

Section 103. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company and any Guarantor (if applicable) and any other obligor on the Securities (if applicable) shall furnish to the Trustee an Officers' Certificate in a form and substance reasonably acceptable to the Trustee stating that all conditions precedent, if any, provided for in this Indenture (including any covenant compliance with which constitutes a condition precedent) relating to the proposed action have been complied with, and an Opinion of Counsel in a form and substance reasonably acceptable to the Trustee stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to which the furnishing of such certificates or opinions is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each individual signing such certificate or individual or firm signing such opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual or such firm, he or it has made such examination or investigation as is necessary to enable him or it to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual or such firm, such condition or covenant has been complied with.

Section 104. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company, any Guarantor or other obligor on the Securities may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company, any Guarantor or other obligor on the Securities stating that the information with respect to such factual matters is in the possession of the Company, any Guarantor or other obligor on the Securities, unless such officer or counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous. Opinions of Counsel required to be delivered to the Trustee may have qualifications customary for opinions of the type required and counsel delivering such Opinions of Counsel may rely on certificates of the Company or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various financial covenants have been complied with.

Any certificate or opinion of an officer of the Company, any Guarantor or other obligor on the Securities may be based, insofar as it relates to accounting matters upon a certificate or opinion of, or representations by, an accountant or firm of accountants in the employ of the Company, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the accounting matters upon which his certificate or opinion may be based are erroneous. Any certificate or opinion of any independent firm of public accountants filed with the Trustee shall contain a statement that such firm is independent with respect to the Company.

Where any person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 105. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 105.

(b) The ownership of Securities shall be proved by the Security Register.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other Act by the Holder of any Security shall bind every future Holder of the same Security or the Holder of every Security issued upon the transfer thereof or in exchange there for or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, any Paying Agent or the Company, any Guarantor or any other obligor of the Securities in reliance thereon, whether or not notation of such action is made upon such Security.

(d) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(e) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of such Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding Trust Indenture Act Section 316(c), any such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not more than 30 days prior to the first solicitation of Holders generally in connection therewith and no later than the date such first solicitation is completed.

If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date or their designated proxies shall be deemed to be Holders for purposes of determining whether Holders of the requisite proportion of Securities then Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act (or their duly designated proxies), and for this purpose the Securities then Outstanding shall be computed as of such record date; provided that no such request, demand, authorization, direction, notice, consent, waiver or other Act by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after such record date.

Section 106. Notices, etc., to the Trustee, the Company and any Guarantor.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(a) the Trustee by any Holder or by the Company or any Guarantor or any other obligor on the Securities shall be sufficient for every purpose (except as provided in Section 501(c)) hereunder if in writing and mailed, first-class postage prepaid, or delivered by a nationally recognized overnight courier, to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Department (Newpark Resources, Inc. 8 5/8% Senior Subordinated Notes due 2007), or at any other address previously furnished in writing to the Holders, the Company, any Guarantor or any other obligor on the Securities by the Trustee; or

(b) the Company or any Guarantor by the Trustee or any Holder shall be sufficient for every purpose (except as provided in Section 501(c)) hereunder if in writing and mailed, first-class postage prepaid, or delivered by a nationally recognized overnight courier, to the Company or such Guarantor addressed to it c/o Newpark Resources, Inc., 3850 North Causeway Boulevard, Suite 1770, Metairie, Louisiana 70002-1752, Attention: Chief Financial Officer, or at any other address previously furnished in writing to the Trustee by the Company or such Guarantor.

Any notice required hereunder to be delivered to the lenders under the Credit Facility shall be sufficient for every purpose hereunder if in writing and mailed, first-class post,age prepaid or delivered by a nationally recognized courier, to the Administrative Agent at Bank One, Louisiana, National Association, 200 West Congress Street, Lafayette, Louisiana 70502-3246, Attention: Rose M. Miller, Vice President, Facsimile No. (318) 236-7888, with a copy to Gardere & Wynne, L.L.P., 1601 Elm Street, Dallas, Texas 75201-4761, Attention: Robert N. Rule, Jr., Facsimile No: (214) 999-4667.

Section 107. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, or delivered by a nationally recognized overnight courier, to each Holder affected by such event, at its address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Any notice when mailed to a Holder in the aforesaid manner shall be conclusively deemed to have been received by such Holder whether or not actually received by such Holder. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause, it shall be impracticable to mail notice of any event as required by any provision of this Indenture, then any method of giving such notice as shall be reasonably satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Section 108. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with any provision of the Trust Indenture Act or another provision which is required or deemed to be included in this Indenture by any of the provisions of the Trust Indenture Act, the provision or requirement of the Trust Indenture Act shall

control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

Section 109. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 110. Successors and Assigns.

All covenants and agreements in this Indenture and the Securities by the Company and the Guarantors, and all agreements of the Trustee in this Indenture, shall bind their respective successors and assigns, whether so expressed or not.

Section 111. Separability Clause.

In case any provision in this Indenture or in the Securities or Guarantees shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, and a Holder shall have no claim therefor against any party hereto.

Section 112. Benefits of Indenture.

Nothing in this Indenture or in the Securities or Guarantees, express or implied, shall give to any person (other than the parties hereto and their successors hereunder, any Paying Agent, the Holders, the holders of Senior Indebtedness and the holders of Senior Guarantor Indebtedness) any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 113. GOVERNING LAW.

THIS INDENTURE, THE SECURITIES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

Section 114. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, Maturity or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal or premium, if any, need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date or Redemption Date, or at the Maturity or Stated Maturity and no interest shall accrue with respect to such payment for the period from, and after, such interest Payment Date, Redemption Date, Maturity or Stated Maturity, as the case may be, to the next succeeding Business Day.

Section 115. Independence of Covenants.

All covenants and agreements in this Indenture shall be given independent effect so that if a particular action or condition is not permitted by any such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 116. Schedules and Exhibits.

All schedules and exhibits attached hereto are by this reference made a part hereof with the same effect as if herein set forth in full.

Section 117. Counterparts.

This Indenture may be executed in any number of counterparts, and by each party hereto on a separate counterpart, each of which shall be deemed an original; but all such counterparts shall together constitute but one and the same instrument.

Section 118. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by, or a meeting of, Holders. The Securities Registrar or Paying Agent may make reasonable rules for its functions.

Section 119. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any Subsidiary of the Company. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 120. No Recourse Against Others.

A DIRECTOR, OFFICER, EMPLOYEE OR STOCKHOLDER, AS SUCH, OF THE COMPANY, ANY GUARANTOR OR THE TRUSTEE, SHALL NOT HAVE ANY LIABILITY FOR ANY OBLIGATIONS OF THE COMPANY, ANY GUARANTOR OR THE TRUSTEE, UNDER THIS INDENTURE OR THE SECURITIES OR FOR ANY CLAIM BASED ON, IN RESPECT OF OR BY REASON OF, SUCH OBLIGATIONS OR THEIR CREATION. EACH HOLDER BY ACCEPTING A SECURITY WAIVES AND RELEASES ALL SUCH LIABILITY. THE WAIVER AND RELEASE ARE PART OF THE CONSIDERATION FOR THE ISSUE OF THE SECURITIES AND THE GUARANTEES.

Section 121. Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

By the execution and delivery of this Indenture, each of Company and the Guarantors, (i) acknowledges that it has, by separate written instrument, designated and appointed Corporation Trust System as its authorized agent upon which process may be served in any suit, action or proceeding arising out of or relating to the Securities or the Guarantees or this Indenture that may be instituted in any Federal or State court in the State of New York, Borough of Manhattan, or brought under Federal or State securities laws or brought by the Trustee (whether in its individual capacity or in its capacity as Trustee hereunder), and acknowledges that Corporation Trust System has accepted such designation, (ii) submits to the jurisdiction of any such court in any such suit, action or proceeding, and (iii) agrees that service of process upon Corporation Trust System and written notice of said service to it (mailed or delivered to its President at the principal office of the Company as specified in Section 106), shall be deemed in every respect effective service of process upon it in any such suit or proceeding. Each of the Company and the Guarantors further agrees to take any and all action, including the execution and filing of any and all such documents and instruments as may be necessary to continue such designation and appointment of Corporation Trust System in full force and effect so long as this Indenture shall be in full force and effect; provided that each of the Company and the Guarantors may and shall (to the extent Corporation Trust System

ceases to be able to be served on the basis contemplated herein), by written notice to the Trustee, designate such additional or alternative agents for service of process under this Section 121 that (i) maintains an office located in the Borough of Manhattan, The City of New York in the State of New York, (ii) are either (x) counsel for the Company or (y) a corporate service company which acts as agent for service of process for other Persons in the ordinary course of its business and (iii) agrees to act as agent for service of process in accordance with this Section 121. Such notice shall identify the name of such agent for process and the address of such agent for process in the Borough of Manhattan, The City of New York, State of New York. Upon the request of any Holder, the Trustee shall deliver such information to such Holder. Notwithstanding the foregoing, there shall, at all times, be at least one agent for service of process for each of the Company and the Guarantors appointed and acting in accordance with this Section 121.

To the extent that any of the Company or Guarantors has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, each of the Company and the Guarantors hereby irrevocably waives such immunity in respect of its obligations under this Indenture and the Securities and the Guarantees to the maximum extent permitted by law.

ARTICLE TWO

SECURITY FORMS

Section 201. Forms Generally.

The Securities, the Guarantees and the Trustee's certificate of authentication thereon shall be in substantially the forms set forth in this Article Two, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted hereby and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange, any organizational document or governing instrument or applicable law or as may, consistently herewith, be determined by the officers executing such Securities and Guarantees, as evidenced by their execution of the Securities and Guarantees. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any, securities exchange in which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Initial Securities offered and sold in reliance on Rule 144A under the Securities Act ("Rule 144A") shall be issued initially in the form of one or more Rule 144A Global Securities, substantially in the form set forth in Section 202, Initial Securities offered and sold in reliance on Regulation S under the Securities Act ("Regulation S") shall be issued initially in the form of one or more Regulation S Global Securities, substantially in the form set forth in Section 202, and Series B Securities exchanged for Series A Securities pursuant to the Exchange Offer shall be issued initially in the form of one or more Series B Global Securities substantially in the form set forth in Section 202, in each case deposited with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee as hereinafter provided. The aggregate principal amount of the Global Securities may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

Section 202. Form of Face of Security.

(a) The form of the face of any Series A Securities authenticated and delivered hereunder shall be substantially as follows:

Unless and until (i) an Initial Security is sold under an effective Registration Statement or (ii) an Initial Security is exchanged for a Series B Security in connection with an effective Registration Statement, in each case pursuant to the Registration Rights Agreement, then such Initial Security shall bear the legend set forth below (the "Private Placement Legend") on the face thereof:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION IN AN OFFSHORE TRANSACTION AS SET FORTH BELOW.

BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES'S ACT ("RULE 144A")) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 903 OR 904 OF REGULATION S, (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A INSIDE THE UNITED STATES, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION AS SET FORTH BELOW WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN EACH OF THE FOREGOING CASES, (I) SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. AS USED HEREIN, THE TERMS "UNITED STATES," "OFFSHORE TRANSACTION," AND "U.S PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

[Legend if Series A Security is a Global Security]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY OR A SUCCESSOR DEPOSITARY. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITIES SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[Until all Senior Indebtedness is paid in full, each of the Series A Securities at all times shall contain in a conspicuous manner the following legend]

THE OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE THIRTEEN OF THE INDENTURE TO THE OBLIGATIONS (INCLUDING INTEREST) OWED BY THE COMPANY AND CERTAIN OF ITS SUBSIDIARIES TO ALL SENIOR INDEBTEDNESS; AND EACH HOLDER HEREOF BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AS SET FORTH IN SAID ARTICLE THIRTEEN OF THE INDENTURE.

NEWPARK RESOURCES, INC.

8 5/8% SENIOR SUBORDINATED NOTE DUE 2007, SERIES A

CUSIP NO. _____

No. _____
$_____

Newpark Resources, Inc., a Delaware corporation (herein called the "Company", which term includes any successor person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of_____ United States dollars [IF THE SERIES A SECURITY IS A GLOBAL SECURITY, THEN INSERT THE FOLLOWING:, or such other principal amount (which, when taken together with the principal amounts of all other Outstanding Securities, shall not exceed $125,000,000 less the principal amount of Securities redeemed by the Company in accordance with the Indenture) as may be set forth by the Security Registrar on Appendix A hereto in accordance with the Indenture,] on December 15, 2007, at the office or agency of the Company referred to below, and to pay interest thereon from December 17, 1997, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on June 15 and December 15 in each year, commencing June 15, 1998 at the rate of 8 5/8% per annum, subject to adjustments as described in the second following paragraph, in United States dollars, until the principal hereof is paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Holder of this Series A Security is entitled to the benefits of the Registration Rights Agreement among the Company, the Guarantors and the Initial Purchasers, dated December 10, 1997, pursuant to which, subject to the terms and conditions thereof, the Company and the Guarantors are obligated to consummate the Exchange Offer pursuant to which the Holder of this Security (and the related Guarantees) shall have the right to exchange this Security (and the related Guarantees) for 8 5/8% Senior Subordinated Notes due 2007, Series B and related guarantees (herein called the "Series B Securities") in like principal amount as provided therein. The Series A Securities and the Series B Securities are together (including related Guarantees) referred to as the "Securities". The Series A Securities rank pari passu in right of payment with the Series B Securities.

If either (a) the Exchange Offer Registration Statement is not filed with the Commission on or prior to the 45th calendar day following the date of original issue of the Series A Securities, (b) the Exchange Offer Registration Statement has not been declared effective on or prior to the 105th calendar day following the date of original issue of the Series A Securities or (c) the Exchange Offer is not consummated on or prior to the 135th calendar day following the date of original issue of the Series A Securities or a Shelf Registration Statement is not declared effective on or prior to the 135th calendar day following the date of original issue of the Series A Securities (each such event referred to in clauses (a) through (c) above, a "Registration Default"), the interest rate borne by the Series A Securities shall be increased ("Additional Interest") by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased as aforesaid) will increase by one quarter of one percent each 90-day period that such Additional Interest continues to accrue under any such circumstance, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum, including any increases pursuant to the provisions of the following paragraph. Following the cure of all Registration Defaults the accrual of Additional Interest will cease and the interest rate will revert to the original rate; provided, however, that, if after any such reduction in interest rate, a different event specified in clause (a), (b) or (c) above occurs, the interest rate shall again be increased pursuant to the foregoing provisions.

If the Shelf Registration Statement is unusable by the Holders for any reason, and the aggregate number of days in any consecutive twelve-month period for which the Shelf Registration Statement shall not be usable exceeds 30 days in the aggregate, then the interest rate borne by the Securities held by such Holders will be increased by 0.25% per annum of the principal amount of the Securities for the first 90-day period (or portion thereof) beginning on the 31st such date that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional 0.25% per annum of the principal amount of the Securities at the beginning of each subsequent 90-day period provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum, including any increases pursuant to the provisions of the preceding paragraph. Any amounts payable under this paragraph shall also be deemed "Additional Interest" for purposes of this Security. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Securities will be reduced to the original interest rate if the Company is otherwise in compliance with this Agreement at such time. Additional Interest shall be computed based on the actual number of days elapsed in each 90-day period in which the Shelf Registration Statement is unusable.

The Company shall notify the Trustee within three Business Days after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "Event Date"). Additional Interest shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semiannual Interest Payment Date, immediately available funds in sums sufficient to pay the Additional Interest then due. The Additional Interest due shall be payable on each Interest Payment Date to the record Holder of Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the person in whose name this Security (or any Predecessor Security) is registered at the close of business on the Regular Record Date for such interest, which shall be the June 1 or December 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Series A Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the person in whose name this Security (or any Predecessor Security) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in this Indenture.

Payment of the principal of, premium, if any, and interest on, this Security, and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for that purpose, or at such other office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payment of interest will be made (i) in respect of Securities held by the Depositary or its nominee, in same day funds on or prior to the respective Interest Payment Dates and (ii) in respect of Securities held of record by Holders other than the Depositary or its nominee, in same day funds at the office of the Trustee in New York, New York or at such other office or agency of the Company as it shall maintain for that purpose pursuant to Section 1002; provided, however, that, at the option of the Company, interest on any Security held of record by Holders other than the Depositary or its nominee may be paid by mailing checks to the addresses of the Holders thereof as such address appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of Guarantees by each of the Guarantors of the punctual payment when due of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is hereby made to Article Fourteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of each of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers.

Dated: NEWPARK RESOURCES, INC.

By:

Title:

Attest:

Authorized Officer

[IF THE SERIES A SECURITY IS A GLOBAL SECURITY,
THEN INSERT THE FOLLOWING AS APPENDIX A THERETO]

APPENDIX A

EXCHANGES FOR GLOBAL NOTES OR PHYSICAL NOTES

The following increases or decreases in the principal amount of this Global Note in accordance with the Indenture have been made:

Date Made	Increase (decrease) in the principal amount of this Global Note	New principal amount of this Global Note following such increase or decrease	Notation made by or on behalf of the Security Registrar

(b) The form of the face of any Series B Securities authenticated and delivered hereunder shall be substantially as follows:

To the extent that any Series B Security is a Private Exchange Security (as defined in the Registration Rights Agreement) and until such Series B Security is freely tradable without registration under the Securities Act, then such Series B Security shall bear the legend set forth below (the "Private Placement Legend") on the Face thereof;

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION IN AN OFFSHORE TRANSACTION AS SET FORTH BELOW.

BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR 904 OF REGULATION S, (2) AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A INSIDE THE UNITED STATES, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION AS SET FORTH BELOW WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND IN EACH OF THE FOREGOING CASES, (I) SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER, TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. AS USED HEREIN, THE TERMS "UNITED STATES," "OFFSHORE TRANSACTION," AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

[Legend if Series B Security is a Global Security]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME

OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY OR A SUCCESSOR DEPOSITORY. TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTIONS 306 AND 307 OF THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[Until all Senior Indebtedness is paid in full, each of the Series B Securities at all times shall contain in a conspicuous manner the following legend]

THE OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN ARTICLE THIRTEEN OF THE INDENTURE TO THE OBLIGATIONS (INCLUDING INTEREST) OWED BY THE COMPANY AND CERTAIN OF ITS SUBSIDIARIES TO ALL SENIOR INDEBTEDNESS; AND EACH HOLDER HEREOF, BY ITS ACCEPTANCE HEREOF, SHALL BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AS SET FORTH IN SAID ARTICLE THIRTEEN OF THE INDENTURE.

NEWPARK RESOURCES, INC.

8 5/8% SENIOR SUBORDINATED NOTE DUE 2007, SERIES B

CUSIP NO. _____

No. _____
$_____

Newpark Resources, Inc., a Delaware corporation (herein called the "Company", which term includes any successor person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ United States dollars [IF THE SERIES B SECURITY IS A GLOBAL SECURITY, THEN INSERT THE FOLLOWING: , or such other principal amount (which, when taken together with the principal amounts of all other Outstanding Securities, shall not exceed $125,000,000 less the principal amount of Securities redeemed by the Company in accordance with the Indenture) as may be set forth by the Security Registrar on Appendix A hereto in accordance with the Indenture,] on December 15, 2007, at the office or agency of the Company referred to below, and to pay interest thereon from December 17, 1997, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on June 15 and December 15 in each year, commencing June 15, 1998 at the rate of 8 5/8% per annum, in United States dollars, until the principal hereof is paid or duly provided for; provided that to the extent interest has not been paid or duly provided for with respect to the Series A Security exchanged for this Series B Security, interest on this Series B Security shall accrue from the most recent Interest Payment Date to which interest on the Series A Security which was exchanged for this Series B Security has been paid or duly provided for. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

This Series B Security was issued pursuant to the Exchange Offer pursuant to which the 8 5/8% Senior Subordinated Notes due 2007, Series A, and related Guarantees (herein called the "Series A Securities") in like principal amount were exchanged for the Series B Securities and related Guarantees. The Series B Securities rank pari passu in right of payment with the Series A Securities.

In addition, for any period in which the Series A Security exchanged for this Series B Security was outstanding, if either (a) the Exchange Offer Registration Statement was not filed with the Commission on or prior to the 45th calendar day following the date of original issue of the Series A Security, (b) the Exchange Offer registration Statement had not been declared effective on or prior to the 105th calendar day following the date of original issue of the Series A Security or (c) the Exchange Offer was not consummated on or prior to the 135th calendar day following the date of original Issue of the Series A Security or a Shelf Registration Statement was not declared effective on or prior to the 135th calendar day following the date of original issue of the Series A Security (each such event referred to in clauses (a) through (c) above a "Registration Default"), the interest rate borne by the Series A Securities shall be increased ("Additional Interest") by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased as aforesaid) will increase by one quarter of one percent each 90-day period that such Additional Interest continues to accrue under any such circumstance, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum, including any increases pursuant to the provisions of the following paragraph. Following the cure of all Registration Defaults the accrual of Additional Interest will cease and the interest rate will revert to the original rate; provided that, to the extent interest at such increased interest rate has been paid or duly provided for with respect to the Series A Security, interest at such increased interest rate, if any, on this Series B Security shall accrue from the most recent Interest Payment Date to which such interest on the Series A Security has been paid or duly provided for; provided, however,

that, if after any such reduction in interest rate, a different event specified in clause (a), (b) or (c) above occurs, the interest rate shall again be increased pursuant to the foregoing provisions.

If the Shelf Registration Statement is unusable by the Holders for any reason, and the aggregate number of days in any consecutive twelve-month period for which the Shelf Registration Statement shall not be usable exceeds 30 days in the aggregate then the interest rate borne by the Securities held by such Holders will be increased by 0.25% per annum of the principal amount of the Securities for the first 90-day period (or portion thereof) beginning on the 31st such date that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional 0.25% per annum of the principal amount of the Securities at the beginning of each subsequent 90-day period, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent (1%) per annum, including any increases pursuant to the provisions of the preceding paragraph. Any amounts payable under this paragraph shall also be deemed "Additional Interest" for purposes of this Security. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Securities will be reduced to the original interest rate if the Company is otherwise in compliance with this Agreement at such time. Additional Interest shall be computed based on the actual number of days elapsed in each 90-day period in which the Shelf Registration Statement is unusable.

The Company shall notify the Trustee within three Business Days after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "Event Date"). Additional Interest shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semiannual Interest Payment Date, immediately available funds in sums sufficient to pay the Additional Interest then due. The Additional Interest due shall be payable on each Interest Payment Date to the record Holder of Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date.

The interest so payable and punctually paid or duly provided for, on any interest Payment Date will, as provided in such Indenture, be paid to the person in whose name this Security (or any Predecessor Security) is registered at the close of business on the Regular Record Date for such interest, which shall be the June 1 or December 1 (whether or not a Business Day) as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for and interest on such defaulted interest at the interest rate borne by the Series B Securities to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may either be paid to the person in whose name this Security (or any Predecessor Security) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in this, Indenture.

Payment of the principal of, premium, if any, and interest on, this Security and exchange or transfer of the Security, will be made at the office or agency of the Company in The City of New York maintained for such purpose, or at such other office or agency as may be maintained for such purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payment of interest will be made (i) in respect of Securities held by the Depositary or its nominee, in same day funds on or prior to the respective Interest Payment Dates and (ii) in respect of Securities held of record by Holders other than the Depositary or its nominee, in same day funds at the office of the Trustee in New York, New York or at such other office or agency of the Company as it shall maintain for that purpose pursuant to Section 1002, provided, however, that, at the option of the Company, interest on any Security held of record by Holders other than the Depositary or its nominee may be paid by mailing checks to the addresses of the Holders thereof as such addresses appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Security is entitled to the benefits of Guarantees by each of the Guarantors of the punctual payment when due of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is hereby made to Article Fourteen of the Indenture for a statement of the respective rights, limitations of rights duties and obligations under the Guarantees of each of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature of an authorized signer, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers and its corporate seal to be affixed or reproduced hereon.

Dated: NEWPARK RESOURCES, INC.

By:

Title:

Attest:

Authorized Officer

[IF THE SERIES B SECURITY IS A GLOBAL SECURITY,
THEN INSERT THE FOLLOWING AS APPENDIX A THERETO]

APPENDIX A

EXCHANGES FOR GLOBAL NOTES OR PHYSICAL NOTES

The following increases or decreases in the principal amount of this Global Note in accordance with the Indenture have been made:

Date Made	Increase (decrease) in the principal amount of this Global Note	New principal amount of this Global Note following such increase or decrease	Notation made by or on behalf of the Security Registrar

Section 203. Form of Reverse of Securities.

(a) The form of the reverse of the Series A Securities shall be substantially as follows:

NEWPARK RESOURCES, INC.
8 5/8% Senior Subordinated Note due 2007, Series A

This Security is one of a duly authorized issue of Securities of the Company designated as its 8 5/8% Senior Subordinated Notes due 2007, Series A (herein called the "Securities"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $125,000,000, issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of December 17, 1997, among the Company, the Guarantors and State Street Bank and Trust Company, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be authenticated and delivered.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Securities are subject to redemption at any time on or after December 15, 2002 at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice to the Holders by first-class mail, in amounts of $1,000 or an integral multiple thereof, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning December 15 of the years indicated below:

Year	Redemption Price
2002	104.313%
2003	102.875%
2004	101.438%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to but not including the Redemption Date (subject to the rights of Holders of record on relevant Regular Record Dates or Special Record Dates to receive interest due on an Interest Payment Date).

At any time prior to December 1, 2000, the Company may, at its option, use the net proceeds of one or more Public Equity Offerings to redeem up to an aggregate of 35% of the aggregate principal amount of Securities originally issued under the Indenture at a redemption price equal to 108.625% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the Redemption Date; provided that at least $81.25 million aggregate principal amount of the Securities remains outstanding immediately after the occurrence of such redemption. In order to effect the foregoing redemption, the Company must mail a notice of redemption no later than 30 days after the closing of the related Public Equity Offering and must consummate such redemption within 60 days of the closing of the Public Equity Offering.

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed in compliance with any applicable requirements of the principal national securities exchange, if any, on which the Securities are listed or, if the Securities are not then listed on a national securities exchange (or if the Securities are so listed but such exchange does not impose

requirements with respect to the selection of debt securities for redemption), on a pro rata basis, by lot or by such method as the Trustee in its sole discretion shall deem fair and appropriate.

Upon the occurrence of a Change of Control, the Company shall be obligated to make an offer to purchase, and subject to provisions of Section 1011 of the Indenture, must purchase, all Outstanding Securities at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to a Change of Control Offer in accordance with the procedures set forth in the Indenture.

Under certain circumstances, if the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay Senior Indebtedness or invested in properties and assets that were the subject of the Asset Sale or which will be used in the business of the Company or its Subsidiaries existing on the date of the Indenture or in businesses reasonably related thereto, exceeds a specified amount, the Company will be required to apply such proceeds to the repurchase of the Securities and certain Indebtedness ranking pari passu in right of payment to the Securities.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision are made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits with certain exceptions (including certain amendments permitted without the consent of any Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of a specified percentage in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

The Series A Securities are, to the extent and manner provided in Article Thirteen of the Indenture, subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (if such Guarantor or such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on, this Security at

the times, place and rate, and in the coin or currency, herein prescribed, subject to the subordination provisions of the Indenture.

If this Series A Security is in certificated form, then as provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company maintained for such purpose in The City of New York or at such other office or agency of the Company as may be maintained for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

If this Series A Security is in certificated form, then as provided in the Indenture and subject to certain limitations therein set forth, the Holder, provided it is a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act or a Non-U.S. Person, may exchange this Series A Security for a Book-Entry Security by instructing the Trustee (by completing the Transferee Certificate in the form in Appendix I) to arrange for such Series A Security to be represented by a beneficial interest in a Rule 144A Global Security or a Regulation S Global Security, as the case may be, in accordance with the customary procedures of the Depository, unless the Company has elected not to issue a Rule 144A Global Security or a Regulation S Global Security, as the case may be.

If this Series A Security is a Rule 144A Global Security, it is exchangeable for a Series A Security in certificated form as provided in the Indenture and in accordance with the rules and procedures of the Trustee and the Depositary. In addition, certificated securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Rule 144A Global Securities or the Regulation S Global Securities if (x) the Depositary notifies the Company that it is unwilling or unable to continue as depository for such Global Security and a successor depositary is not appointed by the Company within 90 days or (y) there shall have occurred and be continuing an Event of Default and the Security Registrar has received a request from the Depositary. Upon any such issuance, the Trustee is required to register such certificated Series A Securities in the name of, and cause the same to be delivered to, such person or persons (or the nominee of any thereof). All such certificated Series A Securities would be required to include the Private Placement Legend.

Series A Securities in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Series A Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

At any time when the Company is not subject to Sections 13 or 15(d) of the Exchange Act, upon the written request of a Holder of a Series A Security, the Company will promptly furnish or cause to be furnished such information as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto) to such Holder or to a prospective purchaser of such Series A Security who such Holder informs the Company is reasonably believed to be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act, as the case may be, in order to permit compliance by such Holder with Rule 144A under the Securities Act.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax, assessment or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the person in whose name his Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

A DIRECTOR, OFFICER, EMPLOYEE OR STOCKHOLDER, AS SUCH, OF THE COMPANY, ANY GUARANTOR OR THE TRUSTEE, SHALL NOT HAVE ANY LIABILITY FOR ANY OBLIGATIONS OF THE COMPANY, ANY GUARANTOR OR THE TRUSTEE, UNDER THE INDENTURE OR THIS SECURITY OR FOR ANY CLAIM BASED ON, IN RESPECT OF OR BY REASON OF, SUCH OBLIGATIONS OR THEIR CREATION. EACH HOLDER BY ACCEPTING THIS SECURITY WAIVES AND RELEASES ALL SUCH LIABILITY. THE WAIVER AND RELEASE ARE PART OF THE CONSIDERATION FOR THE ISSUE OF THE SECURITIES AND THE GUARANTEES.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

[The Transferee Certificate, in the Form of Appendix I hereto, will be attached to the Series A Security.]

(b) The form of the reverse of the Series B Securities shall be substantially as follows:

NEWPARK RESOURCES, INC.
8 5/8% Senior Subordinated Note due 2007, Series B

This Security is one of a duly authorized issue of Securities of the Company designated as its 8 5/8% Senior Subordinated Notes due 2007, Series B (herein called the "Securities"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $125,000,000, issued under and subject to the terms of an indenture (herein called the "Indenture") dated as of December 17, 1997, among the Company, the Guarantors and State Street Bank and Trust Company, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance with certain conditions set forth therein.

The Securities are subject to redemption at any time on or after December 15, 2002, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice to the Holders by first-class mail, in amounts of $1,000 or an integral multiple thereof, at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning December 15 of the years indicated below:

Year	Redemption Price
2002	104.313%
2003	102.875%
2004	101.438%

and thereafter at 100% of the principal amount, in each case, together with accrued and unpaid interest, if any, to but not including the Redemption Date (subject to the rights of Holders of record on relevant Regular Record Dates or Special Record Dates to receive interest due on an Interest Payment Date).

At any time prior to December 1, 2000, the Company may, at its option, use the net proceeds of one or more Public Equity Offerings to redeem up to an aggregate of 35% of the aggregate principal amount of Securities originally issued under the Indenture at a redemption price equal to 108.625% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the Redemption Date; provided that at least $81.25 million aggregate principal amount of the Securities remains outstanding immediately after the occurrence of such redemption. In order to effect the foregoing redemption, the Company must mail a notice of redemption no later than 30 days after the closing of the related Public Equity Offering and must consummate such redemption within 60 days of the closing of the Public Equity Offering.

If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed in compliance with any applicable requirements of the principal national securities exchange, if any, on which the Securities are listed or, if the Securities are not then listed on a national securities exchange (or if the Securities are so listed but such exchange does not impose requirements with respect to the selection of debt securities for redemption), on a pro rata basis, by lot or by such method as the Trustee in its sole discretion shall deem fair and appropriate.

Upon the occurrence of a Change of Control, the Company shall be obligated to make an offer to purchase, and subject to provisions of Section 1011 of the Indenture, must purchase, all Outstanding Securities at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase, pursuant to a Change of Control Offer in accordance with the procedures set forth in the Indenture.

Under certain circumstances, if the Net Cash Proceeds received by the Company from any Asset Sale, which proceeds are not used to repay Senior Indebtedness or invested in properties and assets that were the subject of the Asset Sale or which will be used in the business of the Company or its Subsidiaries existing on the date of the Indenture or in businesses reasonably related thereto, exceeds a specified amount the Company will be required to apply such proceeds to the repurchase of the Securities and certain Indebtedness ranking pari passu in right of payment to the Securities.

In the case of any redemption or repurchase of Securities in accordance with the Indenture, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant Regular Record Date or Special Record Date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the Redemption Date.

In the event of redemption or repurchase of this Security in accordance with the Indenture in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Securities and the Guarantees at any time by the Company and the Trustee with the consent of the Holders of a specified percentage in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Securities and the Guarantees and certain past Defaults under the Indenture and the Securities and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

The Series B Securities are, to the extent and manner provided in Article Thirteen of the Indenture, subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor on the Securities (if such Guarantor or such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, and premium, if any, and interest on, this Security at the times, place and rate, and in the coin or currency, herein prescribed, subject to the subordination provisions of the Indenture.

If this Series B Security is in certificated form, then as provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Series B Security is registrable on the Security Register of the Company, upon surrender of this Series B Security for registration of transfer at the office or agency of the Company maintained for such purpose in The City of New York or at such other office or agency of the Company as may be maintained for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Series B Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

If this Series B Security is in certificated form, then as provided in the Indenture and subject to certain limitations therein set forth, the Holder may exchange this Series B Security for a Book-Entry Security by instructing the Trustee to arrange for such Series B Security to be represented by a beneficial interest in a Series B Global Security in accordance with the customary procedures of the Depository, unless the Company has elected not to issue a Series B Global Security.

If this Series B Security is a Series B Global Security, it is exchangeable for a Series B Security in certificated form as provided in the Indenture and in accordance with the rules and procedures of the Trustee and the Depositary. In addition, certificated securities shall be transferred to all beneficial holders in exchange for their beneficial interests in the Series B Global Security if (x) the Depositary notifies the Company that it is unwilling or unable to continue as depository for the Series B Global Security and a successor depositary is not appointed by the Company within 90 days or (y) there shall have occurred and be continuing an Event of Default and the Security Registrar has received a request from the Depositary. Upon any such issuance, the Trustee is required to register such certificated Series B Securities in the name of, and cause the same to be delivered to, such person or persons (or the nominee of any thereof).

Series B Securities in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Series B Securities are exchangeable for a like aggregate principal amount of Securities of a differing authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax, assessment or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security is overdue, and neither the Company, any Guarantor, the Trustee nor any such agent shall be affected by notice to the contrary.

A DIRECTOR, OFFICER, EMPLOYEE OR STOCKHOLDER, AS SUCH, OF THE COMPANY, ANY GUARANTOR OR THE TRUSTEE, SHALL NOT HAVE ANY LIABILITY FOR ANY OBLIGATIONS OF THE COMPANY, ANY GUARANTOR OR THE TRUSTEE, UNDER THE INDENTURE OR THIS SECURITY OR FOR ANY CLAIM BASED ON, IN RESPECT OF OR BY REASON OF, SUCH OBLIGATIONS OR THEIR CREATION. EACH HOLDER BY ACCEPTING THIS SECURITY WAIVES AND RELEASES ALL SUCH LIABILITY. THE WAIVER AND RELEASE ARE PART OF THE CONSIDERATION FOR THE ISSUE OF THE SECURITIES AND THE GUARANTEES.

THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

[The Transferee Certificate, in the form of Appendix II hereto, will be attached to the Series B Security.]

Section 204. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be included on the form of the face of the Securities substantially in the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION.
[Series A Securities]

This is one of the 8 5/8% Senior Subordinated Notes due 2007, Series A referred to in the within-mentioned Indenture.

State Street Bank and Trust Company,
as Trustee

By:

Authorized Signer

[Series B Securities]

This is one of the 8 5/8% Senior Subordinated Notes due 2007, Series B referred to in the within-mentioned Indenture.

State Street Bank and Trust Company,
as Trustee

By:

Authorized Signer

Section 205. Form of Guarantee of Each of the Guarantors.

The form of Guarantee shall be set forth on the Securities substantially as follows:

GUARANTEES

For value received, each of the undersigned hereby absolutely, unconditionally and irrevocably guarantees, jointly and severally, to the holder of this Security the payment of principal of, premium, if any, and interest on this Security upon which these Guarantees are endorsed in the amounts and at the time when due and payable whether by declaration thereof, or otherwise, and interest on the overdue principal and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security and Article Thirteen and Article Fourteen of the Indenture. These Guarantees will not become effective until the Trustee duly executes the certificate of authentication on this Security. THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THEREOF. The Indebtedness evidenced by these Guarantees are, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Guarantor Senior Indebtedness (as defined in the Indenture), whether outstanding on the date of the Indenture or thereafter, and the Guarantees are issued subject to such provisions.

Dated:

[EACH GUARANTOR]

By:

Name:

Title:

Attest:

Name:

Title:

Section 206. Form of Option of Holder to Elect Purchase.

The form of Option of Holder to Elect Purchase Form shall be set forth on the Securities substantially as follows:

OPTION OF HOLDER TO ELECT PURCHASE

If you wish to have this Security purchased by the Company pursuant to Section 1011 or Section 1012, as applicable, of the Indenture, check the Box: [ ].

If you wish to have a portion of this Security (which has an original principal amount of $1,000 or an integral multiple thereof) purchased by the Company pursuant to Section 1011 or Section 1012 as applicable, of the Indenture, state the amount (in original principal amount):

$ _____

Date: ----------

Your Signature: ----------

Taxpayer Identification No.: ----------

(Sign exactly as your name appears on the other side of this Security)

Signature Guarantee: ----------

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stockbrokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

ARTICLE THREE

THE SECURITIES

Section 301. Title and Terms.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is limited to $125,000,000 in principal amount of Series A Securities and $125,000,000 in principal amount of Series B Securities, except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities pursuant to Section 303, 304, 305, 306, 307, 308, 906, 1011, 1012 or 1108.

The Series A Securities shall be known and designated as the 8 5/8% Series A Senior Subordinated Notes due 2007, Series A of the Company. The Stated Maturity of the Series A Securities shall be December 15, 2007, and the Series A Securities shall each bear interest, at the rate of 8 5/8% per annum, as such interest rate may be adjusted as set forth in the Series A Security, from December 17, 1997, or from the most recent Interest Payment Date to which interest has been paid, as the case may be, payable semiannually on June 15 and December 15, in each year commencing June 15, 1998, until the principal thereof is paid or duly provided for. Interest on any overdue principal, interest (to the extent lawful) or premium, if any, shall be payable on demand.

The Series B Securities shall be known and designated as the 8 5/8% Series B Senior Subordinated Notes due 2007, Series B of the Company. The Stated Maturity of the Series B Securities shall be December 15, 2007, and the Series B Securities shall each bear interest at the rate of 8 5/8% per annum, as such interest rate may be adjusted as set forth in the Series B Security, from their issuance date or from the most recent Interest Payment Date to which interest has been paid, as the case may be, payable semiannually on June 15 and December 15, in each year commencing June 15, 1998, until the principal thereof is paid or duly provided for. Interest on any overdue principal, interest (to the extent lawful) or premium, if any, shall be payable on demand.

The principal of and premium, if any, and interest on the Securities shall be payable (i) in respect of Securities held of record by the Depositary or its nominee in same day funds on or prior to the respective payment dates and (ii) in respect of Securities held of record by Holders other than the Depositary or its nominee in same day funds at the office or agency of the Company maintained for such purpose pursuant to Section 1002; provided, however, that at the option of the Company, payment of interest to Holders of record other than the Depositary may be made by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register. The Securities will be exchangeable and transferable at an office or agency of the Company in The City of New York maintained for such purposes.

For all purposes hereunder, the Series A Securities and the Series B Securities will be treated as one class and are together referred to as the "Securities." The Series A Securities rank pari passu in right of payment with the Series B Securities.

The Securities shall be subject to repurchase by the Company pursuant to an Offer as provided in Section 1012.

The Company shall offer to purchase, and shall purchase all Outstanding Securities, in the event of a Change of Control, pursuant to the terms of Section 1011.

The Securities shall be redeemable as provided in Article Eleven and in the Securities.

The Indebtedness evidenced by the Securities shall be subordinated in right of payment to Senior Indebtedness as provided in Article Thirteen.

At the election of the Company, the entire Indebtedness on the Securities or certain of the Company's obligations and covenants and certain Events of Default thereunder may be defeased as provided in Article Four.

Section 302. Denominations.

The Securities shall be issuable only in fully registered form without coupons and only in denominations of $1,000 and any integral multiple thereof.

Section 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by one of its Chairman of the Board, its President, its Chief Executive Officer, its Chief Financial Officer or one of its Vice Presidents attested by its Secretary or one of its Assistant Secretaries. The signatures of any of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee (with Guarantees endorsed thereon) for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities as provided in this Indenture and not otherwise.

Each Security shall be dated the date of its authentication.

No Security or Guarantee endorsed thereon shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

In case the Company or any Guarantor, pursuant to Article Eight, shall, in a single transaction or through a series of related transactions, be consolidated or merged with or into any other person or shall sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any person, and the successor person resulting from such consolidation or surviving such merger, or into which the Company or such Guarantor shall have been merged, or the successor person which shall have participated in the sale, assignment, conveyance, transfer, lease or other disposition as aforesaid, shall have executed an indenture supplemental hereto with the Trustee pursuant to Article Eight, any of the Securities authenticated or delivered prior to such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition may, from time to time, at the request of the successor person, be exchanged for other Securities executed in the name of the successor person with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the Securities surrendered for such exchange and of like principal amount; and the Trustee, upon Company Request of the successor person, shall authenticate and deliver Securities as specified in such request for the purpose of such exchange. If Securities shall at any time be authenticated and delivered

in any new name of a successor person pursuant to this Section 303 in exchange or substitution for or upon registration of transfer of any Securities, such successor person, at the option of the Holders but without expense to them, shall provide for the exchange of all Securities at the time Outstanding for Securities authenticated and delivered in such new name.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Securities on behalf of the Trustee. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Security Registrar or Paying Agent to deal with the Company and its Affiliate.

Section 304. Temporary Securities.

Pending the preparation of definitive Securities, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities. Every such temporary Security shall be executed by the Company and shall be authenticated and delivered by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Security or Securities in lieu of which it is issued.

If temporary Securities are issued, the Company will cause definitive Securities to be prepared without unreasonable delay. After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at the office or agency of the Company designated for such purpose pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

Section 305. Registration, Registration of Transfer and Exchange.

The Company shall cause the Trustee to keep, so long as it is the Security Registrar, at the Corporate Trust Office of the Trustee, or such other office as the Trustee may designate, a register (the register maintained in such office or in any other office or agency designated pursuant to Section 1002 being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as the Security Registrar may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee shall initially be the "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided. The Company may appoint one or more co-Security Registrars. At all reasonable times the Security Register shall be open for inspection by the Company.

Upon surrender for registration of transfer of any Security at the office or agency of the Company designated pursuant to Section 1002, the Company shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series of any authorized denomination or denominations, of a like aggregate principal amount.

Furthermore, any Holder of a Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interests in such Global Security may be effected only through a book-entry system maintained by the Holder of such Global Security (or its agent), and that ownership of a beneficial interest in a Security shall be required to be reflected in a book entry.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations, of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, Securities of the same series which the Holder making the exchange is entitled to receive; provided that no exchange of Series A Securities for Series B Securities shall occur until an Exchange Offer Registration Statement shall have been declared effective by the Commission and that the Series A Securities exchanged for the Series B Securities shall be canceled.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same Indebtedness, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer, or for exchange, repurchase or redemption, shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made to a Holder for any registration of transfer, exchange or redemption of Securities, except in certain circumstances for any tax, assessment or other governmental charge that may be imposed in connection therewith, other than exchanges pursuant to Sections 303, 304, 305, 308, 906, 1011, 1012 or 1108 not involving any transfer.

Neither the Company nor the Security Registrar shall be required (a) to issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before the mailing of a notice of redemption of the Securities selected for redemption under Section 1104 and ending at the close of business on the day of such mailing, or (b) to register the transfer of or exchange any Security so selected for redemption in whole or in part except the unredeemed portion of Securities being redeemed in part.

Every Security shall be subject to the restrictions on transfer provided in the legend required to be set forth on the face of each Security pursuant to Section 202, and to the restrictions set forth in this Section 305, and the Holder of each Security, by such Holder's acceptance thereof (or interest therein), agrees to be bound by such restrictions on transfer.

The restrictions imposed by this Section 305 upon the transferability of any particular Security shall cease and terminate on (a) the later of December 17, 1999 or two years after the last date on which the Company or any Affiliate of the Company was the owner of such Security (or any predecessor of such Security) or (b) (if earlier) if and when such Security has been sold pursuant to an effective registration statement under the Securities Act or transferred pursuant to Rule 144 or Rule 904 under the Securities Act (or any successor provision), unless the Holder thereof is an affiliate of the Company within the meaning of Rule 144 (or such successor provisions). Any Security as to which such restrictions on transfer shall have expired, in accordance with their terms or shall have terminated may, upon surrender of such Security for exchange to the Security Registrar in accordance with the provision of this Section 305 (accompanied, if such restrictions on transfer have terminated pursuant to Rule 144 or Rule 904 (or any successor provision), by an Opinion of Counsel satisfactory to the Company and the Trustee, to the effect that the transfer of such Security has been made in compliance with Rule 144 or Rule 904 (or any such successor provision)), be exchanged for a new Security of like tenor and aggregate principal amount, which shall not bear the Private Placement Legend. The Company shall inform the Trustee of the effective date of any Registration Statement registering the Securities under the Securities Act no later than two Business Days after such effective date.

Except as provided in the preceding paragraph, any Security authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, any U.S. Global Security, whether pursuant to this Section 305, Section 304, 308, 906 or 1108 or otherwise, shall also be a U.S. Global Security and bear the legend specified in Section 202.

Section 306. Book-Entry Provisions for Global Securities.

(a) Each Global Security initially shall (i) be registered in the name of the Depositary for such Global Security or the nominee of such Depositary, (ii) be deposited with, or on behalf of, the Depositary or with the Trustee as custodian for such Depositary and (iii) bear legends as set forth in Section 202.

Members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary, or the Trustee as its custodian, or under such Global Security, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or shall impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Security.

(b) Transfers of each Global Security shall be limited to transfers of such Global Security in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of beneficial owners in each Global Security may be transferred in accordance with the rules and procedures of the Depositary and the provisions of Section 307. Beneficial owners of interests in the Rule 144A Global Securities and Series B Global Securities may obtain, in certificated form, Securities in registered form without coupons (the "Physical Securities") in exchange for their beneficial interests in the Rule 144A Global Securities or Series B Global Securities, as applicable, upon request in accordance with the Depositary's and the Security Registrar's procedures. In connection with the execution, authentication and delivery of such Physical Securities, the Security Registrar shall reflect on Appendix A to the relevant Global Security a decrease in the principal amount of such Global Security equal to the principal amount of such Physical Securities and the Company shall execute and the Trustee shall authenticate and deliver one or more Physical Securities having an equal aggregate principal amount. In addition, Physical Securities shall be issued to all beneficial owners in exchange for their beneficial interests in any Global Security if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Global Security and a successor Depositary is not appointed by the Company within 90 days of such notice or (ii) an Event of Default has occurred and is continuing and the Security Registrar has received a request from the Depositary to issue Physical Securities.

(c) In connection with any transfer of a portion of the beneficial interest in a Global Security pursuant to Section 306(b) to beneficial owners who are required to hold Physical Securities, the Security registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Security in an amount equal to the principal amount of the beneficial interest in such Global Security to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more Physical Securities of like tenor and amount.

