

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 24, 2006

NEWPARK RESOURCES, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction
of incorporation)*

1-2960

*(Commission
File Number)*

72-1123385

*(IRS Employer
Identification No.)*

3850 North Causeway, Suite 1770

Metairie, Louisiana

(Address of principal executive offices)

70002

(Zip Code)

Registrant's telephone number, including area code: (504) 838-8222

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13a-4(c))
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Item 2.05 Costs Associated with Exit or Disposal Activities.

The disclosure set forth below under Item 2.06 is hereby incorporated by reference into this Item 2.05.

Item 2.06 Material Impairments.

On August 24, 2006, the Executive Committee of the Board of Directors of Newpark Resources, Inc., determined to shut down the operations of Newpark Environmental Water Solutions, LLC, or NEWS, and to dispose of or redeploy all of the assets used in connection with its operations. NEWS was formed in early 2005 to commercialize in the United States and Canada a proprietary and patented water treatment technology owned by a Mexican company. In connection with the shut-down, Newpark currently expects to recognize, in the quarter ending September 30, 2006, a non-cash pre-tax impairment charge of approximately \$20.0 million against the assets attributable to the water treatment business. This estimated impairment charge relates to the write-down of investments in property, plant and equipment of approximately \$18.0 million and advances and other capitalized costs associated with certain agreements of approximately \$2.0 million.

In addition, Newpark expects to incur pre-tax cash charges for severance and other exit costs in the range of \$4.0 million to \$4.5 million, including severance costs of approximately \$500,000 and site closure costs of approximately \$3.5 million to \$4.0 million, which will be expensed as incurred, with the majority of these costs expected to be incurred in 2006 and 2007.

The reasons for this action include the following:

- following continued negotiations in late July 2006, our conclusion that a satisfactory agreement with the owners of the technology could not be reached,
- receipt of a report from outside consultants in August 2006 regarding the evaluation of the water treatment market and the technology,
- difficulty in utilizing the technology on a consistently reliable basis,
- losses incurred by NEWS to date, and
- the prospect that the business will continue to incur substantial losses due to the unsuccessful re-negotiation of a disposal contract for the Gillette, Wyoming, facility in August 2006 and recent receipt of waste streams that have become increasingly more costly to process.

By shutting down the operations of NEWS at this time, Newpark believes that it will avoid substantial continuing losses and negative operating cash flows related to this business, once all exit costs are incurred. Excluding depreciation, the operating loss for NEWS during the first six months of 2006 was approximately \$2.0 million and for the month of July 2006 was approximately \$450,000.

Newpark expects to begin facilities shutdown mid-September and start the site closure process as soon as all existing projects have been completed. In addition, Newpark is beginning the process of exploring possible sale of existing equipment and facilities. A copy of the press release announcing the impairment of the NEWS business is attached to this Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release issued by Newpark Resources, Inc. on August 30, 2006.

SIGNATURE

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

NEWPARK RESOURCES, INC.

Dated: August 30, 2006

By: /s/ Eric M. Wingerter

Eric M. Wingerter,
Vice President, Corporate Controller and
Acting Chief Financial Officer



FOR IMMEDIATE RELEASE

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**NEWPARK RESOURCES TO SHUT DOWN THE OPERATIONS
OF NEWPARK ENVIRONMENTAL WATER SOLUTIONS**

Company expects to take a \$20 million non-cash impairment charge during the third quarter of 2006 and to record severance and other exit costs of \$4.0 - \$4.5 million as incurred; Closure to result in estimated cash savings of approximately \$5.0 million per year after closure costs, based on July 2006 results

METAIRIE, LA – August 30, 2006 — Newpark Resources, Inc. (NYSE: NR) (“Newpark”) announced today that it plans to shut down the operations of Newpark Environmental Water Solutions, LLC, (“NEWS”) and dispose of or redeploy all of the assets used in connection with its operations.

NEWS was formed in early 2005 to commercialize in the United States and Canada a proprietary and patented water treatment technology owned by a Mexican company. This new technology uses principles of sonochemistry to remove dissolved solids from wastewater.

Paul Howes, President and Chief Executive Officer of Newpark, commented, “Based on our ongoing assessment of our portfolio of assets, we have determined that the technology behind NEWS is not currently commercially viable. As a result, we are not willing to commit further resources to this venture. Based on the losses incurred by NEWS to date and the prospect that the business will continue to incur substantial losses combined with the fact that NEWS is not part of our strategic direction going forward, we have decided to exit this business.”

In connection with the shut down of the NEWS operations, Newpark currently expects to record a non-cash pre-tax impairment charge of approximately \$20.0 million in the third quarter of 2006 against the assets attributable to the water treatment business. This estimated impairment charge relates to the write-down of investments in property, plant and equipment of approximately \$18.0 million and advances and other capitalized costs associated with certain agreements of approximately \$2.0 million.

In addition, Newpark expects to incur pre-tax cash charges for severance and other exit costs in the range of \$4.0 million to \$4.5 million. These cash charges will be expensed as incurred, with the majority of these costs expected to be incurred in 2006 and 2007.

By shutting down the operations of NEWS at this time, Newpark believes that it will avoid substantial continuing losses and negative operating cash flows related to this business, once all exit costs are incurred. Excluding depreciation, the operating loss for NEWS during the first six months of 2006 was approximately \$2.0 million and for the month of July 2006 was approximately \$450,000. Newpark expects to begin facilities shut down mid-September and start the site closure process as soon as all existing projects have been completed. In addition, Newpark is beginning the process of exploring possible sale of existing equipment and facilities.

Newpark Resources, Inc. is a worldwide provider of drilling fluids, environmental waste treatment solutions, and temporary worksites and access roads for oilfield and other commercial markets. For more information, visit our website at www.newpark.com.

Forward-looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act that are based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about Newpark's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. Many factors, including those discussed more fully elsewhere in this release and in documents filed with the Securities and Exchange Commission by Newpark, particularly its latest Annual Report on Form 10-K, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to, the results of the internal investigation into accounting matters by Newpark's Audit Committee; the successful redemption of Newpark's 8 5/8% Senior Subordinated Notes using proceeds from its new Term Loan Facility; changes in the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries in which Newpark does business; competitive pressures; successful integration of structural changes, including restructuring plans, acquisitions, divestitures and alliances; cost of raw materials, research and development of new products, including regulatory approval and market acceptance; and seasonality of sales of agricultural products. Newpark's filings with the Securities and Exchange Commission can be obtained at no charge at www.sec.gov, as well as through our website at www.newpark.com.

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