(d) In connection with the transfer of an entire Global Security to beneficial owners pursuant to Section 306(b), such Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depositary in exchange for its beneficial interest in such Global Security an equal aggregate principal amount of Physical Securities of authorized denominations.

(e) Any Physical Security constituting a "restricted security" within the meaning of Rule 144(a)(3) under the Securities Act delivered in exchange for an interest in a Global Security pursuant to Section 306(c) or Section 306(d) shall, except as otherwise provided by Section 307, bear the Private Placement Legend.

(f) The registered holder of a Global Security may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Securities.

Section 307. Special Transfer Provisions.

Unless and until (i) an Initial Security is sold under an effective Registration Statement, or (ii) an Initial Security is exchanged for a Series B Security in connection with the Exchange Offer, in each case pursuant to the Registration Rights Agreement, the following provisions shall apply:

(a) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Security to a QIB (excluding Non-U.S. Persons):

(i) The Security Registrar shall register the transfer of any Initial Security, whether or not such Security bears the Private Placement Legend if (x) the requested transfer is after the second anniversary of the Issue Date; provided, however, that neither the Company nor any Affiliate of the Company has held any beneficial interest in such Security, or portion thereof, at any time on or prior to the second anniversary of the Issue Date and such transfer can otherwise lawfully be made under the Securities Act without registering such Initial Security thereunder or (y) such transfer is being made by a proposed transferor who has checked the box provided for on the form of Initial Security stating, or has otherwise advised the Company and the Security Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to the transferee who has signed the certification provided for on the form of Initial Security stating, or has otherwise advised the Company and the Security Registrar in writing,that it is purchasing the Initial Security for its own account or an account with respect to which it exercises sole investment discretion and that it, or the person on whose behalf it is acting with respect to any such account, is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) If the proposed transferee is an Agent Member, and the Initial Security to be transferred consists of Physical Securities which after transfer are to be evidenced by an interest in the Rule 144A Global Security, upon receipt by the Security Registrar of instructions given in accordance with the Depositary's and the Security Registrar's procedures therefor, the Security Registrar shall reflect on Appendix A to the Rule 144A Global Security the date and an increase in the principal amount of the Rule 144A Global Security in an amount equal to the principal amount of the Physical Securities to be transferred, and the Trustee shall cancel the Physical Security so transferred.

(iii) If the proposed transferor is an Agent Member seeking to transfer an interest in a Global Security, upon receipt by the Security Registrar of written instructions given in accordance with the Depositary's and the Security Registrar's procedures, the Security Registrar shall register the transfer and reflect (A) on Appendix A to Global Security from which interests are to be transferred the date and a decrease in the principal amount of the Global Security from which interests are to be transferred in an amount equal to the principal amount of the Securities to be transferred and (B) on Appendix A to the Rule 144A Global Security the date and an

increase in the principal amount of the Rule 144A Global Security in an amount equal to the principal amount of the Global Security to be transferred.

(b) Transfers to Non-U.S. Persons. The following provisions shall apply with respect to any transfer of an Initial Security to a Non-U.S. Person:

(i) Prior to January 26, 1998, an owner of a beneficial interest in the Regulation S Global Security may not transfer such interest to a transferee that is a U.S. Person or for the account or benefit of a U.S. Person within the meaning of Rule 902(o) under the Securities Act. During such time, all beneficial interests in the Regulation S Global Security shall be transferred only through Cedel or Euroclear, either directly if the transferor and transferee are participants in such system, or indirectly through organizations that are participants.

(ii) The Security Registrar shall register the transfer of any Initial Security, whether or not such Security bears the Private Placement Legend, if (x) the proposed transferee has delivered to the Security Registrar a certificate substantially in the form of Exhibit B hereto or (y) the proposed transferor has delivered to the Security Registrar a certificate substantially in the form of Exhibit C hereto.

(iii) If the proposed transferee is an Agent Member and the Securities to be transferred consist of Physical Securities which after transfer are to be evidenced by an interest in the Regulation S Global Security, upon receipt by the Security Registrar of (x) written instructions given in accordance with the Depositary's and the Security Registrar's procedures and (y) the appropriate certificate required by clause (y) of paragraph (ii) of this Section 307(b), together with any required legal opinions and certifications, the Security Registrar shall register the transfer and reflect on Appendix A to the Regulation S Global Security the date and an increase in the principal amount of the Regulation S Global Security in an amount equal to the principal amount of Physical Securities to be transferred, and the Trustee shall cancel the Physical Securities so transferred.

(iv) If the proposed transferor is an Agent Member seeking to transfer an interest in a Global Security, upon receipt by the Security Registrar of (x) written instructions given in accordance with the Depositary's and the Security Registrar's procedures and (y) the appropriate certificate required by clause (y) of paragraph (ii) of this Section 307(b), together with any required legal opinions and certificates, the Security Registrar shall register the transfer and reflect (A) on Appendix A to the Global Security from which interests are to be transferred the date and a decrease in the principal amount of the Global Security from which such interests are to be transferred in an amount equal to the principal amount of the Securities to be transferred and (B) on Appendix A to the Regulation S Global Security the date and an increase in the principal amount of the Regulation S Global Security in an amount equal to the principal amount of the Global Security to be transferred.

(c) Private Placement Legend. Upon the registration of transfer, exchange or replacement of Securities not bearing the Private Placement Legend, the Security Registrar shall deliver Securities that do not bear the Private Placement Legend. Upon the registration of transfer, exchange or replacement of Securities bearing the Private Placement Legend, the Security Registrar shall deliver only Securities that bear the Private Placement Legend unless there is delivered to the Security Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(d) General. By its acceptance of any Security bearing the Private Placement Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this

Indenture and in the Private Placement Legend and agrees that it will transfer such Security only as provided in this Indenture.

The Security Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 306 or this Section 307. The Company shall have the right, to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Security Registrar.

If Regulation S is amended during the term of this Indenture to alter the applicable holding period, all reference in this Indenture to a holding period for Non-U.S. Persons will be deemed to include such amendment.

Section 308. Mutilated, Destroyed, Lost and Stolen Securities.

If (a) any mutilated Security is surrendered to the Trustee, or (b) the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and there is delivered to the Company, any Guarantor and the Trustee, such security or indemnity, in each case, as may be required by them to save each of them harmless, then, in the absence of notice to the Company, any Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company and the Guarantors shall execute and upon a Company Request the Trustee shall authenticate and deliver, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or stolen Security, a replacement Security of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company or any Guarantor in its discretion may, instead of issuing a replacement Security, pay such Security.

Upon the issuance of any replacement Securities under this Section, the Company may require the payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every replacement Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and any Guarantor, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 309. Payment of Interest; Interest Rights Preserved.

Interest on any Security which is payable, and is punctually paid or duly provided for, on the Stated Maturity of such interest shall be paid to the person in whose name the Security (or any Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest payment. Payment of interest will be made (i) in respect of Securities held by the Depositary or its nominee, in same day funds on or prior to the respective Interest Payment Dates and (ii) in respect of Securities held of record by Holders other than the Depositary or its nominee, in same day funds at the office of the Trustee in New York, New York or at such other office or agency of the Company as it shall maintain for that purpose pursuant to Section 1002; provided, however, that, at the option of the Company, interest on any Security held of record by Holders other than the Depositary or its nominee

may be paid by mailing checks to the addresses of the Holders thereof as such addresses appear in the Security Register.

Any interest on any Security which is payable, but is not punctually paid or duly provided for, on the Stated Maturity of such interest, and interest on such defaulted interest at the then applicable interest rate borne by the Securities, to the extent lawful (such defaulted interest and interest thereon herein collectively called "Defaulted Interest"), shall forthwith cease to be payable to the Holder on the Regular Record Date; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Subsection (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the persons in whose names the Securities (or any relevant Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date (not less than 30 days after such notice) of the proposed payment (the "Special Payment Date"), and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the Special Payment Date, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the Special Payment Date and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company in writing of such Special Record Date. In the name and at the expense of the Company, the Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at its address as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date and Special Payment Date there for having been so mailed, such Defaulted Interest shall be paid to the persons in whose names the Securities are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 309, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 310. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and the Company, or the Trustee on behalf of the Company, shall use CUSIP numbers in notices of redemption or exchange as a convenience to Holders; provided, however, that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of redemption or exchange and that reliance may be placed only on the other identification numbers printed on the Securities; and provided further, however, that failure to use CUSIP numbers in any notice of redemption or exchange shall not affect the validity or sufficiency of such notice.

Section 311. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the person in whose name any Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 309) interest on, such Security and for all other purposes whatsoever, whether or not such Security is overdue, and neither the Company, any Guarantor, the Trustee nor any agent of the Company, any Guarantor or the Trustee shall be affected by notice to the contrary.

Section 312. Cancellation.

All Securities surrendered for payment, purchase, redemption, registration of transfer or exchange shall be delivered to the Trustee and, if not already canceled, shall be promptly canceled by it. The Company and any Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or such Guarantor may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section 312, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be destroyed and certification of their destruction delivered to the Company, unless by a Company Order received by the Trustee prior to such destruction, the Company shall direct that the canceled Securities be returned to it. The Trustee shall provide the Company a list of all Securities that have been canceled from time to time as requested by the Company.

Section 313. Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

ARTICLE FOUR

DEFEASANCE AND COVENANT DEFEASANCE

Section 401. Company's Option to Effect Defeasance or Covenant Defeasance.

The Company may, at its option by Board Resolution, at any time, with respect to the Securities, elect to have either Section 402 or Section 403 be applied to all of the Outstanding Securities (the "Defeased Securities"), upon compliance with the conditions set forth below in this Article Four.

Section 402. Defeasance and Discharge.

Upon the Company's exercise under Section 401 of the option applicable to this Section 402, the Company, each Guarantor and any other obligor upon the Securities, if any, shall be deemed to have been discharged from its obligations with respect to the Defeased Securities on the date the conditions set forth in Section 404 are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company, each Guarantor and any other obligor upon the Securities shall be deemed to have paid and discharged the entire Indebtedness represented by the defeased Securities, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 405 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company and upon Company Request, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of

Holders of Defeased Securities to receive, solely from the trust fund described in Section 404 and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest on, such Securities, when such payments are due, (b) the Company's obligations with respect to such Defeased Securities under Sections 304, 305, 308, 1002 and 1003, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder, including, without limitation, the Trustee's rights under Section 607, and (d) this Article Four. Subject to compliance with this Article Four, the Company may exercise its option under this Section 402 notwithstanding the prior exercise of its option under Section 403 with respect to the Securities.

Section 403. Covenant Defeasance.

Upon the Company's exercise under Section 401 of the option applicable to this Section 403, the Company and each Guarantor shall be released from its obligations under any covenant contained in Sections 1005 through 1019(a), inclusive, with respect to the Defeased Securities on and after the date the conditions set forth in Section 404 are satisfied (hereinafter, "covenant defeasance"), and the Defeased Securities shall thereafter be deemed to be not "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the Defeased Securities, the Company and each Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 501(c), but, except as specified above, the remainder of this Indenture and such Defeased Securities shall be unaffected thereby.

Section 404. Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 402 or Section 403 to the Defeased Securities:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (a) United States dollars in an amount, (b) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms and with no further reinvestment will provide, not later than one day before the due date of any payment, money in an amount, or (c) a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee to pay and discharge, the principal of, premium, if any, and interest on, the Defeased Securities, on the Stated Maturity of such principal or interest (or on any date after December 15, 2002 (such date being referred to as the "Defeasance Redemption Date") if at or prior to electing to exercise either its option applicable to Section 402 or its option applicable to Section 403, the Company has delivered to the Trustee an irrevocable notice to redeem all of the Outstanding Securities on the Defeasance Redemption Date);

(2) In the case of an election under Section 402, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date hereof, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Independent Counsel in the United States shall confirm that, the Holders of the Outstanding Securities will not recognize income, gain or loss for federal income tax

purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(3) In the case of an election under Section 403, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States to the effect that the Holders of the Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(4) No Default or Event of Default shall have occurred and be continuing or the date of such deposit or insofar as Section 501(h) or (i) is concerned, at any time during the period ending on the 91st day after the date of deposit (it being understood that this condition shall not be satisfied until the expiration of such period);

(5) Such defeasance or covenant defeasance shall not cause the Trustee for the Securities to have a conflicting interest for purposes of the Trust Indenture Act with respect to any other securities of the Company or any Guarantor;

(6) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, this Indenture or any other material agreement or instrument to which the Company, any Guarantor or any Subsidiary is a party or by which it is bound;

(7) Such defeasance or covenant defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust shall be registered under such Act or exempt from registration thereunder;

(8) The Company shall have delivered to the Trustee an Opinion of Independent Counsel to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally;

(9) The Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Securities or any Guarantee over the other creditors of the Company or any Guarantor with the intent of defeating, hindering, delaying or defrauding creditors of the Company, any Guarantor or others;

(10) No event or condition shall exist that would prevent the Company from making payments of the principal of, premium, if any, and interest on the Securities on the date of such deposit or at any time ending on the 91st day after the date of such deposit; and

(11) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Independent Counsel, each stating that all conditions precedent provided for relating to either the defeasance under Section 402 or the covenant defeasance under Section 403 (as the case may be) have been complied with.

Opinions of Counsel or Opinions of Independent Counsel required to be delivered under this Section shall be in form and substance reasonably satisfactory to the Trustee and may have qualifications customary for opinions of the type required and counsel delivering such opinions may rely on certificates of the Company or government or other officials customary for opinions of the type required, which certificates shall be limited as to matters of fact, including that various financial covenants have been complied with.

Section 405. Deposited Money and U.S. Government Obligations to Be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee pursuant to Section 404 in respect of the Defeased Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (excluding the Company or any of its Affiliates acting as Paying Agent), as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law. Money so held in trust shall not be subject to the provisions of Article Thirteen.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 404 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is imposed, assessed or for the account of the Holders of the Defeased Securities.

Anything in this Article Four to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any United States dollars or U.S. Government Obligations held by it as provided in Section 404 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect defeasance or covenant defeasance.

Section 406. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or U.S. Government Obligations in accordance with Section 402, 403 or 1201, as the case may be by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities and any Guarantor's obligations under this Indenture and any Guarantee shall be revived and reinstated, with present and prospective effect, as though no deposit had occurred pursuant to Section 402, 403 or 1201, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such United States dollars or U.S. Government Obligations in accordance with Section 402, 403 or 1201, as the case may be; provided, however, that if the Company makes any payment to the Trustee or Paying Agent of principal of, premium, if any, or interest on any Security following the reinstatement of its obligations, the Trustee or Paying Agent shall promptly pay any such amount to the Holders of the Securities and the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the United States dollars and U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE FIVE

REMEDIES

Section 501. Events of Default.

"Event of Default," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) there shall be a default in the payment, when due and payable, of the principal of, or premium, if any, on, any Security (at its Stated Maturity, upon optional redemption, upon required purchase, upon acceleration or otherwise);

(b) there shall be a default in the payment, when due and payable, of an installment of interest on any Security, and such default shall continue for a period of 30 days or more;

(c) (i) there shall be a default in the performance, or breach, of any term, covenant or agreement of the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor under this Indenture or any Guarantee (other than a default in the performance, or breach, of a term covenant or agreement which is specifically dealt with in clause (a) or (b) of this Section 501 or in clause (ii), (iii) or (iv) of this clause (c)) and such default or breach shall continue for a period of 30 days after written notice has been given, by certified mail, (x) to the Company by the Trustee or (y) to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the Outstanding Securities, which notice shall specify that it is a "notice of default" and shall demand that such a default be remedied; (ii) there shall be a default in the performance or breach of the provisions described in Article Eight herein; (iii) the Company shall have failed to make or consummate a Net Proceeds Offer in accordance with the provisions of Section 1012; or (iv) the Company shall have failed to make or consummate a Change of Control Offer in accordance with the provisions of Section 1011;

(d) one or more defaults shall have occurred under any agreements, instruments, mortgages, bonds, debentures or other evidence of Indebtedness under which the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor then has outstanding Indebtedness in excess of $10,000,000, individually or in the aggregate, and either (x) the principal amount of such Indebtedness is already due and payable in full or (y) such default or defaults have resulted in the acceleration of the maturity of such Indebtedness;

(e) the commencement of proceedings, or the taking of any enforcement action (including by way of set-off), by any holder or holders of at least $10,000,000 in aggregate principal amount of Indebtedness of the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor, after a default under such Indebtedness, to retain in satisfaction of such Indebtedness or to collect on, seize, dispose of or apply in satisfaction of such Indebtedness, property or assets of the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor having a Fair Market Value in excess of $10,000,000 individually or in the aggregate;

(f) one or more judgments, orders or decrees from any court or regulatory or administrative agency of competent jurisdiction for the payment of money in excess of $10,000,000, over the coverage under applicable binding insurance policies issued by a solvent insurer which has accepted such coverage, either individually or in the aggregate, shall be entered against the Company, any Guarantor or any Restricted Subsidiary which is not a Guarantor or any of their respective properties or assets and shall not be discharged, settled or bonded and either (a) any creditor shall have commenced an enforcement proceeding upon such judgment, order or decree (other than a judgment, order or decree that is stayed by reason of pending appeal or otherwise) or (b) there shall have been a period of 60 consecutive days after the date on which any period for appeal has expired and during which a stay of enforcement of such judgment or order shall not be in effect;

(g) any Guarantee shall for any reason cease to be, or shall for any reason be asserted by any Guarantor or the Company not to be, in full force and effect and enforceable in accordance with its terms except to the extent provided for by this Indenture and any such Guarantee;

(h) there shall have been the entry by a court of competent jurisdiction of (i) a decree or order for relief in respect of the Company, any Guarantor or any Significant Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (ii) a decree or order adjudging the

Company, any Guarantor or any Significant Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, any Guarantor or any Significant Subsidiary under any applicable Federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company, any Guarantor or any Significant Subsidiary or of any substantial part of their respective properties, or ordering the winding up or liquidation of their respective affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(i) (i) the Company, any Guarantor or any Significant Subsidiary commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent, (ii) the Company, any Guarantor or any Significant Subsidiary consents to the entry of a decree or order for relief in respect of the Company, such Guarantor or such Significant Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it, (iii) the Company, any Guarantor or any Significant Subsidiary files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, (iv) the Company, any Guarantor or any Significant Subsidiary (1) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company, any Guarantor or such Significant Subsidiary or of any substantial part of their respective properties, (2) makes an assignment for the benefit of creditors or (3) admits in writing its inability to pay its debts generally as they become due, or (v) the Company, any Guarantor or any Significant Subsidiary takes any corporate action in furtherance of any such actions in this clause (i).

Section 502. Acceleration of Maturity; Rescission and Annulment.

(a) If an Event of Default (other than an Event of Default specified in Sections 501(h) and (i)) shall occur and be continuing with respect to this Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities then outstanding may, and the Trustee at the request of such Holders shall, declare all unpaid principal of, premium, if any, and accrued interest on all Securities to be due and payable, by a notice in writing to the Company (and to the Trustee if given by the Holders of the Securities) and upon any such declaration, such principal, premium, if any, and interest shall become due and payable immediately. If an Event of Default specified in clause (h) or (i) of Section 501 occurs with respect to the Company, any Guarantor or any Significant Subsidiary and is continuing, then all the Securities shall ipso facto become and be due and payable immediately in an amount equal to the principal amount of the Securities, together with accrued and unpaid interest, if any, to the date the Securities become due and payable, without any declaration or other act on the part of the Trustee or any Holder.

(b) Notwithstanding the foregoing provisions of Section 502(a), if a declaration of acceleration in respect of the Securities because an Event of Default specified in (i) clause (d) of Section 501(a) shall have occurred and be continuing, such Event of Default and any consequential acceleration shall be automatically rescinded if the Indebtedness that is the subject of such Event of Default has been repaid, or if the default relating to such Indebtedness is waived or cured and, if such Indebtedness has been accelerated, the holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness (provided, in each case, that such repayment, waiver, cure or rescission is effected within a period of 10 days from the continuation of such default beyond the applicable grace period or the occurrence of such acceleration), or (ii) clause (e) of Section 501(a) shall have occurred and be continuing, such Event of Default and any consequential acceleration shall be automatically rescinded if the proceedings or enforcement action with respect to the Indebtedness that is the subject of such Event of Default is terminated or rescinded, or such Indebtedness is repaid and only so long as any holder of such Indebtedness shall not have applied any property or assets referenced in clause (e) of Section 501(a) in satisfaction of such Indebtedness, and, in the case of both clauses (i) and (ii) of this Section 502(b),

written notice of such repurchase, or cure or waiver and rescission, as the case may be, shall have been given to the Trustee by the Company or by the requisite holders of such Indebtedness or a trustee, fiduciary or agent for such holders, within 45 days after such declaration of acceleration in respect of the Securities and no other Event of Default shall have occurred which has not been cured or waived during such 45-day period, and so long as such rescission of any such acceleration does not conflict with any judgment or decree.

(c) At any time after a declaration of acceleration with respect to the Securities, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the Holders of a majority in aggregate principal amount of the Securities Outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay

(i) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(ii) all overdue interest on all Outstanding Securities,

(iii) the principal of and premium, if any, on any Outstanding Securities which have become due otherwise than by such declaration of acceleration and interest thereon at a rate borne by the Securities, and

(iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Securities which have become due otherwise than by such declaration of acceleration;

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(3) all Events of Default, other than the non-payment of principal of, premium, if any, and interest on the Securities that have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513. No such rescission and annulment shall affect any subsequent Default or impair any right consequent thereon.

Section 503. Other Remedies; Collection Suit by Trustee.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of, premium, if any, or interest on the Securities or Guarantees or to enforce the performance of any provision of the Securities or Guarantees or this Indenture.

(b) If an event of Default specified in clause (a) or (b) of Section 501 occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company and/or any of the Guarantors for the whole amount of principal of, premium, if any, and accrued interest remaining unpaid, together with interest on overdue principal and, to the extent that payment of such interest is lawful, interest on overdue installments of interest, in each case at the rate per annum borne by the Securities and such further amounts as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor, including any Guarantor, upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, and premium, if any, and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, if the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 505. Trustee May Enforce Claims without Possession of Securities.

All rights of action and claims under this Indenture, the Securities or the Guarantees may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 506. Application of Money Collected.

Subject to Articles Thirteen and Fourteen of this Indenture, any money collected by the Trustee pursuant to this Article or otherwise on behalf of the Holders or the Trustee pursuant to this Article or through any proceeding or any arrangement or restructuring in anticipation or in lieu of any proceeding contemplated by this Article shall be applied, subject to applicable law, in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of the amounts then due and unpaid upon the Securities for principal, premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest; and

THIRD: The balance, if any, to the person or persons entitled thereto, including the Company, provided that all sums due and owing to the Holders and the Trustee have been paid in full as required by this Indenture.

Section 507. Limitation on Suits.

(a) No Holder of any Securities shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Securities, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(b) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(c) the Holders of not less than 25% in principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as trustee hereunder within 30 days after its receipt of such notice;

(d) such Holder or Holders have offered to the Trustee reasonable security or indemnity to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;

(e) the Trustee for 30 days after its receipt of such notice, request and offer (and if requested, provision) of reasonable security or indemnity has failed to institute any such proceeding; and

(f) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by the Holders of a majority in principal amount of the Outstanding Securities;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture, any Security or any Guarantee to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, any Security or any Guarantee, except in the manner provided in this Indenture and for the equal and ratable benefit of all the Holders.

(b) The foregoing provisions of Section 507(a) do not apply, however, to a suit instituted by a Holder of a Security for the enforcement of the payment of principal of, premiums, if any, or interest on, such Security on or after the respective due dates expressed in such Security.

Section 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right based on the terms stated herein, which is absolute and unconditional, to receive payment of the principal of, premium, if any, and (subject to Section 309) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption or repurchase, on the Redemption Date or the repurchase date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that such

rights shall be subject to the subordination provisions contained in Articles Thirteen and Fourteen of this Indenture.

Section 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture or any Guarantee and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, any Guarantor, any other obligor on the Securities, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 510. Rights and Remedies Cumulative.

Except as otherwise provided in Section 308 with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 512. Control by Holders.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee under this Indenture, provided that:

(a) such direction shall not be in conflict with any rule of law or with this Indenture (including, without limitation, Section 507) or any Guarantee, expose the Trustee to personal liability, or be unduly prejudicial to Holders not joining therein; and

(b) subject to the provisions of Section 315 of the Trust Indenture Act, the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 513. Waiver of Past Defaults.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities may on behalf of the Holders of all Outstanding Securities waive any past Default hereunder and its consequences, except a Default

(a) in the payment of the principal of, premium, if any, or interest on any Security; or

(b) in respect of a covenant or a provision hereof which under this Indenture cannot be modified or amended without the consent of the Holder of each Security Outstanding affected by such modification or amendment.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant, but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of the payment of the principal of, premium, if any, or interest on, any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

Section 515. Remedies Subject to Applicable Law.

All rights, remedies and powers provided by this Article Five may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Indenture are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

ARTICLE SIX

THE TRUSTEE

Section 601. Duties of Trustee.

Subject to the provisions of Trust Indenture Act Sections 315(a) through 315(d):

(a) if a Default or an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his own affairs;

(b) except during the continuance of a Default or an Event of Default:

(1) the Trustee need perform only those duties as are specifically set forth in this Indenture and no covenants or obligations shall be implied in this Indenture that are adverse to the Trustee; and

(2) in the absence of bad faith or willful misconduct on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture;

(c) the Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this Subsection (c) does not limit the effect of Subsection (b) of this Section 601;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith, in accordance with a direction of the Holders of a majority in principal amount of Outstanding Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power confirmed upon the Trustee under this Indenture;

(d) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate security or indemnity against such risk or liability is not reasonably assured to it;

(e) whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to Subsections (a), (b), (c) and (d) of this Section 601; and

(f) the Trustee shall not be liable for interest on any money or assets received by it except as the Trustee may agree with the Company. Assets held in trust by the Trustee need not be segregated from other assets except to the extent required by law.

Section 602. Notice of Defaults.

Within 90 days after a Responsible Officer of the Trustee receives notice of the occurrence of any Default or Event of Default, the Trustee shall transmit by mail to all Holders and any other persons entitled to receive reports pursuant to Section 313(c) of the Trust Indenture Act as their names and addresses appear in the Security Register, notice of such Default or Event of Default hereunder known to the Trustee, unless such Default or Event of Default shall have been cured or waived; provided however, that, except in the case of a Default or an Event of Default in the payment of the principal of, premium, if any, or interest on any Security, the Trustee shall be protected in withholding such notice if and so long as a trust committee of Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders.

Section 603. Certain Rights of Trustee.

Subject to the provisions of Section 601 hereof and Trust Indenture Act Sections 315(a) through 315(d):

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of Indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel and any written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred therein or thereby in compliance with such request or direction;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture other than any liabilities arising out of the negligence, bad faith or willful misconduct of the Trustee;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate statement, instrument, opinion, report, notice, request, direction, consent, order, approval, appraisal, bond, debenture, note, coupon, security or other paper or document unless requested in writing to do so by the Holders of not less than a majority in aggregate principal amount of the Securities then Outstanding; provided that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable security or indemnity against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation so requested by the Holders of not less than a majority in aggregate principal amount of the Securities Outstanding shall be paid by the Company or, if paid by the Trustee or any predecessor Trustee, shall be repaid by the Company upon demand; provided, further, the Trustee in its discretion may make such further inquiry or investigation into such facts or matters as it may deem fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate; and

(h) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible

for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 604. Trustee Not Responsible for Recitals, Dispositions of Securities or Application of Proceeds Thereof.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. Neither the Trustee nor any Authenticating Agent makes any representations as to the validity or sufficiency of this Indenture or of the Securities, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements made by it in any Statement of Eligibility and Qualification on Form T-1 supplied to the Company are or will be true and accurate subject to the qualifications set forth therein. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof nor shall the Trustee be responsible for any statement in any registration statement for the Securities under the Securities Act or responsible for the determination as to which beneficial owners are entitled to receive notices hereunder.

Section 605. Trustee and Agents May Hold Securities; Collections; etc.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, or any Guarantor in its individual or any other capacity, may become the owner or pledgee of Securities, with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent and, subject to Sections 608 and 613 hereof and Trust Indenture Act Sections 310 and 311, may otherwise deal with the Company or any Guarantor and receive, collect, hold and retain collections from the Company or any Guarantor with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or such other agent.

Section 606. Money Held in Trust.

All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Except for funds or securities deposited with the Trustee pursuant to Articles Four, Eleven and Twelve and Sections 1011 and 1012, the Trustee shall be required to invest all moneys received by the Trustee, until used or applied as herein provided, in Cash Equivalents in accordance with the written directions of the Company.

Section 607. Compensation and Indemnification of Trustee and Its Prior Claim.

The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and, except as otherwise expressly provided herein, the Company covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, bad faith or willful misconduct. The Company also covenants and agrees to indemnify the Trustee and each predecessor Trustee for, and to hold it harmless against, any claim, loss, liability, tax, assessment or other governmental charge (other than taxes applicable to the Trustee's compensation hereunder) or expense incurred without negligence, bad faith or willful misconduct on its part arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and its duties hereunder including enforcement

of this Section 607 and also including any liability which the Trustee may incur as a result of the failure to withhold, pay or report any tax, assessment or other governmental charge, and the costs and expenses of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The obligations of the Company under this Section 607 to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for reasonable expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee and each predecessor Trustee. The Company shall have the right to defend any claim or threatened claim asserted against an indemnitee for which it may seek indemnity, and the indemnitee shall cooperate in the defense unless, in the reasonable opinion of the indemnitee's counsel, the indemnitee has an interest materially adverse to the Company or any Guarantor or a potential conflict of interest exists between the indemnitee and the Company or any Guarantor, in which case the indemnitee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel; provided that the Company shall only be responsible for the reasonable fees and expenses of one law firm (in addition to local counsel, to the extent such local counsel is reasonably required) arising out of the same general allegations or circumstances, such law firm to be designated by the indemnitee and reasonably acceptable to the Company.

Section 608. Conflicting Interests.

The Trustee shall comply with the provisions of Section 310(b) of the Trust Indenture Act.

Section 609. Trustee Eligibility.

There shall at all times be a Trustee hereunder which shall be eligible to act as trustee under Trust Indenture Act Section 310(a)(5) and which shall have a combined capital and surplus of at least $100,000,000, to the extent there is an institution eligible and willing to serve. If the Trustee does not have an office in The City of New York, the Trustee may appoint an agent in The City of New York reasonably acceptable to the Company to conduct any activities which the Trustee may be required under this Indenture to conduct in The City of New York. If such Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 609, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 609, the Trustee shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 610. Resignation and Removal; Appointment of Successor Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor trustee under Section 611.

(b) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign by giving written notice thereof to the Company. Upon receiving such notice or resignation, the Company shall promptly appoint a successor trustee, and a copy of such appointment shall be delivered to the resigning Trustee and to the successor trustee. If an instrument of acceptance by a successor trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, or any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint and prescribe a successor trustee.

(c) The Trustee may be removed at any time for any cause or for no cause by an Act of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with the provisions of Trust Indenture Act Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months,

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then in any such case, (i) the Company may remove the Trustee, or (ii) subject to Section 514, the Holder of any Security who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company shall promptly appoint a successor trustee and shall comply with the applicable requirements of Section 611. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy the Company has not appointed a successor Trustee, a successor trustee shall be appointed by the Act of the Holders of a majority in principal amount of the Outstanding Securities delivered to the Company and the retiring Trustee. Such successor trustee so appointed shall forthwith upon its acceptance of such appointment become the successor trustee and supersede the successor trustee appointed by the Company. If no successor trustee shall have been so appointed by the Company or the Holders of the Securities and accepted appointment in the manner hereinafter provided, the Holder of any Security who has been a bona fide Holder for at least six months may, subject to Section 514, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee.

(f) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Securities as their names and addresses appear in the Security Register. Each notice shall include the name of the successor trustee and the address of its Corporate Trust Office or agent hereunder.

Section 611. Acceptance of Appointment by Successor.

Every successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee as if originally named as Trustee hereunder; but, nevertheless, on the written request of the Company or the successor trustee, upon payment of its charges pursuant to Section 607 then unpaid, such retiring Trustee shall pay over to the successor trustee all moneys at the time held by

it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Company shall execute any and all instruments for fully and certainly vesting in and confirming to such successor trustee all such rights and powers.

No successor trustee with respect to the Securities shall accept appointment as provided in this Section 611 unless at the time of such acceptance such successor trustee shall be eligible to act as trustee under the provisions of Trust Indenture Act Section 310(a) and this Article Six and shall have a combined capital and surplus of at least $100,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 609.

Upon acceptance of appointment by any successor trustee as provided in this Section 611, the Company shall give notice thereof to the Holders of the Securities, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register. If the acceptance of appointment is substantially contemporaneous with the appointment, then the notice called for by the preceding sentence may be combined with the notice called for by Section 610. If the Company fails to give such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be given at the expense of the Company.

Section 612. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee (including the trust created by this Indenture) shall be the successor of the Trustee hereunder, provided that such corporation shall be eligible under Trust Indenture Act Section 310(a) and this Article Six and shall have a combined capital and surplus of at least $100,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 609, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

If at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Securities so authenticated; and, if at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; provided that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or other obligor under the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor). A Trustee who has resigned or been removed shall be subject to Trust Indenture Act Section 311(a) to the extent indicated therein.

Section 614. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents acceptable to and at the expense of the Company which shall be authorized to act on behalf of the Trustee to authenticate Securities issued upon original issue and upon exchange, registration of transfer, partial conversion or partial redemption

or pursuant to Section 308, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a person organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $100,000,000 and subject to supervision or examination by federal or state authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any person into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any person resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any person succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such person shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Company or the Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company or the Trustee, as the case may be. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail notice of such appointment by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment under this Section shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible to act as such under the provisions of this Section.

Any Authenticating Agent by the acceptance of its appointment shall be deemed to have represented to the Trustee that it is eligible for appointment as Authenticating Agent under this Section and to have agreed with the Trustee that: it will perform and carry out the duties of an Authenticating Agent as herein set forth, including among other things the duties to authenticate Securities when presented to it in connection with the original issuance and with exchanges, registrations of transfer or redemptions or conversions thereof or pursuant to Section 306; it will keep and maintain, and furnish to the Trustee from time to time as requested by the Trustee, appropriate records of all transactions carried out by it as Authenticating Agent and will furnish the Trustee such other information and reports as the Trustee may reasonably require; and it will notify the Trustee promptly if it shall cease to be eligible to act as Authenticating Agent in accordance with the provisions of this Section. Any Authenticating Agent by the acceptance of its appointment shall be deemed to have agreed with the Trustee to indemnify the Trustee against any loss, liability or expense incurred by the Trustee and to defend any claim asserted against the Trustee by reason of any acts or failures to act of such Authenticating Agent, but such Authenticating Agent shall have no liability for any action taken by it in accordance with the specific written direction of the Trustee.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment is made pursuant to this Section, the Securities may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

This is one of the Securities described in the within-mentioned Indenture.

STATE STREET BANK AND
TRUST COMPANY, As Trustee

By:

[Name Authenticating Agent]

As Authenticating Agent

By:

Authorized Officer

ARTICLE SEVEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 701. Company to Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee

(a) semiannually, not more than 10 days after each Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Regular Record Date; and

(b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list of similar form and content to that in Section 701(a) hereof as of a date not more than 15 days prior to the time such list is furnished:

provided, however, that if and so long as the Trustee shall be the Security Registrar no such list need be furnished.

Section 702. Disclosure of Names and Addresses of Holders.

Holders may communicate pursuant to Trust Indenture Act Section 312(b) with other Holders with respect to their rights under this Indenture or the Securities, and the Trustee shall comply with Trust Indenture Act Section 312(b). The Company, the Trustee, the Security Registrar and any other person shall have the protection of Trust Indenture Act Section 312(c). Further, every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee or any agent of either of them shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders in accordance with Trust Indenture Act Section 312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Trust Indenture Act Section 312.

Section 703. Reports by Trustee.

(a) Within 60 days after May 15 of each year commencing with the first May 15 after the issuance of Securities, the Trustee, if so required under the Trust Indenture Act, shall transmit by mail to all Holders, in the manner and to the extent provided in Trust Indenture Act Section 313(c), a brief report dated as of such May 15 in accordance with and with respect to the matters required by Trust Indenture Act Section 313(a). The Trustee shall also transmit by mail to all Holders, in the manner and to the extent provided in Trust Indenture Act Section 313(c), a brief report in accordance with and with respect to the matters required by Trust Indenture Act Section 313(b)(2).

(b) A copy of each report transmitted to Holders pursuant to this Section 703 shall, at the time of such transmission, be mailed to the Company and filed with each stock exchange, if any, upon which the Securities are listed and also with the Commission. The Company will notify the Trustee promptly if the Securities are listed on any stock exchange.

ARTICLE EIGHT

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 801. Company and Guarantors May Consolidate, etc., Only on Certain Terms.

(a) The Company will not, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to any person or persons, or permit any of its Restricted Subsidiaries to enter into any such transaction or series of related transactions if such transaction or series of related transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company or of the Company and its Restricted Subsidiaries, taken as a whole, to any other person or persons, unless at the time and after giving effect thereto:

(i) either (A)(1) if the transaction or transactions is a merger or consolidation involving the Company as a constituent to the merger or consolidation, the Company shall be the surviving person of such merger or consolidation or (2) if the transaction or related transactions is a merger or consolidation involving a Restricted Subsidiary as a constituent to the merger or consolidation, such Restricted Subsidiary shall be the surviving person of such merger or consolidation and such surviving person shall be a Restricted Subsidiary, or (B)(1) the person formed by such consolidation or into which the Company or such Restricted Subsidiary is merged or to which the properties and assets of the Company or such Restricted Subsidiary, as the case may be, substantially as an entirety, are transferred (any such surviving person or transferee person being the "Surviving Entity") shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and (2) in the case of a transaction involving the Company as a constituent to the merger or consolidation, or as the transferor of all or substantially all of its assets or taken as a whole, all or substantially all of the assets of it and the Restricted Subsidiaries, the Surviving Entity shall expressly assume by a supplemental indenture executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Company under the Securities and the Indenture, and in each case, the Indenture shall remain in full force and effect;

(ii) immediately after giving effect to such transaction or transactions on a pro forma basis (including any Indebtedness incurred or anticipated to be incurred in connection with or as a result of such transaction or series of related transactions), no Default or Event of Default will have occurred and be continuing;

(iii) immediately after giving effect to such transaction or transactions on a pro forma basis (on the assumption that the transaction occurred on the first day of the four-quarter period for which financial statements are available ending immediately prior to the consummation of such transaction with the appropriate adjustments with respect to the transaction being included in such proforma calculation), the Company (or the Surviving Entity if the Company is not the continuing obligor hereunder) could incur $1.00 of additional Indebtedness under Section 1008(a);

(iv) at the time of the transaction, each Guarantor, if any, unless it is the other party to the transactions described above, will have by supplemental indenture confirmed that its Guarantees shall apply to such person's obligations hereunder and under the Securities;

(v) at the time of the transaction if any of the property or assets of the Company or any of its Restricted Subsidiaries would thereupon become subject to any Lien, the provisions of Section 1010 are complied with; and

(vi) at the time of the transaction the Company or the Surviving Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation merger, transfer, sale, assignment, conveyance, transfer, lease or other transaction and the supplemental indenture in respect thereof comply with this Indenture and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) Each Guarantor shall not, and the Company will not permit a Guarantor to, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other person (other than the Company or any other Guarantor) or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets as an entirety to any person or persons (other than the Company or any other Guarantor), unless at the time and after giving effect thereto:

(i) either (1) the Guarantor will be the continuing corporation or (2) the person (if other than the Guarantor) formed by such consolidation or into which such Guarantor is merged or the person which acquires by sale, assignment, conveyance, transfer, lease or disposition all or substantially all of the properties and assets of the Guarantor (the "Surviving Guarantor Entity") will be a corporation duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such person expressly assumes, by a supplemental indenture, in a form satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee of the Securities and this Indenture, and such Guarantee will remain in full force and effect;

(ii) immediately before and immediately after giving effect to such transaction or transactions, on a pro forma basis, no Default or Event of Default shall have occurred and be continuing; and

(iii) at the time of the transaction such Guarantor or the Surviving Guarantor Entity will have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereof comply with this Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Notwithstanding the foregoing provisions of this Section 801(b), Section 801(b) shall not apply upon any sale, exchange or transfer of all of the Company's Capital Stock in, or all or substantially all of the assets of, a Guarantor that shall be released in accordance with Section 1018(d).

Section 802. Successor Substituted.

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company or any Guarantor, if any, in accordance with Section 801, in which the Company or such Guarantor, as the case may be, is not the Surviving Entity or the Surviving Guarantor Entity, as the case may be, then (i) the Surviving Entity or the Surviving Guarantor Entity, as the case may be, shall succeed to, and be substituted for, and may exercise every right and power of, the Company or such Guarantor, as the case may be, under this Indenture, in the Securities and/or the Guarantee, as the case may be, with the same effect as if such Surviving Entity or Surviving Guarantor Entity had been named as the Company or such Guarantor, as the case may be, herein, in the Securities and/or in the Guarantee, as the case may be, and (ii) when such successor assumes all the obligations of its predecessor under and in accordance with this Indenture, the Securities or a Guarantee, as the case may be, the predecessor shall be released from those obligations and covenants hereof and the Securities or the Guarantees, as the case may be, provided that in the case

of a transfer by lease by the Company or any Guarantor of all or substantially all of its assets, the predecessor shall not be released from the payment of principal and interest on the Securities or a Guarantee, as the case may be; provided further that, solely for purposes of computing cumulative Consolidated Net Income for purposes of clause (b) of Section 1009(a), the cumulative Consolidated Net Income of any persons other than the Company and the Restricted Subsidiaries shall only be included for periods subsequent to the effective time of such merger, consolidation, combination or transfer of assets.

For all purposes of this Indenture and the Securities (including the provision of this Section 802 and Sections 1008, 1009 and 1010), Subsidiaries of any Surviving Entity will, upon such transaction or series of transactions, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to Section 1017, and all Indebtedness, and all Liens on property or assets, of the Company and the Restricted Subsidiaries immediately prior to such transaction or series of transactions will be deemed to have been incurred upon such transaction or series of transactions.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures and Agreements, without Consent of Holders.

Without the consent of any Holders, the Company, the Guarantors, if any, and any other obligor upon the Securities when authorized by Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto or agreements or other instruments with respect to any Guarantee, in form and substance satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another person to the Company, any Guarantor or any other obligor upon the Securities, and the assumption by any such successor of the covenants of the Company or such Guarantor or obligor herein and in the Securities and in any Guarantee in accordance with Article Eight;

(b) to add to the covenants of the Company, any Guarantor or any other obligor upon the Securities for the benefit of the Holders, or to surrender any right or power conferred upon the Company or any Guarantor or any other obligor upon the Securities, as applicable, herein, in the Securities or in any Guarantee:

(c) to cure any ambiguity, or to correct or supplement any provision herein or in any supplemental indenture, the Securities or any Guarantee which may be defective or inconsistent with any other provision herein or in the Securities or any Guarantee or to make any other provisions with respect to matters or questions arising under this Indenture, the Securities or the Guarantees; provided that, in each case, such provisions shall not materially and adversely affect the rights of any Holder;

(d) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act, as contemplated by Section 905 or otherwise:

(e) to add a Guarantor pursuant to the requirements of Section 1018;

(f) to evidence and provide the acceptance of the appointment of a successor trustee hereunder; or

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the Holders as additional security for the payment and performance of the Company's or any Guarantor's Indenture Obligations in any property or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to this Indenture or otherwise.

Section 902. Supplemental Indentures and Agreements with Consent of Holders.

In addition to the circumstances permitted by Section 901, with the consent of the Holders of at least a majority in aggregate principal amount of the Outstanding Securities, by Act of said Holders delivered to the Company, each Guarantor, if any, and the Trustee, the Company and each Guarantor (if a party thereto) when authorized by Board Resolutions, and the Trustee may (i) enter into an indenture or indentures supplemental hereto or agreements or other instruments with respect to any Guarantee in form and substance satisfactory to the Trustee, for the purpose of adding any provisions to or amending, modifying or changing in any manner or eliminating any of the provisions of this Indenture, the Securities or any Guarantee (including, for the purpose of modifying in any manner the rights of the Holders under this Indenture, the Securities or any Guarantee) or (ii) waive, compliance with any provision in this Indenture, the Securities or any Guarantee (other than waivers of past Defaults covered by Section 513 and waivers of covenants which are covered by Section 1020); provided, however, that no such supplemental indenture, agreement or instrument shall, without the consent of the Holder of each Outstanding Security affected thereby:

(a) change the Stated Maturity of the principal of, or any installment of interest on, or change to an earlier date any redemption date of, or waive a default in the payment of the principal or interest on, any such Security or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(b) following the occurrence of a Change of Control or Asset Sale, as the case may be, amend, change or modify the obligation of the Company to make and consummate an offer with respect to any Asset Sale or Asset Sales in accordance with Section 1012 or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with Section 1011, including, in each case, amending, changing or modifying any definitions relating thereto in a manner adverse to the Holders of the Securities;

(c) reduce the percentage in principal amount of the Outstanding Securities, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver or compliance with certain provisions of this Indenture;

(d) modify any of the provisions of this Section 902, Section 513 or Section 1020, except to increase the percentage of such Outstanding Securities required for any such actions or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each such Security affected thereby;

(e) except as otherwise permitted under Article Eight, consent to the assignment or transfer by the Company or any Guarantor of any of its rights and obligations hereunder;

(f) modify or change any of the provisions of this Indenture affecting the subordination of the Securities or any Guarantee in any manner adverse to the Holders or the holders of any Guarantee; or

(g) modify or change any Guarantee which could adversely affect a Holder.

Upon the written request of the Company and each Guarantor, if any, accompanied by a copy of Board Resolutions authorizing the execution of any such supplemental indenture or Guarantee, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall join with the Company and each Guarantor in the execution of such supplemental indenture or Guarantee.

It shall not be necessary for any Act of Holders under this Section 902 to approve the particular form of any proposed supplemental indenture or Guarantee or agreement or instrument relating to any Guarantee, but it shall be sufficient if such Act shall approve the substance thereof.

Section 903. Execution of Supplemental Indentures and Agreements.

In executing, or accepting the additional trusts created by, any supplemental indenture, agreement, instrument or waiver permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Trust Indenture Act Sections 315(a) through 315(d) and Section 602 hereof) shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate stating that the execution of such supplemental indenture, agreement or instrument (a) is authorized or permitted by this Indenture and (b) does not violate the provisions of any agreement or instrument evidencing any other Indebtedness of the Company, any Guarantor or any other Restricted Subsidiary. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture, agreement or instrument which affects the Trustee's own rights, duties or immunities under this Indenture, any Guarantee or otherwise.

Section 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 906. Reference in Securities to Supplemental Indentures.

Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and each Guarantor and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

Section 907. Notice of Supplemental Indentures.

Promptly after the execution by the Company, any Guarantor and the Trustee of any supplemental indenture pursuant to the provisions of Section 902, the Company shall give notice thereof to the Holders of each Outstanding Security affected, in the manner provided for in Section 106, setting forth in general terms the substance of such supplemental indenture; provided, however, that the failure of the Company to transmit such notice to such Holders shall not in any way impair or affect the validity of such supplemental indenture.

Section 908. Revocation and Effects of Consents.

Until an amendment or waiver becomes effective, a consent to it by a Holder of a Security is a continuing consent by the Holder and every subsequent Holder of a Security or portion of a Security that evidences the same Indebtedness as the consenting Holder's Security, even if a notation of the consent is not made on any Security. However, any such Holder, or subsequent Holder, may revoke the consent as to his Security or portion of a Security if the Trustee receives the notice of revocation before the date the amendment or waiver becomes effective. An amendment or waiver shall become effective in accordance with its terms and thereafter bind every Holder.

Section 909. Effect on Senior Indebtedness.

No supplemental indenture shall adversely affect the rights under Article Thirteen or Article Fourteen of any holder of Senior Indebtedness unless the requisite holders of such issue of Senior Indebtedness affected thereby shall have consented in writing to such supplemental indenture.

ARTICLE TEN

COVENANTS

Section 1001. Payment of Principal, Premium and Interest.

The Company shall duly and punctually pay the principal of, premium, if any, and interest on the Securities in accordance with the terms of the Securities and this Indenture.

Section 1002. Maintenance of Office or Agency.

The Company will maintain in The City of New York an office or agency where Securities may be presented or surrendered for payment, surrendered for registration of transfer, redemption or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. Initially, such office or agency will be State Street Bank & Trust Company of New York, N.A., 61 Broadway, 15th Floor, New York, New York 10006, and the Company will give prompt written notice to the Trustee of any change in the location of any such offices or agencies. If at any time the Company shall fail to maintain any such required offices or agencies or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the office of the agent of the Trustee, and the Company hereby appoints the Trustee such agent as its agent to receive all such presentations surrenders, notices and demands.

The Company may from time to time designate one or more other offices or agencies (in or outside of The City of New York) where the Securities may be presented or surrendered for any or all such purposes, and may from time to time rescind such designation. The Company will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such office or agency.

The Trustee shall initially act as Paying Agent for the Securities.

Section 1003. Money for Security Payments to Be Held in Trust.

If the Company or any of its Affiliates shall at any time act as Paying Agent it will on or before each due date of the principal of, premium if any, or interest on any of the Securities, segregate and hold in trust for the benefit of the Holders entitled thereto a sum sufficient to pay the principal, premium if

any, or interest so becoming due until such sums shall be paid to such Holders or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

If the Company or any of its Affiliates is not acting as Paying Agent, the Company will, on or before each due date of the principal of, premium, if any, or interest on any of the Securities, deposit with a Paying Agent a sum in same day funds sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of such action or any failure so to act.

If the Company is not acting as Paying Agent, the Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such, Paying Agent will:

(a) hold all sums held by it for the payment of the principal of, premium if any, or interest on the Securities in trust for the benefit of the persons entitled thereto until such sums shall be paid to such persons or otherwise disposed of as herein provided:

(b) give the Trustee notice of any Default by the Company or any Guarantor (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest on the Securities;

(c) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent; and

(d) acknowledge, accept and agree to comply in all aspects with the provisions of this Indenture relating to the duties, rights and disabilities of such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall promptly be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), and mail to each such Holder, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification, publication and mailing, any unclaimed balance of such money then remaining will promptly be repaid to the Company.

Section 1004. Corporate Existence.

Subject to Article Eight, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect the corporate existence and related rights and franchises (charter and statutory) of the Company and each Restricted Subsidiary; provided, however, that the Company shall not be required to preserve any such right or franchise or the corporate existence of any such Restricted Subsidiary if the Board of Directors of the Company shall determine that the preservation thereof is no longer necessary or desirable in the conduct of the business of the Company and its Restricted Subsidiaries as a whole and that the loss thereof would not reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder; and provided, further, however, that the foregoing shall not prohibit a sale, transfer or conveyance of a Restricted Subsidiary or any of its assets in compliance with the terms of this Indenture.

Section 1005. Payment of Taxes and Other Claims.

The Company shall pay or discharge or cause to be paid or discharged, on or before the date the same shall become due and payable, (a) all taxes, assessments and governmental charges levied or imposed upon the Company or any of its Restricted Subsidiaries shown to be due on any return of the Company or any of its Restricted Subsidiaries or otherwise assessed or upon the income, profits or property of the Company or any of its Restricted Subsidiaries if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform any of their obligations hereunder and (b) all lawful claims for labor, materials and supplies, which, if unpaid, would by law become a Lien upon the property of the Company or any of its Restricted Subsidiaries, except for any Lien permitted to be incurred under Section 1010, if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform any of their obligations hereunder; provided however, that the Company and the Guarantors shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings properly instituted and diligently conducted and in respect of which appropriate reserves (in the good faith judgment of management of the Company) are being maintained in accordance with GAAP.

Section 1006. Maintenance of Properties.

The Company shall cause all material properties owned by the Company and any of its Restricted Subsidiaries or used or held for use in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the reasonable judgment of the Company may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the maintenance of any of such properties if such discontinuance is, in the reasonable judgment of the Company, desirable in the conduct of its business or the business of any of its Restricted Subsidiaries and not reasonably expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder.

Section 1007. Insurance.

The Company shall at all times keep all of its and its Restricted Subsidiaries' properties which are of an insurable nature insured with insurers, believed by the Company in good faith to be financially sound and responsible, against loss or damage to the extent that property of similar character is usually so insured by corporations similarly situated and owning like properties engaged in similar operations in the same general geographic areas in which the Company and its Restricted Subsidiaries operate, except

where the failure to do so could not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, business affairs or prospects of the Company and its Restricted Subsidiaries, taken as a whole, provided that such insurance is generally available at commercially reasonable rates, and further provided that the Company may self-insure, or insure through captive insurers or insurance cooperatives to the extent consistent with prudent business practices. Such insurance shall be in such amounts, contain such terms, be in such forms and be for such periods as are customary in the Company's industry and commercially reasonable. Such insurance may be subject to such deductibles as are customary in the industry.

Section 1008. Limitation on Indebtedness.

(a) The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or in any other manner become liable, contingently or otherwise (in each case, to "incur"), for the payment of any Indebtedness (including any Acquired Indebtedness); provided that (i) the Company and each Guarantor will be permitted to incur Indebtedness (including Acquired Indebtedness) and (ii) a Restricted Subsidiary which is not a Guarantor will be permitted to incur Acquired Indebtedness if (y), immediately after giving pro forma effect thereto, the Consolidated Fixed Charge Coverage Ratio of the Company would be equal to or greater than 2.00:1 and (z) no Default or Event of Default shall have occurred and be continuing at the time such Indebtedness or Acquired Indebtedness, as the case may be, is incurred or would occur as a result of such incurrence.

(b) Notwithstanding the foregoing, the Company (and, to the extent specifically set forth below, the Guarantors) may incur each and all of the following Indebtedness (including any Acquired Indebtedness):

(i) (a) Indebtedness of the Company or any Guarantor under the Credit Facility in an aggregate principal amount at any time outstanding not to exceed $100,000,000 and any fees, premiums, expenses (including costs of collection), indemnities and other similar amounts payable in connection with such Indebtedness; and (b) other Indebtedness of the Company or any Guarantor outstanding on the Issue Date (other than Indebtedness described in clause (i)(a), (ii) or (v) of this Section 1008(b)) and listed in Schedule 1008 hereto;

(ii) Indebtedness of the Company evidenced by the Securities and Indebtedness of each Guarantor under its Guarantee;

(iii) Interest Rate Protection Obligations of the Company or any Guarantor covering Indebtedness of the Company or any Guarantor incurred in the ordinary course of business and permitted to be incurred by the Company or any Guarantor, as the case may be, pursuant to this Indenture; provided that the notional principal amount of any such Interest Rate Protection Obligations does not exceed 100% of the principal amount of the Indebtedness to which such Interest Rate Protection Obligations expressly relates;

(iv) Indebtedness of the Company or any of the Guarantors under Currency Agreement Obligations; provided that such Currency Agreement Obligations (a) do not increase the Indebtedness or other obligations of the Company and the Guarantors outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder and (b) are entered into in the ordinary course of business for the purpose of limiting risks that arise in the ordinary course of business of the Company and the Guarantors;

(v) Indebtedness of the Company owed to a Restricted Subsidiary and Indebtedness of a Guarantor owed to the Company or another Guarantor; provided that (a) any subsequent issuance or transfer of Capital Stock or any Designation that results in such Restricted Subsidiary

or Guarantor (as the case may be) ceasing to be a Restricted Subsidiary or any subsequent transfer, pledge or assignment of such Indebtedness (other than to the Company or another Guarantor) will be deemed to constitute the incurrence of such Indebtedness by the Company or such Guarantor, as the case may be, not permitted by this clause (v) and (b) any such Indebtedness of the Company owed to a Restricted Subsidiary and any such Indebtedness of a Guarantor owed to another Guarantor, must be unsecured and subordinated in right of payment to the prior payment in full and performance of the Company's obligations under this Indenture and the Securities, and such Guarantor's obligations under its Guarantee, as the case may be;

(vi) Indebtedness of the Company or any Guarantor incurred in respect of bid, performance and payment bonds (other than in respect of Indebtedness), surety bonds, trade letters of credit, bankers' acceptances and letters of credit supporting bids, advance payments and performance obligations of the Company or any Guarantor (other than in respect of Indebtedness), in each case incurred in the ordinary course of business;

(vii) Indebtedness of the Company or any Guarantor (a) representing Capitalized Lease Obligations or (b) Purchase Money Obligations for property acquired in the ordinary course of business, which taken together do not exceed $20,000,000 in aggregate amount at any time outstanding;

(viii) Indebtedness of the Company or any Guarantor to the extent the proceeds thereof are used to Refinance Indebtedness of the Company (including all or a portion of the Securities) or any Guarantor to the extent the Indebtedness to be Refinanced, has been incurred under or referred to in Section 1008(a) or clauses (i)(b), (ii), (vii)(b) or (ix) of this Section 1008(b); provided that the principal amount of Indebtedness incurred pursuant to this clause (viii) (or, if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness) shall not exceed the sum of the principal amount of Indebtedness so Refinanced (or, if such Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the maturity thereof, the original issue price of such Indebtedness plus any accredited value attributable thereto since the original issuance of such Indebtedness) plus the amount of any premium required to be paid in connection therewith pursuant to the terms of such Indebtedness or the amount of any premium reasonably determined by the Company or a Guarantor, as applicable, as necessary to accomplish the foregoing by means of a tender or exchange offer or privately negotiated purchase, plus the amount of expenses in connection therewith; and

(ix) Indebtedness of the Company and the Guarantors (which may include any Indebtedness incurred for any purpose, including but not limited to the purposes referred to in clauses (i) through (viii) of this Section 1008(b)) in an aggregate amount which, together with the amount of all other Indebtedness of the Company and the Guarantors outstanding on the date of such incurrence (other than Indebtedness permitted by clauses (i) through (viii) of this Section 1008(b) or Section 1008(a)) does not exceed $25,000,000.

(c) Notwithstanding Section 1008(b), neither the Company nor any Guarantor shall incur any Indebtedness pursuant to Section 1008(b) if the proceeds thereof are used, directly or indirectly, (i) to Refinance any Subordinated Obligations of the Company or such Guarantor, as the case may be, unless such Indebtedness (A) shall be subordinated to the Securities or the relevant Guarantee to at least the same extent as such Subordinated Obligations, (B) has an Average Life to Stated Maturity greater than the lesser of (y) the remaining Average Life to Stated Maturity of the Subordinated Obligations being Refinanced or (z) the remaining Average Life to Stated Maturity of the Securities, and (C) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final scheduled principal payment of the Subordinated Obligations being Refinanced, or (ii) to Refinance any Pari Passu

Indebtedness, unless such Refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Pari Passu Indebtedness.

Section 1009. Limitation on Restricted Payments.

(a) The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other distribution or payment on or in respect of Capital Stock of the Company or any Restricted Subsidiary or any payment made to the direct or indirect holders (in their capacities as such) of Capital Stock of the Company or any Restricted Subsidiary (other than dividends or distributions payable solely (a) in Capital Stock of the Company (other than Redeemable Capital Stock), (b) in rights to purchase Capital Stock of the Company (other than Redeemable Capital Stock) and (c) to the Company);

(ii) purchase, redeem, defease or otherwise acquire or retire for value any Capital Stock of the Company or any Restricted Subsidiary (other than any such Capital Stock owned by a Wholly-Owned Restricted Subsidiary);

(iii) make any principal payment on, or purchase, defease, repurchase, redeem or otherwise acquire or retire for value, prior to any scheduled maturity, scheduled repayment, scheduled sinking fund payment or other Stated Maturity, any Subordinated Obligations (other than any such Subordinated Obligations owed to a Wholly-Owned Restricted Subsidiary); or

(iv) make any Investment (other than a Permitted Investment) in any person

(such payments or Investments described in (but not excluded from) the preceding clauses (i) (other than by reason of the proviso thereto), (ii), (iii) and (iv) are collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than in cash, shall be the Fair Market Value of the asset or assets proposed to be transferred by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment),

(A) no Default shall have occurred and be continuing,

(B) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made from and after the Issue Date would not exceed the sum of

(1) 50% of the aggregate Consolidated Net Income of the Company accrued on a cumulative basis during the period (treated as one accounting period) beginning on the Issue Date and ending on the last day of the fiscal quarter of the Company immediately preceding the date of such proposed Restricted Payment (or, if such aggregate cumulative Consolidated Net Income of the Company for such period shall be a deficit, minus 100% of such deficit) plus

(2) the aggregate net cash proceeds received by the Company either (x) as capital contributions in the form of common equity to the Company after the Issue Date or (y) from the issuance or sale of Capital Stock (excluding Redeemable Capital Stock but including Capital Stock issued upon the conversion of convertible Indebtedness, in exchange for outstanding Indebtedness or from the exercise of options, warrants or rights to purchase Capital Stock (other than Redeemable Capital Stock)) of the Company to any person (other than to a Restricted Subsidiary or to an employee stock ownership plan or

to a trust established by the Company or any of its Subsidiaries for the benefit of their employees) after the Issue Date plus

(3) the aggregate net cash proceeds received by the Company from the issuance or sale subsequent to the Issue Date of its Capital Stock (other than Redeemable Capital Stock) to an employee stock ownership or stock purchase plan, provided, however, that if such employee stock ownership or stock purchase plan incurs any Indebtedness with respect thereto, such aggregate amount shall be limited to an amount equal to any increase in the consolidated net worth of the Company resulting from principal repayments made by such employee stock ownership or stock purchase plan with respect to such Indebtedness plus

(4) in the case of the disposition or repayment of any Investment constituting a Restricted Payment made after the Issue Date (excluding any Investment made pursuant to clause (iv) of Section 1009(b), an amount equal to the lesser of the return of capital with respect to such investment and the initial amount of such Investment, in either case, less the cost of the disposition of such Investment plus

(5) 100% of the aggregate amount of all Investments previously made on or after the date of the Indenture in any Unrestricted Subsidiary upon the revocation of the designation of such Unrestricted Subsidiary as such, other than Investments made in such Unrestricted Subsidiary pursuant to clause (iv) of Section 1009(b) and

(C) the Company could incur $1.00 of additional Indebtedness under Section 1008(a).

For purposes of the preceding clause (B)(2), upon the issuance of Capital Stock either from the conversion of convertible Indebtedness or in exchange for outstanding Indebtedness or upon the exercise of options, warrants or rights, the amount counted as net cash proceeds received will be the cash amount received by the Company at the original issuance of the Indebtedness that is so converted or exchanged or from the issuance of options, warrants or rights, as the case may be, plus the incremental amount of cash received by the Company, if any, upon the conversion, exchange or exercise thereof.

(b) None of the foregoing provisions of Section 1009(a) will prohibit (i) the payment of any dividend within 60 days after the date of its declaration, if at the date of declaration such payment would be permitted by Section 1009(a); provided, however, that at the time of payment of such dividend, no other Default shall have occurred and be continuing (or result therefrom); (ii) the redemption, repurchase or other acquisition or retirement of any shares of any class of Capital Stock of the Company or any Restricted Subsidiary in exchange for, or out of the net cash proceeds of, a substantially concurrent issue and sale of other shares of Capital Stock (other than Redeemable Capital Stock) of the Company to any person (other than to a Restricted Subsidiary or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees); provided that such net cash proceeds are excluded from clause (B)(2)(y) of Section 1009(a); (iii) so long as no Default shall have occurred and be continuing, any redemption, repurchase or other acquisition or retirement of Subordinated Obligations by exchange for, or out of the net cash proceeds of, a substantially concurrent issue and sale of (1) Capital Stock (other than Redeemable Capital Stock) of the Company to any person (other than to a Restricted Subsidiary or an employee stock ownership plan or to a trust established by the Company or any of its Subsidiaries for the benefit of their employees); provided that any such net cash proceeds are excluded from clause (B)(2)(y) of Section 1009(a); or (2) Indebtedness of the Company so long as such Indebtedness (x) is subordinated to the Securities in the same manner and at least to the same extent as the Subordinated Obligations being redeemed, repurchased, acquired or retired, (y) has no Stated Maturity earlier than the 91st day after the Stated Maturity for the final scheduled principal payment of the Securities and (z) is permitted to be incurred pursuant to Section 1008; and (iv) the making of Investments constituting Restricted Payments made after the Issue Date as a result of the

receipt of non-cash consideration from any Asset Sale made pursuant to and in compliance with Section 1012. In computing the amount of Restricted Payments previously made for purposes of clause (B) of Section 1009(a), Restricted Payments made under clauses (i) and (iv) of this Section 1009(b) shall be included.

Section 1010. Limitation on Liens.

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind against or upon any of the Company's or such Restricted Subsidiary's (as the case may be) property or assets, whether now owned or acquired after the date of the Indenture, or any proceeds therefrom, which secures either (i) Subordinated Obligations (other than Subordinated Obligations of a Restricted Subsidiary owing to the Company secured by assets of such Restricted Subsidiary), unless the Securities or Guarantees, as the case may be, are secured by a Lien on such property, assets or proceeds that is senior in priority to the Liens securing such Subordinated Obligations or (ii) Pari Passu Indebtedness unless the Securities or Guarantees, as the case may be, are equally and ratably secured with the Liens securing such Pari Passu Indebtedness. This Section 1010 will not apply to any Lien securing Acquired Indebtedness, provided that any such Lien extends only to the properties or assets that were subject to such Lien prior to the related acquisition by the Company or such Restricted Subsidiary and was not created, incurred or assumed in contemplation of such transaction.

(b) Notwithstanding the foregoing provisions of Section 1010(a), any Lien granted by the Company or any Restricted Subsidiary to secure the Securities or Guarantees, as the case may be, created pursuant to Section 1010(a) shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release by the holders of the Indebtedness of the Company or any Restricted Subsidiary described in Section 1010(a) of their Lien (including any deemed release upon payment in full of all obligations under such Indebtedness), at a time when (A) no other Pari Passu Indebtedness and Subordinated Obligations of the Company or any Restricted Subsidiary has been secured by such property or assets of the Company or any such Restricted Subsidiary or (B) the holders of all such other Pari Passu Indebtedness and Subordinated Obligations which is secured by such property or assets of the Company or any such Restricted Subsidiary also release their Lien in such property or assets (including any deemed release upon payment in full of all obligations under such Indebtedness).

Section 1011. Purchase of Securities Upon a Change of Control.

(a) Upon the occurrence of a Change of Control (the date of such occurrence, the "Change of Control Date"), the Company shall be obligated to make an offer to purchase (a "Change of Control Offer") and shall, subject to the provisions of this Section 1011 described below, purchase, on a Business Day (the "Change of Control Purchase Date") not more than 60 nor less than 30 days following the occurrence of the Change of Control, all of the then outstanding Securities at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any (the "Change of Control Purchase Price"), to the Change of Control Purchase Date. The Company shall, subject to the provisions of this Section 1011 described below, purchase all Securities properly tendered into the Change of Control Offer and not withdrawn. Prior to the mailing of the notice to Holders provided for below, the Company shall have (i) terminated all commitments and repaid in full all Indebtedness under the Credit Facility or (ii) obtained the requisite consents under the Credit Facility to permit the purchase of the Securities as provided for under this Section 1011. If a notice has been mailed when such condition precedent has not been satisfied, the Company shall have no obligation to (and shall not) effect the purchase of the Securities until such time as such condition precedent is satisfied. Failure to mail the notice on the date specified below or to have satisfied the foregoing condition precedent by the date that the notice is required to be mailed shall in any event constitute a Default under Section 501(c)(iv).

(b) Notice of a Change of Control Offer shall be mailed by the Company not later than the 30th day after the Change of Control Date to each Holder of the Securities at such Holder's addresses appearing in the Security Register (a "Change of Control Purchase Notice"), with a copy to the Trustee and the Paying Agent. The Change of Control Offer shall remain open from the time of mailing for at least 20 Business Days and until 5:00 p.m., New York City time, on the Change of Control Purchase Date. The notice, which shall govern the terms of the Change of Control Offer, shall include such disclosures as are required by law and shall state:

(1) that a Change of Control has occurred, the Change of Control Date and that such Holder has the right to require the Company to repurchase such Holder's Securities at the Change of Control Purchase Price;

(2) the circumstances and relevant facts regarding such Change of Control (including but not limited to information with respect to pro forma historical income, cash flow and capitalization after giving effect to such Change of Control);

(3) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q, as applicable, and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report (or if the Company is not required to prepare any of the foregoing Forms, the comparable information required to be prepared by the Company and any Guarantor pursuant to Section 1019(a)), (ii) a description of material developments, if any, in the Company's business subsequent to the date of the latest of such reports and (iii) such other information, if any, concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed investment decision regarding the Change of Control Offer;

(4) that the Change of Control Offer is being made pursuant to this Section 1011 and that all Securities properly tendered pursuant to the Change of Control Offer will be accepted for payment at the Change of Control Purchase Price;

(5) the Change of Control Purchase Date, which shall be a Business Day fixed by the Company which shall be no earlier than 30 days nor later than 60 days following the date of the occurrence of the Change of Control, or such later date as is necessary to comply with requirements under the Exchange Act;

(6) the Change of Control Purchase Price;

(7) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002;

(8) that Securities must be surrendered prior to the Change of Control Purchase Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 1002 to collect payment;

(9) that the Change of Control Purchase Price for any Security which has been properly tendered and not withdrawn will be paid promptly following the Change of Control Purchase Date;

(10) the procedures that a Holder must follow to accept a Change of Control Offer or to withdraw such acceptance;

(11) that any Security not tendered will continue to accrue interest: and

(12) that, unless the Company defaults in the payment of the Change of Control Purchase Price, any Securities accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date.

(c) Upon receipt by the Company of the proper tender of Securities, the Holder of the Security in respect of which such proper tender was made shall (unless the tender of such Security is properly withdrawn) thereafter be entitled to receive solely the Change of Control Purchase Price with respect to such Security. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Change of Control Purchase Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Change of Control Purchase Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309. If any Security tendered for purchase in accordance with the provisions of this Section 1011 shall not be so paid upon surrender thereof, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Change of Control Purchase Date at the rate borne by such Security. Holders electing to have Securities purchased will be required to surrender such Securities to the Paying Agent at the address specified in the Change of Control Purchase Notice on or prior to the Change of Control Purchase Date. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased.

(d) The Company shall (i) not later than the Change of Control Purchase Date, accept for payment Securities or portions thereof tendered pursuant to the Change of Control Offer, (ii) not later than 10:00 a.m. (New York time) on the Business Day following the Change of Control Purchase Date, deposit with the Trustee or with a Paying Agent an amount of money in same day funds (or New York Clearing House funds if such deposit is made prior to the Change of Control Purchase Date) sufficient to pay the aggregate Change of Control Purchase Price of all the Securities or portions thereof which are to be purchased as of the Change of Control Purchase Date and (iii) not later than 10:00 a.m. (New York time) on the Business Day following the Change of Control Purchase Date, deliver to the Paying Agent an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Securities so accepted payment in an amount equal to the Change of Control Purchase Price of the Securities purchased from each such Holder, and the Company shall execute and the trustee shall promptly authenticate and mail or deliver to such Holders a new Security equal in principal amount to any unpurchased portion of the Security surrendered. Any Securities not so accepted shall be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Change of Control Offer on the Change of Control Purchase Date. For purposes of this Section 1011, the Company shall choose a Paying Agent which shall not be the Company.

(e) A tender made in response to a Change of Control Purchase Notice may be withdrawn if the Company receives, not later than one Business Day prior to the Change of Control Purchase Date, a telegram, telex, facsimile transmission or letter, specifying, as applicable:

(1) the name of the Holder;

(2) the certificate number of the Security in respect of which such notice of withdrawal is being submitted;

(3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which such notice of withdrawal is being submitted;

(4) a statement that such Holder is withdrawing his election to have such principal amount of such Security purchased; and

(5) the principal amount, if any, of such Security (which shall be $1,000 or an integral multiple thereof) that remains subject to the original Change of Control Purchase Notice and that has been or will be delivered for purchase by the Company.

(f) Subject to applicable escheat laws, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest or dividends, if any, thereon, held by them for the payment of the Change of Control Purchase Price; provided, however, that, (i) to the extent that the aggregate amount of cash deposited by the Company pursuant to clause (ii) of Section 1011(d) exceeds the aggregate Change of Control Purchase Price of the Securities or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (ii) unless otherwise directed by the Company in writing, no later than the second Business Day following the Change of Control Purchase Date the Trustee shall return any such excess (including, without limitation, monies deposited with respect to a tender withdrawn in accordance with the provisions of Section 1011(e)) to the Company together with interest, if any, thereon.

(g) The Company shall comply, to the extent applicable, with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer.

Section 1012. Disposition of Proceeds of Asset Sales.

(a) The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, make any Asset Sale unless (i) the Company or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares, properties or assets sold or otherwise disposed of and (ii) with respect to any Asset Sale for which the consideration exceeds $5,000,000, at least 75% of such consideration consists of cash and/or Cash Equivalents (with Indebtedness of the Company or any Restricted Subsidiary (other than any Restricted Subsidiary that will cease to be a Restricted Subsidiary as a result of such Asset Sale) being counted as cash for all purposes of this Section 1012(a) if the Company or the Restricted Subsidiary is unconditionally released from any liability therefor). Net Cash Proceeds of any Asset Sale may be applied to repay Specified Indebtedness or Credit Facility Obligations (but only if the commitments or amounts available to be borrowed under such Specified Indebtedness or the Credit Facility, as the case may be, are permanently reduced by the amount of such payment). To the extent that such Net Cash Proceeds are not applied as provided in the preceding sentence, the Company or a Restricted Subsidiary, as the case may be, may apply the Net Cash Proceeds from such Asset Sale, within 360 days of the date of such Asset Sale, to an investment in properties and assets that were the subject of such Asset Sale or in properties and assets that are similar to the properties and assets that will be used in the business of the Company and the Restricted Subsidiaries existing on the Issue Date or in businesses reasonably related thereto ("Replacement Assets"). Any Net Cash Proceeds from any Asset Sale not applied as provided in the preceding two sentences, within 360 days of the date of such Asset Sale, constitute "Excess Proceeds" subject to disposition as provided below.

(b) When the aggregate amount of Excess Proceeds equals or exceeds $10,000,000, the Company shall make an offer to purchase, from all Holders of the Securities and any then outstanding Pari Passu Indebtedness required to be repurchased or repaid on a permanent basis in connection with

an Asset Sale, an aggregate principal amount of Securities and any such Pari Passu Indebtedness equal to such Excess Proceeds as follows:

(i) (a) The Company shall make an offer to purchase (a "Net Proceeds Offer") from all Holders of the Securities in accordance with the procedures set forth in the Indenture the maximum principal amount (expressed as a multiple of $1,000) of Securities that may be purchased out of an amount (the "Payment Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Securities and the denominator of which is the sum of the outstanding principal amount of the Securities and such Pari Passu Indebtedness, if any (subject to proration if such amount is less than the aggregate Offered Price (as defined in clause (ii) below) of all Securities tendered), and (b) to the extent required by any such Pari Passu Indebtedness and provided there is a permanent reduction in the principal amount of such Pari Passu Indebtedness, the Company shall make an offer to purchase such Pari Passu Indebtedness (a "Pari Passu Offer") in an amount (the "Pari Passu Indebtedness Amount") equal to the excess of the Excess Proceeds over the Payment Amount.

(ii) The offer price for the Securities shall be payable in cash in an amount equal to 100% of the principal amount of the Securities tendered pursuant to a Net Proceeds Offer, plus accrued and unpaid interest, if any, to the date ("Offer Date") such Net Proceeds Offer is consummated (the "Offered Price"), in accordance with the procedures set forth in this Indenture. To the extent that the aggregate Offered Price of the Securities tendered pursuant to a Net Proceeds Offer is less than the Payment Amount relating thereto or the aggregate amount of the Pari Passu Indebtedness that is purchased or repaid pursuant to the Pari Passu Offer is less than the Pari Passu Indebtedness Amount (such shortfall constituting a "Net Proceeds Deficiency"), the Company may use such Net Proceeds Deficiency, or a portion thereof, for general corporate purposes, subject to the limitations of Section 1009.

(iii) If the aggregate Offered Price of Securities validly tendered and not withdrawn by holders thereof exceeds the Payment Amount, Securities to be purchased will be selected on a pro rata basis. Upon completion of such Net Proceeds Offer and Pari Passu Offer, the amount of Excess Proceeds shall be reset to zero.

(c) When the aggregate amount of Excess Proceeds exceeds $10,000,000, such Excess Proceeds will, prior to any purchase of Securities described in Section 1012(b), be set aside by the Company in a separate account pending (i) deposit with the depository or a paying agent of the amount required to purchase the Securities tendered in a Net Proceeds Offer or Pari Passu Indebtedness tendered in a Pari Passu Offer, (ii) delivery by the Company of the Offered Price to the holders of the Securities tendered in a Net Proceeds Offer or Pari Passu Indebtedness tendered in a Pari Passu Offer and (iii) application, as set forth above, of Excess Proceeds in the business of the Company and its Subsidiaries for general corporate purposes. Such Excess Proceeds may be invested in Cash Equivalents, provided that the maturity date of any such investment made after the amount of Excess Proceeds exceeds $10,000,000 shall not be later than the Offer Date. The Company shall be entitled to any interest or dividends accrued, earned or paid on such Temporary Cash Investments; provided that the Company shall not withdraw such interest from the separate account if an Event of Default has occurred and is continuing.

(d) If the Company becomes obligated to make a Net Proceeds Offer pursuant to Section 1012(b), the Securities and the Pari Passu Indebtedness shall be purchased by the Company, at the option of the holders thereof, in whole or in part in integral multiples of $1,000, on a date that is not earlier than 45 days and not later than 60 days from the date the notice of the Net Proceeds Offer is given to holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act.

(e) The Company will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Net Proceeds Offer.

(f) Subject to Section 1012(e), within 30 days after the date on which the amount of Excess Proceeds equals or exceeds $10,000,000, the Company shall send or cause to be sent by first-class mail, postage prepaid, to the Trustee and to each Holder, at his address appearing in the Security Register, a notice stating or including:

(1) that the Holder has the right to require the Company to repurchase, subject to proration, such Holder's Securities at the Offered Price;

(2) the Offer Date;

(3) the instructions a Holder must follow in order to have his Securities purchased in accordance with Section 1012(b);

(4) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q, as applicable, and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing Asset Sales otherwise described in the offering materials (or corresponding successor reports) (or if the Company is not required to prepare any of the foregoing Forms, the comparable information required pursuant to Section 1019(a)), (ii) a description of material developments, if any, in the Company's business subsequent to the date of the latest of such Reports, (iii) if material, appropriate pro forma financial information, and (iv) such other information, if any, concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed investment decision regarding the Offer;

(5) the Offered Price;

(6) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002;

(7) that Securities must be surrendered prior to the Offer Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 1002 to collect payment;

(8) that any Securities not tendered will continue to accrue interest and that unless the Company defaults in the payment of the Offered Price, any Security accepted for payment pursuant to the Offer shall cease to accrue interest on and after the Offer Date;

(9) the procedures for withdrawing a tender; and

(10) that the Offered Price for any Security which has been properly tendered and not withdrawn and which has been accepted for payment pursuant to the Offer will be paid promptly following the Offer Date.

(g) Holders electing to have Securities purchased hereunder will be required to surrender such Securities at the address specified in the notice on or prior to the Offer Date. Holders will be entitled to withdraw their election to have their Securities purchased pursuant to this Section 1012, if the Company receives, not later than the Offer Date, a telegram, telex, facsimile transmission or letter setting forth (1) the name of the Holder, (2) the certificate number of the Security in respect of which such notice

of withdrawal is being submitted, (3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which his election is to be withdrawn, (4) a statement that such Holder is withdrawing his election to have such principal amount of such Security purchased, and (5) the principal amount, if any, of such Security (which shall be $l,000 or an integral multiple thereof) that remains subject to the original notice of the Offer and that has been or will be delivered for purchase by the Company.

(h) The Company shall (i) not later than the Offer Date, accept for payment Securities or portions thereof tendered pursuant to the Offer, (ii) not later than 10:00 a.m. (New York time) on the Business Day following the Offer Date, deposit with the Trustee or with a Paying Agent an amount of money in same day funds (or New York Clearing House funds if such deposit is made prior to the Offer Date) sufficient to pay the aggregate Offered Price of all the Securities or portions thereof which are to be purchased on that date and (iii) not later than 10:00 a.m. (New York time) on the Business Day following the Offer Date, deliver to the Paying Agent an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Securities so accepted payment in an amount equal to the Offered Price of the Securities purchased from each such Holder, and the Company shall execute and the Trustee shall promptly authenticate and mail or deliver to such Holders a new Security equal in principal amount to any unpurchased portion of the Security surrendered. Any Securities not so accepted shall be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. For purposes of this Section 1012, the Company shall choose a Paying Agent which shall not be the Company.

(i) Subject to applicable escheat laws, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest, if any, thereon held by then for the payment of the Offered Price; provided, however, that (x) to the extent that the aggregate amount of cash deposited by the Company with the Trustee in respect of a Net Proceeds Offer exceeds the aggregate Offered Price of the Securities or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, no later than the second Business Day following the Offer Date the Trustee shall return any such excess (including, without limitation, monies deposited with respect to an election which has been withdrawn in accordance with Section 1012(g)) to the Company together with interest or dividends, if any, thereon.

(j) Securities to be purchased shall, on the Offer Date, become due and payable at the Offered Price and from and after such date (unless the Company shall default in the payment of the Offered Price) such Securities shall cease to bear interest. Such Offered Price shall be paid to such Holder promptly following the later of the Offer Date and the time of delivery of such Security to the relevant Paying Agent at the office of such Paying Agent by the Holder thereof in the manner required. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Offered Price; provided, however, that installments of interest whose Stated Maturity is on or prior to the Offer Date shall be payable to the person in whose name the Securities (or any Predecessor Securities) are registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309: provided, further, that Securities to be purchased are subject to proration if the Excess Proceeds are less than the aggregate Offered Price of all Securities tendered for purchase, with such adjustments as may be appropriate by the Trustee so that only Securities in denominations of $1,000 or integral multiples thereof, shall be purchased. If any Security tendered for purchase shall not be so paid upon surrender thereof by deposit of funds with the Trustee or a Paying Agent in accordance with Section 1012(g), the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Offer Date at the rate borne by such Security. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such

Security, without service charge, one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased. The Company shall publicly announce the results of the Offer on or as soon as practicable after the Offer Date.

Section 1013. Limitation on Sale, Issuance and Ownership of Capital Stock of Restricted Subsidiaries.

The Company (i) will not, directly or indirectly, sell or otherwise dispose of any shares of Capital Stock of a Restricted Subsidiary, (ii) will not permit any of the Restricted Subsidiaries, directly or indirectly, to issue or sell or otherwise dispose of any Capital Stock (other than (A) to the Company or a Wholly-Owned Restricted Subsidiary or (B) to the extent such shares represent directors' qualifying shares or shares required by applicable law to be held by a person other than the Company or a Wholly-Owned Subsidiary), (iii) will not permit any person (other than the Company or a Wholly-Owned Restricted Subsidiary), directly or indirectly, to own any Capital Stock of any Restricted Subsidiary except for Capital Stock of a Restricted Subsidiary issued and outstanding at the time such Restricted Subsidiary became a Subsidiary of the Company; provided that such Capital Stock was not issued in anticipation of such person becoming a Subsidiary of the Company and (iv) will not permit any person, directly or indirectly, to acquire Capital Stock of any Restricted Subsidiary from the Company or any Wholly-Owned Restricted Subsidiary except upon the acquisition of all the outstanding Capital Stock of such Restricted Subsidiary in accordance with the terms of the Indenture.

Section 1014. Limitation on Transactions with Affiliates.

The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, transfer, disposition, purchase, exchange or lease of assets, property or services, employee compensation arrangements or the rendering of any service) with, or for the benefit of, any Affiliate of the Company (other than a Wholly-Owned Restricted Subsidiary) except (i) on terms that are no less favorable to the Company or the Restricted Subsidiary, as the case may be, than those which could have been obtained in a comparable transaction at such time from persons who do not have such a relationship with the Company, (ii) with respect to any transaction or series of related transactions involving aggregate payments or value equal to or greater than $2,000,000, the terms of such transaction or transactions, as the case may be, shall be set forth in writing and the Company shall have delivered an Officer's Certificate to the Trustee certifying that such transaction or series of related transactions comply with the preceding clause (i), and (iii) with respect to any transaction or series of related transactions involving aggregate payments or value equal to or greater than $5,000,000, the terms of such transaction or transactions, as the case may be, shall be set forth in writing and the Company shall have delivered an Officer's Certificate to the Trustee certifying that such transaction or series of transactions (A) comply with the preceding clause (i) and (B) have been approved by a majority of the Board of Directors of the Company, including a majority of the Disinterested Directors of the Board of Directors of the Company, or in lieu of the certification required by the preceding clause (B), the Company shall have delivered to the Trustee a written opinion of an investment banking firm of national standing or other recognized independent expert with experience appraising the terms and conditions of the type of transaction or series of related transactions for which its opinion is being delivered stating that the transaction or series of related transactions is fair to the Company or such Restricted Subsidiary from a financial point of view. For the purposes of the foregoing, a director of the Company shall not be considered "interested" with respect to a transaction solely by virtue of being a director of the other party to such transaction. This Section 1014 will not restrict the Company from (a) making dividends permitted by Section 1009, (b) paying reasonable and customary regular fees to directors of the Company who are not employees of the Company, (c) making loans or advances to officers of the Company and the Restricted Subsidiaries in the ordinary course of business for bona fide business purposes of the Company in an aggregate principal amount not to exceed $1,000,000 outstanding at any one time and (d) the

Company's employee compensation and other benefit arrangements existing on the Issue Date or thereafter entered into by the Company or any Restricted Subsidiary in the ordinary course of business.

Section 1015. Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries.

The Company will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends, in cash or otherwise, or make any other distributions on or in respect of its Capital Stock or any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness owed to the Company or any other Restricted Subsidiary, (c) make loans or advances to the Company or any other Restricted Subsidiary or (d) transfer any of its properties or assets to the Company or any other Restricted Subsidiary (other than any customary restriction on transfers of property subject to a Lien permitted under this Indenture (other than a Lien on cash not constituting proceeds of non-cash property subject to a Lien permitted under this Indenture)), except for such encumbrances or restrictions existing under or by reason of (i) the mandatory provisions of general applicability of applicable law or governmental regulation, (ii) customary non-assignment provisions of any contract or any licensing agreement entered into by the Company or any of the Restricted Subsidiaries in the ordinary course of business or any lease governing a leasehold interest of the Company or any Restricted Subsidiary, (iii) any agreement or other instrument of a person acquired by the Company or any Restricted Subsidiary in existence at the time of such acquisition (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets (including subsequently acquired property or assets to the extent subject thereto) of the person, so acquired, (iv) any encumbrance or restriction in the Credit Facility or any other agreement, in each case, as in effect on the Issue Date and listed in Schedule 1015 hereto, or otherwise modified from time to time; provided that any such modification is no less favorable to the holders of Securities (as determined by the Board of Directors of the Company) than the applicable provision as in effect on the Issue Date and (v) any encumbrance or restriction pursuant to any agreement that extends, restructures, refinances, renews, refunds or replaces any agreement described in clause (ii), (iii) or (iv) of this Section 1015, which is no less favorable to the holders of Securities (as determined by the Board of Directors of the Company) than those existing under the agreement being extended, restructured, refinanced, renewed, refunded or replaced.

Section 1016. Limitation on Certain Senior Subordinated Obligations.

The Company will not, and will not permit any Guarantor or Restricted Subsidiary which is not a Guarantor to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise in any manner become directly or indirectly liable for or with respect to or otherwise permit to exist any Indebtedness which is expressly subordinate or junior in right of payment in any respect to any Indebtedness of the Company or such Guarantor or Restricted Subsidiary which is not a Guarantor, as the case may be, unless such Indebtedness ranks pari passu in right of payment with the Securities or the Guarantee of such Guarantor, or is expressly subordinated in right of payment to the Securities or such Guarantee at least to the same extent as the Securities or such Guarantee are subordinate in right of payment to Senior Indebtedness or Guarantor Senior Indebtedness, as the case may be.

Section 1017. Limitations on Designation of Unrestricted Subsidiaries.

(a) The Company may, pursuant to resolution of its Board of Directors, designate any Subsidiary of the Company as an "Unrestricted Subsidiary" under this Indenture (a "Designation") only if:

(i) no Default shall have occurred and be continuing at the time of or after giving effect to such Designation;

(ii) the Company would be permitted under this Indenture to make an Investment at the time of such Designation (assuming the effectiveness of such Designation) in an amount (the "Designation Amount") equal to the Fair Market Value of the Capital Stock of such Subsidiary on such date;

(iii) the Company would be permitted under this Indenture to incur $1.00 of additional Indebtedness pursuant to Section 1008(a) at the time of Designation (assuming the effectiveness of such Designation);

(iv) with respect to the Subsidiary to be designated an Unrestricted Subsidiary, each of the Company and its Subsidiaries, other than the Subsidiary to be designated an Unrestricted Subsidiary, is in compliance with the provisions of clauses (x), (y) and (z) of the next following clause (v) as if such Subsidiary to be so designated had been and is an Unrestricted Subsidiary for all purposes of such clauses, at the time of, and after giving effect to, such Designation (assuming the effectiveness of such Designation); and

(v) the Subsidiary to be designated an Unrestricted Subsidiary, or any Subsidiary thereof, owns no Capital Stock or Indebtedness of, owes no Indebtedness to, or holds no Lien on any property of, the Company or any other Subsidiary of the Company that is not a Subsidiary of the Subsidiary to be so designated at the time of or after giving effect to such Designation (assuming the effectiveness of such Designation).

(b) In the event of any such Designation, the Company shall be deemed to have made an Investment constituting a Restricted Payment pursuant to Section 1009 for all purposes of this Indenture in the Designation Amount. The Company shall not and shall not permit any Restricted Subsidiary to, directly or indirectly, at any time (x) provide credit support for, or a guarantee of, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness), (y) be directly or indirectly liable for any Indebtedness of an Unrestricted Subsidiary or (z) be directly or indirectly liable for any Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary (including any right to take enforcement action against such Unrestricted Subsidiary), except in the case of clause (x) or (y) of this Section 1017(b) to the extent permitted under Section 1009.

(c) The Company may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "Revocation") if:

(i) no Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(ii) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture.

(d) All Designations and Revocations must be evidenced by Board Resolutions of the Company delivered to the Trustee certifying compliance with the foregoing provisions.

Section 1018. Limitation on Non-Guarantor Restricted Subsidiaries.

(a) The Company will not permit any Restricted Subsidiary, other than the Guarantors, directly or indirectly, to secure the payment of any Senior Indebtedness, and the Company will not, and will not permit any Restricted Subsidiary to, pledge any intercompany notes representing obligations of any Restricted Subsidiary (other than the Guarantors) to secure the payment of any Senior Indebtedness, unless in each case such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Securities by such Restricted Subsidiary, which guarantee shall be on the same terms as the guarantee of the Senior Indebtedness (if a guarantee of Senior Indebtedness is granted by any such Restricted Subsidiary) except that the guarantee of the Securities need not be secured and shall be subordinated to the claims against such Restricted Subsidiary in respect of Senior Indebtedness to the same extent as the Securities are subordinated to Senior Indebtedness under this Indenture.

(b) The Company will not permit any Restricted Subsidiary which is not a Guarantor to incur any Indebtedness (other than Acquired Indebtedness) or guarantee the payment of any Indebtedness of the Company or any other Restricted Subsidiary unless (i) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to this Indenture providing for a Guarantee of the Securities by such Restricted Subsidiary, which Guarantee will be subordinated to Guarantor Senior Indebtedness (but no other Indebtedness) to the same extent that the Securities are subordinated to Senior Indebtedness and (ii), with respect to any guarantee of Subordinated Obligations by a Restricted Subsidiary, any such guarantee shall be subordinated to such Restricted Subsidiary's Guarantee at least to the same extent as such Subordinated Obligations is subordinated to the Securities.

(c) With respect to each supplemental indenture to this Indenture delivered pursuant to Section 1018(a) and Section 1018(b), (i) each such Restricted Subsidiary shall waive, and agree not in any manner whatsoever to claim to take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee until such time as the obligations guaranteed thereby are paid in full and (ii) such Restricted Subsidiary shall deliver to the Trustee an Opinion of Independent Counsel to the effect that such Guarantee has been duly executed and authorized and constitutes a valid, binding and enforceable obligation of such Restricted Subsidiary, except insofar as enforcement thereof may be limited by bankruptcy, insolvency or similar laws (including, without limitation, all laws relating to fraudulent transfer and fraudulent conveyances) and except insofar as enforcement thereof is subject to general principles of equity.

(d) Subject to the requirements (if any) described under Article Eight, any Guarantee by a Restricted Subsidiary of the Securities shall be automatically and unconditionally released and discharged (i) upon any sale, exchange or transfer, to any person not an Affiliate of the Company, of all of the Company's Capital Stock in, or all or substantially all the assets of, such Restricted Subsidiary, which transaction is in compliance with the terms of the Indenture (including compliance with Section 1012 in respect thereto and the providing, in connection therewith, by the Company to the Trustee of an Officer's Certificate to the effect that the Company will comply with its obligations under Section 1012 in respect of any such dispositions) and such Restricted Subsidiary is released from all guarantees and other security, if any, by it of other Indebtedness of the Company or any Restricted Subsidiaries or (ii) at the request of the Company, if the holders of the Indebtedness of the Company or any other Restricted Subsidiary, as the case may be, described in Section 1018(a) and Section 1018(b) unconditionally release their guarantee or Lien, as the case may be, of such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), such release and discharge to be effective at such time as, and for such periods that, (A) no other Indebtedness of the Company or any other Restricted Subsidiary, as the case may be, has been secured or guaranteed by such Restricted Subsidiary, as the case may be, and (B) the holders of all such other Indebtedness which is guaranteed by such Restricted Subsidiary also unconditionally release their guarantee by, or Lien in assets or

properties of, such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness).

Section 1019. Reporting Requirements.

(a) Whether or not the Company or any Guarantor is subject to Section 13(a) or 15(d) of the Exchange Act, the Company and such Guarantor will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which the Company and such Guarantor would have been required to file with the Commission pursuant to such Section 13(a) or 15(d) if the Company and such Guarantor were so subject, such documents to be filed with the Commission on or prior to the date (the "Required Filing Date") by which the Company and such Guarantor would have been required so to file such documents if the Company and such Guarantor were so subject. The Company and such Guarantor will also in any event (i) within 30 days of each Required Filing Date (A) transmit by mail to all Holders, as their names and addresses appear in the Security Register, without cost to such Holders and (B) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Company and such Guarantor would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act if the Company and such Guarantor were subject to either of such Sections and (ii) if filing such documents by the Company and such Guarantor with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective Holder at the Company's and such Guarantor's cost.

(b) The Company will deliver to the Trustee, on or before a date not more than 60 days after the end of each fiscal quarter and not more than 120 days after the end of each fiscal year of the Company ending after the date hereof, a written statement signed by two executive officers of the Company, one of whom shall be the principal executive officer, principal financial officer or principal accounting officer of the Company, as to compliance herewith, including whether or not, after a review of the activities of the Company and each Guarantor during such year or such quarter and of the Company's and each Guarantor's performance under this Indenture, to the best knowledge, based on such review, of the signers thereof, no Default or Event of Default exists, or if a Default exists, specifying the nature and status thereof and any actions being taken by the Company and the Guarantors with respect thereto.

(c) When any Default or Event of Default has occurred and is continuing, or if the Trustee or any Holder or the trustee for or the holder of any other evidence of Indebtedness of the Company or any Subsidiary gives any notice or takes any other action with respect to a claimed default, the Company shall deliver to the Trustee by registered or certified mail or facsimile transmission followed by hard copy an Officers' Certificate specifying such Default, Event of Default, notice or other action, the status thereof and what actions the Company and the Guarantors are taking or propose to take with respect thereto, within 10 Business Days of its occurrence; provided, however, any Default based upon non-compliance with the notification requirements of this Section 1019(c) may be (i) expressly waived or (ii) cured if the event giving rise to the requirement for such notification shall have been waived or cured, in each case, in accordance with the terms of this Indenture.

Section 1020. Waiver of Certain Covenants.

The Company and the Guarantors may omit in any particular instance to comply with any covenant or condition set forth in Sections 1006 through 1010 and 1013 through 1019(a), if, before or after the time for such compliance, the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding shall, by Act of such Holders, waive such compliance in such instance with such covenant or provision, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the

obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

Section 1021. Waiver of Stay, Extension or Usury Laws.

Each of the Company and the Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury law or other law which would prohibit or forgive the Company or any Guarantor, as the case may be, from paying all or any portion of the principal of, premium, if any, or interest on the Securities as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture; and each of the Company and the Guarantors hereby expressly waives (to the extent that it may lawfully do so) all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

Section 1101. Rights of Redemption.

(a) The Securities are subject to redemption at any time on or December 15, 2002, at the option of the Company, in whole or in part, subject to the conditions, and at the Redemption Prices, specified in the form of Security, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on relevant Regular Record Dates and Special Record Dates to receive interest due on relevant Interest Payment Dates and Special Payment Dates).

(b) At any time prior to December 1, 2000, the Company may, at its option, use the net proceeds of one or more Public Equity Offerings to redeem up to an aggregate of 35% of the aggregate principal amount of Securities originally issued under this Indenture at a redemption price equal to 108.625% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to the redemption date; provided that at least $81,250,000 aggregate principal amount of the Securities remains outstanding immediately after the occurrence of such redemption. In order to effect the foregoing redemption, the Company must mail a notice of redemption no later than 30 days after the closing of the related Public Equity Offering and must consummate such redemption within 60 days of the closing of the Public Equity Offering.

Section 1102. Applicability of Article.

Redemption of Securities at the election of the Company or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article Eleven.

Section 1103. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Company Order and an Officers' Certificate. In case of any redemption at the election of the Company, the Company shall, not less than 30 nor more than 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice period shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of Securities to be redeemed.

Section 1104. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities are to be redeemed at any time, the particular Securities or portions thereof to be redeemed shall be selected not more than 30 days prior to the Redemption Date. The Trustee shall select the Securities or portions thereof to be redeemed in compliance with any applicable requirements of the principal national securities exchange, if any, on which the Securities are listed or, if the Securities are not then listed on a national securities exchange (or if the Securities are so listed but such exchange does not impose requirements with respect to the selection of debt securities for redemption), on a pro rata basis, by lot or by such method as the Trustee in its sole discretion shall deem fair and appropriate. The amounts to be redeemed shall be equal to $1,000 or any integral multiple thereof.

The Trustee shall promptly notify the Company and the Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

Section 1105. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 days nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at its address appearing in the Security Register. If the redemption is pursuant to Section 1101(b), notice of redemption shall be mailed no later than 30 days after the closing of the related Public Equity Offering.

All notices of redemption shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) if less than all Outstanding Securities are to be redeemed, the identification of the particular Securities to be redeemed;

(d) in the case of a Security to be redeemed in part, the principal amount of such Security to be redeemed and that after the Redemption Date upon surrender of such Security, a new Security or Securities in the aggregate principal amount equal to the unredeemed portion thereof will be issued;

(e) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(f) that on the Redemption Date, the Redemption Price will become due and payable upon each such Security or portion thereof to be redeemed, and that (unless the Company shall default in payment of the Redemption Price) interest thereon shall cease to accrue on and after said date;

(g) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002 where such Securities are to be surrendered for payment of the Redemption Price;

(h) subject to Section 310, the CUSIP number, if any, relating to such Securities; and

(i) the procedures that a Holder must follow to surrender the Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's written request, by the Trustee in the name and at the expense of the Company. If the Company elects to give notice of redemption, it shall provide the Trustee with a certificate stating that such notice has been given in compliance with the requirements of this Section 1105.

The notice if mailed in the manner herein provided shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Security designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security.

Section 1106. Deposit of Redemption Price.

On or prior to any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company or any of its Affiliates is acting as Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money in same day funds sufficient to pay timely the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date or Special Payment Date) accrued interest on, all the Securities or portions thereof which are to be redeemed on that date. The Paying Agent shall promptly mail or deliver to Holders of Securities so redeemed payment in an amount equal to the Redemption Price of the Securities purchased from each such Holder. All money, if any, earned on funds held in trust by the Trustee or any Paying Agent shall be remitted to the Company. For purposes of this Section 1106, the Company shall choose a Paying Agent which shall not be the Company.

Section 1107. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrue interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price together with accrued and unpaid interest to the Redemption Date; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates and Special Record Dates according to the terms and the provisions of Section 309.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium, if any, shall, until paid, bear interest from the Redemption Date at the rate borne by such Security.

Section 1108. Securities Redeemed or Purchased in Part.

Any Security which is to be redeemed or purchased only in part shall be surrendered to the Paying Agent at the office or agency maintained for such purpose pursuant to Section 1002 (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company, the Security Registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Security so surrendered that is not redeemed or purchased.

ARTICLE TWELVE

SATISFACTION AND DISCHARGE

Section 1201. Satisfaction and Discharge of Indenture.

This Indenture shall, upon request of the Company, be discharged and shall cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Securities and payments thereon as expressly provided for herein and as provided in the last paragraph of this Section 1201(a)) as to all Outstanding Securities hereunder, and the Trustee, upon Company Request and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(1) all the Securities theretofore authenticated and delivered (other than (i) lost, stolen or destroyed Securities which have been replaced or paid as provided in Section 308 or (ii) all Securities for whose payment (x) cash in United States dollars or (y) U.S. Government Obligations maturing as to principal, premium (if any) and interest in such amounts of money and at such times as are sufficient without consideration of any reinvestment of such interest, to pay principal of and interest on the Outstanding Securities not later than one day before the due date of any payment, have theretofore been deposited in trust with the Trustee or any Paying Agent) have been delivered to the Trustee for cancellation; or

(2) all such Securities not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company; and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust an amount in United States dollars sufficient to pay and discharge the entire Indebtedness on the Securities not theretofore delivered to the Trustee for cancellation, for principal and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be, together with instructions from the Company irrevocably directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(b) the Company or any Guarantor has paid or caused to be paid all other sums due and payable hereunder by the Company and any Guarantor; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Independent Counsel, in form and substance reasonably satisfactory to the Trustee, which, taken together, state that (i) all conditions precedent herein relating to the satisfaction and discharge hereof have been complied with and (ii) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, this Indenture or any other material agreement or instrument to which the Company, any Guarantor or any Subsidiary is a party or by which the Company, any Guarantor or any Subsidiary is bound.

Notwithstanding the satisfaction and discharge hereof, (A) the obligations of the Company to the Trustee under Section 607 and, if United States dollars shall have been deposited with the Trustee pursuant to clause (a) of this Section 1201, the obligations of the Trustee under Section 1202 and the last paragraph of Section 1003 shall survive, and (B) the Company's obligations under this Indenture and the

Securities and any Guarantor's obligations under the Indenture and any Guarantee shall be revived and reinstated, as and to the extent provided in, and subject to the provisions of, Section 406, as therein referenced.

Section 1202. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars and U.S. Government Obligations deposited with the Trustee pursuant to Section 1201 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine to the persons entitled thereto, of the principal of, premium if any, and interest on, the Securities for whose payment such United States dollars or U.S. Government Obligations have been deposited with the Trustee.

ARTICLE THIRTEEN

SUBORDINATION OF SECURITIES

Section 1301. Securities Subordinate to Senior Indebtedness.

The Company covenants and agrees, and each Holder of a Security, by such Holder's acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the Indebtedness represented by the Securities and the payment of the principal of, premium, if any, and interest on, the Securities are hereby expressly made subordinate and subject in right of payment as provided in this Article to the prior payment in full of the Senior Indebtedness.

This Article Thirteen shall constitute a continuing offer to all persons, who, in reliance upon such provisions, become, holders of, or continue to hold Senior Indebtedness; and such provisions are made for the benefit of the holders of Senior Indebtedness; and such holders are made obligees hereunder and they or each of them may enforce such provisions as provided herein.

Section 1302. Payment Over of Proceeds upon Dissolution, etc.

In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company (or to its creditors, as such) or to its assets, or (b) any liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary, or whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshaling of assets or liabilities of the Company, then and in any such event:

(1) the holders of Senior Indebtedness shall be entitled to receive payment in full of all amounts due on or in respect of Senior Indebtedness before the Holders of the Securities are entitled to receive any payment or distribution of any kind or character (excluding securities of the Company as reorganized or readjusted or securities of the Company or any other corporation provided for by a plan of reorganization or readjustment the payment of which are subordinated in right of payment to all Senior Indebtedness, that may be outstanding, at least to the extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article ("Permitted Junior Securities")) on account of the principal of, premium, if any, or interest on the Securities or on account of the purchase, redemption, defeasance or other acquisition of, or in respect of, the Securities (other than amounts previously set aside with the Trustee, or payments previously made, in either case, pursuant to the provisions of Sections 402 and 403 of this Indenture); and

(2) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (excluding Permitted Junior Securities), by set-off or otherwise, to which the Holders or the Trustee would be entitled but for the provisions of this Article shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness; and

(3) if, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Security, shall have received any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (excluding Permitted Junior Securities), in respect of principal, premium, if any, and interest on the Securities or on account of the purchase, redemption, defeasance or other acquisition of, or in respect of, the Securities (other than amounts previously set aside with the Trustee, or payments previously made, in either case, pursuant to Sections 402 and 403 of this Indenture) before all Senior Indebtedness is paid in full, then and in such event such payment or distribution (excluding Permitted Junior Securities) shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payments or distributions of assets of the Company for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness; and

(4) the Trustee shall execute and deliver to any Senior Representative all such further instruments as shall be reasonably requested confirming the subordination of the Securities pursuant to this Article Thirteen.

The consolidation of the Company with, or the merger of the Company with or into, another person or the liquidation or dissolution of the Company following the sale, assignment, conveyance, transfer, lease or other disposal of its properties and assets substantially as an entirety to another person upon the terms and conditions set forth in Article Eight shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or marshaling of assets and liabilities of the Company for the purposes of this Section if the person formed by such consolidation or the surviving entity of such merger or the person which acquires by sale, assignment, conveyance, transfer, lease or other disposal of such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposal, agree to be bound by the subordination provisions contained in Article Thirteen of this Indenture and each of the conditions set forth in Section 801 (as in effect on the date hereof shall have been satisfied in full.

Section 1303. Suspension of Payment When Designated Senior Indebtedness in Default.

(a) Unless Section 1302 shall be applicable, upon the occurrence and during the continuance of any default in the payment of any principal of, premium, if any, or interest on, or unreimbursed amounts under drawn letters of credit or fees relating to letters of credit constituting, any Designated Senior Indebtedness beyond any applicable grace period (a "Payment Default") and after the receipt by the Trustee from a Senior Representative of any Designated Senior Indebtedness of written notice of such default, no payment (other than amounts previously set aside with the Trustee or payments previously made, in either case, pursuant to Section 402 or 403 in this Indenture) or distribution of any assets of the Company or any Subsidiary of any kind or character (excluding Permitted Junior Securities) may be made by the Company or any Subsidiary on account of the principal of, premium, if any, or interest on, the Securities, or on account of the purchase, redemption, defeasance or other acquisition of or in respect of, the Securities unless and until such Payment Default shall have been cured or waived or shall have

ceased to exist or the Designated Senior Indebtedness shall have been discharged or paid in full in cash or cash equivalents, after which the Company shall (subject to the other provisions of this Article Thirteen) resume making any and all required payments in respect of the Securities, including any missed payments.

(b) Unless Section 1302 shall be applicable, (1) upon the occurrence and during the continuance of any default other than a Payment Default with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may then be accelerated immediately (a "Non-payment Default") and (2) after the receipt by the Trustee and the Company from a Senior Representative of any Designated Senior Indebtedness of written notice of such Non-payment Default, no payment (other than any amounts previously set aside with the Trustee, or payments previously made, in either case, pursuant to the provisions of Sections 402 or 403 in this Indenture) or distribution of any assets of the Company of any kind or character (excluding Permitted Junior Securities) may be made by the Company or any Subsidiary on account of the principal of, premium, if any, or interest on, the Securities, or on account of the purchase, redemption, defeasance or other acquisition of, or in respect of, the Securities for the period specified below ("Payment Blockage Period").

(c) The Payment Blockage Period shall commence upon the receipt of notice of the Non-payment Default by the Trustee and the Company from a Senior Representative stating that such notice is a payment blockage notice pursuant to this Indenture and shall end on the earliest to occur of the following events: (i) 179 days shall have elapsed since the receipt by the Trustee of such notice, (ii) the date, as set forth in a written notice to the Company or Trustee from a Senior Representative initiating such Payment Blockage Period, on which such Non-Payment Default (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) is cured or waived or ceases to exist (provided that no other Payment Default or Non-payment Default has occurred or is then continuing after giving effect to such cure or waiver) or on which such Designated Senior Indebtedness is discharged or paid in full, or (iii) the date, set forth in a written notice to the Company or Trustee from a Senior Representative initiating such Payment Blockage Period, on which such Payment Blockage Period (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) shall have been terminated by written notice to the Company or the Trustee from the Senior Representative initiating such Payment Blockage Period, after which, in the case of the immediately preceding clauses (i), (ii) and (iii), the Company, subject to the subordination provisions set forth above and the existence of another Payment Default, shall promptly resume making any and all required payments in respect of the Securities, including any missed payments. Only one Payment Blockage Period with respect to the Securities may be commenced within any 360 consecutive day period. No Non-payment Default with respect to Designated Senior Indebtedness that existed or was continuing on the date of the commencement of any Payment Blockage Period with respect to the Designated Senior Indebtedness initiating such Payment Blockage Period will be, or can be, made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 360 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days (it being acknowledged that any subsequent action, or any breach of any financial covenant for a period commencing after the date of commencement of such Payment Blockage Period, that, in either case, would give rise to a Non-payment Default pursuant to any provision under which a Non-payment Default previously existed or was continuing shall constitute a new Non-payment Default for this purpose; provided that, in the case of a breach of a particular financial covenant, the Company shall have been in compliance for at least one full 90 consecutive day period commencing after the date of commencement of such Payment Blockage Period). In no event will a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Trustee of the notice, and there must be a 181 consecutive day period in any 360-day period during which no Payment Blockage Period is in effect. The Company shall deliver a notice to the Trustee promptly after the date on which any Non-payment Default is cured or waived in writing or ceases to exist or on which the Designated Senior Indebtedness related thereto is discharged or paid in full, and the Trustee is authorized to act in reliance on such notice.

(d) If, notwithstanding the foregoing, the Company shall make any payment or distribution of any assets of the Company or any Subsidiary of any kind or character (excluding Permitted Junior Securities) to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, then and in such event such payment shall be held in trust for the holders of Senior Indebtedness and paid over and delivered forthwith to a Senior Representative of the holders of the Designated Senior Indebtedness or as a court of competent jurisdiction shall direct.

Section 1304. Payment Permitted if No Default.

Nothing contained in this Article, elsewhere in this Indenture or in any of the Securities shall prevent the Company, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding-up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Company referred to in Section 1302 or under the conditions described in Section 1303, from making payments at any time of principal of, premium, if any, or interest on the Securities.

Section 1305. Subrogation to Rights of Holders of Senior Indebtedness.

After the payment in full of all Senior Indebtedness, the Holders of the Securities shall be subrogated to the rights of the holders of such Senior Indebtedness to receive payments and distributions of cash, property and securities applicable to the Senior Indebtedness until the principal of, premium, if any, and interest on, the Securities shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article, and no payments over pursuant to the provisions of this Article to the holders of Senior Indebtedness by Holders of the Securities or the Trustee, shall, as among the Company, its creditors other than holders of Senior Indebtedness, and the Holders of the Securities, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness.

Section 1306. Provisions Solely to Define Relative Rights.

The provisions of this Article are intended solely for the purpose of defining the relative rights of the Holders of the Securities on the one hand and the holders of Senior Indebtedness on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as among the Company, its creditors other than holders of Senior Indebtedness and the Holders of the Securities, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Securities the principal of, premium, if any, and interest on, the Securities as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against the Company or the Holders of the Securities and creditors of the Company other than the holders of Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness (1) in any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Company referred to in Section 1302, to receive, pursuant to and in accordance with such Section, cash, property and securities otherwise payable or deliverable to the Trustee or such Holder, or (2) under the conditions specified in Section 1303, to prevent any payment prohibited by such Section or enforce their rights pursuant to Section 1303(d).

Section 1307. Trustee to Effectuate Subordination.

Each Holder of a Security by such Holder's acceptance thereof authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article and appoints the Trustee such Holder's attorney-in-fact for any and all such purposes including, in the event of any dissolution, winding-up, liquidation or reorganization of

the Company whether in bankruptcy, insolvency, receivership proceedings, or otherwise, the timely filing of a claim for the unpaid balance of the indebtedness of the Company owing to such Holder in the form required in such proceedings and the causing of such claim to be approved.

Section 1308. No Waiver of Subordination Provisions.

(a) No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder or any Senior Representative, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

(b) Without limiting the generality of subsection (a) of this Section 1308, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Securities to the holders of Senior Indebtedness, do any one or more of the following: (1) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (2) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (3) release any person liable in any manner for the collection or payment of Senior Indebtedness; (4) exercise or refrain from exercising any rights against the Company and any other person; and (5) sell, assign or transfer the Senior Indebtedness to any person; provided, however, that in no event shall any such actions limit the right of the Holders of the Securities to take any action to accelerate the maturity of the Securities pursuant to Article Five of this Indenture or to pursue any rights or remedies hereunder or under applicable laws if the taking of such action does not otherwise violate the terms of this Article.

Section 1309. Notice to Trustee.

(a) The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Securities. Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities, unless and until a Responsible Officer of the Trustee shall have received written notice thereof from the Company or a holder of Senior Indebtedness or from a Senior Representative or any trustee, fiduciary or agent therefor; and, prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to assume that no such facts exist; provided, however, that if a Responsible Officer of the Trustee shall not have received the notice provided for in this Section by Noon, Eastern Time, on the Business Day prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of, premium, if any, or interest on any Security), then, anything herein contained to the contrary notwithstanding but without limiting the rights and remedies of the holders of Senior Indebtedness, a Senior Representative or any trustee, fiduciary or agent thereof, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it after such date; nor shall the Trustee be charged with knowledge of the curing of any such default or the elimination of the act or condition preventing any such payment unless and until the Trustee shall have received an Officers' Certificate to such effect.

(b) The Trustee shall be entitled to rely on the delivery to it of a written notice to the Trustee and the Company by a person which represents itself as a Senior Representative or a holder of Senior

Indebtedness (or a trustee, fiduciary or agent there for) to establish that such notice has been given by a Senior Representative or a holder of Senior Indebtedness (or a trustee, fiduciary or agent therefor); provided, however, that failure to give such notice to the Company shall not affect in any way the ability of the Trustee to rely on such notice. If the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such person pending judicial determination as to the right of such person to receive such payment.

Section 1310. Reliance on Judicial Orders or Certificates.

Upon any payment or distribution of assets of the Company referred to in this Article, the Trustee and the Holders of the Securities shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other person making such payment or distribution, or a certificate of a Senior Representative delivered to the Trustee or to the Holders of Securities for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article, provided that the foregoing shall apply only if such court has been fully apprised of the provisions of this Article.

Section 1311. Rights of Trustee as a Holder of Senior Indebtedness; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 607.

Section 1312. Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting under this Indenture, the term "Trustee" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Section 1311 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 1313. No Suspension of Remedies.

Nothing contained in this Article shall limit the right of the Trustee or the Holders of Securities to take any action to accelerate the maturity of the Securities pursuant to Article Five of this Indenture or to pursue any rights or remedies hereunder or under applicable law, subject to the rights if any, under this Article of the holders, from time to time, of Senior Indebtedness to receive the cash, property or securities receivable from the Company or any Subsidiary upon the exercise of such rights or remedies.

Section 1314. Trustee's Relation to Senior Indebtedness.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Article against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the Holders of Senior Indebtedness and the Trustee shall not be liable to any holder of Senior Indebtedness if it shall in good faith mistakenly (absent negligence or willful misconduct) pay over or deliver to Holders, the Company or any other person moneys or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

ARTICLE FOURTEEN

GUARANTEES

Section 1401. Guarantors' Guarantee.

For value received, each of the Guarantors, in accordance with this Article Fourteen, hereby absolutely, unconditionally and irrevocably guarantees, jointly and severally, to the Trustee and the Holders, as if the Guarantors were the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of this Guarantee shall also be deemed to include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this Guarantee).

Section 1402. Continuing Guarantee; No Right of Set-Off: Independent Obligation.

(a) This Guarantee shall be a continuing guarantee of the payment and performance of all Indenture Obligations and shall remain in full force and effect until the payment in full of all of the Indenture Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Trustee or the Holders; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Trustee or the Holders. Each Guarantor, jointly and severally, covenants and agrees to comply with all obligations, covenants, agreements and provisions applicable to it in this Indenture including those set forth in Article Eight. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts which constitute part of the Indenture Obligations and would be owed by the Company under this Indenture and the Securities but for the fact that they are unenforceable, reduced, limited, impaired, suspended or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company.

(b) Each Guarantor, jointly and severally, hereby guarantees that the Indenture Obligations will be paid to the Trustee without set-off or counterclaim or other reduction whatsoever (whether for taxes, withholding or otherwise) in lawful currency of the United States of America.

(c) Each Guarantor, jointly and severally, guarantees that the Indenture Obligations shall be paid strictly in accordance with their terms regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the holders of the Securities.

(d) Each Guarantor's liability to pay or perform or cause the performance of the Indenture Obligations under this Guarantee shall arise forthwith after demand for payment or performance by the Trustee has been given to the Guarantors in the manner prescribed in Section 106 hereof.

(e) Except as provided herein, the provisions of this Article Fourteen cover all agreements between the parties hereto relative to this Guarantee and none of the parties shall be bound by any representation, warranty or promise made by any person relative thereto which is not embodied herein; and it is specifically acknowledged and agreed that this Guarantee has been delivered by each Guarantor free of any conditions whatsoever and that no representations, warranties or promises have been made to any Guarantor affecting its liabilities hereunder, and that the Trustee shall not be bound by any representations, warranties or promises now or at any time hereafter made by the Company to any Guarantor.

(f) This Guarantee is a guarantee of payment, performance and compliance and not of collectibility and is in no way conditioned or contingent upon any attempt to collect from or enforce performance or compliance by the Company or upon any event or condition whatsoever.

(g) The obligations of the Guarantors set forth herein constitute the full recourse obligations of the Guarantors enforceable against them to the full extent of all their assets and properties.

Section 1403. Guarantee Absolute.

The obligations of the Guarantor hereunder are independent of the obligations of the Company under the Securities and this Indenture and a separate action or actions may be brought and prosecuted against any Guarantor whether or not an action or proceeding is brought against the Company and whether or not the Company is joined in any such action or proceeding. The liability of the Guarantors hereunder is irrevocable, absolute and unconditional and (to the extent permitted by law) the liability and obligations of the Guarantors hereunder shall not be released, discharged, mitigated, waived impaired or affected in whole or in part by:

(a) any defect or lack of validity or enforceability in respect of any Indebtedness or other obligation of the Company or any other person under this Indenture or the Securities, or any agreement or instrument relating to any of the foregoing;

(b) any grants of time, renewals, extensions, indulgences, releases, discharges or modifications which the Trustee or the Holders may extend to, or make with, the Company, any Guarantor or any other person, or any change in the time, manner or place of payment of, or in any other term of, all or any of the Indenture Obligations, or any other amendment or waiver of, or any consent to or departure from, this Indenture or the Securities, including any increase or decrease in the Indenture Obligations;

(c) the taking of security from the Company, any Guarantor or any other person, and the release, discharge or alteration of, or other dealing with, such security;

(d) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Indenture Obligations and the obligations of any Guarantor hereunder;

(e) the abstention from taking security from the Company, any Guarantor or any other person or from perfecting, continuing to keep perfected or taking advantage of any security;

(f) any loss, diminution of value or lack of enforceability of any security received from the Company, any Guarantor or any other person, and including any other guarantees received by the Trustee;

(g) any other dealings with the Company, any Guarantor or any other person, or with any security;

(h) the Trustee's or the Holders' acceptance of compositions from the Company or any Guarantor;

(i) the application by the Holder or the Trustee of all monies at any time and from time to time received from the Company, any Guarantor or any other person on account of any indebtedness and liabilities owing by the Company or any Guarantor to the Trustee or the Holders, in such manner as the Trustee or the Holders deems best and the changing of such application in whole or in part and at any time or from time to time, or any manner of application of collateral, or proceeds thereof, to all or any of the Indenture Obligations, or the manner of sale of any collateral;

(j) the release or discharge of the Company or any Guarantor of the Securities or of any person liable directly as surety or otherwise by operation of law or otherwise for the Securities, other than an express release in writing given by the Trustee, on behalf of the Holders, of the liability and obligations of any Guarantor hereunder:

(k) any change in the name, business, capital structure or governing instrument of the Company or any Guarantor or any refinancing or restructuring of any of the Indenture Obligations;

(l) the sale of the Company's or any Guarantor's business or any part thereof;

(m) subject to Section 1414, any merger or consolidation, arrangement or reorganization of the Company, any Guarantor, any person resulting from the merger or consolidation of the Company or any Guarantor with any other person or any other successor to such person or merged or consolidated person or any other change in the corporate existence, structure or ownership of the Company or any Guarantor or any change in the corporate relationship between the Company and any Guarantor, or any termination of such relationship;

(n) the insolvency, bankruptcy, liquidation winding-up, dissolution, receivership, arrangement, readjustment, assignment for the benefit of creditors or distribution of the assets of the Company or its assets or any resulting discharge of any obligations of the Company (whether voluntary or involuntary) or of any Guarantor (whether voluntary or involuntary) or the loss of corporate existence;

(o) subject to Section 1414, any arrangement or plan of reorganization affecting the Company or any Guarantor;

(p) any failure, omission or delay on the part of the Company to conform or comply with any term of this Indenture;

(q) any limitation on the liability or obligations of the Company or any other person under this Indenture, or any discharge, termination cancellation, distribution, irregularity, invalidity or unenforceability in whole or in part of this Indenture;

(r) any other circumstance (including any statute of limitations) that might otherwise constitute a defense available to, or discharge of, the Company or any Guarantor; or

(s) any modification, compromise, settlement or release by the Trustee, or by operation of law or otherwise, of the Indenture Obligations or the liability of the Company or any other obligor under the Securities, in whole or in part, and any refusal of payment by the Trustee, in whole or in part, from any other obligor or other guarantor in connection with any of the Indenture Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, each of the Guarantors.

Section 1404. Right to Demand Full Performance.

In the event of any demand for payment or performance by the Trustee from any Guarantor hereunder, the Trustee or the Holders shall have the right to demand its full claim and to receive all dividends or other payments in respect thereof until the Indenture Obligations have been paid in full, and the Guarantors shall continue to be jointly and severally liable hereunder for any balance which may be owing to the Trustee or the Holders by the Company under this Indenture and the Securities. The retention by the Trustee or the Holders of any security, prior to the realization by the Trustee or the Holders of its rights to such security upon foreclosure thereon, shall not, as between the Trustee and any Guarantor, be considered as a purchase of such security, or as payment, satisfaction or reduction of the Indenture Obligations due to the Trustee or the Holders by the Company or any part thereof. Each Guarantor, promptly after demand, will reimburse the Trustee and the Holders for all costs and expenses of collecting such amount under, or enforcing this Guarantee, including, without limitation, the reasonable fees and expenses of counsel.

Section 1405. Waivers.

(a) Each Guarantor hereby expressly waives (to the extent permitted by law) notice of the acceptance of this Guarantee and notice of the existence, renewal extension or the non-performance, non-payment, or non-observance on the part of the Company of any of the terms, covenants, conditions and provisions of this Indenture or the Securities or any other notice whatsoever to or upon the Company or such Guarantor with respect to the Indenture Obligations, whether by statute, rule of law or otherwise. Each Guarantor hereby acknowledges communication to it of the terms of this Indenture and the Securities, and all of the provisions therein contained and consents to and approves the same. Each Guarantor hereby expressly waives (to the extent permitted by law) diligence, presentment, protest and demand for payment with respect to (i) any notice of sale, transfer or other disposition of any right, title to or interest in the Securities by the Holders or in this Indenture, (ii) any release of any Guarantor from its obligations hereunder resulting from any loss by it of its rights of subrogation hereunder and (iii) any other circumstances whatsoever that might otherwise constitute a legal or equitable discharge, release or defense of a guarantor or surety or that might otherwise limit recourse against such Guarantor.

(b) Without prejudice to any of the rights or recourses which the Trustee or the Holders may have against the Company, each Guarantor hereby expressly waives (to the extent permitted by law) any right to require the Trustee or the Holders to:

(i) enforce, assert, exercise, initiate or exhaust any rights, remedies or recourse against the Company, any Guarantor or any other person under this Indenture or otherwise;

(ii) value, realize upon, or dispose of any security of the Company or any other person held by the Trustee or the Holders;

(iii) initiate or exhaust any other remedy which the Trustee or the Holders may have in law or equity; or

(iv) mitigate the damages resulting from any default under this Indenture;

before requiring or becoming entitled to demand payment from such Guarantor under this Guarantee.

Section 1406. The Guarantors Remain Obligated if the Company is No Longer Obligated to Discharge Indenture Obligations.

It is the express intention of the Trustee and the Guarantors that if for any reason the Company has no legal existence, is or becomes under no legal obligation to discharge the Indenture Obligations

owing to the Trustee or the Holders by the Company or if any of the Indenture Obligations owing to the Company to the Trustee or the Holders becomes irrecoverable from the Company by operation of law or for any reason whatsoever, this Guarantee and the covenants, agreements and obligations of the Guarantors contained in this Article Fourteen shall nevertheless be binding upon the Guarantors, as principal debtor, until such time as all such Indenture Obligations have been paid in full to the Trustee and all Indenture Obligations owing to the Trustee or the Holders by the Company have been discharged, or such earlier time as Section 402 shall apply to the Securities, and the Guarantors shall be responsible for the payment thereof to the Trustee or the Holders upon demand.

Section 1407. Fraudulent Conveyance: Contribution; Subrogation.

(a) Any term or provision of this Guarantee to the contrary notwithstanding, the aggregate amount of the Indenture Obligations guaranteed hereunder shall be reduced to the extent necessary to prevent this Guarantee from violating or becoming voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) Each Guarantor that makes a payment or distribution under its Guarantee shall be entitled to a contribution from each other Guarantor in a pro rata amount based on the net assets of each Guarantor, determined in accordance with GAAP.

(c) Each Guarantor shall be subrogated to all rights of Holders against the Company in respect of any amounts paid by any Guarantor pursuant to the provisions of this Article Fourteen; provided that, if an Event of Default has occurred and is continuing, no Guarantor shall be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until 91 days after all amounts due and payable by the Company under this Indenture or the Securities shall have been paid in full.

Section 1408. Guarantee is in Addition to Other Security.

This Guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Trustee may) now or hereafter hold in respect of the Indenture Obligations owing to the Trustee or the Holders by the Company, and (except as may be required by law) the Trustee shall be under no obligation to marshal in favor of each of the Guarantors any other guarantees or other security or any moneys or other assets which the Trustee may be entitled to receive or upon which the Trustee or the Holders may have a claim.

Section 1409. Release of Security Interests.

Without limiting the generality of the foregoing and except as otherwise provided in this Indenture, each Guarantor hereby consents and agrees, to the fullest extent permitted by applicable law, that the rights of the Trustee hereunder, and the liability of the Guarantors hereunder, shall not be affected by any and all releases for any purpose of any collateral, if any, from the Liens and security interests created by any collateral document and that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Indenture Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

Section 1410. No Bar to Further Actions.

Except as provided by law, no action or proceeding brought or instituted under Article Fourteen and this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defense to any further action or proceeding which may be brought under Article Fourteen and this Guarantee by reason

of any further default or defaults under Article Fourteen and this Guarantee or in the payment of any of the Indenture Obligations owing by the Company.

Section 1411. Failure to Exercise Rights Shall Not Operate as a Waiver; No Suspension of Remedies.

(a) No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, power, privilege or remedy under this Article Fourteen and this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise of any rights, power, privilege or remedy preclude any other or further exercise thereof, or the exercise of any other rights, power, privileges or remedies. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided in law or equity.

(b) Nothing contained in this Article Fourteen shall limit the right of the Trustee, or the Holders to take any action to accelerate the maturity of the Securities pursuant to Article Five or to pursue any rights or remedies hereunder or under applicable law.

Section 1412. Trustee's Duties; Notice to Trustee.

(a) Any provision in this Article Fourteen or elsewhere in this Indenture allowing the Trustee to request any information or to take any action authorized by, or on behalf of any Guarantor, shall be permissive and shall not be obligatory on the Trustee except as the Holders may direct in accordance with the provisions of this Indenture or where the failure of the Trustee to request any such information or to take any such action arises from the Trustee's negligence, bad faith or willful misconduct.

(b) The Trustee shall not be required to inquire into the existence, powers or capacities of the Company, any Guarantor or the officers, directors or agents acting or purporting to act on their respective behalf.

Section 1413. Successors and Assigns.

All terms, agreements and conditions of this Article Fourteen shall extend to and be binding upon each Guarantor and its successors and permitted assigns and shall enure to the benefit of and may be enforced by the Trustee and its successors and assigns; provided, however, that the Guarantors may not assign any of their rights or obligations hereunder other than in accordance with Article Eight.

Section 1414. Release of Guarantee; Limitation of Release of Guarantee.

(a) Notwithstanding anything in this Article Fourteen to the contrary, concurrently with the payment in full of all of the Indenture Obligations, the Guarantors shall be released from and relieved of their obligations under this Article Fourteen. In addition, the Guarantee with respect to each Guarantor shall be automatically and unconditionally released and discharged to the extent, at such times and for such periods, as provided in Section 1018(d); and in furtherance (but not in limitation) of the foregoing, each of the Company and the Guarantors hereby acknowledges and agrees that in the event of any release and discharge pursuant to Section 1018(d)(ii), such release and discharge shall only be effective for so long as, and during such periods, that such released and discharged Guarantor does not guarantee, or secure with a Lien on any of its assets or properties, any Indebtedness of the Company or any other Restricted Subsidiary (including in any manner described in Section 1018(a) or Section 1018(b)), and upon each occurrence of any such guarantee or security subsequent to each such release and discharge pursuant to Section 1018(d)(ii), such Guarantor's Guarantee shall be automatically revived and reinstated as if such Guarantee had not been released and discharged and shall be in full force and effect, without any further act by such Guarantor (although the Trustee may, at its option, request, and if requested such Guarantor promptly shall comply with any request, that such Guarantor shall enter

into an amendment to this Guarantee, reasonably satisfactory to the Trustee, memorializing such revival and reinstatement, but the failure to request or execute any such amendment shall not impair or delay the automatic effect of such revived and reinstated Guarantee.

(b) Upon the delivery by the Company to the Trustee of an Officers' Certificate and, if requested by the Trustee, an Opinion of Counsel to the effect that the transaction giving rise to the release of this Guarantee was made by the Company in accordance with the provisions of this Indenture and the Securities, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guarantors from their obligations under this Guarantee. If any of the Indenture Obligations are revived and reinstated after the termination of this Guarantee, then all of the obligations of the Guarantors under this Guarantee shall be revived and reinstated as if this Guarantee had not been terminated until such time as the Indenture Obligations are paid in full, and each Guarantor shall enter into an amendment to this Guarantee, reasonably satisfactory to the Trustee, evidencing such revival and reinstatement.

Section 1415. Execution of Guarantee: Additional Guarantors.

(a) To evidence the Guarantee, each Guarantor hereby agrees to execute the guarantee substantially in the form set forth in Section 205, to be endorsed on each Security authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of each Guarantor by its Chairman of the Board, its President, its Chief Executive Officer, Chief Operating Officer or one of its Vice Presidents, attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

(b) Any Restricted Subsidiary (other than an Exempt Foreign Subsidiary), whether now existing or hereafter formed or acquired, that was not a Guarantor on the date of this Indenture and thereafter becomes a Significant Subsidiary, or any Restricted Subsidiary, whether now existing or hereafter formed or acquired, that was not a Guarantor on the date of this Indenture and thereafter becomes a guarantor, obligor or grantor in respect of any other Indebtedness of the Company or any other Restricted Subsidiary, or obligor on its Indebtedness, in each case as provided in Section 1018, shall become, or any person that was not a Guarantor on the date of this Indenture may become, a Guarantor by executing and delivering to the Trustee (i) a supplemental indenture in form and substance satisfactory to the Trustee, which subjects such person to the provisions (including the representations and warranties) of this Indenture as a Guarantor, (ii) if as of the date of such supplemental indenture any Registrable Securities are outstanding, an instrument in form and substance satisfactory to the Trustee which subjects such person to the provisions of the Registration Rights Agreement with respect to such outstanding Registrable Securities, and (iii) an Opinion of Counsel to the effect that such supplemental indenture has been duly authorized and executed by such person and constitutes the legal, valid and binding obligation of such person (subject to such customary assumptions and exceptions as may be acceptable to the Trustee in its reasonable discretion).

(c) If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates a Security on which this Guarantee is endorsed, such Guarantee shall be valid nevertheless.

Section 1416. Guarantee Subordinate to Guarantor Senior Indebtedness.

Each Guarantor covenants and agrees, and each Holder of a Guarantee, by his acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the Indebtedness represented by the Guarantees is hereby expressly made subordinate and subject in right of payment as provided in this Article to the prior payment in full of all Guarantor Senior Indebtedness; provided, however, that the Indebtedness represented by this Guarantee in all respects shall rank equally with, or prior to, all existing and future Indebtedness of such Guarantor that is expressly subordinated to such Guarantor's Guarantor Senior Indebtedness.

This Article Fourteen shall constitute a continuing offer to all persons who, in reliance upon such provisions, become holders of, or continue to hold Guarantor Senior Indebtedness; and such provisions are made for the benefit of the holders of Guarantor Senior Indebtedness; and such holders are made obligees hereunder and they or each of them may enforce such provisions.

Section 1417. Payment Over of Proceeds Upon Dissolution of the Guarantor, etc.

In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to any Guarantor (or to its creditors, as such) or to its assets, or (b) any liquidation, dissolution or other winding up of any Guarantor, whether voluntary or involuntary, or whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshaling of assets or liabilities of any Guarantor, then and in any such event:

(1) the holders of Guarantor Senior Indebtedness shall be entitled to receive payment in full of all amounts due on or in respect of all Guarantor Senior Indebtedness before the Holders of the Securities are entitled to receive any payment or distribution of any kind or character (excluding Securities of any Guarantor as reorganized or readjusted or Securities of such Guarantor or any other corporation provided for by a plan of reorganization or readjustment the payment of which are subordinated in right of payment to all Guarantor Senior Indebtedness that may be outstanding, at least to the same extent as, or to a greater extent than, the Guarantees are so subordinated as provided in this Article ("Permitted Guarantor Junior Securities")) on account of the Guarantee of such Guarantor (other than amounts previously set aside with the Trustee, or payments previously made, in either case, pursuant to the provisions of Sections 402 and 403 of this Indenture); and

(2) any payment or distribution of assets of any Guarantor of any kind or character, whether in cash, property or securities (excluding Permitted Guarantor Junior Securities), by set-off or otherwise, to which the Holders or the Trustee would be entitled but for the provisions of this Article shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Guarantor Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Guarantor Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Guarantor Senior Indebtedness held or represented by each to the extent necessary to make payment in full of all Guarantor Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Guarantor Senior Indebtedness; and

(3) if, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Security shall have received any payment or distribution of assets of any Guarantor of any kind or character, whether in cash, property or securities (excluding Permitted Guarantor Junior Securities), in respect of the Guarantee of such Guarantor or on account of the purchase, redemption, defeasance or other acquisition of, or in respect of, the Guarantee of such Guarantor (other than amounts previously set aside with the Trustee, or payments previously made, in either case pursuant to Sections 402 and 403 of this Indenture) before all Guarantor Senior Indebtedness is paid in full, then and in such event such payment or distribution (excluding Permitted Guarantor Junior Securities) shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person, making payments or distributions of assets of such Guarantor for application to the payment of all Guarantor Senior Indebtedness remaining unpaid, to the extent necessary to pay all Guarantor Senior Indebtedness in full after giving effect to any concurrent payment or distribution to or for the holders of Guarantor Senior Indebtedness; and

(4) the Trustee shall execute and deliver to any Senior Representative all such further instruments as shall be reasonably requested confirming the subordination of the Guarantees pursuant to this Article Fourteen.

The consolidation of any Guarantor with, or the merger of any Guarantor with or into, another person or the liquidation or dissolution of any Guarantor following the sale, assignment, conveyance, transfer, lease or other disposal of its properties and assets substantially as an entirety to another person upon the terms and conditions set forth in Article Eight shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or marshaling of assets and liabilities of such Guarantor for the purposes of this Section if the person formed by such consolidation or the surviving entity of such merger or the person which acquires by sale, assignment, conveyance, transfer, lease or other disposal of such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposal, agree to be bound by the subordination provisions contained in Article Fourteen of this Indenture and each of the conditions set forth in Section 801 (as in effect on the date hereof) shall have been satisfied in full.

Section 1418. Default on Guarantor Senior Indebtedness.

(a) Upon the maturity of any Guarantor Senior Indebtedness by lapse of time, acceleration or otherwise, all principal thereof and interest thereon and other amounts due in connection therewith shall first be paid in full or such payment duly provided for before any payment is made by any of the Guarantors or any person acting on behalf of any of the Guarantors in respect of the Guarantee of such Guarantor.

(b) No payment or distribution of any assets of any Guarantor of any kind or character (excluding Permitted Guarantor Junior Securities) shall be made by any Guarantor in respect of its Guarantee during the period in which Section 1417 shall be applicable, during any suspension of payments in effect under Section 1303(a) of this Indenture or during any Payment Blockage Period in effect under Sections 1303(b) and (c) of this Indenture.

(c) If, notwithstanding the foregoing, any Guarantor shall make any payment or distribution of any assets of any Guarantor of any kind or character (excluding Permitted Guarantor Junior Securities) to the Trustee or the Holder of its Guarantee prohibited by the foregoing provisions of this Section, then and in such event such payment shall be held in trust for the holders of Senior Indebtedness and paid over and delivered forthwith to the representatives of the holders of the Guarantor Senior Indebtedness or as a court of competent jurisdiction shall direct.

Section 1419. Payment Permitted by Each of the Guarantors if No Default.

Nothing contained in this Article, elsewhere in this Indenture or in any of the Securities shall prevent any Guarantor, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding-up, assignment for the benefit of creditors or other marshaling of assets and liabilities of such Guarantor referred to in Section 1417 or under the conditions described in Section 1418, from making payments at any time of principal of, premium, if any, or interest on the Securities.

Section 1420. Subrogation to Rights of Holders of Guarantor Senior Indebtedness.

After the payment in full of all Guarantor Senior Indebtedness, the Holders of the Securities shall be subrogated to the rights of the holders of such Guarantor Senior Indebtedness to receive payments and distributions of cash, property and securities applicable to the Guarantor Senior Indebtedness until the principal of, premium, if any, and interest on, the Securities shall be paid in full. For purposes of such

subrogation, no payments or distributions to the holders of Guarantor Senior Indebtedness of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article and no payments over pursuant to the provisions of this Article to the holders of Guarantor Senior Indebtedness by Holders of the Securities or the Trustee, shall, as among any Guarantor, its creditors other than holders of Guarantor Senior Indebtedness, and the Holders of the Securities, be deemed to be a payment or distribution by such Guarantor to or on account of the Guarantor Senior Indebtedness.

Section 1421. Provisions Solely to Define Relative Rights.

The provisions of Sections 1416 through 1429 of this Indenture are intended solely for the purpose of defining the relative rights of the Holders of the Securities on the one hand and the holders of Guarantor Senior Indebtedness on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as among any Guarantor, its creditors other than holders of Guarantor Senior Indebtedness and the Holders of the Securities, the obligation of such Guarantor, which is absolute and unconditional, to pay to the Holders of the Securities the principal of, premium, if any, and interest on, the Securities as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against each of the Guarantors of the Holders of the Securities and creditors of each of the Guarantors other than the holders of Guarantor Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Guarantor Senior Indebtedness (1) in any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Guarantors referred to in Section 1417, to receive, pursuant to and in accordance with such Section, cash, property and securities otherwise payable or deliverable to the Trustee or such Holder, or (2) under the conditions specified in Section 1418, to prevent any payment prohibited by such Section or enforce their rights pursuant to Section 1418(c).

Section 1422. Trustee to Effectuate Subordination.

Each Holder of a Security by such Holder's acceptance thereof authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article and appoints the Trustee such Holder's attorney-in-fact for any and all such purposes, including, in the event of any dissolution, winding-up, liquidation or reorganization of any Guarantor whether in bankruptcy, insolvency, receivership proceedings, or otherwise, the timely filing of a claim for the unpaid balance of the indebtedness of any Guarantor owing to such Holder in the form required in such proceedings and the causing of such claim to be approved.

Section 1423. No Waiver of Subordination Provisions.

(a) No right of any present or future holder of any Guarantor Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any Guarantor or by any act or failure to act, in good faith, by any such holder or any Senior Representative, or by any non-compliance by any Guarantor with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

(b) Without limiting the generality of subsection (a) of this Section 1423, the holders of Guarantor Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Securities to the holders of Guarantor Senior Indebtedness, do any one or more of the following: (1) change the manner, place or terms of payment or extend the time of

payment of, or renew or alter, Guarantor Senior Indebtedness or any instrument evidencing the same or any agreement under which Guarantor Senior Indebtedness is outstanding; (2) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Guarantor Senior Indebtedness; (3) release any person liable in any manner for the collection or payment of Guarantor Senior Indebtedness; (4) exercise or refrain from exercising any rights against any of the Guarantors and any other person; and (5) sell, assign or transfer the Guarantor Senior Indebtedness to any person; provided, however, that in no event shall any such actions limit the right of the Holders of the Securities to take any action to accelerate the maturity of the Securities pursuant to Article Five of this Indenture or to pursue any rights or remedies hereunder or under applicable laws if the taking of such action does not otherwise violate the terms of this Article.

Section 1424. Notice to Trustee by Each of the Guarantors.

(a) Each Guarantor shall give prompt written notice to the Trustee of any fact known to such Guarantor which would prohibit the making of any payment to or by the Trustee in respect of the Guarantee. Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities, unless and until the Trustee shall have received written notice thereof from any Guarantor or a holder of Guarantor Senior Indebtedness or any trustee, fiduciary or agent therefor; and, prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to assume that no such facts exist; provided, however, that if the Trustee shall not have received the notice provided for in this Section by Noon, Eastern Time, on the Business Day prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of, premium, if any, or interest on any Security), then, anything herein contained to the contrary notwithstanding but without limiting the rights and remedies of the holders of Guarantor Senior Indebtedness or any trustee, fiduciary or agent thereof, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it after such date; nor shall the Trustee be charged with knowledge of the curing of any such default or the elimination of the act or condition preventing any such payment unless and until the Trustee shall have received an Officers' Certificate to such effect.

(b) The Trustee shall be entitled to rely on the delivery to it of a written notice to the Trustee and each Guarantor by a person which represents itself as a representative of one or more holders of Guarantor Senior or a holder of Guarantor Senior Indebtedness (or a trustee, fiduciary or agent therefor) to establish that such notice has been given by a representative of or a holder of Guarantor Senior Indebtedness (or a trustee, fiduciary or agent therefor); provided, however, that failure to give such notice to the Company or any Guarantor shall not affect in any way the ability of the Trustee to rely on such notice. If the Trustee determines in good faith that further evidence is required with respect to the right of any person as a holder of Guarantor Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Guarantor Senior Indebtedness held by such person, the extent to which such person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such person pending judicial determination as to the right of such person to receive such payment.

Section 1425. Reliance on Judicial Orders or Certificates.

Upon any payment or distribution of assets of any Guarantor referred to in this Article, the Trustee and the Holders of the securities shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the

trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other person making such payment or distribution, delivered to the Trustee or to the Holders of Securities for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of Guarantor Senior Indebtedness and other indebtedness of such Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article, provided that the foregoing shall apply only if such court has been fully apprised of the provisions of this Article.

Section 1426. Rights of Trustee as a Holder of Guarantor Senior Indebtedness; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Guarantor Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Guarantor Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 607.

Section 1427. Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting under this Indenture, the term "Trustee" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Section 1426 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 1428. No Suspension of Remedies.

Nothing contained in this Article shall limit the right of the Trustee or the Holders of Securities to take any action to accelerate the maturity of the Securities pursuant to Article Five of this Indenture or to pursue any rights or remedies hereunder or under applicable law, subject to the rights, if any, under this Article of the holders, from time to time, of Guarantor Senior Indebtedness to receive the cash, property or securities receivable from any Guarantor upon the exercise of such rights or remedies.

Section 1429. Trustee's Relation to Guarantor Senior Indebtedness.

With respect to the holders of Guarantor Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Guarantor Senior Indebtedness shall be read into this Article against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Guarantor Senior Indebtedness and the Trustee shall not be liable to any holder of Guarantor Senior Indebtedness if it shall in good faith mistakenly (absent negligence or willful misconduct) pay over or deliver to Holders, the Company or any other person moneys or assets to which any holder of Guarantor Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

NEWPARK RESOURCES, INC.

Attest: /s/ EDAH KEATING
Name: Edah Keating
Title: Secretary

By /s/ JAMES D. COLE
James D. Cole, Chairman of the Board, President and Chief Executive Officer

SOLOCO, L.L.C.
NEWPARK ENVIRONMENTAL MANAGEMENT COMPANY, L.L.C.
NEWPARK DRILLING FLUIDS, INC.
SUPREME CONTRACTORS, INC.
EXCALIBAR MINERALS, INC.
EXCALIBAR MINERALS OF LA., L.L.C.
CHEMICAL TECHNOLOGIES, INC.
NEWPARK ENVIRONMENTAL SERVICES, INC.
BOCKMON CONSTRUCTION COMPANY, INC.
MALLARD & MALLARD OF LA., INC.

Attest: /s/ EDAH KEATING
Name: Edah Keating
Title: Secretary

By /s/ JAMES D. COLE
James D. Cole
Chairman of the Board

SOLOCO TEXAS, L.P.
BATSON-MILL, L.P.
NEWPARK ENVIRONMENTAL SERVICES OF TEXAS L.P.
NEWPARK TEXAS DRILLING FLUIDS, L.P.
NES PERMIAN BASIN, L.P.
NID, L.P.
NEWPARK ENVIRONMENTAL SERVICES MISSISSIPPI, L.P.
NEWPARK SHIPHOLDING TEXAS, L.P.

By: Newpark Holdings, Inc.,
Its General Partner

Attest: /s/ EDAH KEATING
Name: Edah Keating
Title: Secretary

By /s/ JAMES D. COLE
James D. Cole
Chairman of the Board

NEWPARK TEXAS, L.L.C.
NEWPARK HOLDINGS, INC.

Attest: /s/ EDAH KEATING
Name: Edah Keating
Title: Secretary

By /s/ JAMES D. COLE
James D. Cole
Chairman of the Board

STATE STREET BANK AND TRUST COMPANY, as Trustee

Attest: /s/ SUSAN T. KELLER
Name: Susan T. Keller
Title: Vice President

By /s/ DENNIS FISHER
Name: Dennis Fisher
Title: Assistant Vice President

SCHEDULE 1008

EXISTING INDEBTEDNESS

Newpark Resources, Inc.
Consolidated Debt Schedule
As of December 10, 1997
(Thousands of Dollars)

Operation	Payable	Type of Loan	Date Of Note	Matu-rity Date	Orig-inal Amount	Inte-rest Rate (%)	Mon-thly Pay-ments	Notes Pay-able	Long-term debt: Cur-rent Por-tion	Long-term debt: Long-term Por-tion	Total
Soloco-LA	Bank One Leasing - 2 Cat Wheel loaders	Secured - Equipment	8/93	6/98	142	8.7	3		17	0	17
	Bank One Leasing - 13 Mack Trucks	Secured - Equipment	8/93	6/98	827	8.7	17		101	0	101
	Bank One Leasing - Kalyn Trailr. & Utility Trailers (2)	Secured - Equipment	9/93	8/98	73	8.7	2		12	0	12
	Bank One Leasing - Kobelco Excavator	Secured - Equipment	5/94	4/99	124	8.7	3		29	10	39
	Bank One Leasing - JD 450G Dozer	Secured - Equipment	7/94	6/99	74	9.4	2		17	11	28
	Bank One Leasing - JD 550G Dozer	Secured - Equipment	8/94	7/98	73	9.34	2		13	0	13
	Bank One Leasing - 2 Travis Dump Trailers	Secured - Equipment	4/95	3/99	47	9.9	1		13	4	17
	Bank One Leasing - JD 690ELC Excavator	Secured - Equipment	4/95	3/99	159	9.9	4		45	12	57
	Hibernia - Town Center Building		7/96	8/06	920	9.06	24		67	774	841
	G.E. Capital - Sch. #1 & #5	Secured - Equipment	1/96	12/98	351	9.43	11		128	0	128
	KDC Financial - Komatsu LFExcav A080276	Secured - Equipment	12/96	1/01	181	7.075	4		47	97	144
								0	489	908	1,397
Supreme	MBS - Land & Bldg.		1/92	1/00	255	8.5	4		38	46	84
	For Motor Credit - '97 Ford F350 Precab		4/97	4/00	24	10.27	1		8	11	19
	LA Machinery - '97 Caterpillar Tool Carrier		4/97	4/00	78	8.9	2		25	38	63
	Xerox - Copy Machine		4/96	10/99	14	15.22	0.5		4	4	8
	Vance Moreaux - buyout		4/97	4/98	125	0	0		100	0	100
									175	99	274
Bockmon	KDC - Komatsu Excavator		2/97	1/99	135	4.99	6		69	6	75
Soloco-TX	Bank One Leasing - Case Backhoe	Secured - Equipment	4/95	3/99	40	9.9	1		11	3	14
	KD Financial - Komatsu Wheel loader	Secured - Equipment	1/97	1/99	83	4.99			42	4	46
								0	53	7	60
	Subtotal: Soloco							0	786	1,020	1,806
NESI	Lanier Corporation	Secured - Equipment	4/94	4/99	25	13.48	*1		6	3	9
	Bank One Leasing #15335	Secured - Equipment	11/94	10/98	157	9.98	4		42	0	42
	Bank One Leasing #15345	Secured - Equipment	2/95	1/00	217	10.3	5		47	61	108
	Bank One Leasing #15359	Secured - Equipment	4/95	3/99	65	9.9	2		16	8	24
	Case Credit Corp.	Secured - Equipment	11/95	10/98	42	7.9	1		13	0	13
	Hibernia - Town Center Building		7/96	8/06	920	9.06	24		61	781	842
	KDC Financial		10/97	11/98	122	2.5	10	112			112
	Subtotal: NES							112	185	853	1,150
NDF	Nationsbank	Auto - PU 1479	3/96	3/01	19	9.0	*1		4	9	13
	Smithey							33			33
	Nationsbank	Auto				9.8	*1		3	8	11
	Subtotal: NDF							33	7	17	57
Batson	Bank One Leasing	Secured - Equipment	5/94	5/99	249	8.4	5		52	25	77
	Subtotal: Batson							0	52	25	77
	Subtotal: Before Corporate							145	1,030	1,915	3,090
Corporate	Bank One - Revolving Lines	Line of credit	6/97	6/00	N/A	Libor/Prime	Interest		0	90,459	90,459
	Heller Financial-Newpark Shipbuilding	Guaranty	8/96		10,000	n/a	n/a				10,000
	Bank One - Reimbursement Note - Loma	Guaranty	5/97		7,592	n/a	n/a				7,592
	Subtotal: Corporate								0	90,459	108,051
	Total: Newpark Resources, Inc.							145	1,030	92,374	111,141

* Less Than

SCHEDULE 1015

DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING
RESTRICTED SUBSIDIARIES

NONE

Exhibit B

Form of Certificate to Be Delivered
in Connection with Transfers
Pursuant to Rule 144(k)

State Street Bank and Trust Company
225 Asylum Street
Hartford, Connecticut 06103

Attention: Corporation Trust Department

Re: Newpark Resources, Inc. (the "Company")
8 5/8% Senior Subordinated Notes due 2007 Series A
(the "Securities")

Ladies and Gentlemen:

In connection with our proposed sale of $_____ aggregate principal amount of the Securities, we confirm that such sale has been effected pursuant to and in accordance with Rule 144(k) under the Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

(1) a period of at least two years has elapsed since the latest of the date (a) the Securities were acquired from the Company or from an Affiliate (as defined in Rule 144 under the Securities Act) of the Company or (b) the full purchase price of the Securities had been paid; and

(2) the undersigned is not and has not been during the preceding three months an Affiliate (as defined in Rule 144 under the Securities Act) of the Company.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in the Indenture dated December 17, 1997, among the Company, the Guarantors named therein and State Street Bank and Trust Company as trustee.

Very truly yours,
[Name of Transferor]

By:

Authorized Signature

Exhibit C

Form of Certificate to Be Delivered
in Connection with Transfers
Pursuant to Regulation S

State Street Bank and Trust Company
225 Asylum Street
Hartford, Connecticut 06103

Attention: Corporation Trust Department

Re: Newpark Resources, Inc. (the "Company")
8 5/8% Senior Subordinated Notes due 2007 (the "Securities")

Ladies and Gentlemen:

In connection with our proposed sale of $_____ aggregate principal amount of the Securities, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the Securities Act of 1933, as amended, and, accordingly, we represent that:

(1) the offer of the Securities was not made to a person in the United States;

(2) either (a) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act of 1933, as amended.

In addition, if the sale is made during a restricted period and the provisions of Rule 903(c)(3) or Rule 904(c)(1) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(c)(3) or Rule 904(c)(1), as the case may be.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,
[Name of Transferor

By:

Authorized Signature

APPENDIX I

[FORM OF TRANSFEREE CERTIFICATE FOR SERIES A SECURITIES]

FOR VALUE RECEIVED the undersigned registered holder hereby sell(s) assign(s) and transfer(s) unto

Insert Taxpayer Identification No.

_____

_____

_____

(Please print or typewrite name and address including zip code of assignee)

_____

the within Security and all rights thereunder, hereby irrevocably constituting and appointing

_____

attorney to transfer such Security on the books of the Company with full power of substitution in the premises.

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL CERTIFICATES FOR SERIES A SECURITIES EXCEPT PERMANENT OFFSHORE PHYSICAL CERTIFICATES]

In connection with any transfer of this Security occurring prior to the date which is the earlier of the date of an effective Registration Statement or December 17, 1999, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Security is being transferred in compliance with the exemption from registration under the Securities Act of 1933, as amended, provided by Rule 144A thereunder.

or

[ ] (b) this Security is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Security and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Security Registrar shall not be obligated to register this Security in the name of any person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 307 of the Indenture shall have been satisfied.

Date:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15]

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Security for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:_____ _____

NOTICE: To be executed by an authorized signatory

APPENDIX II

[FORM OF TRANSFEREE CERTIFICATE FOR SERIES B SECURITIES]

I or we assign and transfer this Security to:

Please insert social security or other identifying number of assignee

Print or type name, address and zip code of assignee and irrevocably appoint

- ----------

[Agent], to transfer this Security on the books of the Company. The Agent may substitute another to act for him.

Dated: _____ Signed _____

(Sign exactly as name appears on the other side of this Security)

[Signature must be guaranteed by an eligible Guarantor Institution (banks, stock brokers, savings and loan associations and credit unions) with membership in an approved guarantee medallion program pursuant to Securities and Exchange Commission Rule 17 Ad-15]

Registration Rights Agreement

Dated as of December 10, 1997

among

Newpark Resources, Inc.,
SOLOCO, L.L.C.,
SOLOCO Texas, L.P.,
Batson-Mill, L.P.,
Newpark Texas, L.L.C.,
Newpark Holdings, Inc.,
Newpark Environmental Management Company, L.L.C.,
Newpark Environmental Services of Texas L.P.,
Newpark Drilling Fluids, Inc.,
Supreme Contractors, Inc.,
Excalibar Minerals, Inc.,
Excalibar Minerals of LA., L.L.C.,
Chemical Technologies, Inc.,
Newpark Texas Drilling Fluids, L.P.,
NES Permian Basin, L.P.,
Newpark Environmental Services, Inc.,
NID, L.P.,
Bockmon Construction Company, Inc.,
Newpark Environmental Services Mississippi, L.P.,
Newpark Shipholding Texas, L.P.
and
Mallard & Mallard of LA., Inc.

and

Merrill Lynch, Pierce, Fenner & Smith
Incorporated,
Deutsche Morgan Grenfell Inc.
and
Salomon Brothers Inc

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into this 10th day of December, 1997, among Newpark Resources, Inc., a Delaware corporation (the "Company"), SOLOCO, L.L.C., a Louisiana limited liability company, SOLOCO Texas, L.P., a Texas limited partnership, Batson-Mill, L.P., a Texas limited partnership, Newpark Texas, L.L.C., a Louisiana limited liability company, Newpark Holdings, Inc., a Louisiana corporation, Newpark Environmental Management Company, L.L.C., a Louisiana limited liability company, Newpark Environmental Services of Texas L.P., a Texas limited partnership, Newpark Drilling Fluids, Inc., a Texas corporation, Supreme Contractors, Inc., a Louisiana corporation, Excalibar Minerals, Inc., a Texas corporation, Excalibar Minerals of LA., L.L.C., a Louisiana limited liability company, Chemical Technologies, Inc., a Texas corporation, Newpark Texas Drilling Fluids, L.P., a Texas limited partnership, NES Permian Basin, L.P., a Texas limited partnership, Newpark Environmental Services, Inc., a Delaware corporation, NID, L.P., a Texas limited partnership, Bockmon Construction Company, Inc., a Texas corporation, Newpark Environmental Services Mississippi, L.P., a Mississippi limited partnership, Newpark Shipholding Texas, L.P., a Texas limited partnership, and Mallard & Mallard of LA., Inc., a Louisiana corporation, as guarantors (collectively, the "Guarantors"), and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Morgan Grenfell Inc. and Salomon Brothers Inc (collectively, the "Initial Purchasers").

This Agreement is made pursuant to the Purchase Agreement, dated December 10, 1997, among the Company, the Guarantors and the Initial Purchasers (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchasers of an aggregate of $125 million principal amount of the Company's 8-5/8% Senior Subordinated Notes due 2007, Series A, and related guarantees by the Guarantors (collectively, the "Securities"). To induce the Initial Purchasers to enter into the Purchase Agreement, the Company has agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"1933 Act" shall mean the Securities Act of 1933, as amended from time to time.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Additional Interest" shall have the meaning set forth in Section 2.5.

"Closing Date" shall mean the Closing Time as defined in the Purchase Agreement.

"Company" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"Depositary" shall mean The Depository Trust Company, or any other depositary appointed by the Company; provided, however, that such depositary must have an address in the Borough of Manhattan, in the City of New York.

"Exchange Offer" shall mean the exchange offer by the Company of Exchange Securities for Registrable Securities pursuant to Section 2.1.

"Exchange Offer Registration" shall mean a registration under the 1933 Act effected pursuant to Section 2.l.

"Exchange Offer Registration Statement" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form), and all amendments and supplements to such registration statement, including the Prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein.

"Exchange Period" shall have the meaning set forth in Section 2.1.

"Exchange Securities" shall mean (i) the 8-5/8% Senior Subordinated Notes due 2007, Series B, issued by the Company and (ii) the related guarantees issued by the Guarantors, in each case under the Indenture containing terms identical to the Securities in all material respects (except for references to certain interest rate provisions, restrictions on transfers and restrictive legends), to be offered to Holders of Securities in exchange for Registrable Securities (other than Unsold Securities) pursuant to the Exchange Offer.

"Guarantors" shall have the meaning set forth in the preamble.

"Holder" shall mean an Initial Purchaser, for so long as it owns any Registrable Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of Registrable Securities under the Indenture and each Participating Broker-Dealer that holds Exchange Securities for so long as such Participating Broker-Dealer is required to deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities.

"Indenture" shall mean the Indenture relating to the Securities, the Exchange Securities and the Private Exchange Securities, dated as of December 15, 1997 between the Company and State Street Bank and Trust Company, as trustee, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

"Initial Purchaser" or "Initial Purchasers" shall have the meaning set forth in the preamble.

"Majority Holders" shall mean the Holders of a majority of the aggregate principal amount of Outstanding (as defined in the Indenture) Registrable Securities; provided that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company and other obligors on the Securities or any Affiliate (as defined in the Indenture) of the Company shall be disregarded in determining whether such consent or approval was given by the Holders of such required percentage amount.

"NASD" shall mean the National Association of Securities Dealers, Inc.

"Participating Broker-Dealer" shall mean any of the Initial Purchasers and any other broker-dealer which makes a market in the Securities and exchanges Registrable Securities (other than Unsold Securities) in the Exchange Offer for Exchange Securities.

"Person" shall mean an individual, partnership (general or limited), corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"Private Exchange" shall have the meaning set forth in Section 2.1.

"Private Exchange Securities" shall have the meaning set forth in Section 2.1.

"Prospectus" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"Purchase Agreement" shall have the meaning set forth in the preamble.

"Registrable Securities" shall mean the Securities and, if issued, the Private Exchange Securities; provided, however, that the Securities and, if issued, the Private Exchange Securities, shall cease to be Registrable Securities when (i) a Registration Statement with respect to such Securities and, if issued, such Private Exchange Securities shall have been declared effective under the 1933 Act and such Securities shall have been disposed of pursuant to such Registration Statement, (ii) such Securities and, if issued, such Private Exchange Securities have been sold to the public pursuant to Rule 144 (or any similar provision then in force, but not Rule 144A) promulgated under the 1933 Act, (iii) such Securities and, if issued, such Private Exchange Securities shall have ceased to be outstanding or (iv) the Exchange Offer is consummated (except in the case of Unsold Securities and Private Exchange Securities); provided, further, however, that a Security shall cease to be a Registrable Security if such Registrable Security is not tendered in the Exchange Offer (except in the case of Unsold Securities and Private Exchange Securities).

"Registration Default" shall have the meaning set forth in Section 2.5.

"Registration Expenses" shall mean any and all expenses incident to performance of or compliance by the Company and the Guarantors with this Agreement, including without limitation: (i) all SEC, stock exchange or NASD registration and filing fees, including, if applicable, the fees and expenses of any "qualified independent underwriter" (and its counsel) that is required to be retained by any holder of Registrable Securities in accordance with the rules and regulations of the NASD, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws and compliance with the rules of the NASD (including reasonable fees and disbursements of counsel for any underwriters or Holders in connection with blue sky qualification of any of the Exchange Securities or Registrable Securities and any filings with the NASD), (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the listing, if any, of any of the Registrable Securities on any securities exchange or exchanges, (v) all rating agency fees, (vi) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, (vii) the fees and expenses of the Trustee, and any escrow agent or custodian, (viii) the reasonable fees and expenses of the Initial Purchasers in connection with the Exchange Offer, including the reasonable fees and expenses of counsel to the Initial Purchasers in connection therewith, (ix) in connection with any Shelf Registration Statement, the reasonable fees and disbursements of Fulbright & Jaworski L.L.P., special counsel representing the Holders of Registrable Securities and (x) any fees and disbursements of the

underwriters customarily required to be paid by issuers or sellers of securities and the fees and expenses of any special experts retained by the Company in connection with any Registration Statement, but excluding underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder and any fees of separate counsel retained by any Holder.

"Registration Statement" shall mean any registration statement of the Company which covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SEC" shall mean the United States Securities and Exchange Commission or any successor agency or government body performing the functions currently performed by the United States Securities and Exchange Commission.

"Shelf Registration" shall mean a registration effected pursuant to Section 2.2.

"Shelf Registration Statement" shall mean a "shelf" registration statement of the Company pursuant to the provisions of Section 2.2, which covers all of the Registrable Securities on an appropriate form under Rule 415 promulgated under the 1933 Act, or any similar rule that may be adopted by the SEC, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"TIA" shall mean the Trust Indenture Act of 1939, as amended.

"Trustee" shall mean the trustee with respect to the Securities, the Exchange Securities and the Private Exchange Securities under the Indenture.

"Unsold Securities" shall have the meaning set forth in Section 2.1.

2. Registration Under the 1933 Act.

2.1 Exchange Offer. The Company and the Guarantors shall, for the benefit of the Holders, at the Company's cost, (A) prepare and, as soon as practicable but not later than 45 days following the Closing Date, file with the SEC an Exchange Offer Registration Statement on an appropriate form under the 1933 Act with respect to a proposed Exchange Offer and the issuance and delivery to the Holders, in exchange for the Registrable Securities (other than Unsold Securities and Private Exchange Securities), of a like principal amount of Exchange Securities, (B) use its best efforts to cause the Exchange Offer Registration Statement to be declared effective under the

1933 Act within 105 days of the Closing Date, (C) use their best efforts to keep the Exchange Offer Registration Statement effective until the closing of the Exchange Offer and (D) use their best efforts to cause the Exchange Offer to be consummated not later than 135 days following the Closing Date. The Exchange Securities will be issued under the Indenture. Upon the effectiveness of the Exchange Offer Registration Statement, the Company and the Guarantors shall promptly commence the Exchange Offer, it being the objective of such Exchange Offer to enable each Holder eligible and electing to exchange Registrable Securities (other than Unsold Securities and Private Exchange Securities) for Exchange Securities (assuming that such Holder (a) is not an affiliate of the Company within the meaning of Rule 405 promulgated under the 1933 Act, (b) is not a broker-dealer tendering Registrable Securities acquired directly from the Company for its own account, (c) acquired the Exchange Securities in the ordinary course of such Holder's business and (d) has no arrangements or understandings with any Person to participate in the Exchange Offer for the purpose of distributing the Exchange Securities) to transfer such Exchange Securities from and after their receipt without any limitations or restrictions under the 1933 Act and under state securities or blue sky laws.

In connection with the Exchange Offer, the Company and the Guarantors shall:

(a) mail as promptly as practicable to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(b) keep the Exchange Offer open for acceptance for a period of not less than 30 calendar days after the date notice thereof is mailed to the Holders (or longer if required by applicable law) (such period referred to herein as the "Exchange Period");

(c) utilize the services of the Depositary for the Exchange Offer;

(d) permit Holders to withdraw tendered Registrable Securities at any time prior to 5:00 p.m. (Eastern Time), on the last business day of the Exchange Period, by sending to the institution specified in the notice, a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange, and a statement that such Holder is withdrawing such Holder's election to have such Securities exchanged;

(e) notify each Holder that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Agreement (except in the case of the Initial Purchasers and Participating Broker-Dealers as provided herein); and

(f) otherwise comply in all respects with all applicable laws relating to the Exchange Offer.

If, prior to consummation of the Exchange Offer, the Initial Purchasers hold any Securities acquired by them and having the status of an unsold allotment in the initial distribution ("Unsold Securities"), the Company and the Guarantors upon the request of any Initial Purchaser shall, simultaneously with the delivery of the Exchange Securities in the Exchange Offer, issue and deliver to such Initial Purchaser in exchange (the "Private Exchange") for the Securities held by such Initial Purchaser, a like principal amount of debt securities of the Company, guaranteed by the Guarantors on the same basis as the Unsold Securities, that are identical (except that such securities shall bear appropriate transfer restrictions) to the Exchange Securities (the "Private Exchange Securities").

The Exchange Securities and the Private Exchange Securities shall be issued under (i) the Indenture or (ii) an indenture identical in all material respects to the Indenture and which, in either case, has been qualified under the TIA, or is exempt from such qualification and shall provide that the Exchange Securities shall not be subject to the transfer restrictions set forth in the Indenture but that the Private Exchange Securities shall be subject to such transfer restrictions. The Indenture or such indenture shall provide that the Exchange Securities, the Private Exchange Securities and the Securities shall vote and consent together on all matters as one class and that none of the Exchange Securities, the Private Exchange Securities or the Securities will have the right to vote or consent as a separate class on any matter. The Private Exchange Securities shall be of the same series as, and the Company and the Guarantors shall use all commercially reasonable efforts to have the Private Exchange Securities bear the same CUSIP number as, the Exchange Securities. Neither the Company nor any of the Guarantors shall have any liability under this Agreement solely as a result of such Private Exchange Securities not bearing the same CUSIP number as the Exchange Securities.

As soon as practicable after the close of the Exchange Offer and/or the Private Exchange, as the case may be, the Company and the Guarantors shall:

(i) accept for exchange all Registrable Securities (other than Unsold Securities and Private Exchange Securities) duly tendered and not validly withdrawn pursuant to the Exchange Offer in accordance with the terms of the Exchange Offer Registration Statement and the letter of transmittal which shall be an exhibit thereto;

(ii) accept for exchange all Securities properly tendered pursuant to the Private Exchange;

(iii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities so accepted for exchange; and

(iv) cause the Trustee promptly to authenticate and deliver Exchange Securities or Private Exchange Securities, as the case may be, to each Holder of Registrable Securities so accepted for exchange in a

principal amount equal to the principal amount of the Registrable Securities of such Holder so accepted for exchange.

Interest on each Exchange Security and Private Exchange Security will accrue from the last date on which interest was paid on the Registrable Securities surrendered in exchange therefor or, if no interest has been paid on the Registrable Securities, from the date of original issuance. The Exchange Offer and the Private Exchange shall not be subject to any conditions, other than (i) that the Exchange Offer or the Private Exchange, or the making of any exchange by a Holder, does not violate applicable law or any applicable interpretation of the staff of the SEC, (ii) the due tendering of Registrable Securities in accordance with the Exchange Offer and the Private Exchange, (iii) that each Holder of Registrable Securities exchanged in the Exchange Offer shall have represented that all Exchange Securities to be received by it shall be acquired in the ordinary course of its business and that at the time of the consummation of the Exchange Offer it shall have no arrangement or understanding with any person to participate in the distribution (within the meaning of the 1933 Act) of the Exchange Securities and shall have made such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to render the use of Form S-4 or other appropriate form under the 1933 Act available and (iv) that no action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency with respect to the Exchange Offer or the Private Exchange which, in the Company's and the Guarantors' judgment, would reasonably be expected to impair the ability of the Company and the Guarantors to proceed with the Exchange Offer or the Private Exchange. The Company and the Guarantors shall inform the Initial Purchasers of the names and addresses of the Holders to whom the Exchange Offer is made, and the Initial Purchasers shall have the right to contact such Holders and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

2.2 Shelf Registration. (i) If, because of any changes in law, SEC rules or regulations or applicable interpretations thereof by the staff of the SEC, the Company and the Guarantors are not permitted to effect the Exchange Offer as contemplated by Section 2.1, (ii) if for any other reason the Exchange Offer Registration Statement is not declared effective within 105 days following the original issue of the Registrable Securities or the Exchange Offer is not consummated within 135 days after the original issue of the Registrable Securities or (iii) if a Holder is not permitted to participate in the Exchange Offer or elects to participate in the Exchange Offer and does not receive fully tradeable Exchange Securities pursuant to the Exchange Offer, then in case of each of clauses (i) through (iii) the Company and the Guarantors shall, whether or not the Exchange Offer has been consummated, at their cost:

(a) As promptly as practicable, file with the SEC, and thereafter shall use their best efforts to cause to be declared effective as promptly as practicable, but no later than 135 days after the original issue of the Registrable Securities, a Shelf Registration Statement relating to the offer

and sale of the Registrable Securities by the Holders from time to time in accordance with the methods of distribution elected by the Majority Holders participating in the Shelf Registration and set forth in such Shelf Registration Statement.

(b) Use their best efforts to keep the Shelf Registration Statement continuously effective to permit the Prospectus forming part thereof to be usable by Holders for a period of two years from the date the Shelf Registration Statement is declared effective by the SEC, or for such shorter period that will terminate when all Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement or cease to be outstanding or otherwise to be Registrable Securities (the "Effectiveness Period"); provided, however, that the Effectiveness Period in respect of the Shelf Registration Statement shall be extended to the extent required to permit dealers to comply with the applicable prospectus delivery requirements of Rule 174 promulgated under the 1933 Act and as otherwise provided herein.

(c) Notwithstanding any other provisions hereof, use their best efforts to ensure that (i) any Shelf Registration Statement and any amendment thereto and any Prospectus forming part thereof and any supplement thereto complies in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) any Shelf Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any Prospectus forming part of any Shelf Registration Statement, and any supplement to such Prospectus (as amended or supplemented from time to time), does not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

The Company and the Guarantors shall not permit any securities other than Registrable Securities to be included in the Shelf Registration Statement. The Company and the Guarantors further agree, if necessary, to supplement or amend the Shelf Registration Statement, as required by Section 3(b), and to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC; provided, however, that no Holder shall be entitled to have its Registrable Securities covered by the Shelf Registration Statement unless such Holder agrees in writing to be bound by the terms and provisions of this Agreement.

2.3 Expenses. The Company and the Guarantors shall pay all Registration Expenses in connection with the registration pursuant to Section 2.1 or 2.2. Each Holder shall pay all underwriting discounts and commissions and transfer

taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement and the fees of any separate counsel retained by such Holder.

2.4. Effectiveness. (a) The Company and the Guarantors will be deemed not to have used their best efforts to cause the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, to become, or to remain, effective during the requisite period if the Company or any of the Guarantors voluntarily takes any action that would, or omits to take any action which omission would, result in any such Registration Statement not being declared effective or in the Holders of Registrable Securities covered thereby not being able to exchange or offer and sell such Registrable Securities during that period as and to the extent contemplated hereby, unless such action is required by applicable law.

(b) An Exchange Offer Registration Statement pursuant to Section 2.1 or a Shelf Registration Statement pursuant to Section 2.2 will not be deemed to have become effective unless it has been declared effective by the SEC; provided, however, that if, after it has been declared effective, the offering of Registrable Securities pursuant to an Exchange Offer Registration Statement or a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Registration Statement will be deemed not to have become effective during the period of such interference, until the offering of Registrable Securities pursuant to such Registration Statement may legally resume.

2.5 Additional Interest. The Indenture executed in connection with the Securities will provide that in the event that either (a) the Exchange Offer Registration Statement is not filed with the SEC on or prior to the 45th calendar day following the date of original issue of the Securities, (b) the Exchange Offer Registration Statement is not declared effective on or prior to the 105th calendar day following the date of original issue of the Securities or (c) with respect to any Registrable Securities (other than Unsold Securities and Private Exchange Securities) the Exchange Offer with respect to any such Registrable Securities is not consummated or a Shelf Registration Statement is not declared effective, in either case, on or prior to the 135th calendar day following the date of original issue of the Securities (each such event referred to in clauses (a) through (c) above, a "Registration Default"), the interest rate borne by the Securities shall be increased ("Additional Interest") by one-quarter of one percent per annum upon the occurrence of each Registration Default, which rate (as increased as aforesaid) will increase by one quarter of one percent each 90-day period that such Additional Interest continues to accrue under any such circumstance, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent per annum including any increases pursuant to the next paragraph. Following the cure of all Registration Defaults the accrual of Additional Interest will cease and the interest rate will revert to the original rate.

If the Shelf Registration Statement is unusable by the Holders for any reason, and the aggregate number of days in any consecutive twelve-month period for which the Shelf Registration Statement shall not be usable exceeds 30 days in the aggregate, then the interest rate borne by the Securities and the Private Exchange Securities held by such Holders will be increased by 0.25% per annum of the principal amount of the Securities and the Private Exchange Securities for the first 90-day period (or portion thereof) beginning on the 31st such date that such Shelf Registration Statement ceases to be usable, which rate shall be increased by an additional 0.25% per annum of the principal amount of the Securities and the Private Exchange Securities at the beginning of each subsequent 90-day period, provided that the maximum aggregate increase in the interest rate will in no event exceed one percent per annum including any increases effected pursuant to the provisions of the previous paragraph. Any amounts payable under this paragraph shall also be deemed "Additional Interest" for purposes of this Agreement. Upon the Shelf Registration Statement once again becoming usable, the interest rate borne by the Securities and the Private Exchange Securities will be reduced to the original interest rate if the Company is otherwise in compliance with this Agreement at such time. Additional Interest shall be computed based on the actual number of days elapsed in each 90-day period in which the Shelf Registration Statement is unusable.

The Company and the Guarantors shall notify the Trustee within three business days after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "Event Date"). Additional Interest shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semiannual interest payment date, immediately available funds in sums sufficient to pay the Additional Interest then due. The Additional Interest due shall be payable on each interest payment date to the record Holder of Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date.

3. Registration Procedures.

In connection with the obligations of the Company and the Guarantors with respect to Registration Statements pursuant to Sections 2.1 and 2.2, the Company and the Guarantors shall:

(a) prepare and file with the SEC a Registration Statement, within the relevant time period specified in Section 2, on the appropriate form under the 1933 Act, which form (i) shall be selected by the Company and the Guarantors, (ii) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders thereof, (iii) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the SEC to be filed therewith or incorporated by reference therein and (iv) shall comply in all respects with the requirements of Regulation S-T

promulgated under the 1933 Act, and use their best efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary under applicable law to keep such Registration Statement effective for the applicable period; and cause each Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force) promulgated under the 1933 Act and comply with the provisions of the 1933 Act, the 1934 Act and the rules and regulations promulgated thereunder applicable to them with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof (including sales by any Participating Broker-Dealer);

(c) in the case of a Shelf Registration, (i) notify each Holder of Registrable Securities, at least five business days prior to filing, that a Shelf Registration Statement with respect to the Registrable Securities is being filed and advising such Holders that the distribution of Registrable Securities will be made in accordance with the method selected by the Majority Holders participating in the Shelf Registration; (ii) furnish to each Holder of Registrable Securities and to each underwriter of an underwritten offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or underwriter may reasonably request, including financial statements and schedules and, if the Holder so requests, all exhibits to facilitate the public sale or other disposition of the Registrable Securities; and (iii) subject to the third from last paragraph of this Section 3, hereby consent to the use of the Prospectus or any amendment or supplement thereto by each of the selling Holders of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto;

(d) use their best efforts to register or qualify the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement and each underwriter of an underwritten offering of Registrable Securities shall reasonably request by the time the applicable Registration Statement is declared effective by the SEC, and do any and all other acts and things which may be reasonably necessary or advisable to enable each such Holder and underwriter to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; provided, however, that none of the Company or the Guarantors shall be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d) or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject;

(e) notify promptly each Holder of Registrable Securities under a Shelf Registration or any Participating Broker-Dealer who has notified the Company and the Guarantors that it is utilizing the Exchange Offer Registration Statement as provided in Section 3(f) and, if requested by such Holder or Participating Broker-Dealer, confirm such advice in writing promptly (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments and supplements to a Registration Statement and Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) in the case of a Shelf Registration, if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company and the Guarantors contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects, (v) of the happening of any event or the discovery of any facts during the period a Shelf Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein not misleading, (vi) of the receipt by the Company and the Guarantors of any notification with respect to the suspension of the qualification of the Registrable Securities or the Exchange Securities, as the case may be, for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose and (vii) of any determination by the Company and the Guarantors that a post-effective amendment to such Registration Statement would be appropriate;

(f) (A) in the case of the Exchange Offer Registration Statement (i) include in the Exchange Offer Registration Statement a section entitled "Plan of Distribution" which section shall be reasonably acceptable to the Initial Purchasers, and which shall contain a summary statement of the positions taken or policies made by the staff of the SEC with respect to the potential "underwriter" status of any broker-dealer that holds Registrable Securities acquired for its own account as a result of market-making activities or other trading activities and that will be the beneficial owner (as defined in Rule l3d-3 promulgated under the 1934 Act) of Exchange Securities to be received by such broker-dealer in the Exchange Offer, whether such positions or policies have been publicly disseminated by the staff of the SEC or such positions or policies, in the reasonable judgment of the Initial Purchasers and their counsel, represent the prevailing views of the staff of the SEC, including a statement that any such broker-dealer who receives Exchange Securities for Registrable Securities pursuant to the Exchange Offer may be deemed a statutory underwriter and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities, (ii) furnish to each Participating Broker-Dealer who has delivered to the Company the notice referred to in Section 3(e), without charge, as many copies of each Prospectus included in the Exchange Offer Registration Statement, including any preliminary prospectus, and any amendment or supplement thereto, as such

Participating Broker-Dealer may reasonably request, (iii) subject to the third from last paragraph of this Section 3, hereby consent to the use of the Prospectus forming part of the Exchange Offer Registration Statement or any amendment or supplement thereto, by any Person subject to the prospectus delivery requirements of the SEC, including all Participating Broker-Dealers, in connection with the sale or transfer of the Exchange Securities covered by the Prospectus or any amendment or supplement thereto and (iv) include in the transmittal letter or similar documentation to be executed by an exchange offeree to participate in the Exchange Offer (x) the following provision:

> "If the exchange offeree is not a broker-dealer, it represents that it is not engaged in, and does not intend to engage in, a distribution of the Exchange Securities. If the exchange offeree is a broker-dealer holding Registrable Securities acquired for its own account as a result of market-making activities or other trading activities, it will deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of Exchange Securities received in respect of such Registrable Securities pursuant to the Exchange Offer;" and

(y) a statement to the effect that by a broker-dealer making the acknowledgment described in clause (x) and by delivering a Prospectus in connection with the exchange of Registrable Securities, the broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the 1933 Act; and

(B) in the case of any Exchange Offer Registration Statement, the Company and the Guarantors agree to deliver to the Initial Purchasers on behalf of the Participating Broker-Dealers upon the effectiveness of the Exchange Offer Registration Statement (i) an opinion of counsel or opinions of counsel substantially in the form attached hereto as Exhibit A, (ii) officers' certificates substantially in the form customarily delivered in a public offering of debt securities and (iii) a comfort letter or comfort letters in customary form to the extent permitted by Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accountants (or if such a comfort letter is not permitted, an agreed upon procedures letter in customary form) from the Company's independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Registration Statement) at least as broad in scope and coverage as the comfort letter or comfort letters delivered to the Initial Purchasers in connection with the initial sale of the Securities to the Initial Purchasers;

(g) (i) in the case of an Exchange Offer, furnish counsel for the Initial Purchasers and (ii) in the case of a Shelf Registration, furnish counsel for the Holders of Registrable Securities copies of any comment letters received from the SEC or any

other request by the SEC or any state securities authority for amendments or supplements to a Registration Statement and Prospectus or for additional information;

(h) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment;

(i) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities, and each underwriter, if any, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment thereto, including financial statements and schedules (without documents incorporated therein by reference and all exhibits thereto, unless requested);

(j) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders or the underwriters, if any, may reasonably request at least one business day prior to the closing of any sale of Registrable Securities;

(k) in the case of a Shelf Registration, upon the occurrence of any event or the discovery of any facts, each as contemplated by Sections 3(e)(v) and 3(e)(vi), as promptly as practicable after the occurrence of such an event, use their best efforts to prepare a supplement or post-effective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities or Participating Broker-Dealers, such Prospectus will not contain at the time of such delivery any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or will remain so qualified. The Company agrees to notify each Holder to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event, and each Holder hereby agrees to suspend use of the Prospectus until the Company and the Guarantors have amended or supplemented the Prospectus to correct such misstatement or omission. At such time as such public disclosure is otherwise made or the Company determines that such disclosure is not necessary, in each case to correct any misstatement of a material fact or to include any omitted material fact, the Company agrees promptly to notify each Holder of such determination and to furnish each Holder such number of copies of the Prospectus as amended or supplemented, as such Holder may reasonably request;

(l) in the case of a Shelf Registration, a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or any document which is to be incorporated by reference into a Registration Statement or a Prospectus after initial filing of a Registration Statement, provide copies of such document to the Initial

Purchasers on behalf of such Holders; and make representatives of the Company and the Guarantors as shall be reasonably requested by the Holders of Registrable Securities, or the Initial Purchasers on behalf of such Holders, available for discussion of such document;

(m) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement, and provide the Trustee with printed certificates for the Exchange Securities or the Registrable Securities, as the case may be, in a form eligible for deposit with the Depositary;

(n) (i) cause the Indenture to be qualified under the TIA in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, (ii) cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and (iii) execute, and use their best efforts to cause the Trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(o) in the case of a Shelf Registration, enter into agreements (including underwriting agreements) and take all other customary and appropriate actions to expedite or facilitate the disposition of such Registrable Securities and in such connection whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration:

(i) make such representations and warranties to the Holders of such Registrable Securities and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings as may be reasonably requested by them;

(ii) obtain opinions of counsel to the Company and the Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, and the holders of a majority in principal amount of the Registrable Securities being sold) addressed to each selling Holder and the underwriters, if any, covering the matters customarily covered in opinions requested in sales of securities or underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters;

(iii) obtain "cold comfort" letters and updates thereof from the Company's and the Guarantors' independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be,

included in the Registration Statement) addressed to the underwriters, if any, and use reasonable efforts to have such letters addressed to the selling Holders of Registrable Securities (to the extent consistent with Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accounts), such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters to underwriters in connection with similar underwritten offerings;

(iv) enter into a securities sales agreement with the Holders and an agent of the Holders providing for, among other things, the appointment of such agent for the selling Holders for the purpose of soliciting purchases of Registrable Securities, which agreement shall be in form, substance and scope customary for similar offerings;

(v) if an underwriting agreement is entered into, cause the same to set forth indemnification provisions and procedures substantially equivalent to the indemnification provisions and procedures set forth in Section 4 with respect to the underwriters and all other parties to be indemnified pursuant to said Section or, at the request of any underwriters, in the form customarily provided to such underwriters in similar types of transactions; and

(vi) deliver such documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings to the Holders of a majority in principal amount of the Registrable Securities being sold and the managing underwriters, if any.

The above shall be done at (i) the effectiveness of such Registration Statement (and each post-effective amendment thereto) and (ii) each closing under any underwriting or similar agreement as and to the extent required thereunder. In the case of any underwritten offering, the Company and the Guarantors shall provide written notice of the Holders of all Registrable Securities entitled to have its Registrable Securities covered by the Shelf Registration Statement of such underwritten offering at least 30 days prior to the filing of a prospectus supplement for such underwritten offering. Such notice shall (x) offer each such Holder the right to participate in such underwritten offering, (y) specify a date, which shall be no earlier than 10 days following the date of such notice, by which such Holder must inform the Company of its intent to participate in such underwritten offering and (z) include the instructions such Holder must follow to participate in such underwritten offering;

(p) in the case of a Shelf Registration or if a Prospectus is required to be delivered by any Participating Broker-Dealer, make available for inspection by representatives of the Holders of the Registrable Securities, any underwriters participating in any disposition pursuant to a Shelf Registration Statement, any Participating Broker-Dealer and any counsel or accountant retained by any of the foregoing, all financial and other records, pertinent corporate documents and properties

of the Company and the Guarantors reasonably requested by any such persons, and cause the respective officers, directors, employees, and any other agents of the Company and the Guarantors to supply all information reasonably requested by any such representative, underwriter, special counsel or accountant in connection with a Registration Statement, and make such representatives of the Company and the Guarantors available for discussion of such documents as shall be reasonably requested by the Initial Purchasers; provided, however, that such Persons shall first agree in writing with the Company and the Guarantors that any information that is reasonably and in good faith designated by the Company and the Guarantors in writing as confidential at the time of delivery of such information shall be kept confidential by such persons, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of such Shelf Registration Statement or use of any Prospectus) or legal process, (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard such information by such Person or (iv) such information become available to such Person from a source other than the Company and its subsidiaries and such source is not bound by a confidentiality agreement.

(q) (i) in the case of an Exchange Offer Registration Statement, a reasonable time prior to the filing of any Exchange Offer Registration Statement, any Prospectus forming a part thereof, any amendment to an Exchange Offer Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Initial Purchasers and to counsel to the Holders of Registrable Securities and make such changes in any such document prior to the filing thereof as the Initial Purchasers or counsel to the Holders of Registrable Securities may reasonably request and, except as otherwise required by applicable law, not file any such document in a form to which the Initial Purchasers on behalf of the Holders of Registrable Securities and counsel to the Holders of Registrable Securities shall not have previously been advised and furnished a copy of or to which the Initial Purchasers on behalf of the Holders of Registrable Securities or counsel to the Holders of Registrable Securities shall reasonably object on or prior to the later of five business days after receipt thereof or three business days prior to filing thereof, and make the representatives of the Company and the Guarantors available for discussion of such documents as shall be reasonably requested by the Initial Purchasers; and

(ii) in the case of a Shelf Registration, a reasonable time prior to filing any Shelf Registration Statement, any Prospectus forming a part thereof, any amendment to such Shelf Registration Statement or amendment or supplement to such Prospectus, provide copies of such document to the Holders of Registrable Securities, to the Initial Purchasers, to counsel for the Holders and to the underwriter or underwriters of an underwritten offering of Registrable Securities, if any, make such changes in any such document prior to the filing thereof as the Initial Purchasers, the counsel to the Holders or the underwriter or underwriters reasonably request and not file any such document in a form to which the Majority Holders, the Initial Purchasers

on behalf of the Holders of Registrable Securities, counsel for the Holders of Registrable Securities or any underwriter shall not have previously been advised and furnished a copy of or to which the Majority Holders, the Initial Purchasers of behalf of the Holders of Registrable Securities, counsel to the Holders of Registrable Securities or any underwriter shall reasonably object on or prior to the later of five business days after receipt thereof or three business days prior to filing thereof, and make the representatives of the Company and the Guarantors available for discussion of such document as shall be reasonably requested by the Holders of Registrable Securities, the Initial Purchasers on behalf of such Holders, counsel for the Holders of Registrable Securities or any underwriter.

(r) in the case of a Shelf Registration, use their best efforts to cause all Registrable Securities to be listed on any securities exchange on which similar debt securities issued by the Company are then listed if requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(s) in the case of a Shelf Registration, use their best efforts to cause the Registrable Securities to be rated by the appropriate rating agencies, if so requested by the Majority Holders, or if requested by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any;

(t) otherwise comply with all applicable rules and regulations of the SEC and make available to their security holders, as soon as reasonably practicable, an earnings statement covering at least 12 months which shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 promulgated thereunder;

(u) cooperate and assist in any filings required to be made with the NASD and, in the case of a Shelf Registration, in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of the NASD); and

(v) upon consummation of an Exchange Offer, obtain (i) a customary opinion of counsel to the Company and the Guarantors addressed to the Trustee for the benefit of all Holders of Registrable Securities participating in the Exchange Offer or Private Exchange, and which includes an opinion that (A) each of the Company and the Guarantors has duly authorized, executed and delivered the applicable Exchange Securities, Private Exchange Securities and the related indenture and (B) each of the applicable Exchange Securities, Private Exchange Securities and related indenture constitute legal, valid and binding obligations of the Company and the Guarantors, enforceable against the Company and the Guarantors in accordance with its respective terms (with customary exceptions) and (ii) an officers' certificate containing certifications substantially similar to those set forth in Section 5(c) of the Purchase Agreement.

In the case of a Shelf Registration Statement, the Company and the Guarantors may (as a condition to such Holder's participation in the Shelf Registration) require each Holder of Registrable Securities to furnish to the Company such information regarding the Holder and the proposed distribution by such Holder of such Registrable Securities as the Company and the Guarantors may from time to time reasonably request in writing. The Company may exclude from such registration the Registrable Securities of any Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request. Each Holder as to which any Shelf Registration Statement is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Holder not materially misleading.

In the case of a Shelf Registration Statement, each Holder agrees that, upon receipt of any notice from the Company and the Guarantors of the happening of any event or the discovery of any facts, each of the kind described in Section 3(e)(ii)-(vii), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(k), and, if so directed by the Company and the Guarantors, such Holder will deliver to the Company and the Guarantors (at their expense) all copies in such Holder's possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. If the Company and the Guarantors shall give any such notice to suspend the disposition of Registrable Securities pursuant to a Shelf Registration Statement as a result of the happening of any event or the discovery of any facts, each of the kind described in Section 3(e)(ii)-(vii), the Company and the Guarantors shall use their best efforts to file and have declared effective (if an amendment) as soon as practicable an amendment or supplement to the Shelf Registration Statement and shall extend the period during which the Shelf Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions.

In the event that the Company and the Guarantors fail to effect the Exchange Offer or file any Shelf Registration Statement and maintain the effectiveness of any Shelf Registration Statement as provided herein, the Company and the Guarantors shall not file any Registration Statement with respect to any securities (within the meaning of Section 2(1) of the 1933 Act) of the Company and the Guarantors other than Registrable Securities.

If any of the Registrable Securities covered by any Shelf Registration Statement are to be sold in an underwritten offering, the underwriter or underwriters and manager or managers that will manage such offering will be selected by the Majority Holders of such Registrable Securities included in such offering and shall be acceptable to the Company and the Guarantors. No Holder of Registrable Securities

may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

4. Indemnification; Contribution.

(a) The Company and the Guarantors, jointly and severally, agree to indemnify and hold harmless the Initial Purchasers, each Holder, each Participating Broker-Dealer, each Person who participates as an underwriter (any such Person being an "Underwriter") and each Person, if any, who controls any Holder or Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment or supplement thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the 1933 Act, including all documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 4(d)) any such settlement is effected with the written consent of the Company and the Guarantors; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by any indemnified party), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under subparagraph (i) or (ii) above; provided, however, that this indemnity agreement shall not apply to any

loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company and the Guarantors by the Initial Purchasers, such Holder, such Participating Broker-Dealer or Underwriter expressly for use in any Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto); provided, further, that the Company will not be liable to any Initial Purchaser, Holder (in its capacity as Holder), Participating Broker-Dealer or Underwriter (or any person who controls such party within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act) with respect to any such untrue statement or alleged untrue statement or omission or alleged omission made in any preliminary Prospectus to the extent that the Company shall sustain the burden of proving that any such loss, liability, claim, damage or expense resulted from the fact that such Initial Purchaser, Holder (in its capacity as Holder), Participating Broker-Dealer or Underwriter, as the case may be, sold Securities to a Person to whom such Initial Purchaser, Holder (in its capacity as Holder), Participating Broker-Dealer or Underwriter, as the case may be, failed to send or give, at or prior to the written confirmation of the sale of such Securities a copy of the final Prospectus (as amended or supplemented) if the Company has previously furnished copies thereof (sufficiently in advance of the closing of such sale to allow for distribution of the final Prospectus in a timely manner) to such Initial Purchaser, Holder (in its capacity as Holder), Participating Broker-Dealer or Underwriter, as the case may be, and the loss, liability, claim, damage or expense of such Initial Purchaser Holder (in its capacity as a Holder), Participating Broker-Dealer or Underwriter, as the case may be, resulted solely from an untrue statement or omission or alleged untrue statement or omission of a material fact contained in or omitted from such preliminary Prospectus which was corrected in the final Prospectus (as amended or supplemented).

(b) Each Holder severally, but not jointly, agrees to indemnify and hold harmless the Company, the Guarantors, the Initial Purchasers, each Underwriter and the other selling Holders, and each of their respective directors and officers, and each Person, if any, who controls the Company, the Guarantors, the Initial Purchasers, any Underwriter or any other selling Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act, against any and all loss, liability, claim, damage and expense described in the indemnity contained in Section 4(a), as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in any Registration Statement (or any amendment thereto) or any Prospectus included therein (or any amendment or supplement thereto) in reliance upon and in conformity with written information with respect to such Holder furnished to the Company and the Guarantors by such Holder expressly for use in any Registration Statement (or any amendment thereto) or such Prospectus (or any amendment or supplement thereto); provided, however, that no such Holder shall be liable for any claims hereunder in excess of the amount of net proceeds received by such Holder from the sale of Registrable Securities pursuant to such Shelf Registration Statement.

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action or proceeding commenced against it in respect of which indemnity may be sought hereunder, but failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be one or more legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 4 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances representing the indemnified parties under subsection (a) of this Section 4 who are parties to such action or actions) or (ii) the indemnifying party does not promptly retain counsel satisfactory to the indemnified party or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnified party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the consent of the indemnifying party. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 4 (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to

or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 4(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) If the indemnification provided for in this Section 4 is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, in such proportion as is appropriate to reflect the relative fault of the Company and the Guarantors on the one hand and the Holders and the Initial Purchasers each on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative fault of the Company and the Guarantors on the one hand and the Holders and the Initial Purchasers each on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors, the Holders or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Guarantors, the Holders and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 4 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity and the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 4. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 4 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 4, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities sold by it were offered exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 4, each Person, if any, who controls an Initial Purchaser or Holder within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser or Holder, and each director of the Company, and each Person, if any, who controls the Company and each Guarantor, as the case may be, within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and such Guarantor, as the case may be. The Initial Purchasers' respective obligations to contribute pursuant to this Section 4 are several in proportion to the principal amount of Securities set forth opposite their respective names in Schedule A to the Purchase Agreement and not joint.

5. Miscellaneous.

5.1 Rule 144 and Rule 144A. For so long as the Company is subject to the reporting requirements of Section 13 or 15 of the 1934 Act, the Company and the Guarantors covenant that they will file the reports required to be filed by them under the 1933 Act and Section 13(a) or 15(d) of the 1934 Act and the rules and regulations adopted by the SEC thereunder. If the Company ceases to be so required to file such reports, the Company and the Guarantors covenant that they will upon the request of any Holder of Registrable Securities (a) make publicly available such information as is necessary to permit sales pursuant to Rule 144 promulgated under the 1933 Act, (b) deliver such information to a prospective purchaser as is necessary to permit sales pursuant to Rule 144A promulgated under the 1933 Act and take such further action as any Holder of Registrable Securities may reasonably request and (c) take such further action that is reasonable in the circumstances, in each case, to the extent required from time to time to enable such Holder to sell its Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by (i) Rule 144 promulgated under the 1933 Act, as such Rule may be amended from time to time, (ii) Rule 144A promulgated under the 1933 Act, as such Rule may be amended from time to time or (iii) any similar rules or regulations hereafter adopted by the SEC. Upon the request of any Holder of Registrable Securities, the Company and the Guarantors will deliver to such Holder a written statement as to whether they have complied with such requirements.

5.2 No Inconsistent Agreements. The Company and the Guarantors have not entered into, and the Company and the Guarantors will not after the date of

this Agreement enter into, any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not and will not in any way for the term of this Agreement conflict with the rights granted to the holders of the Company's and the Guarantors' other issued and outstanding securities under any such agreements.

5.3 Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or departure.

5.4 Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, registered first-class mail, telex, facsimile, or any courier guaranteeing overnight delivery (a) if to a Holder, at the most current address given by such Holder to the Company and the Guarantors by means of a notice given in accordance with the provisions of this Section 5.4, which address initially is the address set forth in the Purchase Agreement with respect to the Initial Purchasers and (b) if to an Initial Purchaser, at the most current address given by such Initial Purchaser to the Company and the Guarantors by means of a notice given in accordance with the provisions of this Section 5.4, which address initially is the address set forth in the Purchase Agreement with respect to such Initial Purchaser and (c) if to the Company and the Guarantors, initially at the Company's address set forth in the Purchase Agreement, and thereafter at such other address of which notice is given in accordance with the provisions of this Section 5.4.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; two business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if sent by facsimile; and on the next business day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the person giving the same to the Trustee under the Indenture, at the address specified in such Indenture.

5.5 Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or

otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement, and such person shall be entitled to receive the benefits hereof.

5.6 Third Party Beneficiaries. The Initial Purchasers (even if the Initial Purchasers are not Holders of Registrable Securities) shall be third party beneficiaries to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Holders, on the other hand, and shall have the right to enforce such agreements directly to the extent they deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder. Each Holder of Registrable Securities shall be a third party beneficiary to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder.

5.7. Specific Enforcement. Without limiting the remedies available to the Initial Purchasers and the Holders, the Company and the Guarantors acknowledge that any failure by the Company and the Guarantors to comply with their obligations under Sections 2.1 through 2.4 may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it would not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Company's and the Guarantors' obligations under Sections 2.1 through 2.4; provided, however, with respect to any failures by the Company and the Guarantors to comply with Section 2.1 or Section 2.2, such relief shall not be available to any Holder who fails to make the required representations in Section 2.1 or 3(f), as applicable.

5.8. Restriction on Resales. Until the expiration of two years after the original issuance of the Securities and the Guarantees, the Company and the Guarantors will not, and will cause their "affiliates" (as such term is defined in Rule 144(a)(l) promulgated under the 1933 Act) not to, resell any Securities which are "restricted securities" (as such term is defined under Rule 144(a)(3) promulgated under the 1933 Act) that have been reacquired by any of them and shall immediately upon any purchase of any such Securities submit such Securities to the Trustee for cancellation.

5.9 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

5.10 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

5.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS THEREOF.

5.12 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

NEWPARK RESOURCES, INC.

By: /s/ JAMES D. COLE

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

SOLOCO, L.L.C.
NEWPARK ENVIRONMENTAL
MANAGEMENT COMPANY, L.L.C.
NEWPARK DRILLING FLUIDS, INC.
SUPREME CONTRACTORS, INC.
EXCALIBAR MINERALS, INC.
EXCALIBAR MINERALS OF LA., L.L.C.
CHEMICAL TECHNOLOGIES, INC.
NEWPARK ENVIRONMENTAL
SERVICES, INC.
BOCKMON CONSTRUCTION
COMPANY, INC.
MALLARD & MALLARD OF LA., INC.

By: /s/ JAMES D. COLE

James D. Cole
Chairman of the Board

SOLOCO TEXAS, L.P.
BATSON-MILL, L.P.
NEWPARK ENVIRONMENTAL SERVICES
OF TEXAS L.P.
NEWPARK TEXAS DRILLING FLUIDS, L.P.
NES PERMIAN BASIN, L.P.
NID, L.P.
NEWPARK ENVIRONMENTAL SERVICES
MISSISSIPPI, L.P.
NEWPARK SHIPHOLDING TEXAS, L.P.

By: Newpark Holdings, Inc.,
Its General Partner

By: /s/ JAMES D. COLE

James D. Cole
President

NEWPARK TEXAS, L.L.C.
NEWPARK HOLDINGS, INC.

By: /s/ JAMES D. COLE

James D. Cole
President

Confirmed and accepted as
of the date first above
written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
DEUTSCHE MORGAN GRENFELL INC.
SALOMON BROTHERS INC

BY: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By: /s/ Christopher G. Turner

Name: Christopher G. Turner

Title: Vice President

EXHIBIT A

Form of Opinion of Counsel

Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Deutsche Morgan Grenfell Inc.
Salomon Brothers Inc
c/o Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Merrill Lynch World Headquarters
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

We have acted as counsel for Newpark Resources, Inc., a Delaware corporation (the "Company"), and its subsidiaries (as "Guarantors" as defined in the Registration Rights Agreement, dated December 10, 1997 (the "Registration Rights Agreement"), among the Company, the Guarantors and the Initial Purchasers (as defined below)), in connection with the sale by the Company to the Initial Purchasers of $125,000,000 aggregate principal amount of 8-5/8% Senior Subordinated Notes due 2007 (the "Notes") of the Company pursuant to the Purchase Agreement dated December 10, 1997 (the "Purchase Agreement") among the Company, the Guarantors and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Morgan Grenfell Inc. and Salomon Brothers Inc (collectively, the "Initial Purchasers") and the filing by the Company of an Exchange Offer Registration Statement (the "Registration Statement") in connection with an Exchange Offer to be effected pursuant to the Registration Rights Agreement. This opinion is furnished to you pursuant to Section 3(f)(B) of the Registration Rights Agreement. Unless otherwise defined herein, capitalized terms used in this opinion that are defined in the Registration Rights Agreement are used herein as so defined.

We have examined such documents, records and matters of law as we have deemed necessary for purposes of this opinion. In rendering this opinion, as to all matters of fact relevant to this opinion, we have assumed the completeness and accuracy of, and are relying solely upon, the representations and warranties of the Company and the Guarantors set forth in the Purchase Agreement and the statements set forth in certificates of public officials and officers of the Company and the Guarantors, without making any independent investigation or inquiry with respect to the completeness or accuracy of such representations, warranties or statements, other than a review of the certificate of incorporation, by-laws, charter documents and relevant minute books of the Company and the Guarantors.

Based on and subject to the foregoing, we are of the opinion that:

1. The Exchange Offer Registration Statement and the Prospectus (other than the financial statements, notes or schedules thereto and other financial data and supplemental schedules included or incorporated by reference therein or omitted therefrom and the Form T-1, as to which we need express no opinion), comply as to form in all material respects with the requirements of the 1933 Act and the applicable rules and regulations promulgated under the 1933 Act.

2. We have participated in the preparation of the Registration Statement and the Prospectus and in the course thereof have had discussions with representatives of the Underwriters, officers and other representatives of the Company, and Deloitte & Touche LLP, the Company's independent public accountants, during which the contents of the Registration Statement and the Prospectus were discussed. We have not, however, independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus. Based on our participation as described above, nothing has come to our attention that would lead us to believe that the Registration Statement (except for financial statements and schedules and other financial data included therein as to which we make no statement) contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus or any amendment or supplement thereto (except for financial statements and schedules and other financial data included therein, as to which we need make no statement), at the time the Prospectus was issued, at the time any such amended or supplemented Prospectus was issued or at the Closing Time, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This opinion is being furnished to you solely for your benefit in connection with the transactions contemplated by the Registration Rights Agreement, and may not be used for any other purpose or relied upon by any person other than you. Except with our prior written consent, the opinions herein expressed are not to be used, circulated, quoted or otherwise referred to in connection with any transactions other than those contemplated by the Registration Rights Agreement by or to any other person.

Very truly yours,

EXHIBIT 5.1

[Letterhead of Ervin, Cohen & Jessup LLP appears here]

January 28, 1998 REF. OUR FILE NO. 736-337

Newpark Resources, Inc.
3850 North Causeway
Suite 1770
Metairie, Louisiana 70002

RE: REGISTRATION STATEMENT ON FORM S-4

Gentlemen:

We have acted as counsel to Newpark Resources, Inc., a Delaware corporation (the "Company"), and certain of its subsidiaries in connection with the Registration Statement on Form S-4 (the "Registration Statement") filed by the Company and such subsidiaries under the Securities Act of 1933, as amended (the "Securities Act"), with respect to $125,000,000 aggregate principal amount of the Company's 8 5/8% Senior Subordinated Notes Due 2007, Series B (the "Exchange Notes") and the related guarantees (the "Guarantees") of the Company's subsidiaries named as additional registrants in the Registration Statement (the "Guarantors"). The Exchange Notes and the Guarantees will be offered in exchange for the Company's issued and outstanding 8 5/8% Senior Subordinated Notes Due 2007, Series A (the "Existing Notes") and related guarantees, all as described in the Registration Statement. The Exchange Notes are proposed to be issued in accordance with the provisions of the Indenture, dated as of December 17, 1997 (the "Indenture"), between the Company, the Guarantors and State Street Bank and Trust Company, as Trustee.

In arriving at the opinions expressed below, we have examined the Registration Statement, the Prospectus contained therein, the Indenture, which is filed as an exhibit to the Registration Statement, and the originals or copies certified or otherwise identified to our satisfaction of such corporate records and such other documents and certificates of public officials and officers and representatives of the Company and the Guarantors as we have deemed necessary or advisable for the purposes of this opinion. In such examination, we have assumed and have not verified (i) that the signatures on all documents that we have examined are genuine, (ii) the authenticity of all documents submitted to us as originals, (iii) the conformity with the authentic originals of all documents submitted to us as certified, photostatic or faxed copies, and (iv) that all documents in respect of which forms were filed with the Securities and Exchange Commission as exhibits to the Registration Statement will conform in all material respects to the forms thereof that we have examined.

Based upon the foregoing, and subject to the qualifications and limitations stated herein, we are of the opinion that:

1. When (a) the Exchange Notes have been exchanged for Existing Notes in the manner described in the Registration Statement, (b) the Exchange Notes have been duly executed, authenticated, issued and delivered in accordance with the terms of the Indenture and (c) the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), the Exchange Notes will be legally issued and constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with the terms of the Indenture and the Exchange Notes.

2. When (a) the Exchange Notes have been exchanged for Existing Notes in the manner described in the Registration Statement, (b) the Exchange Notes and the Guarantees have been duly executed, authenticated, issued and delivered in accordance with the terms of the Indenture and (c) the Indenture has been duly qualified under the Trust Indenture Act, the Guarantees will constitute valid and legally binding obligations of the Guarantors, enforceable against each such Guarantor in accordance with the terms of such Guarantor's respective Guarantee.

The opinions expressed above with respect to the enforceability of the Exchange Notes and the Guarantees may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies), regardless of whether considered in a proceeding at law or in equity.

We are members of the Bar of the State of California and the foregoing opinions are limited to the laws of the State of California, the federal laws of the United States of America and the General Corporation Law of the State of Delaware. Although we are not admitted to practice law in the State of Delaware, we are generally knowledgeable about the General Corporation Law of the State of Delaware, and the opinions expressed herein are based upon such knowledge.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the use of our firm name under the caption "Legal Matters" in the Registration Statement.

Very truly yours,

/s/ ERVIN, COHEN & JESSUP LLP

EXHIBIT 10.1

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NEWPARK RESOURCES, INC. (a Delaware corporation)
SOLOCO, L.L.C. (a Louisiana limited liability company)
SOLOCO TEXAS, L.P. (a Texas limited partnership)
BATSON-MILL, L.P. (a Texas limited partnership)
NEWPARK TEXAS, L.L.C. (a Louisiana limited liability company)
NEWPARK HOLDINGS, INC. (a Louisiana corporation)
NEWPARK ENVIRONMENTAL MANAGEMENT COMPANY, L.L.C.
(a Louisiana limited liability company)
NEWPARK ENVIRONMENTAL SERVICES OF TEXAS L.P.
(a Texas limited partnership)
NEWPARK DRILLING FLUIDS, INC. (a Texas corporation)
SUPREME CONTRACTORS, INC. (a Louisiana corporation)
EXCALIBAR MINERALS, INC. (a Texas corporation)
EXCALIBAR MINERALS OF LA., L.L.C. (a Louisiana limited liability company)
CHEMICAL TECHNOLOGIES, INC. (a Texas corporation)
NEWPARK TEXAS DRILLING FLUIDS, L.P. (a Texas limited partnership)
NES PERMIAN BASIN, L.P. (a Texas limited partnership)
NEWPARK ENVIRONMENTAL SERVICES, INC. (a Delaware corporation)
NID, L.P. (a Texas limited partnership)
BOCKMON CONSTRUCTION COMPANY, INC. (a Texas corporation)
NEWPARK ENVIRONMENTAL SERVICES MISSISSIPPI, L.P.
(a Mississippi limited partnership)
NEWPARK SHIPHOLDING TEXAS, L.P. (a Texas limited partnership)
MALLARD & MALLARD OF LA., INC. (a Louisiana corporation)

$125,000,000

8-5/8% Senior Subordinated Notes due 2007

PURCHASE AGREEMENT

Dated: December 10, 1997

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Table of Contents

NEWPARK RESOURCES, INC. (a Delaware corporation)
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MALLARD & MALLARD OF LA., INC. (a Louisiana corporation)

$125,000,000

8-5/8% Senior Subordinated Notes due 2007

PURCHASE AGREEMENT

December 10, 1997

MERRILL LYNCH & CO.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Deutsche Morgan Grenfell Inc.
Salomon Brothers Inc
c/o Merrill Lynch & Co.
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
North Tower
World Financial Center
New York, New York 10281-1209

Ladies and Gentlemen:

Newpark Resources, Inc., a Delaware corporation (the "Company"), and each of the Guarantors listed on Schedule B hereto (the "Guarantors") confirm their agreement with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") and each of the other Initial Purchasers named in Schedule A hereto (collectively, the "Initial Purchasers", which term shall also include any initial purchaser substituted as hereinafter provided in Section 11 hereof), for whom Merrill Lynch is acting as representative (in such capacity, the "Representative"), with respect to (i) the issue and sale by the Company and the purchase by the Initial Purchasers, acting severally and not jointly, of the respective principal amounts set forth in said Schedule A of $125,000,000 aggregate principal amount of the Company's Senior Subordinated Notes due 2007 (the "Securities") and (ii) the issue and sale by the Guarantors and the purchase by the Initial Purchasers, acting severally and not jointly, of the senior subordinated guarantees (the "Guarantees") of the Company's obligations under the Securities. The Securities and the Guarantees are to be issued pursuant to an indenture dated as of December 17, 1997 (the "Indenture"), among the Company, the Guarantors and State Street Bank and Trust Company, as trustee (the "Trustee"). Securities issued in book-entry form will be issued to Cede & Co. as nominee of The Depository Trust Company ("DTC") pursuant to a letter agreement, to be dated as of the Closing Time (as defined in Section 2(b)) (the "DTC Agreement"), among the Company, the Guarantors, the Trustee and DTC.

The Company and the Guarantors understand that the Initial Purchasers propose to make an offering of the Securities and the Guarantees on the terms and in the manner set forth herein and agree that the Initial Purchasers may resell, subject to the conditions set forth herein, all or a portion of the Securities and the Guarantees to purchasers ("Subsequent Purchasers") at any time after the date of this Agreement. The Securities and the Guarantees are to be offered and sold through the Initial Purchasers without being registered under the Securities Act of 1933, as amended (the

"1933 Act"), in reliance upon exemptions therefrom. Pursuant to the terms of the Securities, the Guarantees and the Indenture, investors that acquire Securities and Guarantees may resell or otherwise transfer such Securities and Guarantees only if such Securities and Guarantees are hereafter registered under the 1933 Act or if an exemption from the registration requirements of the 1933 Act is available (including the exemption afforded by Rule 144A ("Rule 144A") or Regulation S ("Regulation S") of the rules and regulations promulgated under the 1933 Act by the Securities and Exchange Commission (the "Commission")).

The Company and the Guarantors have prepared and delivered to each Initial Purchaser copies of a preliminary offering memorandum dated November 21, 1997 (the "Preliminary Offering Memorandum") and have prepared and will deliver to each Initial Purchaser, on the date hereof or the next succeeding day, copies of a final offering memorandum dated December 17, 1997 (the "Final Offering Memorandum"), each for use by such Initial Purchaser in connection with its solicitation of purchases of, or offering of, the Securities and the Guarantees. "Offering Memorandum" means, with respect to any date or time referred to in this Agreement, the most recent offering memorandum (whether the Preliminary Offering Memorandum or the Final Offering Memorandum, or any amendment or supplement to either such document), including exhibits thereto and any documents incorporated therein by reference, which has been prepared and delivered by the Company and the Guarantors to the Initial Purchasers in connection with their solicitation of purchases of, or offering of, the Securities and the Guarantees.

All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Offering Memorandum (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which are incorporated by reference in the Offering Memorandum; and all references in this Agreement to amendments or supplements to the Offering Memorandum shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934, as amended (the "1934 Act"), which is incorporated by reference in the Offering Memorandum.

The holders of the Securities and the Guarantees will be entitled to the benefits of the registration rights agreement to be dated as of the Closing Time referred to in Section 2(b) hereof (the "Registration Rights Agreement"), among the Company, the Guarantors and the Initial Purchasers, pursuant to which the Company will agree to file, as soon as practicable after the Closing Time but in any event within 45 days of the Closing Time, a registration statement with the Commission registering the Exchange Securities (as defined in the Registration Rights Agreement), consisting of the 8-5/8% Senior Subordinated Notes due 2007, Series B, to be issued by the Company (the "Exchange Notes") and the related guarantees to be issued by the Guarantors (the "Exchange Guarantees"), under the 1933 Act.

SECTION 1. Representations and Warranties.

(a) Representations and Warranties by the Company and the Guarantors. The Company and each of the Guarantors, jointly and severally, represent and warrant to each Initial Purchaser as of the date hereof and as of the Closing Time and agree with each Initial Purchaser as follows:

(i) Similar Offerings. The Company and the Guarantors have not, directly or indirectly, solicited any offer to buy or offered to sell, and will not, directly or indirectly, solicit any offer to buy or offer to sell, in the United States or to any United States citizen or resident, any security which is or would be integrated with the sale of the Securities and the Guarantees in a manner that would require the Securities and the Guarantees to be registered under the 1933 Act.

(ii) Offering Memorandum. The Offering Memorandum does not, and at the Closing Time will not, include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that this representation, warranty and agreement shall not apply to statements in or omissions from the Offering Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by any Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum. The documents incorporated by reference or deemed to be incorporated by reference in the Offering Memorandum at the time they were or hereafter are filed with the Commission (or as subsequently amended) complied and will comply in all material respects with the applicable requirements of the 1934 Act and the applicable rules and regulations of the Commission thereunder and, when read together with the other information in the Offering Memorandum, at the date of the Offering Memorandum and at the Closing Time, did not and will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iii) Independent Accountants. The accountants who certified the financial statements and supporting schedules included or incorporated by reference in the Offering Memorandum are independent certified public accountants with respect to the Company, the Guarantors and their respective subsidiaries within the meaning of Regulation S-X promulgated under the 1933 Act.

(iv) Financial Statements. The financial statements, together with the related schedules and notes, included in the Offering Memorandum and the documents incorporated by reference therein present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the

statement of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; said financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved, except as otherwise indicated therein. The selected financial data and the summary financial information included in the Offering Memorandum present fairly the information shown therein and, except as otherwise indicated therein, have been compiled on a basis consistent with that of the audited financial statements included in the Offering Memorandum.

(v) No Material Adverse Change in Business. Since the respective dates as of which information is given in the Offering Memorandum, except as otherwise stated therein, (A) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company and its subsidiaries considered as one enterprise (a "Material Adverse Effect"), whether or not arising in the ordinary course of business, (B) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries considered as one enterprise, and (C) with the exception of the 5% stock dividend on the Company's common stock, par value $.01 per share (the "Common Stock"), effective December 1995, the two-for-one split of the Common Stock effective May 30, 1997 and the 100% stock dividend on the Company's Common Stock paid by the Company on November 26, 1997, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock during the periods covered by the financial statements included in the Offering Memorandum.

(vi) Good Standing of the Company. The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and to enter into and perform its obligations under this Agreement, the Registration Rights Agreement, the Indenture, the Securities, the Exchange Securities and the DTC Agreement and to enter into and consummate all the transactions in connection therewith as contemplated in the Offering Memorandum; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(vii) Good Standing of Subsidiaries. Each subsidiary of the Company, (each a "Subsidiary" and, collectively, the "Subsidiaries") has been duly organized or formed and is validly existing as a corporation, partnership or limited liability company under the laws of the jurisdiction of its formation. Each Subsidiary

that is a corporation or limited liability company is in good standing under the laws of the jurisdiction of its formation. Each Subsidiary has the power and authority to own, lease and operate its properties and to conduct its business as described in the Offering Memorandum and is duly qualified or registered as a foreign entity to transact business in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, and, with respect to each Subsidiary that is a corporation or limited liability company, is in good standing in each such jurisdiction, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect; except as otherwise disclosed in the Offering Memorandum, all of the issued and outstanding capital stock of each Subsidiary that is a corporation has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through the Subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; none of the outstanding shares of capital stock of the Subsidiaries that are corporations was issued in violation of any preemptive or similar rights arising by operation of law, or under the charter or by-laws of any Subsidiary or under any agreement to which the Company or any Subsidiary is a party. The partner interests in each Subsidiary that is a limited partnership and the membership interests in each Subsidiary that is a limited liability company have been validly issued and fully paid and are owned by the Company, directly or through the Subsidiaries, free and clear of any liens, claims, encumbrances or other similar rights in favor of third parties. All of the Subsidiaries of the Company are listed in Schedule B attached hereto.

(viii) Capitalization. The authorized, issued and outstanding capital stock of the Company was at the date indicated in the Offering Memorandum as set forth in the financial statements, including the schedules and notes, included in the Offering Memorandum (except for subsequent issuances, if any, pursuant to acquisition transactions or employee benefit plans referred to in the Offering Memorandum or pursuant to the exercise of convertible securities or options referred to in the Offering Memorandum). The shares of issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable; and none of the outstanding shares of capital stock of the Company was issued in violation of the preemptive or other similar rights of any securityholder of the Company arising by operation of law, under the charter of by-laws of the Company, under any agreement to which the Company or any of the Subsidiaries is a party or otherwise.

(ix) Authorization of Agreements. This Agreement, the Registration Rights Agreement and the DTC Agreement have been duly authorized by the Company, and this Agreement and the Registration Rights Agreement have each been duly authorized by each of the Guarantors. This Agreement has been duly executed and delivered by the Company and each of the Guarantors. As of the Closing Time (A) the Registration Rights Agreement will have been duly executed and delivered by the Company and each of the Guarantors and (B) the

DTC Agreement will have been duly executed and delivered by the Company. Upon the execution and delivery thereof by the Company and each of the Guarantors, the Registration Rights Agreement will constitute a valid and binding obligation of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other similar laws relating to or affecting enforcement of creditors' rights generally, or by general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) (the "Enforcement Exception"). Upon the execution and delivery thereof by the Company, the DTC Agreement will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by the Enforcement Exception.

(x) Authorization of the Indenture. The Indenture has been duly authorized by the Company and each of the Guarantors and, at the Closing Time, will have been duly executed and delivered by the Company and each of the Guarantors and will constitute a valid and binding agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, except as the enforcement thereof may be limited by the Enforcement Exception.

(xi) Authorization of the Securities and the Guarantees. The Securities and the Guarantees have been duly authorized by the Company and, at the Closing Time, will have been duly executed by the Company and, when authenticated in the manner provided for in the Indenture and delivered against payment of the purchase price therefor, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforcement thereof may be limited by the Enforcement Exception, and will be in the form contemplated by, and entitled to the benefits of, the Indenture. The Guarantees have been duly authorized by the Guarantors and, at the Closing time, will have been duly executed by the Guarantors and, when authenticated in the manner provided for in the Indenture and delivered against payment of the purchase price therefor, will constitute valid and binding obligations of the Guarantors, enforceable against the Guarantors in accordance with their terms, except as the enforcement thereof may be limited by the Enforcement Exception, and will be in the form contemplated by, and entitled to the benefits of, the Indenture. The Exchange Notes have been duly authorized by the Company and the Exchange Guarantees have been duly authorized by each of the Guarantors and, when executed and authenticated and issued and delivered by the Company and each of the Guarantors in exchange for the Securities and the Guarantees, respectively, pursuant to the Exchange Offer (as defined in the Registration Rights Agreement), will constitute valid and binding obligations of the Company and each of the Guarantors, as the case may be, enforceable against the Company

and each of the Guarantors, as the case may be, in accordance with their respective terms, except as the enforcement thereof may be limited by the Enforcement Exception.

(xii) Description of the Securities, the Guarantees and the Indenture. The Securities, the Guarantees and the Registration Rights Agreement will conform in all material respects to the respective statements relating thereto contained in the Offering Memorandum and will be in substantially the respective forms previously delivered to the Initial Purchasers. The Exchange Securities will conform in all material respects to the statements relating thereto contained in the Offering Memorandum and the Registration Statement at the time it becomes effective. There are no contracts or documents which are required to be described in a registration statement on Form S-1 under the 1933 Act which have not been described in the Offering Memorandum.

(xiii) Absence of Defaults and Conflicts. Neither the Company nor any of the Subsidiaries is in violation of its charter or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject (collectively, "Agreements and Instruments") or has violated or is in violation of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries or any of their assets or properties, except in each case for such defaults or violations that have been waived or would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Registration Rights Agreement, the Indenture, the DTC Agreement, the Securities, the Guarantees, the Exchange Securities and any other agreement or instrument entered into or issued or to be entered into or issued by the Company or any of the Guarantors in connection with the transactions contemplated hereby or thereby or in the Offering Memorandum and the consummation of the transactions contemplated herein and in the Offering Memorandum (including the issuance and sale of the Securities and the Guarantees and the use of the proceeds from the sale of the Securities and the Guarantees as described in the Offering Memorandum under the caption "Use of Proceeds") and compliance by the Company and the Guarantors with their respective obligations hereunder have been duly authorized by all necessary corporate action and do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or a Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of the Subsidiaries pursuant to, the Agreements and Instruments, nor will such action result in any violation of the provisions of the charter or by-laws of the Company

or any of the Subsidiaries or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries or any of their assets or properties, to the extent that such conflict, breach or violation would result in a Material Adverse Effect; provided, however, that, for purposes of this representation and warranty only, the amendment to the Credit Facility (as defined below) as described in the Offering Memorandum shall be deemed to have been effective as of the date hereof. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of the Subsidiaries which has not been repurchased, redeemed or repaid.

(xiv) Absence of Labor Dispute. No labor dispute with the employees of the Company or any of the Subsidiaries exists or, to the knowledge of the Company and the Guarantors, is imminent, and the Company and the Guarantors are not aware of any existing or imminent labor disturbance by the employees of any of their or any of the Subsidiaries' principal suppliers, manufacturers, customers or contractors, which, in either case, may reasonably be expected to result in a Material Adverse Effect.

(xv) Absence of Proceedings. Except as disclosed in the Offering Memorandum, there is no action, suit, proceeding, inquiry or investigation before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company or any Guarantor, threatened, against or affecting the Company or any Subsidiary thereof which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets of the Company or any of the Subsidiaries or the consummation of this Agreement or the Registration Rights Agreement or the performance by the Company and the Guarantors of their respective obligations hereunder and thereunder or under the Indenture, the Registration Rights Agreement, the DTC Agreement, the Securities, the Guarantees or the Exchange Securities. The aggregate of all pending legal or governmental proceedings to which the Company or any Subsidiary thereof is a party or of which any of their respective properties or assets is the subject which are not described in the Offering Memorandum, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(xvi) Possession of Intellectual Property. The Company and the Subsidiaries own, possess or license, or, to the knowledge of the Company, can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual

property (collectively, "Intellectual Property") necessary to carry on the business now operated by them, and neither the Company nor any of the Subsidiaries has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property (including Intellectual Property which is licensed) or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Company or any of the Subsidiaries therein, and which infringement or conflict (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, singly or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

(xvii) Absence of Further Requirements. Except as disclosed in the Offering Memorandum, no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company or any of the Guarantors of their respective obligations hereunder, in connection with the offering, issuance or sale of the Securities and the Guarantees hereunder or the consummation of the transactions contemplated by, or for the due execution, delivery or performance of, this Agreement, the Registration Rights Agreement, the Indenture, the DTC Agreement, the Securities, the Guarantees, the Exchange Securities or any other agreement or instrument entered into or issued or to be entered into or issued by the Company or any of the Subsidiaries in connection with the consummation of the transactions contemplated herein and in the Offering Memorandum (including the issuance and sale of the Securities and the Guarantees and the use of the proceeds from the sale of the Securities and the Guarantees as described in the Offering Memorandum under the caption "Use of Proceeds").

(xviii) Possession of Licenses and Permits. The Company and the Subsidiaries possess such permits, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") which are material to the Company and each of the Guarantors issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them respectively; the Company and the Subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses and with the rules and regulations of the regulatory authorities having jurisdiction with respect thereto, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and neither the Company nor any of the Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses, nor are there, to the knowledge of the Company or any Guarantor, pending or threatened actions, suits, claims or proceedings against the Company or any Subsidiary before any court, governmental agency or body or otherwise that, if

successful, would limit, revoke, cancel, suspend or cause not to be renewed any Governmental License, in each case, which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(xix) Title to Property. The Company and the Subsidiaries have good and marketable title to all real property owned by the Company and the Subsidiaries and good title to all other properties owned by them, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (A) are described in the Offering Memorandum, including the financial statements and schedules and other information contained in the Offering Memorandum, or (B) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of the Subsidiaries; and all of the leases and subleases material to the business of the Company and the Subsidiaries, considered as one enterprise, and under which the Company or any of the Subsidiaries holds properties described in the Offering Memorandum, are in full force and effect, and neither the Company nor any of the Subsidiaries has any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any of the Subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of such the Company or any Subsidiary to the continued possession of the leased or subleased premises under any such lease or sublease.

(xx) Tax Returns. All United States federal income tax returns of the Company and the Subsidiaries required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided. The Company and the Subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, federal, state, local or other law except insofar as the failure to file such returns would not result in a Material Adverse Effect, and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company and the Subsidiaries, except for such taxes, if any, as are being contested in good faith and by appropriate proceedings and as to which adequate reserves have been provided. The charges, accruals and reserves on the books of the Company in respect of all federal, state, local and foreign tax liabilities of the Company and each Subsidiary for any years not finally determined are adequate to meet any assessments or reassessments for additional income tax that is reasonably expected to be payable for any years not finally determined, except to the extent of any inadequacy that would not result in a Material Adverse Effect.

(xxi) Insurance. The Company and the Subsidiaries carry or are entitled to the benefits of insurance, with financially sound and reputable insurers, in

such amounts and covering such risks as is generally maintained by companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect.

(xxii) Solvency. The Company and each of the Guarantors is, and immediately after the Closing will be, Solvent. As used herein, the term "Solvent" means, with respect to the Company and each Guarantor, as the case may be, on a particular date, that on such date (A) the fair market value of the assets of the Company or such Guarantor is greater than the total amount of liabilities (including contingent liabilities) of the Company or such Guarantor, (B) the present fair salable value of the assets of the Company or such Guarantor is greater than the amount that will be required to pay the probable liabilities of the Company or such Guarantor on its debts as they become absolute and mature, (C) the Company or such Guarantor is able to realize upon its assets and pay its debts and other liabilities, including contingent obligations, as they mature and (D) the Company or such Guarantor does not have unreasonably small capital.

(xxiii) Offering Material Distribution. The Company and the Guarantors have not distributed and, prior to the later to occur of (i) the Closing Time and (ii) completion of the distribution of the Securities and the Guarantees, will not distribute any offering material in connection with the offering and sale of the Securities and the Guarantees other than the Offering Memorandum and other materials, if any, permitted by the 1933 Act and approved by the Representative.

(xxiv) Related Party Transactions. No relationship, direct or indirect, exists between or among any of the Company, the Guarantors or any affiliate of the Company or any Guarantor, on the one hand, and any director, officer, stockholder, customer or supplier of any of them, on the other hand, which is required by the 1933 Act or by the rules and regulations enacted thereunder to be described in a registration statement on Form S-1 which is not so described or is not described as required in the Offering Memorandum.

(xxv) Absence of Defaults on Senior Indebtedness. No event of default exists under any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument constituting Senior Indebtedness (as defined in the Indenture).

(xxvi) Environmental Laws. Except as described in the Offering Memorandum and except such matters as would not, singly or in the aggregate, result in a Material Adverse Effect, (A) neither the Company nor any of the Subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface

water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), (B) the Company and the Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (C) there are no pending or, to the knowledge of the Company or any of the Subsidiaries, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any of the Subsidiaries and (D) there are no events or circumstances known to the Company or any of the Subsidiaries that might reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any of the Subsidiaries relating to Hazardous Materials or Environmental Laws.

(xxvii) Investment Company Act. The Company and each of the Guarantors is not, and upon the issuance and sale of the Securities and the Guarantees as herein contemplated and the application of the net proceeds therefrom as described in the Offering Memorandum will not be, an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act").

(xxviii) Credit Facility. The Restated Credit Agreement dated as of June 30, 1997, among the Company, as borrower, the Guarantors, as guarantors, the lenders named therein and Bank One, Louisiana, National Association, as administrative and syndication agent for the lenders (the "Credit Facility"), is in full force and effect, and the Company and the Guarantors have performed all of their respective material obligations thereunder required to be performed by them on or prior to the date hereof. The Credit Facility conforms in all material respects to the description thereof contained in the Offering Memorandum.

(xxix) Rule 144A Eligibility. The Securities and the Guarantees are eligible for resale pursuant to Rule 144A and will not be, at the Closing Time, of the same class as securities listed on a national securities exchange registered under Section 6 of the 1934 Act, or quoted in a U.S. automated interdealer quotation system.

(xxx) No General Solicitation. None of the Company, the Guarantors or any of their respective affiliates, as such term is defined in Rule 501(b) under the 1933 Act ("Affiliates"), or any person acting on their behalf (other than the Initial Purchasers or any person acting on their behalf, as to whom the Company

and the Guarantors make no representation) has engaged or will engage, in connection with the offering of the Securities and the Guarantees, in any form of general solicitation or general advertising within the meaning of Rule 502(c) under the 1933 Act.

(xxxi) No Registration Required. Subject to compliance by the Initial Purchasers with the representations and warranties set forth in Section 2, it is not necessary in connection with the offer, sale and delivery of the Securities and Guarantees to the Initial Purchasers and to each Subsequent Purchaser in the manner contemplated by this Agreement and the Offering Memorandum to register the Securities and the Guarantees under the 1933 Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "1939 Act").

(xxxii) No Directed Selling Efforts. With respect to those Securities and Guarantees sold in reliance on Regulation S, (A) none of the Company, the Guarantors, any of their respective Affiliates or any person acting on its or their behalf (other than the Initial Purchasers or any person acting on their behalf, as to whom the Company makes no representation) has engaged or will engage in any directed selling efforts within the meaning of Regulation S and (B) each of the Company and its Affiliates and any person acting on its or their behalf (other than the Initial Purchasers, as to whom the Company and the Guarantors make no representation) has complied and will comply with the offering restrictions requirement of Regulation S.

(xxxiii) PORTAL. The Company and the Guarantors have been advised by the National Association of Securities Dealers, Inc. Private Offerings, Resales and Trading Through Automated Linkages ("PORTAL") Market that the Securities and the Guarantees will be designated PORTAL eligible securities in accordance with the rules and regulations of the National Association of Securities Dealers, Inc.

(b) Officer's Certificates. Any certificate signed by any officer of the Company or any of the Subsidiaries delivered to the Initial Purchasers or to counsel for the Initial Purchasers shall be deemed a representation and warranty by the Company and the Subsidiaries to each Initial Purchaser as to the matters covered thereby.

SECTION 2. Sale and Delivery to Initial Purchasers; Closing.

(a) Securities and Guarantees. On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company and the Guarantors agree to sell to each Initial Purchaser, severally and not jointly, and each Initial Purchaser, severally and not jointly, agrees to purchase from the Company and the Guarantors, at the price set forth in Schedule C, the aggregate principal amount of Securities set forth in Schedule A opposite the name of such Initial Purchaser, plus any additional principal amount of Securities which such

Initial Purchaser may become obligated to purchase pursuant to the provisions of Section 11 hereof.

(b) Payment. Payment of the purchase price for, and delivery of certificates for, the Securities and the Guarantees shall be made at the office of Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston, Texas 77010, or at such other place as shall be agreed upon by the Representative and the Company, at 9:00 A.M. on the fifth business day after the date hereof (unless postponed in accordance with the provisions of Section 11), or such other time not later than ten business days after such date as shall be agreed upon by the Representative, the Company and the Guarantors (such time and date of payment and delivery being herein called the "Closing Time").

Payment shall be made to the Company and the Guarantors by wire transfer of immediately available funds to a bank account designated by the Company and the Guarantors, against delivery to the respective accounts of the Initial Purchasers of certificates for the Securities and Guarantees to be purchased by them. It is understood that each Initial Purchaser has authorized the Representative, for its account, to accept delivery of, receipt for, and make payment of the purchase price for, the Securities and Guarantees which it has agreed to purchase. Merrill Lynch, individually and not as representative of the Initial Purchasers, may (but shall not be obligated to) make payment of the purchase price for the Securities and Guarantees to be purchased by any Initial Purchaser whose funds have not been received by the Closing Time, but such payment shall not relieve such Initial Purchaser from its obligations hereunder. The certificates representing the Securities shall be registered in the name of Cede & Co. pursuant to the DTC Agreement, or physical certificates representing the Securities and the Guarantees shall be registered in the names and denominations requested by the Initial Purchasers, and in either case shall be made available for examination and packaging by the Initial Purchasers in The City of New York not later than 9:00 A.M. on the last business day prior to the Closing Time.

(c) Qualified Institutional Buyer. Each Initial Purchaser severally and not jointly represents and warrants to, and agrees with, the Company and each of the Guarantors that (i) it is a "qualified institutional buyer" within the meaning of Rule 144A under the 1933 Act (a "Qualified Institutional Buyer") and an "accredited investor" within the meaning of Rule 501(a) under the 1933 Act (an "Accredited Investor") and (ii) with respect to those Securities and Guarantees sold in reliance on Regulation S, (A) has not engaged and will not engage in any directed selling efforts within the meaning of Regulation S and (B) has complied and will comply with the offering restrictions requirement of Regulation S.

(d) Denominations; Registration. Certificates for the Securities (including the Guarantees) shall be in such denominations ($1,000 or integral multiples thereof) and registered in such names as the Representative may request in writing at least one full business day before the Closing Time.

SECTION 3. Covenants of the Company and the Guarantors. The Company and the Guarantors, jointly and severally, covenant with each Initial Purchaser as follows:

(a) Offering Memorandum. The Company and the Guarantors, as promptly as possible, will furnish to each Initial Purchaser, without charge, such number of copies of the Preliminary Offering Memorandum, the Final Offering Memorandum and any amendments and supplements thereto and documents incorporated by reference therein as such Initial Purchaser may reasonably request.

(b) Notice and Effect of Material Events. The Company and the Guarantors will immediately notify each Initial Purchaser, and confirm such notice in writing, of (x) any filing made by the Company or any Guarantor of information relating to the offering of the Securities and the Guarantees with any securities exchange or any other regulatory body in the United States or any other jurisdiction, and (y) prior to the completion of the placement of the Securities and the Guarantees by the Initial Purchasers as evidenced by a notice in writing from the Initial Purchasers to the Company, any material changes in or affecting the earnings, business affairs or business prospects of the Company and the Subsidiaries which (i) make any statement in the Offering Memorandum false or misleading or (ii) are not disclosed in the Offering Memorandum. In such event or if during such time any event shall occur as a result of which it is necessary, in the reasonable opinion of the Company and the Guarantors, their counsel, the Initial Purchasers or counsel for the Initial Purchasers, to amend or supplement the Final Offering Memorandum in order that the Final Offering Memorandum not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances then existing, the Company and the Guarantors will forthwith amend or supplement the Final Offering Memorandum by preparing and furnishing to each Initial Purchaser an amendment or amendments of, or a supplement or supplements to, the Final Offering Memorandum (in form and substance satisfactory in the reasonable opinion of counsel for the Initial Purchasers) so that, as so amended or supplemented, the Final Offering Memorandum will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a Subsequent Purchaser, not misleading.

(c) Amendment to Offering Memorandum And Supplements. The Company and the Guarantors will advise each Initial Purchaser promptly of any proposal to amend or supplement the Offering Memorandum and will not effect such amendment or supplement without the consent of the Initial Purchasers. Neither the consent of the Initial Purchasers to, nor the Initial Purchaser's delivery of, any such amendment or supplement, shall constitute a waiver of any of the conditions set forth in Section 5 hereof.

(d) Qualification of Securities and Guarantees for Offer and Sale. The Company and the Guarantors will use their best efforts to qualify the Securities and the Guarantees for offering and sale under the applicable securities laws of such jurisdictions as the Representative may designate and will maintain such qualifications in effect as long as reasonably required for the sale of the Securities and the Guarantees to Subsequent Purchasers; provided, however, that the Company and the Guarantors shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

(e) Integration. The Company and the Guarantors agree that they will not and will cause their affiliates not to make any offer or sale of securities of the Company or any Guarantor of any class if, as a result of the doctrine of "integration" referred to in Rule 502 under the 1933 Act, such offer or sale could be deemed to render invalid (for the purpose of (i) the sale of the Securities and the Guarantees by the Company and the Guarantors to the Initial Purchasers, (ii) the resale of the Securities and the Guarantees by the Initial Purchasers to Subsequent Purchasers or (iii) the resale of the Securities and the Guarantees by such Subsequent Purchasers to others) the exemption from the registration requirements of the 1933 Act provided by Section 4(2) thereof or by Rule 144A or by Regulation S promulgated thereunder or otherwise.

(f) Rating of Securities. The Company shall take all reasonable action necessary to enable Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("S&P"), and Moody's Investors Service, Inc. ("Moody's") to provide their respective credit ratings of the Securities and the Guarantees.

(g) Use of Proceeds. The Company and the Guarantors will use the net proceeds received by them from the sale of the Securities and the Guarantees in the manner specified in the Offering Memorandum under "Use of Proceeds".

(h) Restriction on Sale of Securities. During a period of 180 days from the date of the Offering Memorandum, the Company and the Guarantors will not, without the prior written consent of the Representative, directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer, any debt securities or guarantees of debt securities of the Company or file a registration statement under the 1933 Act with respect to the foregoing (other than borrowings under the Credit Facility, the Securities, the Guarantees and the Exchange Securities).

(i) DTC Clearance. The Company and the Guarantors will use all reasonable efforts in cooperation with the Initial Purchasers to permit the Securities and the Guarantees to be eligible for clearance and settlement through DTC.

(j) Legends. Each certificate for a Security (including the Guarantee) will bear the legend contained in "Notice to Investors" in the Offering Memorandum for the time period and upon the other terms stated in the Offering Memorandum.

(k) Periodic Reports. For a period of three years after the Closing Time, the Company and the Guarantors will furnish to the Initial Purchasers copies of all annual reports, quarterly reports and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar forms as may be designated by the Commission, and such other documents, reports and information as shall be furnished by the Company and the Guarantors generally to the holders of the Securities and the Guarantees or to security holders of its publicly issued securities generally.

SECTION 4. Payment of Expenses.

(a) Expenses. The Company and the Guarantors, jointly and severally, will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and delivery of the Offering Memorandum (including financial statements and any schedules or exhibits and any document incorporated therein by reference) and of each amendment or supplement thereto, (ii) the preparation, printing and delivery to the Initial Purchasers of this Agreement, the Registration Rights Agreement, the Indenture and such other documents as may be required in connection with the offering, purchase, sale and delivery of the Securities and the Guarantees, (iii) the preparation, issuance and delivery of the certificates for the Securities and the Guarantees to the Initial Purchasers, including any charges of DTC in connection therewith, (iv) the fees and disbursements of the Company's and the Guarantors' counsel, accountants and other advisors, (v) the qualification of the Securities and the Guarantees under securities laws in accordance with the provisions of Section 3(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Initial Purchasers in connection therewith and in connection with the preparation of the Blue Sky Survey and any supplement thereto, (vi) the fees and expenses of the Trustee, including the fees and disbursements of counsel for the Trustee in connection with the Indenture, the Securities and the Guarantees, (vii) any fees payable in connection with the rating of the Securities, and (viii) any fees payable in connection with the initial and continued designation of the Securities and Guarantees as PORTAL securities and the listing of the Exchange Securities and the Exchange Guarantees on the New York Stock Exchange.

(b) Termination of Agreement. If this Agreement is terminated by the Representative in accordance with the provisions of Section 5 or Section 10(a)(i) or 10(a)(ii) hereof, the Company and the Guarantors, jointly and severally, shall reimburse the Initial Purchasers for all of their out-of-pocket expenses, including the reasonable fees and disbursements of counsel for the Initial Purchasers.

SECTION 5. Conditions of Initial Purchasers' Obligations. The obligations of the several Initial Purchasers hereunder are subject to the accuracy of the representations and warranties of the Company and the Guarantors contained in

Section 1 hereof or in certificates of any officer of the Company or any of the Subsidiaries delivered pursuant to the provisions hereof, to the performance by the Company and the Guarantors of their covenants and other obligations hereunder, and to the following further conditions:

(a) Opinion of Counsel for Company and the Guarantors. At the Closing Time, the Representative shall have received the favorable opinion, dated as of the Closing Time, of Ervin, Cohen & Jessup LLP, counsel for the Company and the Guarantors, in form and substance satisfactory to counsel for the Initial Purchasers, together with signed or reproduced copies of such letter for each of the other Initial Purchasers to the effect set forth in Exhibit A hereto and to such further effect as counsel to the Initial Purchasers may reasonably request. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of California and the federal law of the United States and the General Corporation Law of the State of Delaware, upon the opinion of Fulbright & Jaworski L.L.P., or such other counsel satisfactory to the Representative. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company, the Guarantors and the Subsidiaries and certificates of public officials.

(b) Opinion of Counsel for Initial Purchasers. At the Closing Time, the Initial Purchasers shall have received the favorable opinion, dated as of the Closing Time, of Fulbright & Jaworski L.L.P., counsel for the Initial Purchasers, together with signed or reproduced copies of such letter for each of the other Initial Purchasers with respect to the matters set forth in (i) and (ii) (solely with respect to the Company), (vii) through (xii), inclusive, (xvi) (solely as to the Securities, the Guarantees and the Indenture) and the second from last paragraph of Exhibit A hereto. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York and the federal law of the United States and the General Corporation Law of the State of Delaware, upon the opinions of counsel satisfactory to the Representative. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company, the Guarantors and the Subsidiaries and certificates of public officials.

(c) Officers' Certificate. At the Closing Time, (i) the Offering Memorandum, as it may then be amended or supplemented, including the documents incorporated by reference therein, shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they were made not misleading; (ii) there shall not have been, since the respective dates as of which information is given in the Offering Memorandum, any Material Adverse Effect whether or not arising in the ordinary course of business; (iii) the Company and the Guarantors shall have complied in all material respects with all agreements and satisfied all conditions on their part to be performed or satisfied at or prior to the Closing Time; and (iv) the representations and warranties of the Company and the Guarantors in Section 1 shall

be accurate and true and correct as though expressly made at and as of the Closing Time. At the Closing Time, the Initial Purchasers shall have received a certificate of the Chief Executive Officer and of the Chief Financial Officer of the Company, dated as of the Closing Time, to such effect.

(d) Accountant's Comfort Letter. At the time of the execution of this Agreement, the Representative shall have received from Deloitte & Touche LLP, independent auditors, a letter dated such date, in form and substance satisfactory to the Representative or to counsel for the Initial Purchasers, together with signed or reproduced copies of such letter for each of the other Initial Purchasers, containing statements and information of the type ordinarily included in accountants' "comfort letters" to Initial Purchasers with respect to the financial statements and certain financial information contained or incorporated by reference in the Offering Memorandum and in the form of Exhibit B attached hereto. Deloitte & Touche LLP shall include either in such letter or in a separate writing a consent to the inclusion or the incorporation by reference of its report in the Offering Memorandum and to the reference to it under the caption "Independent Auditors" in the Offering Memorandum.

(e) Bring-down Comfort Letter. At the Closing Time, the Initial Purchasers shall have received from Deloitte & Touche LLP, independent auditors, a letter, dated as of the Closing Time, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (d) of this Section, except that the specified date referred to shall be a date not more than three business days prior to the Closing Time.

(f) Maintenance of Rating. At the Closing Time, the Securities and the Guarantees shall be rated at least B2 by Moody's and B-plus by S&P, and the Company and the Guarantors shall have delivered to the Representative a letter dated the Closing Time, from each such rating agency, or other evidence satisfactory to the Representative, confirming that the Securities and the Guarantees have such ratings; and since the date of this Agreement, there shall not have occurred a downgrading in the rating assigned to the Securities and the Guarantees or any of the Company's and the other Guarantors' other debt securities by any nationally recognized securities rating agency, and no such securities rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities and the Guarantees or any of the Company's and the other Guarantors' other debt securities.

(g) PORTAL. At the Closing Time, the Securities and Guarantees shall have been designated for trading on PORTAL.

(h) Registration Rights Agreement and Indenture. The Company and each of the Guarantors shall have duly authorized, executed and delivered the Registration Rights Agreement and the Indenture to the Initial Purchasers in a form and substance satisfactory to the Representative and counsel to the Initial Purchasers.

(i) Additional Documents. At the Closing Time, counsel for the Initial Purchasers shall have been furnished with such documents and opinions as they may require for the purpose of enabling them to pass upon the issuance and sale of the Securities and the Guarantees as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company and the Guarantors in connection with the issuance and sale of the Securities and the Guarantees as herein contemplated shall be satisfactory in form and substance to the Initial Purchasers and counsel for the Initial Purchasers.

(j) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated by the Representative by notice to the Company at any time at or prior to the Closing Time, and such termination shall be without liability of any party to any other party except as provided in Section 4 and except that Sections 7 and 8 shall survive any such termination and remain in full force and effect.

SECTION 6. Subsequent Offers and Resales of the Securities and the Guarantees.

(a) Offer and Sale Procedures. Each of the Initial Purchasers, the Company and the Guarantors hereby establish and agree to observe the following procedures in connection with the offer and sale of the Securities and the Guarantees:

(i) Offers and Sales only to Qualified Institutional Buyers. Offers and sales of the Securities and the Guarantees will be made only by the Initial Purchasers or Affiliates thereof qualified to do so in the jurisdictions in which such offers or sales are made. Each such offer or sale shall only be made (A) to persons whom the offeror or seller reasonably believes to be qualified institutional buyers (as defined in Rule 144A under the Securities Act) or (B) to non-U.S. persons outside the United States whom the offeror or seller reasonably believes offers and sales of the Securities may be made in reliance upon Regulation S under the 1933 Act.

(ii) No General Solicitation. The Securities and the Guarantees will be offered by approaching prospective Subsequent Purchasers on an individual basis. No general solicitation or general advertising (within the meaning of Rule 502(c) under the 1933 Act) will be used in the United States in connection with the offering of the Securities.

(iii) Purchases by Non-Bank Fiduciaries. In the case of a non-bank Subsequent Purchaser of a Security or Guarantee acting as a fiduciary for one or more third parties, in connection with an offer and sale to such purchaser pursuant to clause (i) above, each third party shall, in the judgment of the applicable Initial Purchaser, be an institutional accredited investor as such term

is defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D or a Qualified Institutional Buyer or a non-U.S. person outside the United States.

(iv) Subsequent Purchaser Notification. Each Initial Purchaser will take reasonable steps to inform, and cause each of its U.S. Affiliates to take reasonable steps to inform, persons acquiring Securities and Guarantees from such Initial Purchaser or affiliate, as the case may be, in the United States that the Securities and the Guarantees (A) have not been and will not be registered under the 1933 Act, (B) are being sold to them without registration under the 1933 Act in reliance on Rule 144A or in accordance with another exemption from registration under the 1933 Act, as the case may be, and (C) may not be offered, sold or otherwise transferred except (1) to the Company, (2) outside the United States in accordance with Rule 904 of Regulation S, or (3) inside the United States in accordance with (x) Rule 144A to a person whom the Seller reasonably believes is a Qualified Institutional Buyer that is purchasing such Securities and Guarantees for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A or (y) the exemption from registration under the 1933 Act provided by Rule 144, if available.

(v) Restrictions on Transfer. The transfer restrictions set forth in Sections 202(a), 202(b), 305 and 307 of the Indenture, including the legend required thereby, shall apply to the Securities and the Guarantees except as otherwise agreed by the Company, the Guarantors and the Initial Purchasers. Following the sale of the Securities and the Guarantees by the Initial Purchasers to Subsequent Purchasers pursuant to the terms hereof, the Initial Purchasers shall not be liable or responsible to the Company and the Guarantors for any losses, damages or liabilities suffered or incurred by the Company and the Guarantors, including any losses, damages or liabilities under the 1933 Act, arising from or relating to any resale or transfer of any Security, except for the indemnification obligations of the Initial Purchasers pursuant to Sections 7 and 8 hereof.

(b) Covenants of the Company and the Guarantors. The Company and the Guarantors covenant with each Initial Purchaser as follows:

(i) Due Diligence. In connection with the original distribution of the Securities and the Guarantees, the Company and the Guarantors agree that, prior to any offer or resale of the Securities and the Guarantees by the Initial Purchasers, the Initial Purchasers and counsel for the Initial Purchasers shall have the right to make reasonable inquiries into the business of the Company and the Subsidiaries. The Company and the Guarantors also agree to provide answers to each prospective Subsequent Purchaser of Securities and the Guarantees who so requests concerning the Company and the Subsidiaries (to the extent that such information is available or can be acquired and made available to prospective Subsequent Purchasers without unreasonable effort or

expense and to the extent the provision thereof is not prohibited by applicable law) and the terms and conditions of the offering of the Securities and the Guarantees, as provided in the Offering Memorandum.

(ii) Integration. The Company and the Guarantors agree that they will not and will cause their respective Affiliates not to make any offer or sale of securities of the Company or the Guarantors of any class if, as a result of the doctrine of "integration" referred to in Rule 502 promulgated under the 1933 Act, such offer or sale would render invalid (for the purpose of (i) the sale of the Securities and the Guarantees by the Company and the Guarantors to the Initial Purchasers, (ii) the resale of the Securities and the Guarantees by the Initial Purchasers to Subsequent Purchasers or (iii) the resale of the Securities and the Guarantees by such Subsequent Purchasers to others) the exemption from the registration requirements of the 1933 Act provided by Section 4(2) thereof or by Rule 144A thereunder or otherwise.

(iii) Rule 144A Information. The Company and the Guarantors agree that, in order to render the Securities and the Guarantees eligible for resale pursuant to Rule 144A under the 1933 Act, while any of the Securities and the Guarantees remain outstanding, they will make available, upon request, to any holder of Securities and the Guarantees or prospective purchasers of Securities and Guarantees the information specified in Rule 144A(d)(4), unless the Company and the Guarantors furnish information to the Commission pursuant to Section 13 or 15(d) of the 1934 Act (such information, whether made available to holders or prospective purchasers or furnished to the Commission, is herein referred to as "Additional Information").

(iv) Restriction on Repurchases. Until the expiration of one year after the original issuance of the Securities and the Guarantees, the Company and the Guarantors will not, and will cause their respective Affiliates not to, purchase or agree to purchase or otherwise acquire any Securities or Guarantees which are "restricted securities" (as such term is defined under Rule 144(a)(3) under the 1933 Act), whether as beneficial owner or otherwise (except as against acting as a securities broker on behalf of and for the account of customers in the ordinary course of business in unsolicited broker's transactions) unless, immediately upon any such purchase, the Company, the Guarantors or any Affiliate shall submit such Securities or Guarantees to the Trustee for cancellation.

(c) Resale Pursuant to Rule 903 of Regulation S or Rule 144A. Each Initial Purchaser understands that the Securities and the Guarantees have not been and will not be registered under the 1933 Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the 1933 Act or pursuant to an exemption from the registration requirements of the 1933 Act. Each Initial Purchaser represents and agrees, that, except as permitted by Section 6(a) above, it has offered and sold Securities and Guarantees and will offer and sell Securities and Guarantees (i) as part of their

distribution at any time and (ii) otherwise until forty days after the later of the date upon which the offering of the Securities and the Guarantees commences and the Closing Time, only in accordance with Rule 903 of Regulation S or Rule 144A under the 1933 Act. Accordingly, neither the Initial Purchasers, their affiliates nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to Securities and Guarantees, and the Initial Purchasers, their affiliates and any person acting on their behalf have complied and will comply with the offering restriction requirements of Regulation S. Each Initial Purchaser agrees that, at or prior to confirmation of a sale of Securities and Guarantees (other than a sale of Securities and Guarantees pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities and Guarantees from it or through it during the restricted period a confirmation or notice to substantially the following effect:

> "The Securities and Guarantees covered hereby have not been registered under the United States Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (i) as part of their distribution at any time and (ii) otherwise until forty days after the later of the date upon which the offering of the Securities and the Guarantees commenced and the date of closing, except in either case in accordance with Regulation S or Rule 144A promulgated under the Securities Act. Terms used above have the meaning given to them by Regulation S."

Terms used in the above paragraph have the meanings given to them by Regulation S.

Each Initial Purchaser severally represents and agrees that it has not entered and will not enter into any contractual arrangements with respect to the distribution of the Securities, except with its affiliates or with the prior written consent of the Company and the Guarantors.

SECTION 7. Indemnification.

(a) Indemnification of Initial Purchasers. The Company and each of the Guarantors, jointly and severally, agree to indemnify and hold harmless each Initial Purchaser and each person, if any, who controls any Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

> (i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum or the Final Offering Memorandum (or any amendment or supplement thereto (including any document incorporated by reference into the Preliminary Offering Memorandum or Final Offering Memorandum)), or the omission or alleged

omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission; provided that (subject to Section 7(d) below) any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by Merrill Lynch), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company or the Guarantors by any Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum (or any amendment thereto) provided, further, that the Company and the Guarantors will not be liable to the Initial Purchasers or any person controlling such Initial Purchasers with respect to any such untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Offering Memorandum to the extent that the Company and the Guarantors shall sustain the burden of proving that any such loss, liability, claim, damage or expense resulted from the fact that the Initial Purchaser sold securities to a person to whom such Initial Purchaser failed to send or give, at or prior to the written confirmation of the sale of such Securities, a copy of the Final Offering Memorandum (as amended or supplemented) if the Company and the Guarantors have previously furnished copies thereof to the Initial Purchasers (sufficiently in advance of the Closing Time to allow for distribution of the Final Offering Memorandum in a timely manner) and complied with their obligations under Sections 3(b) and 3(c) hereof and the loss, liability, claim, damage or expense of the Initial Purchasers resulted from an untrue statement or omission or alleged untrue statement or omission of a material fact contained in or omitted from such Preliminary Offering Memorandum (as amended or supplemented) which was corrected in the final Offering Memorandum (as amended or supplemented).

(b) Indemnification of Company, Guarantors and Directors. Each Initial Purchaser severally agrees to indemnify and hold harmless the Company, the

Guarantors and their directors and each person, if any, who controls the Company or the Guarantors within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Offering Memorandum in reliance upon and in conformity with written information furnished to the Company or the Guarantors by such Initial Purchaser through Merrill Lynch expressly for use in the Offering Memorandum.

(c) Actions against Parties; Notification. Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be one or more legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by Merrill Lynch in the case of subsection (a) of this Section 7, representing the indemnified parties under such subsection (a) who are parties to such action or actions) or (ii) the indemnifying party does not promptly retain counsel satisfactory to the indemnified party or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnified party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party

without the consent of the indemnifying party. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 7 or Section 8 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) Settlement without Consent if Failure to Reimburse. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by Section 7(a)(ii) effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

SECTION 8. Contribution. If the indemnification provided for in Section 7 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand from the offering of the Securities and the Guarantees pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities and the Guarantees pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities and the Guarantees pursuant to this Agreement (before deducting expenses) received by the Company and the Guarantors and the total underwriting discount received by the Initial Purchasers, bear to the aggregate initial offering price of the Securities and the Guarantees.

The relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Guarantors or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 8. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 8 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 8, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities (including the Guarantees) underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 8, each person, if any, who controls an Initial Purchaser within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Initial Purchaser, and each director of the Company or any Guarantor, and each person, if any, who controls the Company or any Guarantor within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company and such Guarantor. The Initial Purchasers' respective obligations to contribute pursuant to this Section 8 are several in proportion to the principal amount of Securities (including the Guarantees) set forth opposite their respective names in Schedule A hereto and not joint.

SECTION 9. Representations Warranties and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company or any of the Subsidiaries submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any

investigation made by or on behalf of any Initial Purchaser or controlling person, or by or on behalf of the Company or any Guarantor, and shall survive delivery of the Securities (including the Guarantees) to the Initial Purchasers.

SECTION 10. Termination of Agreement.

(a) Termination; General. The Representative may terminate this Agreement, by notice to the Company and the Guarantors, at any time at or prior to the Closing Time (i) if there has been, since the time of execution of this Agreement or since the respective dates as of which information is given in the Offering Memorandum, any Material Adverse Effect, whether or not arising in the ordinary course of business, or (ii) if there shall have occurred a downgrading in the rating assigned to the Securities or the Guarantees or any of the Company's or any Guarantor's other debt securities by any nationally recognized securities rating agency, or if such securities rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities, the Guarantees or any of the Company's or Guarantor's other debt securities or guarantees of debt securities, or (iii) if there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representative, impracticable to market the Securities or the Guarantees or to enforce contracts for the sale of the Securities or the Guarantees, or (iv) if trading in any securities of the Company or any Guarantor has been suspended or limited by the Commission or the New York Stock Exchange, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the NASDAQ National Market System has been suspended or limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, the National Association of Securities Dealers, Inc. or any other governmental authority, or (v) if a banking moratorium has been declared by either Federal or New York authorities.

(b) Liabilities. If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 4 hereof, and provided further that Sections 7 and 8 shall survive such termination and remain in full force and effect.

SECTION 11. Default by One or More of the Initial Purchasers. If one or more of the Initial Purchasers shall fail at the Closing Time to purchase the Securities which it or they are obligated to purchase under this Agreement (the "Defaulted Securities"), the Representative shall have the right, but not the obligation, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Initial Purchasers, or any other Initial Purchasers, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Representative shall not have completed such arrangements

within such 24-hour period, then this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser.

No action taken pursuant to this Section shall relieve any defaulting Initial Purchaser from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, either the Representative, the Company or the Guarantors shall have the right to postpone the Closing Time for a period not exceeding seven days in order to reflect any required changes in the Offering Memorandum or in any other documents or arrangement. As used herein, the term "Initial Purchaser" includes any person substituted for an Initial Purchaser under this Section 11.

SECTION 12. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Initial Purchasers shall be directed to the Representative at North Tower, World Financial Center, New York, New York 10281-1201, attention of Christopher Turner, with a copy to Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 5100, Houston, Texas 77010-3095, Attention of Robert F. Gray, Jr.; notices to the Company shall be directed to it at 3850 North Causeway, Suite 1770, Metairie, Louisiana 70002, attention of Matthew W. Hardy, with a copy to Ervin, Cohen & Jessup LLP, 9401 Wilshire Boulevard, 9th Floor, Beverly Hills, California 90212, attention of Bertram K. Massing.

SECTION 13. Parties. This Agreement shall each inure to the benefit of and be binding upon the Initial Purchasers, the Company and the Guarantors and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Initial Purchasers, the Company and the Guarantors and their respective successors and the controlling persons and officers and directors referred to in Sections 7 and 8 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Initial Purchasers, the Company and the Guarantors and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities and Guarantees from any Initial Purchaser shall be deemed to be a successor by reason merely of such purchase.

SECTION 14. GOVERNING LAW AND TIME. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EXCEPT AS OTHERWISE SET FORTH HEREIN, SPECIFIED TIMES OF DAY REFER TO NEW YORK CITY TIME.

SECTION 15. Effect of Headings. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company and the Guarantors a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Initial Purchasers, the Company and the Guarantors in accordance with its terms.

Very truly yours,

NEWPARK RESOURCES, INC.

By: /s/ JAMES D. COLE

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

SOLOCO, L.L.C.
NEWPARK ENVIRONMENTAL
MANAGEMENT COMPANY, L.L.C.
NEWPARK DRILLING FLUIDS, INC.
SUPREME CONTRACTORS, INC.
EXCALIBAR MINERALS, INC.
EXCALIBAR MINERALS OF LA., L.L.C.
CHEMICAL TECHNOLOGIES, INC.
NEWPARK ENVIRONMENTAL
SERVICES, INC.
BOCKMON CONSTRUCTION
COMPANY, INC.
MALLARD & MALLARD OF LA., INC.

By: /s/ JAMES D. COLE

James D. Cole
Chairman of the Board

SOLOCO TEXAS, L.P.
BATSON-MILL, L.P.
NEWPARK ENVIRONMENTAL SERVICES
OF TEXAS L.P.
NEWPARK TEXAS DRILLING FLUIDS, L.P.
NES PERMIAN BASIN, L.P.
NID, L.P.
NEWPARK ENVIRONMENTAL SERVICES
MISSISSIPPI, L.P.
NEWPARK SHIPHOLDING TEXAS, L.P.

By: Newpark Holdings, Inc.,
Its General Partner

By: /s/ JAMES D. COLE

James D. Cole
President

NEWPARK TEXAS, L.L.C.
NEWPARK HOLDINGS, INC.

By: /s/ JAMES D. COLE

James D. Cole
President

CONFIRMED AND ACCEPTED,
as of the date first above written:

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

DEUTSCHE MORGAN GRENFELL INC.

SALOMON BROTHERS INC

By: MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

By /s/ CHRISTOPHER G. TURNER

Authorized Signatory

For itself and the other Initial Purchasers named in Schedule A hereto.

SCHEDULE A

Name of Initial Purchaser	Principal Amount of Securities
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$ 50,000,000
Deutsche Morgan Grenfell Inc	37,500,000
Salomon Brothers Inc	37,500,000
Total	$125,000,000

SCHEDULE B

Guarantors

SOLOCO, L.L.C. (a Louisiana limited liability company)
SOLOCO TEXAS, L.P. (a Texas limited partnership)
BATSON-MILL, L.P. (a Texas limited partnership)
NEWPARK TEXAS, L.L.C. (a Louisiana limited liability company)
NEWPARK HOLDINGS, INC. (a Louisiana corporation)
NEWPARK ENVIRONMENTAL MANAGEMENT COMPANY, L.L.C.
(a Louisiana limited liability company)
NEWPARK ENVIRONMENTAL SERVICES OF TEXAS L.P.
(a Texas limited partnership)
NEWPARK DRILLING FLUIDS, INC. (a Texas corporation)
SUPREME CONTRACTORS, INC. (a Louisiana corporation)
EXCALIBAR MINERALS, INC. (a Texas corporation)
EXCALIBAR MINERALS OF LA., L.L.C. (a Louisiana limited liability company)
CHEMICAL TECHNOLOGIES,INC. (a Texas corporation)
NEWPARK TEXAS DRILLING FLUIDS, L.P. (a Texas limited partnership)
NES PERMIAN BASIN, L.P. (a Texas limited partnership)
NEWPARK ENVIRONMENTAL SERVICES, INC. (a Delaware corporation)
NID, L.P. (a Texas limited partnership)
BOCKMON CONSTRUCTION COMPANY, INC. (a Texas corporation)
NEWPARK ENVIRONMENTAL SERVICES MISSISSIPPI, L.P.
(a Mississippi limited partnership)
NEWPARK SHIPHOLDING TEXAS, L.P. (a Texas limited partnership)
MALLARD & MALLARD OF LA., INC. (a Louisiana corporation)

Other Subsidiaries

BFC OIL COMPANY (a Louisiana corporation)
CONSOLIDATED MAYFLOWER MINES, INC. (a Utah corporation)
FLORIDA MATT RENTAL, INC. (a Florida corporation)
CHESSHER CONSTRUCTION, INC. (a Texas corporation)
GEORGE R. BROWN SERVICES, INC. (a Texas corporation)
JPI ACQUISITION CORP. (a Texas corporation)
MALLARD & MALLARD, INC. (a Texas corporation)
INTERNATIONAL MAT, LTD. (a Cayman Islands company)
IML DE VENEZUELA, LLC (a Cayman Islands limited liability company)
SOLOCO FSC, INC. (a Barbados company)

SCHEDULE C

NEWPARK RESOURCES, INC.

$125,000,000 Senior Subordinated Notes due 2007

1. The initial offering price of the Securities (including the Guarantees) shall be 100.0% of the principal amount thereof, plus accrued interest, if any, from the date of issuance.

2. The purchase price to be paid by the Initial Purchasers for the Securities and the Guarantees shall be 97.5% of the principal amount thereof.

3. The interest rate on the Securities shall be 8-5/8% per annum.

4. The interest payment dates of the Securities shall be June 15 and December 15, commencing June 15, 1998.

5. The Securities and the Guarantees will be redeemable at the option of the Company and the Guarantors, in whole or in part, at any time on or after December 15, 2002, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period beginning December 15 of the years indicated below:

YEAR	REDEMPTION PRICE
2002.....	104.313%
2003.....	102.875%
2004.....	101.438%
2005 and thereafter..	100.000%

6. At any time and from time to time prior to Company may redeem in the aggregate up to 35% of the original principal amount of or on December 1, 2000, the the Notes with the proceeds of one or more Public Equity Offerings (as defined in the Indenture), at a redemption price (expressed as a percentage of principal amount) of 108.625% plus accrued interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least $81.25 million aggregate principal amount of the Notes must remain outstanding after each such redemption. Any such redemption must occur within 60 days following the closing of such Public Equity Offering.

Exhibit A

FORM OF OPINION OF COMPANY'S COUNSEL
TO BE DELIVERED PURSUANT TO
SECTION 5(a)

(i) Each of the Company and each Guarantor has been duly incorporated (or organized, as the case may be) and is validly existing as a corporation (or limited partnership or limited liability company, as the case may be) in good standing under the laws of its respective jurisdiction of incorporation (or organization, as the case may be). As used herein, the term "in good standing" means that the entity in question has made all filings required to be made, and paid all fees required to be paid in connection therewith, through the date hereof, pursuant to the terms of the general corporation law (or other applicable organizational statute) of its respective jurisdiction of organization except, with respect to the Guarantors, where the failure to make such filing or pay such fee would not have a Material Adverse Effect.

(ii) Each of the Company and each Guarantor has the requisite corporate (or partnership or limited liability company, as the case may be) power and authority to own, lease and operate its respective properties and to conduct its respective business as described in the Offering Memorandum and to enter into and perform its respective obligations under each of the Purchase Agreement, Registration Rights Agreement, Indenture, Securities, Guarantees, Exchange Securities and DTC Agreement (collectively, the "Covered Instruments") to which it is a party.

(iii) Each of the Company and each Guarantor is duly qualified to transact business as a foreign corporation (or limited partnership or limited liability company, as the case may be) in, and is in good standing under the laws of, all jurisdictions where the ownership or leasing of its respective properties or the conduct of its respective business requires such qualification, except where the failure so to qualify or to be in good standing would not result in a Material Adverse Effect.

(iv) The shares of the issued and outstanding capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable; and none of the outstanding shares of capital stock of the Company was issued in violation of the statutory preemptive or other similar statutory rights of any securityholder of the Company.

(v) All the issued and outstanding shares of capital stock of each of the corporate Guarantors have been duly authorized and validly issued, are fully paid and nonassessable and are owned beneficially by the Company free and clear of any security interest or any other security interests, liens, encumbrances, equities or claims.

(vi) The partner interests in each Guarantor that is a limited partnership and the membership interests in each Guarantor that is a limited liability company have been validly issued and fully paid and are owned beneficially by the Company, free and clear of any liens, claims, encumbrances or other similar rights in favor of third parties.

(vii) The Purchase Agreement has been duly authorized, executed and delivered by the Company and by each of the Guarantors.

(viii) The Registration Rights Agreement has been duly authorized, executed and delivered by the Company and by each of the Guarantors, and constitutes the valid and binding obligation of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms.

(ix) The DTC Agreement has been duly authorized, executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(x) The Indenture has been duly authorized, executed and delivered by the Company and each of the Guarantors and constitutes the valid and binding obligation of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms.

(xi) The Securities and the Guarantees are in the form contemplated by the Indenture and have been duly authorized by the Company and each of the Guarantors, and when executed by the Company and each of the Guarantors (as applicable) and authenticated by the Trustee in the manner provided in the Indenture and delivered against payment of the purchase price therefor, will constitute valid and binding obligations of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with their respective terms, and will be entitled to the benefits of the Indenture.

(xii) The Exchange Securities have been duly authorized, and when executed by the Company and each of the Guarantors in exchange for the Securities and Guarantees pursuant to the Exchange Offer, will constitute valid and binding obligations of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with their respective terms.

(xiii) The Securities, the Guarantees, the Exchange Securities, the Registration Rights Agreement and the Indenture conform in all material respects to the descriptions thereof contained in the Offering Memorandum.

(xiv) The documents incorporated by reference in the Offering Memorandum (the "Incorporated Documents") (other than the financial statements and supporting schedules therein, as to which no opinion need be rendered), when they were filed with the Commission or as subsequently amended, complied as to form in all material

respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder.

(xv) There is not pending or, to the best of our knowledge, threatened any action, suit, proceeding, inquiry or investigation, to which the Company or any Subsidiary is a party, or to which the property of the Company or any Subsidiary is subject, before or brought by any court or governmental agency or body, which might reasonably be expected to result in a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the properties or assets thereof or the consummation of the transactions contemplated in the Purchase Agreement or the performance by the Company or any Guarantor of its respective obligations thereunder or under the Securities, the Guarantees or the Exchange Securities.

(xvi) The information contained in the Offering Memorandum under the captions "Risk Factors -- Impact of Government Regulation", "Risk Factors -- Failure to Comply With Governmental Regulations", "Business -- Environmental Regulation", "Business -- Environmental Proceedings" and "Description of Certain Other Indebtedness", to the extent that it constitutes matters of law, summaries of legal matters, summaries of the Company's charter and bylaws and summaries of legal proceedings, or legal conclusions, has been reviewed by us and is correct in all material respects.

(xvii) Neither the Company nor any of the Guarantors is in violation of its charter or bylaws (or if a partnership, limited liability company or other legal entity, of its equivalent constituent documents), and, to the best of our knowledge, no default by the Company or any of the Guarantors exists in the due performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other agreement or instrument that is described or referred to in the Offering Memorandum or filed or incorporated by reference as an exhibit to the Offering Memorandum or any Incorporated Document, which default, singly or in the aggregate, would have a Material Adverse Effect.

(xviii) All descriptions in the Offering Memorandum and in the documents incorporated by reference therein of contracts and other documents to which the Company, any Guarantor or any of their subsidiaries are a party are accurate in all material respects; to the best of our knowledge, there are no franchises, contracts, indentures, mortgages, loan agreements, notes, leases or other instruments that would be required to be described in the Offering Memorandum (assuming that the Offering Memorandum were included in a Registration Statement on Form S-1) and in the documents incorporated by reference therein that are not described or referred to in the Offering Memorandum or in the documents incorporated by reference therein other than those described or referred to therein, and the descriptions thereof or references thereto are correct in all material respects.

(xix) No authorization, approval, consent, license, order, registration, qualification or decree of any court or governmental authority or agency, domestic or foreign, is necessary in connection with the due authorization, execution and delivery of the Purchase Agreement or the due execution, delivery or performance of the Indenture by the Company or any of the Guarantors or for the offering, issuance, sale or delivery of the Securities and the Guarantees to the Initial Purchasers or for the resale of the Securities and the Guarantees by the Initial Purchasers in accordance with the Purchase Agreement and in the manner contemplated by the Offering Memorandum, or for the performance by the Company or any of the Guarantors of their respective obligations thereunder, in connection with the offering, issuance or sale of the Securities and the Guarantees pursuant to the Purchase Agreement and in the manner contemplated by the Offering Memorandum or the consummation of the transaction contemplated by the Covered Instruments (including the issuance and sale of the Securities and the Guarantees and the use of proceeds from the sale of the Securities and the Guarantees as described in the Offering Memorandum under the caption "Use of Proceeds"), except, with respect to the consummation of the transactions contemplated by the Registration Rights Agreement, such as have been obtained and such as may be required under the 1933 Act or the Trust Indenture Act or Blue Sky or other state securities laws, as to which we express no opinion.

(xx) It is not necessary in connection with the offer, sale and delivery of the Securities and the Guarantees to the Initial Purchasers and to each Subsequent Purchaser, in each case in the manner contemplated by the Purchase Agreement, the Registration Rights Agreement and the Offering Memorandum, to register the Securities and the Guarantees under the 1933 Act or to qualify the Indenture under the Trust Indenture Act.

(xxi) The execution, delivery and performance of each of the Covered Instruments to which it is a party by each of the Company and each Guarantor, the consummation of the transactions contemplated by the Purchase Agreement and the Offering Memorandum (including the issuance and sale of the Securities and Guarantees and the use of the proceeds from the sale of the Securities and Guarantees as described in the Offering Memorandum under the caption "Use Of Proceeds"), and compliance by the Company and the Guarantors with their respective obligations under the terms of each the Covered Instruments: (a) have been duly authorized by all necessary corporate, partnership or limited liability company action, as the case may be; (b) do not and will not, whether with or without the giving of notice or the passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined in Section 1(a)(xiii) of the Purchase Agreement) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any Guarantor pursuant to, any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or any other agreement or instrument known to us, to which the Company or any Guarantor is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any Guarantor is subject (except for such conflicts, breaches or defaults or liens, charges or encumbrances that would not have a Material Adverse Effect); and (c) will not result

in any violation of the provisions of the charter or by-laws or other constituent documents of the Company or any Guarantor, or of any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any Guarantor or any Subsidiary, or any of their respective properties, assets or operations, to the extent such violation would result in a Material Adverse Effect.

(xxii) Neither the Company nor any of the Guarantors is an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the 1940 Act.

During the course of the preparation of the Offering Memorandum, we have participated in conferences with certain officers and other representatives of the Company at which the contents of the Offering Memorandum and related matters were discussed. Given the limitations inherent in the independent verification of factual matters and the character of determinations involved in the offering process, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any portion of the Offering Memorandum (except to the extent set forth in paragraph (xvi) above), and we have not independently verified the accuracy, completeness or fairness of any information contained in the Offering Memorandum. Subject to, and on the basis of the foregoing, no facts have come to our attention that cause us to believe that, as of the date of the Offering Memorandum, the Offering Memorandum contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that, as of the date hereof, contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, except that we make no comment with respect to the financial statements, notes, schedules or other financial data included or incorporated in or omitted from the Offering Memorandum.

In rendering such opinion, we are relying (A), to the extent that our opinions with respect to enforceability given in paragraphs (viii), (ix), (x), (xi) and (xii) involve matters governed by the laws of the State of New York, on the opinion of Fulbright & Jaworksi L.L.P., addressed to the Initial Purchasers, and (B), as to matters of fact (but not as to legal conclusions), to the extent we deem proper, on certificates of responsible officers of the Company and public officials. Such opinion shall not state that it is to be governed or qualified by, or that it is otherwise subject to, any treatise, written policy or other document relating to legal opinions, including, without limitation, the Legal Opinion Accord of the ABA Section of Business Law (1991).

EXHIBIT B

[DELOITTE & TOUCHE LLP
LETTERHEAD APPEARS HERE]

Suite 3700 Telephone: (504) 581-2727
One Shell Square Facsimile: (504) 561-7293
701 Poydras Street
New Orleans, Louisiana 70139-3700

December 10, 1997

Merrill Lynch & Co.
Deutsche Morgan Grenfell Inc.
Salomon Brothers Inc
c/o Merrill Lynch & Co.
(as representative of the Initial Purchasers)
250 Vesey Street
New York, New York 10281

Dear Sirs:

We have audited the consolidated balance sheets of Newpark Resources, Inc. (the Company) and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1996, included in the Offering Memorandum for $125,000,000 of Newpark Resources, Inc. Senior Subordinated Notes (the Notes) due 2007. Our report with respect thereto is included in the Offering Memorandum. This Offering Memorandum, dated December 10, 1997, is herein referred to as the Offering Memorandum.

This letter is being furnished in reliance upon your representation to us that--

a. You are knowledgeable with respect to the due diligence review process that would be performed if this placement of securities were being registered pursuant to the Securities Act of 1933 (the Act).

b. In connection with the offering of the Notes, the review process you have performed is substantially consistent with the due diligence review process that you would have performed if this placement of securities were being registered pursuant to the Act.

In connection with the Offering Memorandum--

1. We are independent certified public accountants with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.

2. In our opinion, the consolidated financial statements audited by us and included in the Offering Memorandum comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations.

3. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 1996; although we have conducted an audit for the year ended December 31, 1996, the purpose (and therefore the scope) of the audit was to enable us to express our opinion on the financial statements as of December 31, 1996, and for the year then ended, but not on the financial statements for any interim period within that year. Therefore, we are unable to express any opinion on the unaudited consolidated balance sheet as of September 30, 1997, and the unaudited consolidated statement of income, stockholders' equity, and cash flows for the nine-month periods ended September 30, 1997 and 1996, included in the Offering Memorandum, or on the financial position, results of operations, or cash flows as of any date or for any period subsequent to December 31, 1996.

4. For purpose of this letter, we have read the 1997 minutes of meetings of the stockholders and the board of directors of the Company as set forth in the minute books as of September 17, 1997, officials of the Company having advised us that the minutes of all such meetings through that date were set forth therein; we have carried out other procedures to December 8, 1997, as follows (our work did not extend to the period from December 9, 1997, to December 10, 1997, inclusive):

   a. With respect to the nine-month periods ended September 30, 1997 and 1996, we have--

      (i) Performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in SAS No. 71, Interim Financial Information, on the unaudited consolidated balance sheet as of September 30, 1997, and unaudited consolidated statements of income, stockholders' equity, and cash flows for the nine-month periods ended September 30, 1997 and 1996, included in the Offering Memorandum.

      (ii) Inquired of certain officials of the Company who have responsibility for financial and accounting matters whether the unaudited consolidated financial statements referred to in a(i) comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations.

   b. With respect to the period from October 1, 1997 to October 31, 1997, we have--

      (i) Read the unaudited consolidated financial statements of the Company and subsidiaries for October 1997 furnished us by the Company, officials of the Company having advised us that no such financial statements as of any date for any period subsequent to October 31, 1997, were available.

      (ii) Inquired of certain officials of the Company who have responsibility for financial and accounting matters whether the unaudited consolidated financial statements referred to in b(i) are stated on a basis substantially consistent with that of the audited consolidated financial statements included in the Offering Memorandum.

The foregoing procedures do not constitute an audit conducted in accordance with generally accepted auditing standards. Also, they would not necessarily reveal matters of significance with respect to the comments in the following paragraph. Accordingly, we make no representations regarding the sufficiency of the foregoing procedures for your purposes.

5. Nothing came to our attention as a result of the foregoing procedures, however, that caused us to believe that:

   a. (i) Any material modifications should be made to the unaudited consolidated financial statements described in 4a(i), included in the Offering Memorandum, for them to be in conformity with generally accepted accounting principles.

      (ii) The unaudited consolidated financial statements described in 4a(i) do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations.

   b. (i) At October 31, 1997, there was any change in the capital stock, increase in short-term indebtedness or long-term debt, or decrease in consolidated net current assets or stockholders' equity of the consolidated Company as compared with amounts shown in the September 30, 1997, unaudited consolidated balance sheet included in the Offering Memorandum, except as follows (in thousands of dollars):

	September 30, 1997	October 31, 1997	Increase	Decrease
Capital stock	$ 634	$ 634	$ --	$ --
Short-term indebtedness	1,650	1,247	--	403
Long-term debt	76,392	80,092	3,700	--
Net current assets	88,257	89,473	1,216	--

      (ii) For the period from October 1, 1997 to October 31, 1997, there were any decreases, as compared to the corresponding period in the preceding year, in consolidated net sales, consolidated operating income or in the total or per-share amounts of consolidated net income, except in all instances for changes, increases, or decreases that the Offering Memorandum discloses have occurred or may occur.

6. As mentioned in 4b, Company officials have advised us that no consolidated financial statements as of any date or for any period subsequent to October 31, 1997, are available; accordingly, the procedures carried out by us with respect to changes in financial statement items after October 31, 1997, have, of necessity, been even more limited than those with respect to the periods referred to in 4. We have inquired of certain officials of the Company who have responsibility for financial and accounting matters whether at December 8, 1997 there was any change in the capital stock, increase in short-term indebtedness or long-term debt of the consolidated Company as compared with amounts shown on the September 30, 1997, unaudited consolidated balance sheet of the Company included in the Offering Memorandum. We have been informed by officials of the Company that they believe: (1) capital stock, as described in 5b(i), has not changed from September 30, 1997 to December 8, 1997, (2) the decrease in short-term indebtedness, as described in 5b(i), continues in substantially the same amount at December 8, 1997, and (3) the increase in long-term debt, as described in 5b(i), from September 30, 1997 to December 8, 1997 is approximately $16.1 million.

7. For purposes of this letter, we have also read the items identified by you on the attached copy of the Offering Memorandum, Form 10-K, Form 10-K/A, and the definitive proxy materials and have performed the following procedures, which were applied as indicated with respect to the symbols explained below:

   Compared the amount with the Company's audited financial statements for the period indicated contained in the Offering Memorandum and found them to be in agreement.

   Compared the amount with the Company's audited financial statements for the period indicated and found them to be in agreement after giving effect to the following: (1) a 2-for-1 stock split approved by the board of directors on October 27, 1997, (2) a 2-for-1 stock split approved by the board of directors on May 14, 1997, (3) a 5% stock dividend declared and paid in 1995, and (4) restatement of amounts due to a transaction on February 28, 1997 that was accounted for as a pooling of interests.

   Compared to the amount with a schedule or report prepared by the Company and found them to be in agreement. Amounts appearing in such schedule or report were compared with accounting records of the Company and found to be in agreement.

   Proved the arithmetic accuracy of the amounts, percentages or per share information based upon data contained in the Offering Memorandum.

8. Our audits of the consolidated financial statements for the Company for the periods referred to in the introductory paragraph of this letter comprised audit tests and procedures deemed necessary for the purpose of expressing an opinion on such financial statements taken as a whole. For none of the periods referred to therein, or any other period, did we perform audit tests for the purpose of expressing an opinion on individual balances of accounts or summaries of selected transactions such as those enumerated above, and, accordingly, we express no opinion thereon.

9. It should be understood that we make no representations regarding questions of legal interpretation or regarding the sufficiency for your purposes of the procedures enumerated in the preceding paragraph; also, such procedures would not necessarily reveal any material misstatement of the amounts or percentages listed above. Further, we have addressed ourselves solely for the foregoing data as set forth in the Offering Memorandum and make no representations regarding the adequacy of disclosure or regarding whether any material facts have been omitted.

10. This letter is solely for the information of the addressees and to assist the initial purchasers in conducting and documenting their investigation of the affairs of the Company in connection with the offering of the Notes covered by the Offering Memorandum and it is not to be used, circulated, quoted, or otherwise referred to for any purpose, including but not limited to the purchase or sale of the Notes, nor is it to be filed with or referred to in whole or in part in the Offering Memorandum or any other document, except that reference may be made to it in the purchase agreement or in any list of closing documents pertaining to the offering of the Notes covered by the Offering Memorandum.

Very truly yours,

/s/ Deloitte & Touche LLP

EXHIBIT 12.1

NEWPARK RESOURCES, INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	YEAR ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,	
	1992	1993	1994	1995	1996	1996	1997
Earnings:							
Income from continuing operations before provision for income taxes	$4,132	$ 975	$ 9,465	$17,499	$28,341	$17,516	$40,236
Capitalized interest	--	(85)	(145)	(458)	(515)	(291)	(909)
Amortized of capitalized interest	--	4	12	34	60	75	120
Total	4,132	894	9,332	17,075	27,886	17,300	39,447
Fixed charges:							
Interest	847	1,391	2,869	4,291	4,415	3,145	3,612
Interest factor portion of rentals	554	634	614	788	815	719	840
Total	1,401	2,025	3,483	5,079	5,230	3,864	4,452
Earnings before income taxes and fixed charges	$5,533	$2,919	$12,815	$22,154	$33,116	$21,164	$43,899
Ratio of earnings to fixed charges	4.0x	1.4x	3.7x	4.4x	6.3x	5.5x	9.9x

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement on Form S-4 of our report dated May 14, 1997, included in the Annual Report on Form 10-K/A of Newpark Resources, Inc. for the year ended December 31, 1996, and to the use of our report dated May 14, 1997, appearing in the Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Prospectus.

Deloitte & Touche LLP
New Orleans, Louisiana

January 27, 1998

EXHIBIT 25.1

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE
TRUST INDENTURE ACT OF 1939 OF A CORPORATION
DESIGNATED TO ACT AS TRUSTEE
[ ] CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(B)(2)

STATE STREET BANK AND TRUST COMPANY
(Exact name of trustee as specified in its charter)

Massachusetts	04-1867445
(State of incorporation if not a national bank	(I.R.S. Employer Identification No.)

225 Franklin Street, Boston, Massachusetts 02110
(Address of principal executive offices) (Zip Code)

John R. Towers, Executive Vice President and General Counsel,
225 Franklin Street, Boston, Massachusetts 02110
(617) 654-3253
(Name, address and telephone number of agent for service)

NEWPARK RESOURCES, INC.
See Schedule I for a List of the Guarantors
(Exact name of obligor as specified in its charter)

Delaware See Schedule I for Guarantors' Information	72-1123385 See Schedule I for Guarantors' Information
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3850 North Causeway, Suite 1770, Metairie, Louisiana 70002
(Address of principal executive offices) (Zip Code)

8 5/8% Senior Subordinated Notes due 2007, Series B, and
Guarantees of 8 5/8% Senior Subordinated Notes due 2007, Series B
(Title of the indenture securities)

Item l. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject:

Department of Banking and Insurance of
The Commonwealth of Massachusetts
100 Cambridge Street
Boston, Massachusetts

Board of Governors of the Federal Reserve System
Washington, D.C.

Federal Deposit Insurance Corporation
Washington, D.C.

(b) Whether it is authorized to exercise corporate trust powers:

The trustee is so authorized.

Item 2. Affiliations with obligor. If the obligor is an affiliate of the trustee, describe each such affiliation.

None with respect to the trustee or its parent, State Street Corporation.

Item l6. List of exhibits. List below all exhibits filed as a part of this statement of eligibility and qualification.

l. A copy of the Articles of Association of the trustee as now in effect.

A copy of the Articles of Association of the trustee, as now in effect, is on file with the Securities and Exchange Commission as Exhibit 1 to Amendment No. 1 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Morse Shoe, Inc. (File No. 22-17940) and is incorporated herein by reference thereto.

2. A copy of the Certificate of Authority of the trustee to do Business.

A copy of a Statement from the Commissioner of Banks of Massachusetts that no certificate of authority for the trustee to commence business was necessary or issued is on file with the Securities

and Exchange Commission as Exhibit 2 to Amendment No. 1 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Morse Shoe, Inc. (File No. 22-17940) and is incorporated herein by reference thereto.

3. A copy of the Certification of Fiduciary Powers of the Trustee.

A copy of the authorization of the trustee to exercise corporate trust powers is on file with the Securities and Exchange Commission as Exhibit 3 to Amendment No. 1 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Morse Shoe, Inc. (File No. 22-17940) and is incorporated herein by reference thereto.

4. A copy of the By-laws of the trustee as now in effect.

A copy of the By-Laws of the trustee, as now in effect, is on file with the Securities and Exchange Commission as Exhibit 4 to the Statement of Eligibility and Qualification of Trustee (Form T-1) filed with Registration Statement of Eastern Edison Company (File No. 33-37823) and is incorporated herein by reference thereto.

5. A consent of the trustee required by Section 32l(b) of the Act is annexed hereto as Exhibit 5 and made a part hereof.

6. A copy of the latest Consolidated Reports of Condition of the trustee, published pursuant to law or the requirements of its supervising or examining authority.

A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority is annexed hereto as Exhibit 6 and made a part hereof.

NOTES

Inasmuch as this Form T-l is filed prior to the ascertainment by the trustee of all facts on which to base its answer to Item 2, the answer to said Item is based upon incomplete information. Said Item may, however, be considered correct unless amended by an amendment to this Form T-l.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of l939, the trustee, State Street Bank and Trust Company, a Massachusetts trust company, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Hartford, and State of Connecticut, on the 27th day of January, 1998.

STATE STREET BANK AND TRUST
COMPANY,
Trustee

By /s/ DENNIS FISHER

Name: Dennis Fisher
Title: Assistant Vice President

EXHIBIT 5

CONSENT OF THE TRUSTEE
REQUIRED BY SECTION 321(b)
OF THE TRUST INDENTURE ACT OF 1939

The undersigned, as Trustee under an Indenture entered into among Newpark Resources, Inc., the Guarantors listed on Schedule I and State Street Bank and Trust Company, Trustee, does hereby consent that, pursuant to Section 321(b) of the Trust Indenture Act of 1939, reports of examinations with respect to the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

STATE STREET BANK AND TRUST
COMPANY,
Trustee

By /s/ DENNIS FISHER

Name: Dennis Fisher
Title: Assistant Vice President

Dated: January 27, 1998

Consolidated Report of Condition of State Street Bank and Trust Company, Massachusetts and foreign and domestic subsidiaries, a state banking institution organized and operating under the banking laws of this commonwealth and a member of the Federal Reserve System, at the close of business March 31, 1997, published in accordance with a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federal Reserve Act and in accordance with a call made by the Commissioner of Banks under General Laws, Chapter 172, Section 22(a).

ASSETS		THOUSANDS OF DOLLARS
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		1,665,142
Interest-bearing balances		8,193,292
Securities		10,238,113
Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge subsidiary		5,863,144
Loans and lease financing receivables:		
Loans and leases, net of unearned income	4,936,454	
Allowance for loan and lease losses	70,307	
Loans and leases, net of unearned income and allowance		4,866,147
Assets held in trading accounts		957,478
Premises and fixed assets		380,117
Other real estate owned		884
Investments in unconsolidated subsidiaries		26,835
Customers' liability to this bank on acceptances outstanding		45,548
Intangible assets		158,080
Other assets		1,066,957
TOTAL ASSETS		33,450,737
LIABILITIES		
Deposits:		
In domestic offices		8,270,845
Noninterest-bearing	6,318,360	
Interest-bearing	1,952,485	
In foreign offices and Edge subsidiary		12,760,086
Noninterest-bearing	53,052	
Interest-bearing	12,707,034	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge subsidiary		8,216,641
Demand notes issued to the U.S. Treasury and Trading Liabilities		926,821
Other borrowed money		671,164
Subordinated notes and debentures		0
Bank's liability on acceptances executed and outstanding		46,137
Other liabilities		745,529
TOTAL LIABILITIES		31,637,223
EQUITY CAPITAL		
Perpetual preferred stock and related surplus		0
Common Stock		29,931
Surplus		360,717
Undivided profits and capital reserves/Net unrealized holding gains (losses)		1,426,881
Cumulative foreign currency translation adjustments		(4,015)
TOTAL EQUITY CAPITAL		1,813,514
TOTAL LIABILITIES AND EQUITY CAPITAL		33,450,737

I, Rex S. Schuette, Senior Vice President and Comptroller of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Rex S. Schuette

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true and correct.

David A. Spina
Marshall N. Carter
Charles F. Kaye

SCHEDULE I

LIST OF GUARANTORS

EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION	I.R.S. EMPLOYER IDENTIFICATION NO.
SOLOCO, L.L.C.	Louisiana	72-1286785
SOLOCO Texas, L.P.	Texas	72-1284720
Batson-Mill, L.P.	Texas	72-1284721
Newpark Texas, L.L.C.	Louisiana	72-1286789
Newpark Holdings, Inc.	Louisiana	72-1286594
Newpark Environmental Management Company L.L.C.	Louisiana	72-0770718
Newpark Environmental Services of Texas L.P.	Texas	72-1312748
Newpark Drilling Fluids, Inc.	Texas	76-0294800
Supreme Contractors, Inc.	Louisiana	72-1089713
Excalibar Minerals, Inc.	Texas	93-1055876
Excalibar Minerals of LA, L.L.C.	Louisiana	72-1363543
Chemical Technologies, Inc.	Texas	76-0476109
Newpark Texas Drilling Fluids, L.P.	Texas	76-0514960
NES Permian Basin, L.P.	Texas	72-1397586
Newpark Environmental Services, Inc.	Delaware	72-1335837
NID, L.P.	Texas	72-1347084
Bockmon Construction Company, Inc.	Texas	74-1536217
Newpark Environmental Services Mississippi, L.P.	Mississippi	72-1373214
Newpark Shipholding Texas, L.P.	Texas	72-1286763
Mallard & Mallard of LA, Inc.	Louisiana	74-2062791

EXHIBIT 99.1

NEWPARK RESOURCES, INC.

LETTER OF TRANSMITTAL
FOR
TENDER OF ALL OUTSTANDING
8 5/8% SENIOR SUBORDINATED NOTES DUE 2007, SERIES A
IN EXCHANGE FOR
8 5/8% SENIOR SUBORDINATED NOTES DUE 2007, SERIES B,
THE ISSUANCE OF WHICH HAS BEEN REGISTERED
UNDER THE SECURITIES ACT OF 1933
PURSUANT TO THE PROSPECTUS DATED _____, 1998

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME,
ON _____, 1998, UNLESS EXTENDED (THE "EXPIRATION DATE").

DELIVER TO THE EXCHANGE AGENT:

STATE STREET BANK AND TRUST COMPANY

By Mail:	By Facsimile Transmission	By Overnight or Hand
(registered or certified	(for Eligible Institutions only)	Delivery:
recommended)	(617) 664-5232	State Street Bank and
State Street Bank and	Attention: Sandra Szczsponik	Trust Company
Trust Company	Confirm by Telephone:	Corporate Trust Department
P.O. Box 778	(617) 664-5314	Two International Place
Boston, MA 02102-0078		Fourth Floor
Attention: Sandra Szczsponik		Boston, MA 02102-0078
		Attention: Sandra Szczsponik

For information or confirmation by telephone: (617) 664-5314

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONE LISTED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

The undersigned hereby acknowledges receipt and review of the Prospectus dated _____, 1998 (the "Prospectus") of Newpark Resources, Inc., a Delaware corporation (the "Company"), and this Letter of Transmittal (the "Letter of Transmittal"), which together constitute the Company's offer (the "Exchange Offer") to exchange its 8 5/8% Senior Subordinated Notes Due 2007, Series B (the "Exchange Notes"), the issuance of which has been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a Registration Statement of which the Prospectus is a part, for a like principal amount of its outstanding 8 5/8% Senior Subordinated Notes Due 2007, Series A (the "144A Notes"), upon the terms and subject to the conditions set forth in the Prospectus. Capitalized terms used but not defined herein have the respective meanings given to them in the Prospectus.

The Company reserves the right, at any time or from time to time, to extend the Exchange Offer at its discretion, in which event the term "Expiration Date" shall mean the latest date to which the Exchange Offer is extended. The Company will notify the Exchange Agent of any extension by oral or written notice and will make a public announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

Registered Holders of Exchange Notes on the relevant record date for the first interest payment date following the consummation of the Exchange Offer will receive interest accruing from the most recent date to which interest has been paid on the 144A Notes or, if no interest has been paid, from December 17, 1997. 144A Notes accepted for exchange will cease to accrue interest from and after the date of consummation of the Exchange Offer. Holders whose 144A Notes are accepted for exchange will not receive any payment in respect of accrued interest on such 144A Notes otherwise payable on any interest payment date the record date for which occurs on or after consummation of the Exchange Offer.

This Letter of Transmittal is to be used either if (i) certificates representing 144A Notes are to be physically delivered to State Street Bank and Trust Company (the "Exchange Agent") herewith by Holders, (ii) tender of 144A Notes is to be made by book-entry transfer to an account maintained by the Exchange Agent at The Depository Trust Company (the "Depository"), pursuant to the procedures set forth in "The Exchange Offer -- Procedures for Tendering" in the Prospectus by any financial institution that is a participant in the Depository and whose name appears on a security position listing as the owner of 144A Notes, or (iii) tender of 144A Notes is to be made according to the guaranteed delivery procedures set forth in the Prospectus under "The Exchange Offer--Guaranteed Delivery Procedures." Even if the tender of 144A Notes is made by book-entry transfer, delivery of this Letter of Transmittal and any other required documents must be made to the Exchange Agent.

DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY
DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

The term "Holder" with respect to the Exchange Offer means any person in whose name 144A Notes are registered on the books of the Company or any other person who has obtained a properly completed assignment from the registered holder or any participant in the Depository's system whose name appears on a security position as the holder of such 144A Notes and who desires to deliver 144A Notes by book-entry transfer at the Depository. All Holders of 144A Notes who wish to tender their 144A Notes must, prior to the Expiration Date: (i) complete, sign and deliver this Letter of Transmittal, or a facsimile thereof, to the Exchange Agent, in person or to the address set forth above, and (ii) tender (and not withdraw) their 144A Notes or, if a tender of 144A Notes is to be made by book-entry transfer to the account maintained by the Exchange Agent at the Depository, confirm such book-entry transfer, in each case in accordance with the procedures for tendering described in the Prospectus and the Instructions to this Letter of Transmittal. Holders of 144A Notes whose certificates are not immediately available, or who are unable to deliver their

certificates or book-entry confirmation and all other documents required by this Letter of Transmittal to be delivered to the Exchange Agent on or prior to the Expiration Date, may tender their 144A Notes according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer--Guaranteed Delivery Procedures" in the Prospectus. See Instruction 2.

The undersigned has completed, executed and delivered this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the Exchange Offer. Holders who wish to tender their 144A Notes must complete this Letter of Transmittal in its entirety.

For purposes of the Exchange Offer, the Company shall be deemed to have accepted for exchange validly tendered 144A Notes when, as and if the Company has given oral or written notice thereof to the Exchange Agent. Any tendered 144A Notes that are not accepted for exchange pursuant to the Exchange Offer for any reason will be returned (except as otherwise indicated below with respect to tenders through the Depository), without expense, to the undersigned at the address shown below or at a different address as may be indicated herein under "Special Delivery Instructions", as promptly as practicable after the Expiration Date.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL AND THE PROSPECTUS CAREFULLY BEFORE CHECKING ANY BOX BELOW.

THE INSTRUCTIONS INCLUDED WITH THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED. QUESTIONS AND REQUESTS FOR ASSISTANCE OR FOR ADDITIONAL COPIES OF THE PROSPECTUS AND THIS LETTER OF TRANSMITTAL MAY BE DIRECTED TO THE EXCHANGE AGENT.

List below the 144A Notes to which this Letter of Transmittal relates. If the space below is inadequate, list the registered numbers and principal amounts on a separate signed schedule and affix the list to this Letter of Transmittal.

DESCRIPTION OF 144A NOTES TENDERED

Name(s) and Address(es) of Registered Holder(s) Exactly as Name(s) Appear(s) on 144A Notes (Please Fill In, If Blank)	144A Note(s) Tendered		
	Registered Number(s)*	Aggregate Principal Amount Represented by Note(s)	Principal Amount Tendered**
	Total		

* Need not be completed by book-entry holders.

** Unless otherwise indicated, any tendering holder of 144A Notes will be deemed to have tendered the entire aggregate principal amount represented by such 144A Notes. All tenders must be in integral multiples of $1,000.

- ---

[_] CHECK HERE IF TENDERED 144A NOTES ARE ENCLOSED HEREWITH.

[_] CHECK HERE AND COMPLETE THE FOLLOWING IF TENDERED 144A NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH THE DEPOSITORY (FOR USE BY ELIGIBLE INSTITUTIONS (AS HEREINAFTER DEFINED) ONLY):

Name of Tendering Institution:_____

DTC Account Number:_____

Transaction Code Number:_____

Holders whose 144A Notes are not immediately available or who cannot deliver their 144A Notes and all other documents required hereby to the Exchange Agent on or prior to the Expiration Date may tender their 144A Notes according to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer--Guaranteed Delivery Procedures." See Instruction 2.

[_] CHECK HERE AND ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY IF TENDERED 144A NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING (FOR USE BY ELIGIBLE INSTITUTIONS ONLY):

Name(s) of Registered Holder(s) of 144A Notes:_____

Date of Execution of Notice of Guaranteed Delivery:_____

Window Ticket Number (if available):_____

Name of Eligible Institution that Guaranteed Delivery:_____

DTC Account Number (if delivered by book-entry transfer):_____

Transaction Code Number (if delivered by book-entry transfer):_____

Name of Tendering Institution (if delivered by book-entry transfer):_____

[_] CHECK HERE IF TENDERED BY BOOK-ENTRY TRANSFER AND NON-EXCHANGED 144A NOTES ARE TO BE RETURNED BY CREDITING THE DTC ACCOUNT NUMBER SET FORTH ABOVE (FOR USE BY ELIGIBLE INSTITUTIONS ONLY).

[_] CHECK HERE AND COMPLETE THE FOLLOWING IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO:

Name:_____

Address:_____

_____

SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Subject to the terms and conditions of the Exchange Offer, the undersigned hereby tenders to the Company for exchange the principal amount of 144A Notes indicated above. Subject to and effective upon the acceptance for exchange of the principal amount of 144A Notes tendered in accordance with this Letter of Transmittal, the undersigned hereby exchanges, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to the 144A Notes tendered for exchange hereby, including all rights to accrued and unpaid interest thereon as of the Expiration Date. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent the true and lawful agent and attorney-in-fact for the undersigned (with full knowledge that said Exchange Agent also acts as the agent for the Company in connection with the Exchange Offer) with respect to the tendered 144A Notes with full power of substitution, subject only to the right of withdrawal described in the Prospectus, to (i) deliver such 144A Notes, or transfer ownership of such 144A Notes on the account books maintained by the Depository, to the Company and deliver all accompanying evidences of transfer and authenticity, and (ii) present such 144A Notes for transfer on the books of the Company and receive all benefits and otherwise exercise all rights of beneficial ownership of such 144A Notes, all in accordance with the terms of the Exchange Offer. The power of attorney granted in this paragraph shall be deemed to be irrevocable and coupled with an interest.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, exchange, assign and transfer the 144A Notes tendered hereby and to acquire the Exchange Notes issuable upon the exchange of such tendered 144A Notes, and that the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim, when the same are accepted for exchange by the Company. The undersigned hereby further represents that (i) the Exchange Notes to be acquired pursuant to this letter are being acquired in the ordinary course of business of the person receiving such Exchange Notes, whether or not such person is the undersigned, (ii) neither the undersigned nor any such other person is engaged in, intends to engage in or has any arrangement or understanding with any person to participate in the distribution of such Exchange Notes, and (iii) neither the undersigned nor any such person is an "affiliate," as defined in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act"), of the Company. If the undersigned is a broker-dealer, the undersigned further represents that (i) it acquired the 144A Notes for its own account as a result of market-making activities or other trading activities, and (ii) it has not entered into any arrangement or

understanding with the Company or any "affiliate" thereof (within the meaning of Rule 405 under the Securities Act) to distribute the Exchange Notes to be received in the Exchange Offer.

The undersigned also acknowledges that the Exchange Offer is being made in reliance on interpretations by the staff of the Securities and Exchange Commission (the "SEC"), as set forth in no-action letters issued to third parties, including Exxon Capital Holdings Corporation (available May 13, 1988), Morgan Stanley & Co. Incorporated (available June 5, 1991), Sherman & Sterling (available July 2, 1993) and similar no-action letters (the "Prior No-Action Letters"), that the Exchange Notes issued pursuant to the Exchange Offer in exchange for the 144A Notes may be offered for resale, resold and otherwise transferred by Holders thereof (other than (i) a broker-dealer who purchased such 144A Notes directly from the Company for resale pursuant to Rule 144A or any other available exemption under the Securities Act or (ii) a person that is an "affiliate" (within the meaning of Rule 405 of the Securities Act) of the Company), without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of such Holders' business and such Holders are not participating, and have no arrangement or understanding with any person to participate, in a distribution of such Exchange Notes. However, the SEC has not considered the Exchange Offer in the context of a no-action letter, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the Exchange Offer as in other circumstances. If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Notes. If the undersigned is a broker-dealer that is receiving the Exchange Notes for its own account in exchange for 144A Notes that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. The undersigned and any other person receiving the Exchange Notes covered by this letter acknowledge that, if they are participating in the Exchange Offer for the purpose of distributing the Exchange Notes, they cannot rely on the position of the staff of the SEC enunciated in the Prior No-Action Letters and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

The undersigned will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or the Company to be necessary or desirable to complete the exchange, assignment and transfer of the 144A Notes tendered hereby, including the transfer of such 144A Notes on the account books maintained by the Depository.

The Exchange Offer is subject to certain conditions set forth in the Prospectus under the caption "The Exchange Offer--Conditions." The undersigned acknowledges that as a result of these conditions (which may be waived, in whole or in part, by the Company), as more particularly set forth in the Prospectus, the Company may not be required to exchange any of the 144A Notes tendered hereby, and, in such event, the 144A Notes not exchanged will be returned (except as noted below with respect to tenders through the Depository) to the undersigned at the address shown below or at such different address as may be indicated herein under "Special Delivery Instructions", as promptly as practicable after the Expiration Date.

All authority conferred or agreed to be conferred by this Letter of Transmittal shall survive the death, incapacity or dissolution of the undersigned, and every obligation of the undersigned under this Letter of Transmittal shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. The undersigned acknowledges that this tender may be withdrawn only in accordance with the procedures set forth in "The Exchange Offer--Withdrawal Rights" section of the Prospectus and in Instruction 14.

The undersigned acknowledges that the Company's acceptance of properly tendered 144A Notes pursuant to the procedures described under the caption "The Exchange Offer--Procedures for Tendering" in the Prospectus and in the instructions hereto will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer. The undersigned further agrees that acceptance of any tendered 144A Notes by the Company and the issuance of Exchange Notes in exchange therefor shall constitute performance in full by the Company of its obligations under the Registration Agreement and that the Company shall have no further obligations or liabilities thereunder for the registration of the 144A Notes or the Exchange Notes.

Unless otherwise indicated under "Special Issuance Instructions," please issue the Exchange Notes issued in exchange for the 144A Notes accepted for exchange and return any 144A Notes not tendered or not exchanged, in the name(s) of the undersigned (or, in the case of 144A Notes tendered by book-entry transfer, by crediting the DTC account number set forth above). Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail or deliver the Exchange Notes issued in exchange for the 144A Notes accepted for exchange and any 144A Notes not tendered or not exchanged (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s) (unless tender is being made through book-entry transfer). If both "Special Issuance Instructions" and "Special Delivery Instructions" are completed, please issue the Exchange Notes issued in exchange for the 144A Notes accepted for exchange in the name(s) of, and return any 144A Notes not tendered or not exchanged to, the person(s) so indicated. The undersigned recognizes that the Company has no obligation pursuant to the "Special Issuance Instructions" and "Special Delivery Instructions" to transfer any 144A Notes from the name of the registered holder(s) thereof if the Company does not accept for exchange any of the 144A Notes so tendered for exchange.

SPECIAL ISSUANCE INSTRUCTIONS (SEE INSTRUCTION 6)	SPECIAL DELIVERY INSTRUCTIONS (SEE INSTRUCTION 6)
To be completed ONLY (i) if 144A Notes in a principal amount not tendered, or Exchange Notes issued in exchange for 144A Notes accepted for exchange, are to be issued in the name of someone other than the undersigned, or (ii) if 144A Notes tendered by book-entry transfer which are not exchanged are to be returned by credit to an account maintained at the Depository other than the DTC Account Number set forth above.	To be completed ONLY if 144A Notes in a principal amount not tendered, or Exchange Notes issued in exchange for 144A Notes accepted for exchange, are to be mailed or delivered to someone other than the undersigned, or to the undersigned at an address other than that shown below the undersigned's signature.
Issue Exchange Notes and/or 144A Notes to:	Mail or deliver Exchange Notes and/or 144A Notes to:
Name: _____	Name: _____
Address:---------- _____	Address: _____ _____
(Include Zip Code)	(Include Zip Code)
_____ (Tax Identification or Social Security Number)	_____ (Tax Identification or Social Security Number)
(Please Type or Print)	(Please Type or Print)
_____	_____

[_] Credit unexchanged 144A Notes delivered by book-entry transfer to the DTC Account Number set forth below:

DTC Account Number:_____

IMPORTANT
REGISTERED HOLDERS OF 144A NOTES
PLEASE SIGN HERE WHETHER OR NOT
144A NOTES ARE BEING PHYSICALLY TENDERED HEREBY
(In addition, complete Accompanying Substitute Form W-9 Below)

X_____

X_____
(Signature(s) of Registered Holders of 144A Notes)

Dated: _____, 1998

(The above lines must be signed by the registered holder(s) of 144A Notes exactly as your name(s) appear(s) on the 144A Notes or, if tendered by a participant in the Depository, exactly as such participant's name appears on a security position listing as the owner of the tendered 144A Notes, or by person(s) authorized to become registered holder(s) by endorsements and documents transmitted herewith. If 144A Notes to which this Letter of Transmittal relates are held of record by two or more joint holders, then all such holders must sign this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then such person must (i) set forth his or her full name and title below, and (ii) unless waived by the Company, submit evidence satisfactory to the Company of such person's authority so to act. See Instruction 3 regarding the completion of this Letter of Transmittal, printed below.)

Name(s):_____
(Please Type or Print)

Capacity (Full Title):_____

Address:_____

_____
(Include Zip Code)

Area Code and Telephone Number:_____

Taxpayer Identification or Social Security Number:_____

SIGNATURE GUARANTEE
(If Required by Instruction 5)

Certain signatures must be guaranteed by an Eligible Institution. See Instruction 5.

Signature(s) Guaranteed by an
Eligible Institution:_____
Authorized Signature

_____
Name of Eligible Institution Guaranteeing Signature(s)

_____
Name and Title of Person Signing Guarantee

_____
Address, Including Zip Code

_____
Area Code and Telephone Number

Dated:_____, 1998

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND 144A NOTES OR BOOK-ENTRY CONFIRMATIONS. All physically delivered 144A Notes or confirmation of any book-entry transfer to the Exchange Agent's account of 144A Notes tendered by book-entry transfer, as well as, in each case (including cases where tender is affected by book-entry transfer), a properly completed and duly executed copy of this Letter of Transmittal or facsimile hereof, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. THE METHOD OF DELIVERY OF THE TENDERED 144A NOTES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDER, AND, EXCEPT AS OTHERWISE PROVIDED BELOW, THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED OR CONFIRMED BY THE EXCHANGE AGENT. INSTEAD OF DELIVERY BY MAIL, IT IS RECOMMENDED THAT THE HOLDER USE AN OVERNIGHT OR HAND DELIVERY SERVICE. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ASSURE DELIVERY TO THE EXCHANGE AGENT BEFORE THE EXPIRATION DATE. NO LETTER OF TRANSMITTAL OR 144A NOTES SHOULD BE SENT TO THE COMPANY. DELIVERY TO AN ADDRESS OTHER

THAN AS SET FORTH HEREIN, OR INSTRUCTIONS VIA A FACSIMILE NUMBER OTHER THAN THE ONE SET FORTH HEREIN, WILL NOT CONSTITUTE A VALID DELIVERY.

2. GUARANTEED DELIVERY PROCEDURES. Holders who wish to tender their 144A Notes and whose 144A Notes are not immediately available or who cannot deliver their 144A Notes, this Letter of Transmittal or any other documents required hereby to the Exchange Agent prior to the Expiration Date or who cannot complete the procedure for book-entry transfer on a timely basis, must tender their 144A Notes according to the guaranteed delivery procedures set forth in the Prospectus. Pursuant to such procedures: (i) such tender must be made by or through a firm which is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or a trust company having an office or correspondent in the United States or an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Exchange Act (an "Eligible Institution"); (ii) prior to the Expiration Date, the Exchange Agent must have received from the Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the holder of the 144A Notes, the registration number(s) of such 144A Notes and the total principal amount of 144A Notes tendered, stating that the tender is being made thereby and guaranteeing that, within the three New York Stock Exchange trading days after the date of execution of the Notice of Guaranteed Delivery, this Letter of Transmittal (or facsimile hereof), together with the 144A Notes in proper form for transfer (or a confirmation of book-entry transfer of such 144A Notes into the Exchange Agent's account at the Depository) and any other documents required hereby, will be deposited by the Eligible Institution with the Exchange Agent; and (iii) the certificates for all physically tendered shares of 144A Notes, in proper form for transfer (or book-entry confirmation, as the case may be), and all other documents required hereby must be received by the Exchange Agent within three New York Stock Exchange trading days after the date of execution of the Notice of Guaranteed Delivery.

Any holder of 144A Notes who wishes to tender 144A Notes pursuant to the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery prior to 5:00 p.m., New York City time, on the Expiration Date. Upon request of the Exchange Agent, a Notice of Guaranteed Delivery will be sent to holders who wish to tender their 144A Notes according to the guaranteed delivery procedures set forth above.

See "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus.

3. TENDER BY HOLDER. Only a holder of 144A Notes may tender such 144A Notes in the Exchange Offer. Any beneficial holder of 144A Notes who is not the registered holder and who wishes to tender should arrange with the registered holder to execute and deliver this Letter of Transmittal on its behalf or must, prior to completing and executing this Letter of Transmittal and delivering its 144A Notes, either make appropriate arrangements to register ownership of the 144A Notes in such holder's name or obtain a properly completed assignment from the registered holder. The transfer of record ownership may take considerable time, and completion of such transfer prior to the Expiration Date may not be possible.

4. PARTIAL TENDERS. Tenders of 144A Notes will be accepted only in integral multiples of $1,000. If less than the entire principal amount of any 144A Notes is tendered, the tendering holder should fill in the principal amount tendered in the last column of the box entitled "Description of 144A Notes Tendered" above. The entire principal amount of 144A Notes delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all 144A Notes is not tendered, then 144A Notes for the principal amount of 144A Notes not tendered and Exchange Notes issued in exchange for any 144A Notes accepted will be sent to the holder at its registered address, unless

a different address is provided in the appropriate box on this Letter of Transmittal or unless tender is made through the Depository, promptly after the 144A Notes are accepted for exchange.

5. SIGNATURES ON THIS LETTER OF TRANSMITTAL; ASSIGNMENTS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES. If this Letter of Transmittal (or facsimile hereof) is signed by the record holder(s) of the 144A Notes tendered hereby, the signature must correspond with the name(s) as written on the face of the 144A Notes without alteration, enlargement or any change whatsoever.

If any of the 144A Notes tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If a number of 144A Notes registered in different names are tendered, it will be necessary to complete, sign and submit as many separate copies of this Letter of Transmittal as there are different registrations of 144A Notes.

If this Letter of Transmittal (or facsimile hereof) is signed by the registered holder or holders of 144A Notes listed and tendered hereby and the Exchange Notes issued in exchange therefor are to be issued (or any untendered principal amount of 144A Notes is to be reissued) to the registered holder, the said holder need not and should not endorse any tendered 144A Notes, nor provide a separate assignment. In any other case, such holder must either properly endorse the 144A Notes tendered or transmit a properly completed assignment with this Letter of Transmittal (in either case, executed exactly as the name(s) of the registered holder(s) appear(s) on the 144A Notes), with the signatures on the endorsement or assignment guaranteed by an Eligible Institution (except where the 144A Notes are tendered for the account of an Eligible Institution).

If this Letter of Transmittal (or facsimile hereof) or any 144A Notes or assignments are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, evidence satisfactory to the Company of their authority to act must be submitted with this Letter of Transmittal.

Endorsements on 144A Notes or signatures on assignments required by this Instruction 5 must be guaranteed by an Eligible Institution, except as noted below.

NO SIGNATURE GUARANTEE IS REQUIRED IF (I) THIS LETTER OF TRANSMITTAL (OR FACSIMILE HEREOF) IS SIGNED BY THE REGISTERED HOLDER(S) OF THE 144A NOTES TENDERED HEREIN AND THE EXCHANGE NOTES ARE TO BE ISSUED DIRECTLY TO SUCH REGISTERED HOLDER(S) AND NEITHER THE BOX ENTITLED "SPECIAL DELIVERY INSTRUCTIONS" NOR THE BOX ENTITLED "SPECIAL REGISTRATION INSTRUCTIONS" HAS BEEN COMPLETED, OR (II) SUCH 144A NOTES ARE TENDERED FOR THE ACCOUNT OF AN ELIGIBLE INSTITUTION. IN ALL OTHER CASES, ALL SIGNATURES ON THIS LETTER OF TRANSMITTAL (OR FACSIMILE HEREOF) MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION.

6. SPECIAL REGISTRATION AND DELIVERY INSTRUCTIONS. Tendering holders should indicate, in the applicable box or boxes, the name and address (or account at the Depository) to which Exchange Notes or substitute 144A Notes for principal amounts not tendered or not accepted for exchange are to be issued or sent (or deposited), if different from the name and address of the person signing this Letter

of Transmittal. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated.

7. TRANSFER TAXES. The Company will pay all transfer taxes, if any, applicable to the exchange of 144A Notes pursuant to the Exchange Offer. If, however, Exchange Notes or 144A Notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the 144A Notes tendered hereby, or if tendered 144A Notes are registered in the name of any person other than the person signing this Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of 144A Notes pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other person) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

8. TAX IDENTIFICATION NUMBER. Federal income tax law requires that a holder tendering 144A Notes must provide the Company (as payor) with its correct taxpayer identification number ("TIN"), which, in the case of a holder who is an individual is his or her social security number. If the Company is not provided with the correct TIN, the holder may be subject to a $50 penalty imposed by Internal Revenue Service and backup withholding of 31% on interest payments on the Exchange Notes.

To prevent backup withholding, each tendering holder must provide such holder's correct TIN by completing the Substitute Form W-9 set forth herein, certifying that the TIN provided is correct (or that such holder is awaiting a TIN), and that (i) the holder has not been notified by the Internal Revenue Service that such holder is subject to backup withholding as a result of failure to report all interest or dividends, or (ii) the Internal Revenue Service has notified the holder that such holder is no longer subject to backup withholding. If the Exchange Notes will be registered in more than one name or will not be in the name of the actual owner, consult the instructions on Internal Revenue Service Form W-9, which may be obtained from the Exchange Agent, for information on which TIN to report.

If the tendering holder has not been issued a TIN and has applied for one, or intends to apply for one in the near future, such holder should write "Applied For" in the space provided for the TIN in Part 1 of the Substitute Form W-9, sign and date the Substitute Form W-9 and sign the Certificate of Payee Awaiting Taxpayer Identification Number. If "Applied For" is written in Part 1, the Company (or the Paying Agent under the Indenture governing the Exchange Notes) shall retain 31% of payments made to the tendering holder during the sixty-day period following the date of the Substitute Form W-9. If the holder furnishes the Exchange Agent or the Company with its TIN within sixty days after the date of the Substitute Form W-9, the Company (or the Paying Agent) shall remit such amounts retained during the sixty-day period to the holder, and no further amounts shall be retained or withheld from payments made to the holder thereafter. If, however, the holder has not provided the Exchange Agent or the Company with its TIN within such sixty-day period, the Company (or the Paying Agent) shall remit such previously retained amounts to the IRS as backup withholding.

Certain holders (including, among others, all domestic corporations and certain foreign individuals and foreign entities) are not subject to these backup withholding and reporting requirements. Such a holder, who satisfies one or more of the conditions set forth in Part 2 of the Substitute Form W-9, should execute the certification following such Part 2. In order for a foreign holder to qualify as an exempt recipient, the holder must submit to the Exchange Agent a properly completed Internal Revenue Service Form W-8, signed

under penalties of perjury, attesting to that holder's exempt status. A form W-8 can be obtained from the Exchange Agent.

If backup withholding applies, the Exchange Agent is required to withhold 31% of any amounts otherwise payable to the holder. Backup withholding is not an additional tax. Rather the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

The Company reserves the right in its sole discretion to take whatever steps are necessary to comply with the Company's obligations regarding backup withholding.

9. VALIDITY AND FORM. All questions as to the validity, form, eligibility (including time of receipt) and acceptance and withdrawal of tendered 144A Notes will be determined by the Company in its sole discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any and all 144A Notes not properly tendered or any 144A Notes the Company's acceptance of which would, in the opinion of the Company or its counsel, be unlawful. The Company also reserves the absolute right to waive any conditions of the Exchange Offer or defects or irregularities in tenders as to particular 144A Notes. All tendering holders, by execution of this Letter of Transmittal (or facsimile thereof), shall waive any right to receive notice of the acceptance of the 144A Notes for exchange. The Company's interpretation of the terms and conditions of the Exchange Offer (including this Letter of Transmittal and the instructions hereto) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of 144A Notes must be cured within such time as the Company shall determine. Neither the Company, the Exchange Agent nor any person shall be under any duty to give notification of defects or irregularities with regard to tenders of 144A Notes nor shall any of them incur any liability for failure to give such notification. Tenders of 144A Notes will not be deemed to have been made until such defects or irregularities have been cured to the Company's satisfaction or waived. Any 144A Notes received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering holders, unless otherwise provided in this Letter of Transmittal, as soon as practicable following the Expiration Date. The Exchange Agent has no fiduciary duties to the holders with respect to the Exchange Offer and is acting solely on the basis of directions of the Company.

10. WAIVER OF CONDITIONS. The Company reserves the absolute right to waive, in whole or part, any of the conditions to the Exchange Offer set forth in the Prospectus.

11. NO CONDITIONAL TENDER. No alternative, conditional, irregular or contingent tender of 144A Notes will be accepted.

12. MUTILATED, LOST, STOLEN OR DESTROYED 144A NOTES. Any holder whose 144A Notes have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated above for further instructions.

13. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Requests for assistance or for additional copies of the Prospectus or this Letter of Transmittal may be directed to the Exchange Agent at the address or telephone number set forth on the cover page of this Letter of Transmittal. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

14. WITHDRAWAL. Except as otherwise provided herein, tenders of 144A Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of 144A Notes pursuant to the Exchange Offer, a written or facsimile transmission notice of withdrawal must be received by the Exchange Agent at the address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having deposited the 144A Notes to be withdrawn (the "Depositor"), (ii) identify the 144A Notes to be withdrawn (including the certificate or registration number(s) and principal amount of such 144A Notes, or, in the case of notes transferred by book-entry transfer, the name and number of the account at the Depository to be credited), (iii) be signed by the Depositor in the same manner as the original signature on the Letter of Transmittal by which such 144A Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Trustee with respect to the 144A Notes register the transfer of such 144A Notes in the name of the Depositor withdrawing the tender, (iv) specify the name in which any such 144A Notes are to be registered, if different from that of the Depositor, and (v) include a statement that such Holder is withdrawing such Holder's election to have such 144A Notes exchanged.

All questions as to the validity, form and eligibility (including time of receipt) of such withdrawal notices will be determined by the Company, whose determinations shall be final and binding on all parties. Any 144A Notes so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer, and no Exchange Notes will be issued with respect thereto unless the 144A Notes so withdrawn are validly retendered. Properly withdrawn 144A Notes may be retendered by following one of the procedures described in the Prospectus under "The Exchange Offer--Procedures for Tendering" at any time prior to the Expiration Date.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A MANUALLY SIGNED FACSIMILE HEREOF (TOGETHER WITH THE 144A NOTES DELIVERED BY BOOK-ENTRY TRANSFER OR IN ORIGINAL HARD COPY FORM) MUST BE RECEIVED BY THE EXCHANGE AGENT, OR THE NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE EXCHANGE AGENT, PRIOR TO THE EXPIRATION DATE.

PAYER'S NAME: NEWPARK RESOURCES, INC.

	PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	_____ Social Security Number or _____ Employer Identification Number
SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER ("TIN")	PART 2--Certification--Under penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding. Certification Instructions--You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of under-reporting interest or dividends on your tax return. SIGNATURE_____ DATE_____	PART 3-- Awaiting TIN [_]

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE EXCHANGE NOTES.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a Taxpayer Identification Number has not been issued to me, and either (1) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number by the time of payment, 31% of all reportable payments made to be will be withheld, but that such amounts will be refunded to me if I then provide a Taxpayer Identification Number within sixty (60) days.

Signature_____ Date_____, 1998

EXHIBIT 99.2

NEWPARK RESOURCES, INC.

NOTICE OF GUARANTEED DELIVERY
FOR TENDER OF
8 5/8% SENIOR SUBORDINATED NOTES DUE 2007, SERIES A
IN EXCHANGE FOR
8 5/8% SENIOR SUBORDINATED NOTES DUE 2007, SERIES B

This form, or one substantially equivalent hereto, must be used by a holder of the 8 5/8% Senior Subordinated Notes Due 2007, Series A (the "144A Notes") of Newpark Resources Inc., a Delaware corporation (the "Company"), who wishes to tender the 144A Notes pursuant to the guaranteed delivery procedures described in the "The Exchange Offer--Guaranteed Delivery Procedures" section of the Company's Prospectus, dated _____, 1998 (the "Prospectus"), relating to the Exchange Offer and in Instruction 2 to the related Letter of Transmittal. Any holder who wishes to tender 144A Notes pursuant to such guaranteed delivery procedures must ensure that State Street Bank and Trust Company, as exchange agent (the "Exchange Agent"), receives this Notice of Guaranteed Delivery prior to 5:00 p.m., New York City time, on _____, 1998, unless such expiration date is extended by the Company (such date, as it may hereafter be extended is referred to as the "Expiration Date"). To use the guaranteed delivery procedures to tender 144A Notes pursuant to the Exchange Offer, tender must be made through an Eligible Institution and a properly completed and duly executed Notice of Guaranteed Delivery must be received by the Exchange Agent prior to the Expiration Date. Thereafter, the certificates for all physically tendered 144A Notes, in proper form for transfer, or confirmation of book-entry transfer of such 144A Notes to the Exchange Agent's account at the Depository, as the case may be, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees, and any other documents required by the Letter of Transmittal, must be deposited by the Eligible Institution with the Exchange Agent within three New York Stock Exchange trading days after the execution of the Notice of Guaranteed Delivery. This form, properly completed and executed, may be delivered by telegram, telex, facsimile transmission, mail or hand delivery to the Exchange Agent as set forth below. Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.

To State Street Bank and Trust Company

By Mail:
(registered or certified recommended)
State Street Bank and Trust Company
P.O. Box 778
Boston, MA 02102-0078
Attention: Sandra Szczsponik

By Facsimile Transmission
(for Eligible Institutions only)
(617) 664-5232
Attention: Sandra Szczsponik
Confirm by Telephone:
(617) 664-5314

By Overnight or Hand Delivery:
State Street Bank and Trust Company
Corporate Trust Department
Two International Place
Fourth Floor
Boston, MA 02102-0078
Attention: Sandra Szczsponik

For information or confirmation by telephone: (617) 664-5314

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TO A NUMBER OTHER THAN THE ONE SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signature guarantee must appear in the applicable space in the box provided on the Letter of Transmittal for guarantee of signatures.

Ladies and Gentlemen:

The undersigned hereby tenders to the Company, in accordance with the Company's offer, upon the terms and subject to the conditions set forth in the Prospectus and the related Letter of Transmittal, receipt and review of which are hereby acknowledged, the principal amount of 144A Notes set forth below pursuant to the guaranteed delivery procedures set forth in the "The Exchange Offer--Guaranteed Delivery Procedures" section of the Prospectus and in Instruction 2 of the Letter of Transmittal.

Name(s) of registered holder(s):_____
(Please Type or Print)

Address:_____

_____

Area Code and Telephone Number:_____

Principal Amount of 144A Notes Tendered*:_____

Certificate Number(s) or DTC Account
Number(s) for 144A Notes (if available):_____

Aggregate Principal Amount
Represented by 144A Note(s):_____

*All tenders must be in integral multiples of $1,000.

The undersigned understands that no withdrawal of a tender of 144A Notes may be made on or after the Expiration Date. The undersigned understands that for a withdrawal of a tender of 144A Notes to be effective, a written notice of withdrawal that complies with the requirements of the Exchange Offer must be timely received by the Exchange Agent at one of its addresses specified on the cover of this Notice of Guaranteed Delivery prior to the Expiration Date. The undersigned further understands that the exchange of 144A Notes for Exchange Notes pursuant to the Exchange Offer and the guaranteed delivery procedure described herein will be made only after timely receipt by the Exchange Agent of (i) such 144A Notes in proper form for transfer (or book-entry confirmation of the transfer of such 144A Notes into the Exchange Agent's account at the Depository), and (ii) a Letter of Transmittal (or facsimile thereof) with respect to such

144A Notes, properly completed and duly executed, with any required signature guarantees and any other documents required by the Letter of Transmittal.

All authority herein conferred or agreed to be conferred shall survive the death, incapacity or dissolution of the undersigned, and every obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.

Signature of Holder(s): X_____

X_____

Dated:_____, 1998

This Notice of Guaranteed Delivery must be signed by the registered holder(s) of 144A Notes exactly as the name(s) of such person(s) appear(s) on certificates for 144A Notes or on a security position listing as the owner of 144A Notes, or by person(s) authorized to become holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person must provide the information set forth below and, unless waived by the Company, submit evidence satisfactory to the Company of such person's authority to so act.

Please Print Name(s) and Address(es)

Name(s):_____

Capacity:_____

Address(es):_____

_____

_____

[_] Check if 144A Notes will be tendered by book-entry transfer

DTC Account Number: _____

THE GUARANTEE ON THE FOLLOWING PAGE MUST BE COMPLETED

GUARANTEE

(Not to be used for signature guarantee)

The undersigned, a firm that is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc., or is a commercial bank or trust company having an office or correspondent in the United States, or is otherwise an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, hereby guarantees deposit with the Exchange Agent of the Letter of Transmittal (or facsimile thereof), together with the 144A Notes tendered hereby in proper form for transfer (or confirmation of the book-entry transfer of such 144A Notes into the Exchange Agent's account at the Depository, pursuant to the procedures for book-entry transfer set forth in the Prospectus and in the Letter of Transmittal) and any other required documents, all by 5:00 p.m., New York City time, within three New York Stock Exchange trading days after the execution of the Notice of Guaranteed Delivery.

Name of Firm:_____

X_____
(Authorized Signature)

Address:_____

Name:_____

_____

_____
(Including Zip Code)

Area Code and Telephone Number:

Title:_____
(Please Type or Print)

_____

Dated:_____, 1998

DO NOT SEND CERTIFICATES FOR 144A NOTES WITH THIS FORM. ACTUAL SURRENDER OF 144A NOTES MUST BE MADE TO THE EXCHANGE AGENT PURSUANT TO, AND BE ACCOMPANIED BY, A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS.