

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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

Delaware
 (State or other jurisdiction
 of incorporation or organization)

72-1123385
 (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 proposed sale to the public: As soon as practicable
 after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant
 to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a
 delayed or continuous basis pursuant to Rule 415 under the Securities Act of
 1933, other than securities offered only in connection with dividend or interest
 reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant
 to Rule 462(b) under the Securities Act, please 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(c) 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 delivery of the prospectus is expected to be made pursuant to Rule 434,
 please check the following box. []

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common Stock, \$.01 par value	260,465 shares	\$ 33.875	\$ 8,823,252	\$ 2,673.71

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c).

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.

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+THE INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. 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.
+++++

SUBJECT TO COMPLETION DATED AUGUST 19, 1997

260,465 SHARES

NEWPARK RESOURCES, INC.

COMMON STOCK
(\$.01 par value)

This Prospectus relates to the resale of 260,465 shares (the "Shares") of outstanding Common Stock of Newpark Resources, Inc. ("Newpark") by the "Selling Stockholders". See "Selling Stockholders". Newpark will not receive any proceeds from the sale of the Shares.

Newpark's Common Stock is listed on the New York Stock Exchange under the symbol "NR". On August 15, 1997, the reported last sale price of the Common Stock on The New York Stock Exchange Composite Tape was \$33.875 per share.

For a discussion of certain factors that should be considered in connection with an investment in the Common Stock, see "Risk Factors" on Page 7.

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 Shares generally may be offered for sale from time to time by the Selling Stockholders on the New York Stock Exchange in ordinary brokerage transactions at market prices prevailing at the time of sale or in negotiated transactions at prices related to prevailing market prices. Brokers or dealers will receive commissions or discounts from the Selling Stockholders in amounts to be negotiated prior to the sale. Any brokers or dealers participating in the offering of any such shares may be deemed to be "underwriters" within the meaning of the Securities Act, and the compensation received by them may be deemed to be underwriting commissions or discounts. Substantially all of the expenses of this offering, estimated at approximately \$17,000, will be paid by Newpark. See "Selling Stockholders" and "Plan of Distribution".

The date of this Prospectus is _____, 1997.

AVAILABLE INFORMATION

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 Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices at 7 World Trade Center, 13th Floor, New York, NY 10048 and 500 West Madison Street, Suite 1400, Chicago, IL 60661. Copies of such material can be obtained from the Public Reference section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates, and on the World Wide Web at the Commission's Web site located at "<http://www.sec.gov>". Newpark's Common Stock is traded on the New York Stock Exchange, and such reports and other information also can be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, NY 10005.

Newpark has filed with the Commission a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the securities offered hereby. This Prospectus does not contain all the information set forth in the registration statement and the exhibits thereto, to which reference is hereby made. Statements made in this Prospectus as to the contents of any contract, agreement or other document 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, and each such statement is qualified in its entirety by such reference. Any interested parties may inspect the registration statement, without charge, at the public reference facilities of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, and any interested parties may obtain copies of all or any part of the registration statement from the Commission at prescribed rates.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents or portions of documents filed by Newpark with the Commission are incorporated by reference into this Prospectus:

1. Newpark's Annual Report on Form 10-K for the year ended December 31, 1996, as amended on May 23, 1997.
2. All other reports filed by Newpark pursuant to Sections 13(a) or 15(d) of the Exchange Act since December 31, 1996, including Newpark Quarterly Reports on Form 10-Q for the quarters ended March 31, 1997 and June 30, 1997, and Newpark's Current Report on Form 8-K dated May 14, 1997.

3. The description of Newpark's Common Stock contained in its Registration Statement pursuant to Section 12 of the Exchange Act, as amended from time to time.

All documents filed by Newpark pursuant to Sections 13(a), 13(c), 14 or 5(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering made hereby shall be deemed to be incorporated by reference into this Prospectus and made a part hereof from the date of filing of such documents. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, to constitute a part of this Prospectus.

Newpark will provide without charge to each person to whom a copy of this Prospectus is delivered, upon written or oral request, a copy of any and all documents incorporated by reference in this Prospectus, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents. Requests should be directed to Ms. Edah Keating, Corporate Secretary, Newpark Resources, Inc., 3850 North Causeway, Suite 1770, Metairie, Louisiana 70002, or by telephone at (504) 838-8222.

THE COMPANY

Newpark is a leading provider of integrated environmental services to the oil and gas exploration and production industry in the U.S. Gulf Coast area, principally in Louisiana and Texas. These services are concentrated in three key product lines: (i) processing and disposal of oilfield waste, including nonhazardous oilfield waste ("NOW") and oilfield waste that is contaminated with naturally occurring radioactive material ("NORM"), utilizing patented and proprietary technology; (ii) mat rental services in which patented prefabricated wooden mats are used, utilizing patented and proprietary technology as temporary worksites in oilfield and other construction applications; and (iii) engineering, technical and drilling fluids services to the oil and gas exploration industry.

OILFIELD WASTE AND OTHER ENVIRONMENTAL SERVICES

Newpark collects, processes and disposes of oilfield waste, primarily NOW and NORM. Newpark also treats NOW at the well site, remediates waste pits and other contaminated sites and provides general oilfield services. In its NOW processing and disposal business, Newpark processes the majority of the NOW received at its facilities for injection into environmentally secure geologic formations deep underground and creates from the remainder a product which is used as intermediate daily cover material or cell liner and construction material at

municipal waste landfills. In addition, Newpark has initiated a process to recycle a portion of the NOW waste collected in its disposal operations for use in the makeup of drilling fluids.

Since the fourth quarter of 1994, and until June 1996, Newpark provided processing and disposal of NOW waste contaminated with NORM by processing the waste into NOW for injection disposal into wells owned by Newpark. On May 21, 1996, Newpark was issued a license from the Texas Railroad Commission authorizing the direct injection of NORM, subject to certain contamination limits, into disposal wells at Newpark's Big Hill, Texas facility. The direct injection of NORM permitted under the new license, which commenced on June 1, 1996, expanded Newpark's NORM disposal capacity and significantly reduced the amount of pre-injection transportation, processing and chemicals required, thereby reducing Newpark's cost of disposal.

In December 1996, Newpark was issued a process patent covering its offsite NOW and NORM waste processing operations. The patent covers the process by which Newpark prepares the waste into a slurry for low pressure injection into specific underground geological formations.

Newpark also provides industrial waste management and laboratory and consulting services for the customers of its NOW and NORM services.

MAT RENTAL

Newpark uses a patented interlocking wooden mat system to provide temporary worksites in unstable soil conditions typically found along the U.S. Gulf Coast. Prior to 1994, Newpark's mat rental services were provided primarily to the oil and gas exploration and production industry in Louisiana and Texas. In 1994, Newpark began marketing these temporary worksites to other industries. Increasing environmental regulation affecting the construction of pipelines, electrical distribution systems and highways in and through wetlands environments has provided a substantial new outlet for these services and has broadened the geographic area served by Newpark to include the coastal areas of the Southeastern U.S., particularly Florida and Georgia, in addition to the U.S. Gulf Coast. In 1995, through a joint venture, Newpark began marketing its mat rental services in Venezuela, and in September 1996, Newpark purchased the minority interests of its partners in this venture. During the fourth quarter of 1996, Newpark made an initial shipment of mats to Algeria, and Newpark plans to continue development of this market during 1997. Mat rental revenue has increased from \$11 million in 1990 to \$33 million in 1996. Since 1992, Newpark has owned a sawmill in Batson, Texas, to provide hardwood lumber used in construction of its mats, and Newpark expanded the capacity of the facility during 1994 and 1995.

The recent trend toward more strict environmental regulation of both drilling and production operations conducted by Newpark's customers has resulted in greater synergy between Newpark's mat rental and general oilfield construction services and its other

environmental services. Newpark offers its services individually and as an integrated package and provides a comprehensive combination of on-site waste management and construction services for both the drilling of new sites and the remediation of existing sites. In addition, Newpark believes that the opportunity exists to integrate its drilling fluids services and products with its mat rental and waste disposal services to provide a complete drilling-site services product offering.

Newpark was organized in 1932 as a Nevada corporation and in April 1991 changed its state of incorporation to Delaware. Newpark's principal executive offices are located at 3850 North Causeway Boulevard, Suite 1770, Metairie, Louisiana 70002, and its telephone number is (504) 838-8222.

THE CAMPBELL WELLS ACQUISITION

On August 12, 1996, Newpark completed the acquisition (the "Campbell Wells Acquisition") of substantially all of the marine-related NOW collection operations of Campbell Wells Ltd. ("Campbell Wells"), a wholly owned subsidiary of Sanifill, Inc. ("Sanifill"), for an aggregate purchase price of \$70.5 million. The Campbell Wells Acquisition was completed pursuant to the terms of an Asset Purchase and Lease Agreement, dated June 5, 1996 (the "Acquisition Agreement"), which provided for the purchase and lease of certain marine-related assets of Campbell Wells' NOW service business (the "Acquired Business"), excluding its landfarming facilities and associated equipment. In connection with the Campbell Wells Acquisition, Newpark assumed obligations under a NOW Disposal Agreement (the "Disposal Agreement") with Sanifill and Campbell Wells, providing for the delivery by Newpark for a period of 25 years of an agreed annual quantity of NOW waste for disposal at certain of Campbell Wells' landfarming facilities. Subsequently, USA Waste acquired Sanifill, and Sanifill and Campbell Wells sold their landfarming facilities and associated equipment and assigned their rights under the Disposal Agreement and other agreements with Newpark that were executed upon consummation of the Campbell Wells Acquisition to U.S. Liquids, Inc., a newly formed corporation which assumed Sanifill's and Campbell Wells' obligations under such agreements. The acquisition by USA Waste and the assignment and assumption by U.S. Liquids, Inc. did not, however, release or diminish any party's obligations to Newpark under such agreements.

The aggregate purchase price under the Acquisition Agreement was \$70.5 million, paid by wire transfer at the closing of the Campbell Wells Acquisition with part of the proceeds from the sale of 3,450,000 shares of Newpark's Common Stock, at \$30.00 per share, in an underwritten public offering also completed on August 12, 1996. The remaining net proceeds from the public offering, approximately \$25.8 million after payment of related transaction costs, were used to repay all amounts outstanding under the revolving line of credit portion of Newpark's bank credit agreement.

The Campbell Wells Acquisition has significantly expanded Newpark's service capabilities and processing capacity. Newpark believes that the Campbell Wells Acquisition has provided and will continue to provide economies of scale associated with handling a larger volume of waste through its facilities. Newpark has combined the service capabilities of the Acquired Business with its existing operations to speed the turnaround of barges and boats at its transfer stations, thus providing better customer service. Newpark believes that economic efficiencies have resulted from the reduction in the size of the combined barge fleet operated by Newpark to service its transfer stations and from the consolidation of operations at more efficient transfer stations, permitting Newpark to receive a substantially higher volume of waste without material additions to existing costs. Furthermore, Newpark expects that as a result of the Campbell Wells Acquisition, access to Sanifill's disposal facilities under the Disposal Agreement has allowed Newpark to reduce its barge transportation costs and make more efficient use of its barge fleet, further augmenting its processing capacity. Newpark believes that its current processing and disposal capacity, combined with access provided to the landfarm disposal facilities of Sanifill under the Disposal Agreement, will be adequate to provide for expected future demand for its oilfield waste disposal and other environmental services. Newpark will nevertheless continue its strategy of adding injection disposal capacity throughout the U.S. Gulf Coast region to more efficiently serve its customers.

DRILLING FLUIDS RELATED ACQUISITIONS

On February 28, 1997, Newpark completed the acquisition of Sampey Bilbo Meschi Drilling Fluids Management, Inc. ("SBM"), a regional Gulf Coast drilling mud company specializing in engineering, technical and drilling fluids services to the oil and gas exploration industry. In the acquisition, the former stockholders of SBM were issued an aggregate of 1,164,000 shares of Newpark Common Stock. Newpark plans to provide SBM certain components recycled from the NOW waste collected by Newpark for use by SBM in the make-up of drilling fluids for SBM's customers. Newpark believes that providing SBM these recycled NOW waste components will reduce SBM's cost of materials and reduce the costs to Newpark of handling and disposing of NOW. On July 24, 1997, SBM changed its name to Newpark Drilling Fluids, Inc.

Since the acquisition of SBM, Newpark has acquired several additional companies in the drilling fluids business in order to expand its capabilities and increase its access to barite used in the make-up of drilling fluids and its distribution of drilling fluid components. On May 28, 1997, Newpark acquired Excalibar Minerals, Inc. ("Excalibar"), a specialty milling company which grinds barite and other industrial minerals for oilfield and industrial markets, in exchange for 333,334 shares of Newpark Common Stock. On June 4, 1997, Newpark acquired two related drilling fluids companies operating in the South Texas markets, Chemical Technologies, Inc. ("CTI"), a retailer of drilling fluids, and FMI Wholesale Drilling Fluids U.S.A., L.P. ("FMI"), a wholesaler of drilling fluids. An aggregate of 222,222 shares of

Newpark Common Stock were issued in connection with the acquisition of CTI and FMI. On July 24, 1997, Newpark acquired two additional drilling fluids distribution companies operating in the Texas markets, Smithey, Inc., in exchange for 70,000 shares of Newpark Common Stock, and Advanced Chemical Technologies, Inc. ("ACT"), in exchange for 60,000 shares of Newpark Common Stock. See "Selling Stockholders" for further information regarding each of the foregoing acquisitions. Newpark may seek to acquire additional businesses in the drilling fluids business.

OTHER RECENT ACQUISITIONS

In addition to the acquisitions in its drilling fluids business, Newpark also has recently acquired three oilfield site contractors in order to add to its customer base and strengthen Newpark's presence and service capabilities in the site preparation and contracting business. On May 29, 1997, Newpark acquired two related Lafayette, Louisiana based oilfield site contractors, Supreme Contractors, Inc. ("Contractors") and Supreme Contractors International, Inc. ("International"), in exchange for an aggregate of 244,444 shares of Newpark Common Stock. See "Selling Stockholders" for further information regarding the acquisition of Contractors and International by Newpark. On July 24, 1997, Newpark acquired Bockmon Construction Company, Inc., a Beaumont, Texas based oilfield site contractor, in exchange for 251,000 shares of Newpark Common Stock.

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this Prospectus, prospective investors should carefully consider the following factors relating to the business of Newpark in evaluating an investment in the Common Stock.

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. This 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 extremely 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 the Company's services and, therefore, the Company's consolidated financial statements.

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.

LOW BARRIERS TO ENTRY; LOSS OF TECHNOLOGY RIGHTS

Newpark has been granted U.S. patents on certain aspects of its system for processing of NOW and NORM. There is no assurance that such patents will give Newpark a meaningful competitive advantage. Barriers to entry by competitors for Newpark's environmental and oilfield services are low. Therefore, competitive products and services have been and may be successfully developed and marketed by others. In addition, the environmental services business in the oilfield 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.

INCREASED 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. 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 limits 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.

FAILURE TO COMPLY WITH GOVERNMENTAL REGULATIONS

Newpark's business is subject to numerous and continually evolving Federal, state and local laws, regulations and policies that govern environmental protection, zoning and other matters. 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 it will be deemed to be in compliance in the future. 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 until a particular problem is remedied, 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 risks such as the potential for 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 its future performance 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.

FAILURE TO INTEGRATE ACQUIRED BUSINESSES

Newpark's recent acquisitions, including the Campbell Wells Acquisition and the acquisition of SBM and other companies in the drilling fluids business, significantly increased the size of Newpark's operations. Successful integration of these additional operations will depend primarily on Newpark's ability to manage this additional business and eliminate redundancies and excess costs. In addition, successful integration of SBM and Newpark's other recent acquisitions in the drilling fluids business will depend on the ability of Newpark to develop and integrate into their operations the recycling of NOW into drilling fluids in order to reduce the costs of materials and reduce Newpark's handling and disposal costs. Material failure or substantial delay in accomplishing the integration of these businesses 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.

PREFERRED STOCK

The Board of Directors of Newpark is authorized to issue, without further stockholder action, up to 1,000,000 shares of Preferred Stock with rights that could adversely affect the rights of holders of Newpark Common Stock. No shares of Preferred Stock are presently outstanding, and Newpark has no present plans to issue any such shares. The issuance of shares of Preferred Stock under certain circumstances could have the effect of delaying, deterring or preventing a change in control of Newpark or other corporate action and of discouraging bids for Newpark Common Stock at a premium.

SELLING STOCKHOLDERS

The Shares offered by this Prospectus are being sold for the account of the selling stockholders (the "Selling Stockholders") named in the following table, which also sets forth information concerning the Selling Stockholders' beneficial ownership of Newpark Common Stock as of August 18, 1997, and as adjusted to give effect to the sale of the Shares. All share numbers have been adjusted to reflect the two-for-one split of Newpark Common Stock effective May 30, 1997.

NAME	BENEFICIAL OWNERSHIP PRIOR TO OFFERING			BENEFICIAL OWNERSHIP AFTER OFFERING	
	NUMBER OF SHARES	PERCENT OF CLASS	NUMBER OF SHARES TO BE SOLD	NUMBER OF SHARES	PERCENT OF CLASS
Thomas E. Eisenman.....	239,340	*	78,982	160,358	*
Robert E. Jones.....	93,994	*	31,018	62,976	*
Mark L. Phillips.....	81,482	*	20,000	61,482	*
Jerry L. Miller.....	81,842	*	20,000	61,482	*
James A. Miller.....	81,480	*	20,000	61,480	*
Perry Bennett.....	139,377	*	26,133	113,244	*
Bob Hill.....	18,667	*	3,733	14,934	*
Ray T. Bennett.....	18,667	*	3,733	14,934	*
Kentner P. Shell.....	18,666	*	3,733	14,933	*
FMI Wholesale Drilling Fluids, Inc.(1)...	356	*	356	--	--
General Supply Co.(1).....	21,156	*	12,445	8,711	*
American Polymer, Inc.(1).....	5,333	*	5,333	--	--
C. M. Smithy.....	70,000	*	20,000	50,000	*
John V. Filecia.....	40,529	*	10,132	30,397	*
S. Kim Tillery.....	19,471	*	4,867	14,604	*

* Indicates ownership of less than one percent.

(1) Mr. Gene McElvany is the principal stockholder and a director and executive officer of each of FMI Wholesale Drilling Fluids, Inc., General Supply Co. and American Polymer, Inc.

On May 28, 1997, Newpark acquired Excalibar, a Texas corporation in which Thomas E. Eisenman and Robert E. Jones were the stockholders. In the acquisition, all of the issued and outstanding shares of capital stock of Excalibar were exchanged for an aggregate of 333,334 shares of Newpark Common Stock, with Excalibar becoming a wholly-owned subsidiary of Newpark. Concurrent with the acquisition, Messrs. Eisenman and Jones entered into employment agreements with Excalibar, with Mr. Eisenman serving as President of Excalibar, at a salary of \$110,000 per year, and Mr. Jones serving as Vice President of Excalibar, at a salary of \$85,000 per year. The employment agreements continue until June 30, 2000, and automatically renew for successive 12-month periods thereafter unless terminated by either party. In connection with the acquisition, Messrs. Eisenman and Jones entered into noncompetition agreements covering competition in the drilling fluids industry in the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico, and no additional consideration was paid by Newpark for these noncompetition agreements. Each noncompetition agreement remains in effect during the term of the relevant employment agreement, plus an additional period of twelve months following the termination of such agreement.

On May 29, 1997, Newpark acquired Contractors, a Louisiana corporation, and its related company, International, a Delaware corporation. Mark L. Phillips, Jerry L. Miller and James A. Miller were the stockholders of both Contractors and International. In the acquisition, all of the issued and outstanding shares of capital stock of Contractors and International were exchanged for an aggregate of 244,444 shares of Newpark Common Stock, with Contractors and International becoming wholly-owned subsidiaries of Newpark. In connection with the acquisition, each of the former stockholders of Contractors entered into noncompetition agreements covering competition in the site construction industry in certain identified parishes in the State of Louisiana, and in the States of Texas, Mississippi and Alabama and the Gulf of Mexico, until May 29, 1999. No additional consideration was paid by Newpark for these noncompetition agreements. Concurrent with the acquisition, Mark L. Phillips and Contractors entered into an employment agreement, which provides for the employment of Mr. Phillips as the President of Contractors at a salary of \$87,000 per year. The employment agreement continues until June 30, 2000, and automatically renews for successive 12-month periods thereafter unless terminated by either party.

On June 4, 1997, Newpark acquired CTI, a Texas corporation in which Perry Bennett, Kentner Shell and Ray Bennett were the stockholders. In the acquisition, all of the issued and outstanding shares of capital stock of CTI were exchanged for an aggregate of 186,666 shares of Newpark Common Stock, with CTI becoming a wholly-owned subsidiary of Newpark. In connection with the acquisition, each of the former stockholders of CTI entered into noncompetition agreements covering competition in the drilling fluids industry in the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico until June 4, 2002. No additional consideration was paid by Newpark for these noncompetition agreements. Concurrent with the acquisition, Perry Bennett and CTI entered into an employment agreement, which provides for the employment of Mr. Bennett as a senior executive officer of CTI at a salary of \$108,000 per year. The employment agreement continues until June 30, 2000, and automatically renews for successive 12-month periods thereafter unless terminated by either party.

On June 4, 1997, Newpark acquired FMI, a Texas limited partnership in which FMI Wholesale Drilling Fluids, Inc., General Supply Co., American Polymer, Inc. and Perry Bennett were the partners. In the acquisition, all of the partnership interests in FMI were exchanged for an aggregate of 35,556 shares of Newpark Common Stock, with FMI continuing as a wholly-owned subsidiary of Newpark. In connection with the acquisition, FMI Wholesale Drilling Fluids, Inc., the general partner of FMI, and Perry Bennett entered into noncompetition agreements covering competition in the drilling fluids industry in the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico until June 4, 2002. In addition, General Supply Co. and American Polymer, Inc. entered into noncompetition

agreements covering competition in the drilling fluids industry in the State of Texas, excluding the Texas Panhandle, until June 4, 1999. No additional consideration was paid by Newpark for these noncompetition agreements.

On July 24, 1997, Newpark acquired Smithey, Inc., a Texas corporation in which C. M. Smithey was the sole stockholder. In the acquisition, Smithey, Inc. was merged with and into SBM (which concurrently changed its name to Newpark Drilling Fluids, Inc.), and all of the issued and outstanding shares of capital stock of Smithey, Inc. were converted into an aggregate of 70,000 shares of Newpark Common Stock. In connection with the acquisition, Mr. Smithey entered into a noncompetition agreement covering competition in the drilling fluids industry in the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico until July 31, 2000. No additional consideration was paid by Newpark for the noncompetition agreement. Concurrent with the acquisition, Mr. Smithey entered into an employment agreement with Newpark Drilling Fluids, Inc. ("Fluids"), which provides for the employment of Mr. Smithey as a Vice President of Fluids at a salary of \$85,000 per year. The employment agreement continues until July 31, 2000, and automatically renews for successive 12-month periods thereafter unless terminated by either party.

On July 24, 1997, Newpark acquired ACT, a Texas corporation in which John V. Filecia and S. Kim Tillery were the stockholders. In the acquisition, ACT was merged with and into Fluids (formerly SBM), and all of the issued and outstanding shares of capital stock of ACT were converted into an aggregate of 60,000 shares of Newpark Common Stock. In connection with the acquisition, Mr. Filecia and Mr. Tillery entered into noncompetition agreements covering competition in the drilling fluids industry in the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico until July 31, 2000. No additional consideration was paid by Newpark for these noncompetition agreements. Concurrent with the acquisition, Mr. Filecia and Mr. Tillery entered into employment agreements with Fluids, which provide for the employment of Mr. Filecia and Mr. Tillery as Vice Presidents of such corporation, at a salary of \$85,000 per year for Mr. Filecia and \$70,000 per year for Mr. Tillery. Each of the employment agreements continue until July 31, 2000, and automatically renew for successive 12-month periods thereafter unless terminated by either party.

Newpark granted to the Selling Stockholders other than Messrs. Smithey, Filecia and Tillery certain rights with respect to the registration under the Securities Act of the shares of Common Stock issued in the foregoing acquisition transactions, and the Shares offered hereby are being so registered pursuant to the exercise of such registration rights. In accordance with the terms of such registration rights, Newpark will pay substantially all of the expenses of this offering. Newpark also has agreed to include a portion of the shares owned by Messrs. Smithey, Filecia and Tillery in this offering and to pay substantially all expenses associated therewith.

Each of the transactions described above were negotiated at arms' length, and Newpark believes that the terms of such transactions were commercially reasonable in the circumstances.

PLAN OF DISTRIBUTION

The Shares may be sold from time to time by the Selling Stockholders or by pledgees, donees, transferees or other successors-in-interest of the Selling Stockholders. Such sales may be made on the New York Stock Exchange or otherwise, at prices and at terms then prevailing, at prices related to the then current market price or in negotiated transactions. The Shares may be sold by any one or more of the following methods: (a) ordinary brokerage transactions and transactions in which the broker solicits purchasers; (b) purchases by a broker or dealer as principal and resales by such broker or dealer for its account pursuant to this Prospectus; and (c) block trades or exchange distributions in accordance with the rules of such exchange. In effecting sales, brokers or dealers engaged by the Selling Stockholders may arrange for other brokers or dealers to participate. Brokers or dealers will receive commissions or discounts from the Selling Stockholders in amounts to be negotiated prior to the sale. Such brokers or dealers and any other participating brokers or dealers may be deemed to be "underwriters" within the meaning of the Securities Act, and the compensation received by them may be deemed to be underwriting commissions or discounts.

Upon the Company being notified by a Selling Stockholder that any material arrangement has been entered into with a broker or dealer for the sale of any Shares covered by this Prospectus, a prospectus supplement, if required, will be distributed which will set forth the name of the participating brokers or dealers, the number of Shares involved, the price at which such Shares were sold and the commissions paid or discounts or concessions allowed to such brokers or dealers. In certain jurisdictions, the Shares may be offered or sold in such jurisdictions only through registered or licensed brokers or dealers.

Under the Exchange Act, any person engaged in a distribution of shares of Common Stock offered by this Prospectus may not simultaneously engage in market making activities with respect to the Common Stock during the applicable "cooling off" period prior to the commencement of such distribution. In addition, and without limiting the foregoing, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including without limitation Rules 10b-6 and 10b-7, which provisions may limit the timing of purchases and sales of Common Stock by the Selling Stockholder. Newpark will inform the Selling Stockholders in writing that they are subject to the applicable provisions of the Exchange Act and the rules and regulations thereunder.

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY NEWPARK OR THE SELLING STOCKHOLDER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF NEWPARK SINCE SUCH DATE.

TABLE OF CONTENTS

	PAGE
Available Information.....	2
Incorporation of Certain Documents by Reference.....	2
The Company.....	3
Risk Factors.....	7
Selling Stockholders.....	10
Plan of Distribution.....	14

NEWPARK RESOURCES, INC.

260,465 SHARES

COMMON STOCK
(\$.01 PAR VALUE)

PROSPECTUS

, 1997

PART II - INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the estimated expenses payable by the registrant in connection with the filing of this Form S-3 Registration Statement:

Securities and Exchange Commission registration fee.....	\$ 2,673.71
Printing costs.....	2,500.00
Legal fees.....	10,000.00
Accounting fees and expenses.....	1,000.00
Miscellaneous expenses.....	1,000.00

Total.....	\$ 17,173.71
	=====

ITEM 15. 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 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) EXHIBITS

- 2.1 Agreement and Plan of Reorganization, dated May 28, 1997, among the registrant, Thomas E. Eisenman and Robert E. Jones.
- 2.2 Form of Noncompetition Agreement, dated May 28, 1997, between the registrant and each of Thomas E. Eisenman and Robert E. Jones.
- 2.3 Employment Agreement, dated May 28, 1997, between Excalibar Minerals, Inc. and Thomas E. Eisenman.
- 2.4 Employment Agreement, dated May 28, 1997, between Excalibar Minerals, Inc. and Robert E. Jones.
- 2.5 Registration Rights Agreement, dated May 28, 1997, between the registrant and Thomas E. Eisenman and Robert E. Jones.
- 2.6 Agreement and Plan of Reorganization, dated May 28, 1997, among the registrant, Mark L. Phillips, Jerry L. Miller and James A. Miller.

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- 2.12 Employment Agreement, dated June 4, 1997, between Chemical Technologies, Inc. and Perry Bennett.
- 2.13 Registration Rights Agreement, dated June 4, 1997, between the registrant and Perry Bennett, Kentner Shell, Ray Bennett and Bob Hill.
- 2.14 Agreement and Plan of Reorganization, dated June 3, 1997, among the registrant, Newpark Holdings, Inc., Newpark Texas L.L.C., FMI Wholesale Drilling Fluids, Inc., General Supply Co., American Polymer, Inc. and Perry Bennett.
- 2.15 Form of Noncompetition Agreement, dated June 4, 1997, between the registrant and each of FMI Wholesale Drilling Fluids, Inc. and Perry Bennett.
- 2.16 Form of Noncompetition Agreement, dated June 4, 1997, between the registrant and each of General Supply Co. and American Polymer, Inc.
- 2.17 Registration Rights Agreement, dated June 4, 1997, between the registrant and FMI Wholesale Drilling Fluids, Inc., General Supply Co., American Polymer, Inc. and Perry Bennett.
- 2.18 Agreement and Plan of Reorganization, dated July 24, 1997, among the registrant, Sampey Bilbo Meschi Drilling Fluids Management, Inc., Smithey, Inc. and C. M. Smithey.
- 2.19 Noncompetition Agreement, dated July 24, 1997, between the registrant and C. M. Smithey.
- 2.20 Employment Agreement, dated July 24, 1997, between Newpark Drilling Fluids, Inc. ("Fluids") and C. M. Smithey.
- 2.21 Agreement and Plan of Reorganization, dated July 24, 1997, among the registrant, Fluids, Advanced Chemical Technologies, Inc., John V. Filecia and S. Kim Tillery.
- 2.22 Form of Noncompetition Agreement, dated July 24, 1997, between the registrant and each of John V. Filecia and S. Kim Tillery.
- 2.23 Employment Agreement, dated July 24, 1997, between Fluids and John V. Filecia.
- 2.24 Employment Agreement, dated July 24, 1997, between Fluids and S. Kim Tillery.
- 4.1 Form of certificate representing shares of the registrant's Common Stock.(1)

- 5.1 Opinion of Ervin, Cohen & Jessup LLP.
- 23.1 Consent of Deloitte & Touche LLP.
- 24.1 Powers of Attorney (set forth on Page II-4).

(1) Incorporated by reference from the registrant's Registration Statement on Form S-1 (File No. 33-40716).

ITEM 17. 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 than 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 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certified that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and 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 August 19, 1997.

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 ----
<u>/s/ James D. Cole</u> James D. Cole	Chairman of the Board, President and Chief Executive Officer	August 19, 1997
<u>/s/ Matthew W. Hardey</u> Matthew W. Hardey	Vice President of Finance and Chief Financial Officer	August 19, 1997

<u>/s/ Wm. Thomas Ballantine</u> Wm. Thomas Ballantine	Executive Vice President and Director	August 19, 1997
<u>/s/ Dibo Attar</u> Dibo Attar	Director	August 19, 1997
<u>/s/ W.W. Goodson</u> W. W. Goodson	Director	August 19, 1997
<u>/s/ David P. Hunt</u> David P. Hunt	Director	August 19, 1997
<u>/s/ Dr. Alan J. Kaufman</u> Dr. Alan J. Kaufman	Director	August 19, 1997
<u>/s/ James H. Stone</u> James H. Stone	Director	August 19, 1997

EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIALLY NUMBERED PAGE -----
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2.19	Noncompetition Agreement, dated July 24, 1997, between the registrant and C. M. Smithey.	
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EXHIBIT NUMBER -----	DESCRIPTION -----	SEQUENTIALLY NUMBERED PAGE -----
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2.22	Form of Noncompetition Agreement, dated July 24, 1997, between the registrant and each of John V. Filecia and S. Kim Tillery.	
2.23	Employment Agreement, dated July 24, 1997, between Fluids and John V. Filecia.	
2.24	Employment Agreement, dated July 24, 1997, between Fluids and S. Kim Tillery.	
4.1	Form of certificate representing shares of the registrant's Common Stock.(1)	
5.1	Opinion of Ervin, Cohen & Jessup LLP.	
23.1	Consent of Deloitte & Touche LLP.	
24.1	Powers of Attorney (set forth on Page II-4).	

(1) Incorporated by reference from the registrant's Registration Statement on Form S-1 (File No. 33-40716).

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION ("Agreement") is made and entered into as of May 28, 1997, by and among NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), THOMAS E. EISENMAN ("Eisenman") and ROBERT E. JONES ("Jones") (Eisenman and Jones being sometimes referred to herein collectively as the "Stockholders"), with reference to the following facts:

A. The Stockholders own beneficially and of record 100% of the outstanding capital stock (the "Company Shares") of EXCALIBAR MINERALS INC., a Texas corporation (the "Company").

B. The Company is a barite milling company specializing in services to the oil industry.

C. The parties intend that this Agreement shall constitute a plan of reorganization (the "Plan") of the type described in Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). The Plan comprises the acquisition by Newpark of the Company Shares from Stockholders solely in exchange for 166,667 (subject to adjustment as provided herein) newly issued shares of voting Common Stock of Newpark (the "Newpark Shares"). Such transaction is sometimes referred to herein as the "Exchange."

D. Newpark and the Stockholders believe that it is in their best interests to adopt the Plan and consummate the Exchange.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

1. Plan of Reorganization.

1.1 Adoption of Plan. Newpark and the Stockholders hereby adopt the plan of reorganization herein set forth.

1.2 Exchange of Shares. Subject to the provisions of this Agreement, on the "Closing Date" (as defined in Section 10) Stockholders hereby agree to deliver to Newpark one or more certificates representing all of the Company Shares, duly endorsed for transfer to Newpark or accompanied by separate stock powers so endorsed, and Newpark will issue and deliver certificates representing the Newpark Shares to the Stockholders, in proportion to their ownership of the Company Shares. No fractional Newpark Shares will be issued; if fractional shares otherwise would issue, the Stockholders shall instruct Newpark at least five business days before the Closing Date as to the rounding of such shares.

1.3 Legend on Newpark Shares. Certificates representing the Newpark Shares initially will bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY

NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE IN THE OPINION OF COUNSEL FOR THE ISSUER."

1.4 Adjustment Based on Closing Value. If the "Closing Value" (as defined in Section 18) is between \$40.50 and \$49.50, no adjustment will be made in the number of Newpark Shares. If the Closing Value falls outside that range, the number of Newpark Shares will be adjusted as follows: If the Closing Value is less than \$40.50, the number of Newpark Shares to be issued will be determined by dividing \$6,750,000 (90% of \$7,500,000) by the Closing Value. If, for example, the Closing Value is \$40.00, the number of Newpark Shares will be 168,750 (\$6,750,000 divided by \$40.00). If the Closing Value is greater than \$49.50, the number of Newpark Shares to be issued will be determined by dividing \$8,250,000 (110% of \$7,500,000) by the Closing Value. If, for example, the Closing Value is \$50.00, the number of Newpark Shares will be 165,000 (\$8,250,000 divided by \$50.00). In no event will the number of Newpark Shares be less than 151,667 or greater than 181,667.

1.5 Capital Changes. If Newpark shall combine, subdivide or reclassify its Common Stock, or shall declare any dividend payable in shares of its Common Stock, or shall take any other action of a similar nature affecting such shares, as of a record date between the date hereof and the Closing Date, the number of Newpark Shares to be issued at the Closing Date shall be adjusted to such extent as may be necessary to prevent dilution or enlargement of the rights of the Stockholders. Such adjustments shall be made by the regular independent certified public accountants for Newpark and a written report thereof, showing the adjustment and the underlying calculations, shall be sent to each party hereto.

1.6 Pooling of Interests. Between the date hereof and the Closing Date, neither Newpark nor the Stockholders or any of their "Affiliates" (as defined in Section 18) shall (a) knowingly take any action, or knowingly fail to take any action, that would jeopardize the treatment of the Exchange as a "pooling of interests" for accounting purposes; (b) knowingly take any action, or knowingly fail to take any action, that would jeopardize qualification of the Exchange as a reorganization within the meaning of Section 368(a)(1)(B) of the Code; (c) enter into any contract, agreement, commitment or arrangement with any such effect; or (d) cause or permit the Company to take any such action or fail to take any such action. Following the Closing Date, Newpark shall use its best efforts to conduct the business of the Company and shall cause the Company to use its best efforts to conduct its business in a manner that would not jeopardize the characterization of the Exchange as a "pooling of interests" for accounting purposes or as a reorganization within the meaning of Section 368(a)(1)(B) of the Code.

2. Additional Agreements.

On the Closing Date, as a necessary incident of the Exchange, Newpark and the Stockholders will execute and deliver the following additional agreements: (i) Noncompetition Agreements substantially as set forth in Exhibit 2(a) attached to this Agreement (the "Noncompetition Agreements"); and (ii) a Registration Rights Agreement substantially as set forth

in Exhibit 2(b) attached to this Agreement (the "Registration Rights Agreement," and together with the Noncompetition Agreements, the "Additional Agreements").

3. Representations and Warranties of the Stockholders.

A. Except as otherwise specifically set forth in a three-ring binder containing copies of documents, along with a ten-page outline ("the Disclosure Letter") delivered by the Stockholders to Newport prior to the execution hereof, the Stockholders hereby jointly and severally warrant and represent the following (the truth and accuracy of each of which shall constitute a condition precedent to Newport's obligations to consummate the Exchange and issue the Newport Shares):

3.1 Organization and Good Standing of the Company.

3.1.1 The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. The Company is duly qualified and in good standing as a foreign corporation in each jurisdiction where the character or location of the assets owned by the Company or the nature of the business transacted by the Company require such qualification, except where failure to be so qualified would not have a "Material Adverse Effect" (as defined in Section 18). The Disclosure Letter includes a list of the jurisdictions in which the Company is qualified to do business.

3.1.2 Stockholders have furnished to Newport complete and correct copies of the Company's Articles of Incorporation and Bylaws as in effect on the date hereof.

3.1.3 Stockholders have heretofore made available to Newport for its examination copies of the minute books, stock certificate books and corporate seal of the Company. Said minute books are accurate in all material respects and reflect all resolutions adopted and all material actions expressly authorized or ratified by the stockholders and directors of the Company. The stock certificate books reflect all issuances, transfers and cancellations of capital stock of the Company.

3.2 Capitalization.

3.2.1 The authorized capital stock of the Company consists of 5,000,000 shares of common stock, \$1.00 par value, of which 100,000 shares, i.e., the Company Shares, are issued and outstanding as of the date hereof. All such issued and outstanding shares are validly issued, fully paid and nonassessable. The Disclosure Letter includes the names, addresses and social security numbers of, and the number of the Company Shares owned by, each of the Stockholders.

3.2.2 There are no options, warrants, subscriptions or other rights outstanding for the purchase of, and all securities convertible into, capital stock of the Company. No shares of the Company are held as treasury stock.

3.3 Equity Interests.

The Company does not have a material equity interest in any other "Person" (as defined in Section 18).

3.4 No Violation. The execution, delivery and performance of this Agreement by the Stockholders are not contrary to the Articles of Incorporation or By-Laws of the Company and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other material contract or agreement to which the Company, the Stockholders or any of them are a party or by which any of them are bound.

3.5 Financial Statements. The balance sheets of the Company as of December 31, 1994, December 31, 1995 and December 31, 1996, and the related statements of income, stockholders' equity and cash flows for the years ended December 31, 1994, December 31, 1995 and December 31, 1996, accompanied by the reports and opinions of Dan R. LaFollette, P.C., independent certified public accountant, and the unaudited consolidated balance sheet of the Company as of March 31, 1997, and the related statements of income, stockholders' equity and cash flows for the three month period ended on said date, certified by the principal financial officer of the Company, subject to year-end audit adjustments, copies of which have heretofore been delivered to Newport (collectively the "Company Financial Statements"), were prepared in accordance with the books and records of such Company in accordance with generally accepted accounting principles (except for the absence of footnotes from the March 31, 1997, financial statements) consistently applied throughout the periods involved (except as otherwise noted therein) and present fairly the consolidated financial position, results of operations and cash flows of the Company for and as of the end of each of such periods.

3.6 Properties. The Company has (except as disclosed in Disclosure Letter) and on the Closing Date will have, good title to the assets and properties shown in the Company Financial Statements or acquired since the date of the latest balance sheet included therein, except as since sold or otherwise disposed of in the ordinary course of business. At the Closing such title will be free and clear of all liens, charges, security interests, encumbrances, leases, covenants, conditions and restrictions other than "Permitted Liens," as defined in Section 18. The plants, structures, leasehold improvements, machinery, equipment, furniture and other tangible assets owned or leased by the Company are in good operating condition and repair, subject only to ordinary wear and tear, taking into account the respective ages of the assets involved, and constitute all the fixed tangible assets necessary for the operation of the business of the Company in accordance with its current methods of operation in all material respects.

3.7 Contracts.

3.7.1 The Disclosure Letter includes a listing of all oral or written (a) contracts, commitments, sales orders or purchase orders, whether or not entered into in the ordinary course of business, which involve future payments, performance of services or delivery of goods and/or materials, to or by the Company of an amount or value in excess of \$100,000; (b) bonus, incentive compensation, pension, profit sharing, stock option, group insurance, medical

reimbursement or employee welfare or benefit plans of any nature whatsoever; (c) collective bargaining agreements or other contracts or commitments to or with labor unions or other employee groups; (d) leases, contracts or commitments affecting ownership of, title to, use of or any material interest in real estate; (e) employment contracts and other contracts, agreements, or commitments to or with individual employees, consultants or agents extending for a period of more than six months from the date hereof or providing for earlier termination only upon payment of a penalty or the equivalent thereof; (f) equipment leases providing (in any one lease or group of related leases) for payments in excess of \$100,000 per year; (g) contracts under which the performance of any obligation of the Company is guaranteed by a Stockholder or other third party, including performance bonding arrangements; (h) contracts or commitments providing for payments based in any manner upon the revenues, purchases or profits of the Company; (i) bank credit, factoring and loan agreements, indentures, promissory notes and other documents representing indebtedness in excess of \$100,000 for borrowed money; (j) patent licensing agreements and all other agreements with respect to patents, patent applications, trademarks, service marks, trade names, technical assistance, special processes, know-how, copyright or other like items; and (k) other contracts and agreements to which the Company is a party and which have not been fully performed, involving consideration having a value in excess of \$100,000 and a remaining period for performance in excess of nine months (all such items being collectively referred to herein as "Material Contracts"). The Stockholders have furnished to Newpark true and complete copies of all such Material Contracts.

3.7.2 All Material Contracts are valid and binding obligations of the Company and, to the "best of the knowledge" of the Stockholders, as defined in Section 18, the other parties thereto in accordance with their respective terms, subject to the Bankruptcy Exception, as defined in Section 18; there have been no amendments to or modifications to any Material Contract (except as set forth in the copies furnished to Newpark); no event has occurred which is, or, following any grace period or required notice, would become a material default by the Company under the terms of any Material Contract; except to the extent specifically reserved against on the latest balance sheet included in the Company Financial Statements, the Company is not a party to any Material Contract on which either or both of the Stockholders anticipate expenses materially in excess of revenues or which is otherwise onerous or materially adverse; and the Company has not expressly waived any material rights under any Material Contract.

3.8 Outstanding Indebtedness. The Disclosure Letter includes a true and complete schedule of all notes payable and other indebtedness in excess of \$250,000 for borrowed money owed by the Company, including a description of the material terms thereof and a description of all properties or assets pledged, mortgaged or otherwise hypothecated (voluntarily or involuntarily) as security therefor.

3.9 Absence of Undisclosed Liabilities. Except as disclosed in the Disclosure Letter and except for liabilities and obligations reflected on the latest balance sheet included in the Company Financial Statements or arising in the ordinary course of business since the date of such balance sheet, none of which latter items, individually or in the aggregate, have a Materially Adverse Effect: (a) the Company does not have, and none of its properties are subject to, any debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, which are of a type which are required to be shown or reflected on financial statements

prepared in a manner consistent with generally accepted accounting principles; and (b) to the best of the knowledge of the Stockholders, the Company does not have, and none of its properties are subject to, any material debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, whether or not of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles. The Company is not in default with respect to any material term or condition of any indebtedness.

3.10 No Litigation. Except as disclosed in the Disclosure Letter, there are no actions, suits or proceedings (whether or not purportedly on behalf of the Company) pending or, to the knowledge of the Stockholders, threatened against or affecting the Company, at law or in equity or before or by any Government Body or before any arbitrator of any kind. To the best of the knowledge of the Stockholders, the Company is not in default with respect to any judgment, order, writ, injunction, decree, award of any Government Body.

3.11 Environmental Matters.

3.11.1 Neither the Company nor, to the best of the knowledge of the Stockholders, any previous owner, lessee, tenant, occupant or user of any real property owned or leased on or prior to the date hereof by the Company (such real property and any and all buildings and other improvements thereon being herein referred to as the "Property") used, generated, manufactured, treated, handled, refined, processed, released, discharged, stored or disposed of any "Hazardous Materials" (as defined in Section 18) on, under, in or about the Property, or transported any Hazardous Materials to or from the Property in violation of any "Hazardous Materials Laws" (as defined in Section 18) in a manner or to an extent that resulted or is reasonably likely to result in a Material Adverse Effect. To the best of the knowledge of the Stockholders, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect existed on, under, in or about any Property previously owned or leased by the Company on or prior to the date that fee or leasehold title to such Property was transferred to a third party by the Company. To the best of the knowledge of the Stockholders, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect exist on, under, in or about any Property that is currently owned or leased by the Company.

3.11.2 While any Property was owned or leased by the Company, it did not violate to an extent that would have a Material Adverse Effect any applicable federal, state and local laws, ordinances or regulations, now or previously in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, under, in or about such Property (including without limitation the Hazardous Materials Laws).

3.11.3 As of the date hereof, to the best of the knowledge of the Stockholders, there are no (1) enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, contemplated or threatened pursuant to any Hazardous Materials Laws against the Company or any Property presently owned or leased by the Company, (2) claims made or threatened by any Person or Government Body relating to the Property against the Company or any Property presently owned or leased by the Company or relating to

damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials or (3) any occurrence or condition known to the Stockholders on any Property that is currently owned or leased by the Company that can reasonably be expected to subject the Company or such Property to any material restrictions on occupancy, transferability or use of any Property under any Hazardous Materials Laws. The Disclosure Letter includes a list of all complaints, notices of violation and claims relating to Hazardous Materials Laws which, to the knowledge of the Stockholders, have been received by or asserted against the Company.

3.12 Taxes.

3.12.1 The Company has filed all income, franchise and other "Tax Returns" (as defined in Section 18) required to be filed by it by the date hereof. All "Taxes" (as defined in Section 18) imposed by the United States, the State of Texas and by any other state, municipality, subdivision, or other taxing authority, which are due and payable by the Company have been paid in full or are adequately provided for by reserves reflected on the latest balance sheet included in the Company Financial Statements. The Company is an S Corporation under Subchapter S of the Code for federal income Tax purposes. The Stockholders have paid all income Taxes required to be paid by them with respect to all items of income, net of all deductions, allocable to them for federal income tax purposes by reason of the Company's status as an S Corporation, for each taxable year ended on or before December 31, 1996.

3.12.2 All contributions due from the Company pursuant to any unemployment insurance or workers compensation laws and all sales or use Taxes which are due or payable by the Company have been paid in full and will be so paid through the Closing Date. The Company has withheld and paid to, or will cause to be paid to, the appropriate taxing authorities all amounts required to be withheld from the wages of its employees under state law and the applicable provisions of the Code, and the Company will continue to do so with respect to all wages paid by it through the Closing Date.

3.12.3 The Stockholders have furnished to Newpark true and complete copies of the federal income Tax Returns and comparable state Tax Returns of the Company covering the years ended December 31, 1993, December 31, 1994 and December 31, 1995, constituting complete and accurate representations in all material respects of the Tax liabilities of the Company for the relevant periods stated therein and accurately setting forth all relevant material items, including the Tax bases of all assets, where required to be set forth in such Tax Returns.

3.13 Permits and Licenses. The Company has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects as conducted on the date hereof, and the Company is in compliance in all material respects with all applicable federal, state and local laws, rules, regulations and orders relating to its business, except where failure to have any such license, franchise, permit or authorization or failure to comply with any such laws, rules, regulations and orders would not have a Material Adverse Effect. The execution and performance of this Agreement and the consummation of the transactions contemplated hereby will not cause the termination or suspension of any license, franchise, permit or governmental authorization or

violate any provision of or constitute a default under any law, rule or regulation, order, writ, injunction or decree of any Government Body applicable to the Stockholders or the Company, where such violation or default would have a Material Adverse Effect.

3.14 No Labor Problems. Except as disclosed in the Disclosure Letter: the Company has not been charged with any unresolved unfair labor practices; there are no material controversies pending or threatened between the Company and any of its employees; the Company has complied in all material respects with all laws relating to wages, hours, collective bargaining and similar employment matters the noncompliance with which would have a Material Adverse Effect, and the Company has paid all social security and similar Taxes that are due and payable and is not liable for any arrears or wages or any Taxes or material penalties for failure to comply with any of the foregoing.

3.15 Employee Benefit Plans.

3.15.1 Definition of Benefit Plans. For purposes of this Section 3.15, the term "Benefit Plan" means any plan, program, arrangement, practice or contract which provides benefits or compensation to or on behalf of employees or former employees of the Company or any "ERISA Affiliate" (as hereinafter defined), whether formal or informal, whether or not written, including but not limited to the following:

(a) Arrangements - any bonus, incentive compensation, stock option, deferred compensation, commission, severance, golden parachute or other compensation plan, rabbi trust, program, contract, arrangement or practice;

(b) ERISA Plans - any "employee benefit plan" (as defined in Section 3(3) of ERISA), including, but not limited to, any "multi-employer plan" (as defined in Section 3(37) and Section 4001(a)(3) of ERISA), defined benefit pension plan, profit sharing plan, money purchase pension plan, 401(k) plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, or any plan, fund, program, arrangement or practice providing for medical (including post-retirement medical), hospitalization, accident, sickness, disability, or life insurance benefits; and

(c) Other Employee Fringe Benefits - any stock purchase, vacation, scholarship, day care, prepaid legal services, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

3.15.2 ERISA Affiliate. For purposes of this Section 3.15, the term "ERISA Affiliate" means each trade or business (whether or not incorporated) which together with the Company is treated as single employer under Section 414(b), (c), (m) or (o) of the Code.

3.15.3 Identification of Benefit Plans. The Company does not maintain, and has not at any time established or maintained, nor has at any time been obligated to make contributions to or under or otherwise participate in any Benefit Plan.

3.15.4 MEPPA Liability/Post-Retirement Medical Benefits/ Defined Benefit Plans/Supplemental Retirement Plans. Neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under any multi-employer plan. Neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under (i) any plan which provides post-retirement medical or health benefits, (ii) any organization described in Sections 501(c)(9) or 501(c)(20) of the Code, (iii) any defined benefit pension plan subject to Title IV of ERISA or (iv) any plan which provides retirement benefits in excess of the limitations of Section 415 of the Code.

3.15.5 Liabilities. The execution and performance of the transactions contemplated by this Agreement will not create, accelerate or increase any obligation to make any payment which, as an "excess parachute payment" under Section 280G of the Code, would not be deductible.

3.16 Insurance. The Stockholders have furnished to Newpark a complete list of all insurance policies that the Company maintains, indicating risks insured against, carrier, policy number, amount of coverage, premiums and expiration date.

3.17 Tax-Free Reorganization. Neither of the Stockholders plans or intends to sell, exchange or otherwise dispose of a number of the Newpark Shares that would reduce the Stockholders' ownership of Newpark Shares to a number of shares having a value, as of the Closing Date, of less than fifty percent (50%) of the value of all of the formerly outstanding Company Shares as of the same date.

3.18 Interest in Competitors, Suppliers, etc. Except as set forth in the Disclosure Letter, neither of the Stockholders and no officer or director of the Company or any Family Member of any such Person owns, directly or indirectly, individually or collectively, any interest in any corporation, partnership, proprietorship, firm or association which (a) is a competitor, customer or supplier of the Company, or (b) has an existing contractual relationship with the Company, including but not limited to lessors of real or personal property leased to the Company and entities against whom rights or options are exercisable by the Company. On the Closing Date the Company will own, free and clear and without payment of any royalty or fee, all interests in the assets, profits or business of the Company that are held by any Affiliate of the Company, including the Stockholders and their Family Members.

3.19 Indebtedness with Insiders. Except as set forth in the Disclosure Letter, and except for accrued salaries for one payroll period, vacation pay and business expense reimbursements, the Company is not, and, on the Closing Date, will not be, indebted to any of the stockholders, directors or officers of the Company or any Affiliate of any such Person. None of such Persons is or will be on the Closing Date indebted to the Company.

3.20 Consents. No authorizations, approvals or consents of any Government Body are required for consummation of the transactions contemplated by this Agreement or the subsequent operation of the business of the Company.

3.21 Patents, Trademarks and Other Intangibles. The Disclosure Letter includes a list of all material patents, patent applications, trade names, trademark registrations and applications therefor, copyrights, licenses, franchises and other assets of like kind ("Intangible Assets") and all interests in Intangible Assets which are owned in whole or in part by or registered in the name of the Company. The Company owns or has the right to use all Intangible Assets now used in the conduct of its business. Such Intangible Assets include all of the proprietary products and formulations developed by the Company or used by it in its business. The Company is not obligated to pay any royalty or other fee to any licensor or other third party with respect to any Intangible Assets. The Stockholders have no knowledge of any claim received by the Company alleging any conflict between any aspect of the business of the Company and any Intangible Assets claimed to be owned by others which, if determined adversely to the Company, would have a Material Adverse Effect. Neither the Stockholders nor any other officer or director of the Company, and no Person that is an Affiliate of any such Person has any interest in any Intangibles Assets which are presently used by the Company or which infringe upon, conflict with or relate to improvements or modifications of any Intangible Assets presently used by the Company.

3.22 Purchases and Sales. Since December 31, 1996, the Company has not placed any orders for materials, merchandise or supplies in exceptional or unusual quantities based upon past operating practices and has not entered into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

3.23 Brokerage and Finder's Fees. Neither the Company nor the Stockholders (or any Affiliate of the Stockholders) has incurred any liability to any broker, finder or agent for any brokerage fees, finder's fees or commissions for which the Company could be liable with respect to the transactions contemplated by this Agreement.

3.24 Absence of Certain Changes. Since December 31, 1996, except for matters of a general economic nature which do not affect the Company uniquely, the Company has not:

3.24.1 suffered any Material Adverse Effect;

3.24.2 borrowed or agreed to borrow any funds in excess of \$25,000 in a single transaction or \$100,000 in the aggregate, except borrowings under its bank lines of credit in the ordinary course of business, or incurred or become subject to any obligation or liability (absolute or contingent) in excess of \$25,000 in a single transaction or \$100,000 in the aggregate, except obligations and liabilities incurred in the ordinary course of business;

3.24.3 mortgaged, pledged, hypothecated or otherwise encumbered any of its properties or assets except for Permitted Liens;

3.24.4 made or agreed to make any distribution of any funds or assets of any kind whatsoever to any past or present stockholder of the Company or any Affiliate of any such Person, whether by way of dividend, redemption or purchase of capital stock, or any other

type of distribution on or with respect to its capital stock, whether or not similar to the foregoing, except dividends in an amount that is not in excess of the federal income Tax liability of the Stockholders related to the income, net of deductions, for 1996 that is allocable to them for as a result of the Company's status as an S Corporation;

3.24.5 made any payment of principal or interest on any indebtedness owed to any past or present stockholder of the Company or any Affiliate of any such Person;

3.24.6 sold or agreed to sell any of its assets, properties or rights having an aggregate value in excess of \$100,000 or canceled or agreed to cancel any debts or claims exceeding \$100,000 in the aggregate, except for fair value in the ordinary course of business;

3.24.7 entered or agreed to enter into any agreement or arrangement granting any preferential right to purchase a material part of its assets, properties or rights;

3.24.8 increased the rate of compensation of or paid or accrued bonuses to or for any of its officers, employees, consultants or agents, except for normal merit or cost of living increases;

3.24.9 suffered any damage, destruction or loss in excess of an aggregate of \$100,000, whether or not covered by insurance, adversely affecting any of its properties;

3.24.10 assigned or agreed to assign any of its Intangible Assets having a value in excess of \$100,000;

3.24.11 suffered any adverse amendment or termination of any Material Contract (or any contract that would have been a Material Contract if not amended or terminated) to which it is a party;

3.24.12 paid any commissions or similar fees to brokers or finders for arranging the transactions contemplated by this Agreement or any similar proposed transaction with any other party; or

3.24.13 entered into any other material transaction other than in the ordinary course of business.

3.25 No Material Misstatements or Omissions. No representation or

warranty by the Stockholders in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to Newpark pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated therein or necessary in order to make the statements or facts therein, in the light of the circumstances under which they were made, not misleading.

B. Except as otherwise set forth in the Disclosure Letter, each Stockholder represents and warrants with respect to himself, severally but not jointly, the following (the truth

and accuracy of each of which shall constitute a condition precedent to Newpark's obligations to consummate the Exchange and issue the Newpark Shares):

3.26 Investment Representations. Either such Stockholder is an "accredited investor", as that term is defined in Rule 501 of the "Rules and Regulations" (as defined in Section 18) or such Stockholder, either alone or with such Stockholder's qualified "purchaser representative" (as defined in Rule 501 of the Rules and Regulations), has such knowledge and experience in financial and business matters that he is capable of evaluating the risks and merits of an investment in Newpark Common Stock. Such Stockholder is acquiring his Newpark Shares in the Exchange for investment and not with a view to the sale thereof other than in compliance with the requirements of the "Securities Act" (as defined in Section 18) and applicable Blue Sky laws. At the request of Newpark, each Stockholder will furnish to Newpark evidence reasonably satisfactory to Newpark that the foregoing representations are true.

3.27 Enforceability. This Agreement has been duly and validly executed by such Stockholder, and this Agreement constitutes a legal, valid, and binding obligation of such Stockholder, enforceable against him in accordance with its terms, subject to the Bankruptcy Exception. Such Stockholder has the requisite power to enter into this Agreement and perform his obligations hereunder (including without limitation to sell and deliver his Company Shares), and no other Person's joinder as a party hereto is necessary therefor pursuant to any community property laws or otherwise, and there is no restriction on the power of the Stockholder to sell and deliver his Company Shares pursuant to any trust, estate planning or other similar document or any prenuptial or post-nuptial agreement or arrangement.

3.28 No Litigation. There are no actions pending or, to the knowledge of the Stockholders, threatened in any court or arbitration forum or by or before any Government Body involving the Company or such Stockholder relating to or affecting any of the transactions contemplated by this Agreement.

3.29 Title to Shares. Each Stockholder is the holder of record and owns beneficially that number of Company Shares set forth opposite his name in the Disclosure Letter. At the Closing, each Stockholder will own the Company Shares set forth in the Disclosure Letter free and clear of all liens, security interests, encumbrances and restrictions, other than restrictions contemplated by this Agreement. Except as set forth in the Disclosure Letter, no Stockholder is a party to any voting trust, proxy or other agreement with respect to the voting of any of such Company Shares.

4. Additional Obligations and Covenants of the Stockholders.

Except as otherwise provided in the Disclosure Letter, the Stockholders hereby jointly and severally covenant and agree with Newpark as follows (the fulfillment of each such covenant and agreement is a condition precedent to Newpark's obligations to consummate the Exchange and issue the Newpark Shares):

4.1 Conduct of Business. Between the date hereof and the Closing Date, the Stockholders will and will cause the Company to comply with the following:

4.1.1 The business of the Company shall be conducted diligently and only in the ordinary course, and the Stockholders will use reasonable efforts to preserve the organization of the Company intact, to keep available to the Company its present key employees and to maintain the relationships of the Company with its suppliers, customers and others. The Company will not, without Newpark's prior written approval, increase the rate of compensation payable or to become payable to any of its officers, employees, consultants or agents over the rate being paid to them at the date hereof, except for normal merit or cost of living increases to employees other than officers of the Company.

4.1.2 Without Newpark's prior written approval, the Company will not adopt any Benefit Plan for the benefit of any employees of the Company or any ERISA Affiliate.

4.1.3 The Company will not, without Newpark's prior written approval, enter into any Material Contract other than in the ordinary course of business or enter into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

4.1.4 The Company will not, without Newpark's prior written approval, sell or dispose of any of its material properties or assets except for sales at fair value in the ordinary course of business.

4.1.5 The Company will not, without Newpark's prior written approval, acquire or enter into any agreement to acquire, by merger, consolidation, purchase of stock or assets or otherwise, any business or entity.

4.1.6 The Company will use reasonable diligence to maintain its properties in their condition as of the date of this Agreement, ordinary wear and tear excepted.

4.1.7 The Company will continue to carry its existing insurance policies subject only to variations in amounts required by the ordinary operations of its business. At the request of Newpark and at its sole expense, the amount and scope of said insurance shall be increased by such amounts and extended to provide coverage against such risks as Newpark shall specify.

4.2 Access and Information. Subject to the execution by Newpark of a confidentiality agreement in form and substance reasonably satisfactory to the Stockholders, Stockholders will afford to Newpark and Newpark's counsel, accountants and other representatives reasonable access, throughout the period from the date hereof to the Closing Date, to all of the Company's properties, books, contracts, commitments, and records and shall furnish Newpark during such period with all information that Newpark reasonably may request, including copies and/or extracts of pertinent records, documents and contracts.

4.3 Efforts to Satisfy Conditions. The Stockholders agree to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to Newpark's obligations under this Agreement, to the extent that their action or inaction can control or influence the

satisfaction of such conditions. Without limiting the generality of the foregoing the Stockholders will and will cause the Company to refrain from all negotiations and transactions, the consummation of which would be inconsistent with the transactions contemplated by this Agreement, including, without limitation, any transaction providing for the sale of any capital stock of the Company, any merger or other business combination involving the Company, the acquisition of a substantial equity interest in the Company by a third party or the sale of a substantial portion of the assets of the Company.

4.4 Corporate Matters. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newport's prior written approval: (a) amend its Articles of Incorporation or Bylaws; (b) issue any shares of its capital stock; (c) issue or create any warrants, obligations, subscriptions, options, convertible securities or other commitments under which any additional shares of its capital stock of any class might be directly or indirectly authorized, issued or transferred from treasury, or (d) enter into any agreement requiring it to do any of the foregoing prohibited acts.

4.5 No Distributions to Stockholders. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newport's prior written approval: (a) declare, set aside or pay any dividend or make any distribution in respect of its capital stock, except that the Company may declare and pay a dividend (the "Tax Dividend") to the Stockholders on or before the Closing Date, in an amount equal to the Stockholders' estimated liability for federal income Tax (the "Short Period Income Taxes") on income, net of deductions allocated to them by reason of the Company's status as an S Corporation, for the period from December 31, 1996, to and including the day before the Closing Date (the "Short Period"); (b) directly or indirectly purchase, redeem or otherwise acquire any shares of its capital stock for consideration; (c) pay or distribute any cash or property to any Stockholder as a loan or in payment of principal of or interest on any indebtedness to any Stockholder (except however, the existing commission arrangements between the Company and Jones as an individual, and between the Company and Eisenman Enterprises, Inc., which arrangements shall terminate as of the Closing Date); or (d) enter into any agreement requiring it to do any of the foregoing prohibited acts.

4.6 Capital Expenditures. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newport's prior written approval, make any commitment for capital expenditures in excess of an aggregate of \$50,000.

4.7 Indebtedness. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newport's prior written approval: (a) create, incur or assume any long-term debt (including capital leases that individually involve annual payments in excess of \$50,000) or, except in the ordinary course of business under existing lines of credit, create, incur or assume any short-term debt for borrowed money in excess of \$25,000 in a single transaction or \$50,000 in the aggregate; (b) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person (except in the ordinary course of business and consistent with past practice); (c) make any loans or advances to any Person except in the ordinary course of business and

consistent with past practice; or (d) make any capital contributions to, or investments in, any Person except in the ordinary course of business and consistent with past practice.

4.8 Limit on Sale of Newpark Shares. Each Stockholder hereby agrees that he will not offer to sell, transfer or otherwise dispose of any of the Newpark Shares issued to him pursuant to the Exchange, except (a) in accordance with the applicable provisions of the Securities Act and the Rules and Regulations and (b) until such time as financial results covering at least 30 days of combined operations of Newpark and the Company have been published within the meaning of Section 201.01 of the Commission's Codification of Financial Reporting Policies.

5. Representations and Warranties of Newpark.

Newpark hereby represents and warrants the following (the truth and accuracy of each of which shall constitute a condition precedent to the Stockholders' obligations to consummate the Exchange):

5.1 Organization and Good Standing.

5.1.1 Newpark is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Newpark has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

5.1.2 Newpark has furnished to the Stockholders complete and correct copies of Newpark's Certificate of Incorporation and Bylaws as in effect on the date hereof.

5.2 Capital Stock. The authorized capital stock of Newpark consists of 20,000,000 shares of Common Stock, \$.01 par value, of which 15,175,438 shares were issued and outstanding on March 24, 1997, and 1,000,000 shares of Preferred Stock, \$.01 par value, of which no shares are issued and outstanding. Newpark's Board of Directors and stockholders have approved amendments to Newpark's Certificate of Incorporation to increase the number of authorized shares of Common Stock to 80,000,000 and to effect a two-for-one split of the Common Stock, both to take effect on May 30, 1997.

5.3 Newpark Subsidiaries. Each subsidiary of Newpark that is a "significant subsidiary," as defined in Rule 1-02(w) of Regulation S-X of the Rules and Regulations (each a "Newpark Subsidiary" and collectively the "Newpark Subsidiaries"), is duly organized and in good standing under the laws of the jurisdiction in which it was incorporated or organized, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. Each Newpark Subsidiary is duly qualified and in good standing as a foreign corporation or other entity in each jurisdiction where the character or location of the assets owned by it or the nature of the business transacted by it require such qualification, except where failure to be so qualified would not have a Material Adverse Effect.

5.4 Authority. The execution and delivery of this Agreement by Newpark and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Newpark. This Agreement has been duly executed and delivered to the Stockholders and no vote of the stockholders of Newpark or further corporate action is necessary on the part of Newpark to make this Agreement valid and binding upon Newpark in accordance with its terms, subject to the Bankruptcy Exception. The execution, delivery and performance of this Agreement by Newpark are not contrary to the Certificate of Incorporation or By-Laws of Newpark and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other contract or agreement to which Newpark is a party or by which Newpark is bound.

5.5 Newpark Reports. Newpark has delivered to the Stockholders copies of Newpark's Annual Reports on Form 10-K for the years ended December 31, 1994, 1995 and 1996 (as amended), Newpark's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, and Newpark's definitive Proxy Statement dated April 4, 1997, for its Annual Meeting of Stockholders held on May 14, 1997. All of said documents and all periodic reports filed by Newpark with the Commission after the date hereof are called the "Newpark Reports" herein. The Newpark Reports have been or will be duly and timely filed with the Commission and are or will be when filed in compliance with the Rules and Regulations. As of their respective dates, none of the Newpark Reports contained or will contain any untrue statement of a material fact or omitted or will 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.

5.6 Newpark Financial Statements. The financial statements contained in the Newpark Reports (the "Newpark Financial Statements") filed on or before the date hereof have been prepared in accordance with the books and records of Newpark and its subsidiaries and in accordance with generally accepted accounting principles consistently applied during the periods indicated, all as more particularly set forth in such financial statements and the Notes thereto. Each of the balance sheets included in the Newpark Financial Statements presents fairly as of its date the consolidated financial condition and assets and liabilities of Newpark and its subsidiaries. Except as and to the extent reflected or reserved against in such balance sheets (including the Notes thereto), Newpark (including its subsidiaries) did not have, as of the dates of such balance sheets, any material liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto prepared in accordance with generally accepted accounting principles. The consolidated statements of earnings and stockholders' equity and consolidated statements of changes in financial position included in the Newpark Financial Statements present fairly the results of operations and changes in financial position of Newpark and its subsidiaries for the periods indicated.

5.7 No Litigation. Except as disclosed in the Newpark Reports or omitted therefrom in accordance with the Rules and Regulations: (a) there are no actions, suits or proceedings (whether or not purportedly on behalf of Newpark or any Newpark Subsidiary) pending or, to the "knowledge of Newpark" (as defined in Section 18), threatened against or affecting Newpark or any Newpark Subsidiary, at law or in equity or before or by any

Government Body or before any arbitrator of any kind; and (b) to the best of the knowledge of Newpark, neither Newpark nor any Newpark Subsidiary is in default with respect to any judgment, order, writ, injunction, decree, award of any court, arbitrator or Government Body.

5.8 Newpark Benefit Plans. Newpark has made available to the Stockholders a true and complete copy of the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries, if applicable, for each Benefit Plan (as defined in Section 3.15.1, substituting "Newpark" for "the Company") maintained by Newpark.

5.9 Environmental Matters. Newpark and the Newpark Subsidiaries have complied in all material respects with all Hazardous Materials Laws applicable to their properties and business. Neither Newpark nor, to the best of Newpark's knowledge, any Newpark Subsidiary has received any complaint, order or similar notice that it is not in compliance with any Hazardous Materials Laws or that any Government Body is investigating its compliance with any Hazardous Materials Laws, except as disclosed in the Newpark Reports or omitted therefrom in accordance with the Rules and Regulations and except for routine inspections and investigations in connection with applications by Newpark and the Newpark Subsidiaries for additional permits or authorizations. Newpark has no knowledge of any material violation of any Hazardous Materials Laws on or about its properties or the properties of any Newpark Subsidiary.

5.10 Absence of Certain Changes. Since December 31, 1996, there has not been any material adverse change in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole.

5.11 Consents. No authorizations, approvals or consents of any governmental department, commission, bureau, agency or other public body or authority are required for consummation by Newpark of the transactions contemplated by this Agreement, except such qualifications as may be required under state securities or Blue Sky laws relating to the Newpark Shares.

5.12 No Material Misstatements or Omissions. No representation or warranty by Newpark in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to the Stockholders pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements or facts contained therein not misleading.

6. Additional Obligations and Covenants of Newpark.

Newpark hereby covenants and agrees with the Stockholders as follows (the fulfillment of each such covenant and agreement is a condition precedent to the Stockholders' obligations to consummate the Exchange):

6.1 Efforts. Newpark agrees to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to the Stockholders' obligations under this Agreement, to the extent that its action or inaction can control or influence the satisfaction of such conditions.

6.2 Additional Information. Newpark will make available to each Stockholder the opportunity to ask questions and receive answers concerning the terms and conditions of the Exchange and to obtain any additional information that Newpark is required to furnish under Regulation D of the Rules and Regulations.

6.3 Issuance and Listing of Stock. Newpark has reserved for issuance, and, as and when required by the provisions of this Agreement, will issue the Newpark Shares, and the Newpark Shares, when so issued, will be validly issued, fully paid and nonassessable. Newpark will use its best efforts to list the Newpark Shares on the New York Stock Exchange.

6.4 Exemption for Issuance of Newpark Shares. Newpark will use all reasonable efforts to qualify the issuance of the Newpark Shares in connection with the Exchange under Rule 506 of the Rules and Regulations and, if necessary, to qualify the issuance thereof pursuant to all applicable state securities or Blue Sky laws.

6.5 Continuing Employees. Each employee of the Company who continues immediately after the Closing Date as an employee of the Company, Newpark, or any of its subsidiaries ("Continuing Employee") shall be treated under Newpark's compensation, benefit plans and employment policies and practices on a basis which Newpark deems no less favorable than an employee of Newpark who performs comparable duties and responsibilities for Newpark on an equally satisfactory basis. Each Continuing Employee shall receive service credit for all purposes (including, but not limited to, vesting, eligibility and benefit accrual) under Newpark's "Benefit Plans" (as defined in Section 3.15.1, substituting "Newpark" for "the Company") and under any Benefit Plan adopted in the future for service completed with the Company as if such service had been completed with Newpark except that (a) no such employee shall receive such past service credit under a future Benefit Plan except on the same basis that Newpark's employees also receive past service credit under such plan, and (b) no such past service credit will be provided under a plan if the Internal Revenue Service determines that such credit would adversely affect the tax qualified status of such plan under Section 401 of the Code.

6.6 Stockholder Guarantees. Subject to consummation of the Exchange, Newpark agrees that, after the Closing Date, it will cause the Company to discharge in accordance with its terms all indebtedness of the Company as to which the Stockholders have executed personal guarantees, as disclosed in the Disclosure Letter.

7. Conditions to Each Party's Obligations.

The respective obligations of each party to consummate the Exchange under this Agreement shall be subject to the satisfaction on or before the Closing Date of each of the following conditions except to the extent the parties may waive any of such conditions in writing:

7.1 Securities Laws. All applicable Blue Sky and state securities laws shall have been complied with in connection with the issuance of the Newpark Shares, and no stop order suspending the qualification or registration of the Newpark Shares under the Blue Sky laws of any jurisdiction shall have been issued and no proceeding for that purpose shall have been initiated or shall be threatened by the authorities of any such jurisdiction.

7.2 Additional Agreements Executed. The Additional Agreements shall have been executed and delivered.

7.3 Government Body Consents. All consents, authorizations, orders and approvals of (or filings or registrations with) any Government Body required in connection with the execution, delivery and performance of this Agreement or the operation of the business of the Company following the Closing Date shall have been obtained or made, except where the failure to have obtained or made any such consent, authorization, order, approval, filing or registration would not have a Material Adverse Effect following the Closing Date.

7.4 Injunction. At the Closing Date there shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction to the effect that the Exchange may not be consummated as herein provided, no proceeding or lawsuit shall have been commenced by any Government Body for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Government Body indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement.

7.5 Tax Opinion. The Stockholders and Newpark shall each have received a written opinion of Ervin, Cohen & Jessup, in form reasonably satisfactory to the Stockholders and Newpark (the "Tax Opinion"), to the effect that (a) the Exchange will constitute a reorganization within the meaning of Section 368(a)(1)(B) of the Code, (b) the exchange of the Company Shares for Newpark Shares will not give rise to gain or loss to the Stockholders, (c) the basis of Newpark Shares received in the Exchange by a Stockholder will be the same as the basis of such Stockholder in Company Shares which were exchanged for such Newpark Shares, and (d) the holding period for Newpark Shares received in the Exchange by a Stockholder will include the holding period of such Stockholder in Company Shares which were exchanged for such Newpark Shares. In connection with such tax opinion, Ervin, Cohen & Jessup shall be entitled to make factual assumptions as are customary in similar tax opinions, and such factual assumptions shall be confirmed by certificates signed by the Stockholders and by responsible officers of the Company and Newpark.

7.6 Pooling. The Stockholders and Newpark shall have been advised in writing, as of the Closing Date, by Deloitte & Touche that, in accordance with generally accepted accounting principles, the Exchange qualifies to be treated as a "pooling of interests" for accounting purposes, and that they are not aware of any conditions that would preclude the utilization of pooling of interest accounting.

7.7 Listing of Newpark Shares. The Newpark Shares shall have been listed on the New York Stock Exchange, subject to official notice of issuance.

8. Conditions Precedent to Obligations of Newpark.

The obligations of Newpark to consummate the Exchange and issue the Newpark Shares are subject to the satisfaction of each of the additional following conditions at or prior to the Closing, unless waived in writing by Newpark:

8.1 Accuracy of Warranties and Representations. The representations and warranties of the Stockholders herein shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect, except as to transactions permitted herein or to which Newpark may have consented in writing and changes occurring in the ordinary course of business after the date of this Agreement and not materially adversely affecting the Company, or its properties, prospects, or financial condition, as though such representations and warranties had been made on and as of the Closing Date, and the Stockholders shall have performed in all material respects all covenants required by this Agreement to be performed by them at or prior to the Closing.

8.2 No Adverse Change. There shall have been no changes after the date of this Agreement in the results of operations, assets, liabilities, financial condition or affairs of the Company which in their total effect have a Materially Adverse Effect on the Company.

8.3 Stockholders' Certificate. The Stockholders shall have delivered to Newpark a certificate, dated as of the Closing Date, executed by each of the Stockholders, individually, stating that, to the best knowledge of each, (a) all the representations and warranties of the Stockholders contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of Newpark hereunder have been fulfilled and (c) the Stockholders have duly performed all obligations and covenants to be performed by them hereunder.

8.4 Material Contracts. The Company shall have received consents to assignment of all Material Contracts or written waivers of the provisions of any Material Contracts requiring the consents of third parties as set forth in the Disclosure Letter, except where the failure to have obtained any such consent or written waiver would not have a Material Adverse Effect following the Closing Date.

8.5 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for Newpark, and there shall have been furnished to such counsel by the Stockholders certified copies of such corporate records of the Company and copies of such other documents as such counsel may reasonably have requested for such purpose.

8.6 Opinion of the Stockholders' Counsel. Newpark shall have received an opinion of Paul P. Bazelides, Esq., dated the Closing Date, substantially in the form attached hereto as Exhibit 8.6.

8.7 Directors of the Company. The number of authorized directors of the Company shall have been increased to five, and James D. Cole, Wm. Thomas Ballantine and Matthew W. Hardey shall have been elected to serve as directors, along with Stockholders.

9. Conditions Precedent to Obligation of the Stockholders.

The obligations of the Stockholders to consummate the Exchange are subject to the satisfaction of each of the following additional conditions at or prior to the Closing, unless waived in writing by the Stockholders:

9.1 Accuracy of Warranties and Representations. The representations and warranties of Newpark contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and Newpark shall have performed in all material respects all of the covenants required by this Agreement to be performed by it on or before the Closing.

9.2 Authorization of Exchange. All corporate action necessary by Newpark to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby shall have been duly and validly taken.

9.3 No Material Adverse Change. There shall have been no changes since December 31, 1996, in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole, which, in their total effect, have a Material Adverse Effect on Newpark and its subsidiaries.

9.4 Officers' Certificate of Newpark. Newpark shall have delivered to the Stockholders a certificate dated the Closing Date, signed by the President and Chief Financial Officer of Newpark and stating that, to the best knowledge of each, (a) all the representations and warranties of Newpark contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of the Stockholders hereunder have been fulfilled and (c) Newpark has duly performed all obligations and covenants to be performed by it hereunder.

9.5 Opinion of Newpark's Counsel. The Stockholders shall have received an opinion of Ervin, Cohen & Jessup, dated the Closing Date, substantially in the form attached hereto as Exhibit 9.5.

9.6 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for the Stockholders, and there shall have been furnished to such counsel by Newpark certified copies of such corporate records of Newpark (including Board of Directors resolutions approving the Exchange Agreements) and copies of such other documents as such counsel may reasonably have requested for such purpose.

10. Closing.

The closing ("Closing") of the transactions covered by this Agreement shall take place at 1:30 p.m., on May 28, 1997, at the offices of Paul P. Bazelides, 9821 Katy Freeway, Suite 550, Houston, Texas 77024. In the event that the conditions specified in this Agreement have not been fulfilled by that date, any party may postpone the Closing for the minimum

reasonably necessary period or periods, in any event not exceeding an aggregate of 45 days, by written notice to the other parties. Any party exercising such right shall deliver written notice to the other parties specifying in reasonable detail the condition which has not been fulfilled, and the other parties will have the right to cure or correct the matter within the 45-day period. The term "Closing Date" herein shall mean the last date fixed by mutual agreement or otherwise under this Section.

11. Survival of Representations.

All representations, warranties and indemnifications made by Stockholders or Newport under or in connection with this Agreement (including any representations and warranties set forth in the certificates delivered pursuant to Sections 8.4 and 9.4) shall survive the Closing until the earlier of (a) one year after the Closing Date and (b) the date when Newport's independent accountants issue an audit report on their audit of the financial statements containing combined operations of Newport and the Company for the period ending December 31, 1997. Neither party shall be entitled to recover against the other for any misrepresentation or breach of warranty except to the extent that written notice of any such claim has been delivered to the party against whom recovery is sought within the applicable period setting forth in reasonable detail and specifying the nature of the claim being asserted. The provisions of this Section and Section 13.3.3 apply only to claims arising under this Agreement and do not affect any other claims that any party may have at any time against any other party, including but not limited to claims that may arise under Hazardous Material Laws.

12. Post-Closing Covenants.

12.1 Cooperation and Assistance. Upon request, each of the parties hereto shall cooperate with the other to the extent reasonably requested, at the requesting party's expense, in furnishing information, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving the Stockholders and Newport which are based upon contracts, arrangements or acts of the Stockholders or the Company or both which were in effect or occurred on or prior to the Closing.

12.2 Access to Records. The Stockholders shall be entitled, after the Closing, upon reasonable notice and during the regular business hours of Newport, to have access to and to make copies of the business records of the Company which relate to periods prior to the Closing. Newport shall retain such business records for a period of five (5) years following the Closing Date, after which time Newport may destroy or otherwise dispose of such business records without the Stockholders's consent.

12.3 Tax Matters.

12.3.1 Control of Tax Proceedings. Whenever any taxing authority asserts a claim, makes an assessment, or otherwise disputes the amount of Taxes for any period prior to the Closing Date Newport shall promptly inform the Stockholders. The provisions of Section 13 shall apply to the defense of any such claim, assessment or dispute.

12.3.2 Current Tax Returns. The Stockholders shall be responsible for the preparation and filing of all Tax Returns for all taxable periods that end or ended on or before the Closing Date. Newpark will make available to the Stockholders, without charge, the services of its personnel and the personnel of the Company to assist the Stockholders in the preparation of such Tax Returns. Such Tax Returns shall be reasonably satisfactory to Newpark in form and substance. The Stockholders shall pay the Short Period Income Taxes. If, based on the Company's federal income Tax Return as filed for the Short Period or as adjusted as a result of any federal tax audit of such income Tax Return, the Short Period Income Taxes are greater than the amount of the Tax Dividend, the Stockholders will pay the excess, and Newpark will issue to the Stockholders additional Newpark Shares, valued at their Closing Value, in an equivalent amount; if the Short Period Income Taxes are less than the amount of the Tax Dividend, the Stockholders will refund the excess to the Company by delivering Newpark Shares, valued at their Closing Value, in an equivalent amount, if the Stockholders then hold Newpark Shares; otherwise, they shall refund the excess in cash.

12.3.3 Refunds and Credits. Subject to the provisions of Section 12.3.2 above, any refunds and credits of federal income Taxes attributable to any taxable year ending on or before the Closing Date shall be for the account of the Stockholders, and any refunds and credit of other Taxes attributable to any taxable year ending on or before the Closing Date shall be for the account of the Company; to the extent that any such refund of Taxes other than federal income Taxes exceeds the amount, if any, accrued on the books of the Company with respect to the period for which the refund is received, the Stockholders shall receive credit against any liability they may have under Section 13.

12.3.4 Cooperation. Newpark and the Stockholders shall cooperate with each other in a timely manner in the preparation and filing of any Tax Returns, payment of any Taxes in accordance with this Agreement, and the conduct of any audit or other proceeding. Each party shall execute and deliver such powers of attorney and make available such other documents as are necessary to carry out the intent of this Section 12.3.4. Each party agrees to notify the other party of any audit adjustments that do not result in Tax liability but can be reasonably expected to affect Tax Returns of the other party.

12.3.5 Retention of Records. Newpark shall (i) retain records, documents, accounting data and other information (including computer data) necessary for the preparation and filing of all Tax Returns or the audit of such returns, and (ii) give to the Stockholders reasonable access to such records, documents, accounting data and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the review or audit of such returns to the extent relevant to an obligation or liability of a party under this Agreement.

13. Indemnifications.

13.1 Indemnification by the Stockholders. Subject to the provisions of Sections 11 and 13.3, the Stockholders, jointly and severally, hereby agree to indemnify, defend, protect and hold harmless Newpark against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any breach of any warranty or representation

made by them under or in connection with this Agreement. Such indemnification shall be solely the responsibility of the Stockholders, and they shall not have any right to recover any portion of their liability from the Company, whether by right of indemnification, contribution or otherwise.

13.2 Indemnification by Newpark. Subject to the provisions of Sections 11 and 13.3, Newpark hereby agrees to indemnify, defend, protect and hold harmless Stockholders against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any breach of any warranty or representation made by Newpark under or in connection with this Agreement. The rights to such indemnification shall accrue solely to Stockholders, and the Company shall have no interest therein.

13.3 Indemnification Procedures and Limitations. The following provisions shall apply to all indemnification and hold harmless provisions of this Agreement:

13.3.1 No party shall be required to indemnify another pursuant hereto unless the party seeking indemnification (the "Indemnitee") shall, with reasonable promptness, provide the other party (the "Indemnitor") with copies of any claims or other documents received and shall otherwise make available to the Indemnitor all material relevant information. The Indemnitor shall have the right to defend any such claim at its expense, with counsel of its choosing, and the Indemnitee shall have the right, at its expense, using counsel of its choosing, to join in the defense of any such claim. The Indemnitee's failure to give prompt notice or to provide copies of documents or to furnish relevant data shall not constitute a defense in whole or in part to any claim by the Indemnitee against the Indemnitor except to the extent that such failure by the Indemnitee shall result in a material prejudice to the Indemnitor.

13.3.2 Except as hereinafter provided, neither party shall settle or compromise any such claim unless it shall first obtain the written consent of the other, which shall not be unreasonably withheld. The foregoing notwithstanding, if suit shall have been instituted against the Indemnitee and the Indemnitor shall have failed, after the lapse of a reasonable time after written notice to it of such suit, to take action to defend the same, the Indemnitee shall have the right to defend the claim (without limiting the right of the Indemnitor to participate in the defense) and to charge the Indemnitor with the reasonable cost of any such defense, including reasonable attorneys' fees, and the Indemnitee shall have the right, after notifying but without consulting the Indemnitor, to settle or compromise such claim on any terms reasonably approved by the Indemnitee.

13.3.3 Neither Newpark nor the Stockholders shall have any liability for breach of warranty or representation hereunder except to the extent that the amount of all valid claims for breach of warranty or representation against it or them hereunder exceeds an aggregate of \$50,000. In no event shall the liability of any of the Stockholders for any breach of warranty or representation hereunder exceed the value of the Newpark Shares for which his Company Shares are exchanged in the Exchange, for which purpose they shall be valued at their Closing Value. To the fullest extent permitted by law, Stockholders shall satisfy their liability hereunder by delivering to Newpark some or all of such Newpark Shares, valued at their Closing Value, and Newpark shall satisfy its liability by issuing additional Newpark Shares valued at their Closing

Value. Nothing contained herein shall relieve any of the Stockholders or Newpark of any liability he or it may have for any intentional breach of representation or warranty.

13.3.4 In determining the amount of any damage, loss, liability, cost or expense suffered by Newpark which gives rise to liability of Stockholders hereunder, there shall be taken into account the amount of any Tax benefits actually realized by Newpark and its subsidiaries attributable to such damage, loss, liability, cost or expense or derived therefrom in the same or any past or subsequent taxable period, also taking into account the Tax treatment of the receipt by Newpark of any payment from Stockholders.

13.4 Dispute Resolution; Arbitration.

13.4.1 The parties desire to finally resolve any and all issues and disputes arising out of or related to this Agreement or its alleged breach as promptly as practicable and, in any event, before Newpark's independent accountants issue an audit report on their audit of the financial statements containing combined operations of Newpark and the Company for the period ending December 31, 1997. Newpark and the Stockholders shall first attempt diligently to resolve any such issue or dispute. They may, if they desire, attempt to mediate the dispute and shall, if they choose, do so in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"), either as written or as modified by mutual agreement. A written agreement to undertake mediation may be made at any time. If arbitration proceedings have been instituted, they shall be stayed until the mediation process is terminated. Any dispute arising out of or related to this Agreement or its alleged breach that cannot be resolved by mutual agreement (including mutually agreed mediation) shall be resolved exclusively by final and binding arbitration, conducted as expeditiously as possible in the City of Houston, Texas, in accordance with the provisions of this Agreement and, to the extent not inconsistent with such provisions, the Commercial Arbitration Rules of the American Arbitration Association. To the extent lawful, the arbitrators, in their discretion, may shorten any time periods or notice periods specified by law, in the interest of timely completing arbitration and issuing their award.

13.4.2 The Stockholders, as one party, or Newpark may initiate arbitration of a dispute by giving the other party written notice of arbitration, which shall specify with reasonable detail (a) the issue in dispute, (b) the claims asserted and (c) the remedy sought by the party invoking arbitration. The arbitration shall be conducted before a single neutral arbitrator if the parties are able to agree on one arbitrator. If they are unable so to agree and do not agree otherwise, arbitration shall be conducted by a panel of three neutral arbitrators. None of the arbitrators shall be affiliated in any way with either of the parties or have any direct or indirect financial interest in the outcome of the arbitration. If the parties fail to reach agreement upon a single arbitrator within 5 business days following receipt by one party of the other party's notice of arbitration, the initiating party shall submit in writing to the other party the name of a neutral arbitrator selected by the initiating party. Within 5 business days after such name is submitted, the other party shall submit to the initiating party in writing the name of a neutral arbitrator selected by such other party and may submit an answering statement. Within 10 days after appointment of the second arbitrator, the two arbitrators appointed by the parties shall select a third neutral arbitrator; the three arbitrators so selected shall finally resolve the dispute. If the two arbitrators appointed by the parties fail before the end of said 10 day period to agree on a

third arbitrator, the Judicial District Court of Harris County, Houston Division, shall, upon the filing of a petition by any of the parties hereto select the third arbitrator from a list of five individuals obtained by the Court from the Houston Office of the American Arbitration Association. If the non-initiating party shall fail to appoint an arbitrator within 10 days after the name of the arbitrator selected by the initiating party is submitted, the arbitrator appointed by the initiating party shall be empowered to proceed to arbitrate and determine the matter in controversy as the sole arbitrator. All references to "the arbitrators" in the following Sections shall be deemed to refer to the sole arbitrator, if there is only one arbitrator. The arbitrators shall, at the earliest possible date, set dates for a hearing and establish any pre-hearing conferences or procedural schedules that the arbitrators deem appropriate. The arbitrators may authorize depositions and issue subpoenas and make other decisions provided for in Section 13.4.3 below. All decisions of the arbitrators shall be by a majority of the arbitrators, unless the parties agree otherwise.

13.4.3 It is the mutual intention of the parties that discovery, if any, shall be limited in nature and scope and, to the extent possible, shall be handled informally and by agreement. Any dispute regarding discovery shall be submitted promptly to the arbitrators and shall be resolved by them. If necessary, any decision of the arbitrators respecting discovery may be enforced by any court of competent jurisdiction in the same manner as a final award under this Section, including an order for specific performance.

13.4.4 The arbitrators shall diligently, expeditiously and in good faith decide the matter under consideration in accordance with the laws of the State of Texas, excluding its choice of law rules. The arbitrators shall use their best efforts to make their award before the expiration of the period specified in the introduction to Section 13.4.1. If there is only one arbitrator, his decision shall be final, conclusive and binding on all parties; if there are three arbitrators, the agreed decision of any two of them shall be final, conclusive and binding on all parties. The arbitrators shall prepare an award in writing which reflects the final decision of the arbitrators and a copy of such award shall be delivered to each party to the arbitration. Judicial confirmation of the decision of the arbitrators shall be sought only in the Judicial District Court of Harris County, Houston Division.

13.4.5 The arbitrators' compensation shall be agreed upon by the parties and the arbitrators. The terms of compensation for each of the arbitrators shall be identical. The parties shall share equally the cost of the arbitration proceedings, including the fees and expenses of the arbitrators and the cost of the stenographic record, provided that the arbitrators shall have discretion to charge such costs to the parties in such different proportions as they determine to be appropriate.

13.4.6 If any other provision of this Agreement should be or become invalid or unenforceable by force of law, the provisions of this Section 13.4 shall not be affected but shall remain in full force and effect. Any obligation to arbitrate which is established by this Section shall remain in full force and effect. Any obligation to arbitrate which is established by this Section shall not be extinguished upon the termination or expiration of this Agreement but shall survive that event.

14. Destruction of Assets.

All risk of loss with respect to the assets and business of the Company shall be borne by the Stockholders until the Closing to the extent set forth in this Section 14. If on the Closing Date any assets of the Company shall have suffered loss or damage on account of fire, flood, accident, act of war, civil commotion, or any other cause or event beyond the reasonable power and control of the Company (whether or not similar to the foregoing) to an extent which materially affects the value to Newpark of the Company Shares, Newpark shall have the right at its election to complete the acquisition (in which event, as Newpark's sole and exclusive remedy with respect to the consequences of such loss or damage, all claims of the Company with respect to such loss or damage and all insurance proceeds arising therefrom shall be for the account of the Company), or, if it does not so elect, it shall have the right, which shall be in lieu of any other right or remedy whatsoever, to terminate this Agreement. In the latter event, all parties shall be released from liability hereunder.

15. Termination.

In addition to any party's right to terminate this Agreement if any condition precedent to its obligations is not satisfied on the Closing Date, subject to the provisions of this Agreement relating to the postponement of the Closing Date, either Newpark or the Stockholders may forthwith terminate this Agreement: (a) subject to clause (b) below, without liability to the other of them if a bona fide action or proceeding (by and at the sole instance of a party or parties not an Affiliate or Affiliates of Newpark or the Stockholders) shall be pending against either party on the Closing Date wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) without prejudice to other rights and remedies which either party may have, if a material default shall be made by the other of them in the observance or in the due and timely performance of its covenants and agreements herein contained, or if there shall have been a material breach of the warranties and representations herein contained.

16. Notices.

Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Section 16 by giving notice of such change to the other party in the manner which is provided in this Section 16.

Stockholders: Mr. Thomas E. Eisenman
 Mr. Robert E. Jones
 P.O. Box 1178
 Channelview, Texas 77530

Facsimile No.: (713) 455-9928

With a copy to:

Paul P. Bazelides, Esq.
9821 Katy Freeway, Suite 550
Houston, Texas 77024
Facsimile No.: (713) 722-0009

Newpark:

c/o Newpark Resources, Inc.
3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:

Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

17. Assignment.

Rights hereunder shall not be assignable and duties hereunder shall not be delegable by the Stockholders or Newpark without the prior written consent of the other; consent may be withheld for any reason or without reason. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any Person other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

18. Certain Definitions.

As used herein, the following terms (whether used in the singular or the plural) have the following meanings:

"Affiliate" or "affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person and, without limiting the generality of the foregoing, includes (a) any director or officer of such Person or of any Affiliate of such Person, (b) any such director's or officer's Family Members, (c) any group, acting in concert, of one or more of such directors, officers or Family Members, and (d) any Person controlled by any such director, officer, Family Member or group which beneficially owns or holds 25% or more of any class of equity securities or profits interest. The term "control" means the possession, directly or indirectly, of the power to direct or cause the

direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

"Bankruptcy Exception" means the limitation on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, whether enforcement is sought in equity or at law.

"Closing Value" means the average of the closing prices of Newpark's Common Stock on the New York Stock Exchange, as reported in The Wall Street Journal, for the five trading days immediately preceding the third trading day prior to the Closing Date.

"Commission" means the U.S. Securities and Exchange Commission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Family Member" means, in the case of a Person who is an individual, any parent, spouse or lineal descendant (including legally adopted descendants) of such Person, or the spouse of any such descendant.

"Government Body" means any domestic or foreign federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Material Laws" means any and all federal, state and local laws in effect at or before the Closing Date that relate to or impose liability or standards of conduct concerning the environment, as now or hereafter in effect and as have been or hereafter may be amended or reauthorized, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. (S) 9601, et seq.), the Hazardous Materials Transportation Act (42 U.S.C. (S) 1802, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. (S) 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S) 1251, et seq.), the Toxic Substances Control Act (15 U.S.C. (S) 2601, et seq.), the Clean Air Act (42 U.S.C., (S) 7901 et seq.), the National Environmental Policy Act (42 U.S.C. (S) 4231, et seq.), the Refuse Act (33 U.S.C. (S) 407, et seq.), the Safe Drinking Water Act (42 U.S.C. (S) 300(f), et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing.

"Hazardous Materials," means any flammable explosives, radioactive materials, asbestos, compounds known as polychlorinated byphenyls, chemicals now known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under the Hazardous Materials Laws.

"Knowledge of the Stockholders" (and similar terms such as "to the best of the knowledge of the Stockholders") means the actual knowledge of the Stockholders or any other executive officer of the Company.

"Knowledge of Newpark" (and similar terms such as "to the best of the knowledge of Newpark") means the actual knowledge of any executive officer of Newpark.

"Material Adverse Effect" means a material adverse effect on the financial condition, results of operations, business or prospects of the entity referred to (i.e., the Company or Newpark) and its subsidiaries (i.e., the Newpark Subsidiaries), taken as a whole.

"Permitted Lien(s)" means (a) all liens and encumbrances disclosed in the Disclosure Letter, (b) landlords', mechanics', carriers', workers' and similar statutory liens arising in the ordinary course of business for sums not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements, (c) deed restrictions and similar exceptions to clear title not incurred in connection with indebtedness that do not materially impair the existing use or materially detract from the value of the assets or property subject thereto, and (d) liens for current taxes not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements.

"Person" or "person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a Government Body.

"Rules and Regulations" means the rules and regulations adopted by the Commission under the Securities Act and the Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax" (including with correlative meaning, the terms "Taxes" and "Taxable") means any income, gross receipts, ad valorem, premium, excise, value-added, sales, use, transfer, franchise, license, severance, stamp, occupation, service, lease, withholding, employment, payroll, premium, property or windfall profits tax, alternative or add-on-minimum tax, or other tax, fee or assessment, together with any interest and any penalty, addition to tax or additional amount imposed by any governmental authority responsible for the imposition of any such tax.

"Tax Return" means any return, report, statement, information statement and the like required to be filed with any authority with respect to Taxes.

19. Applicable Law; Jurisdiction.

The provisions of this Agreement and all rights and obligations hereunder and under all documents, instruments and agreements executed under or in connection with this Agreement shall be governed and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within said State.

20. Remedies Not Exclusive.

Except as provided in Section 14, (a) no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, (b) each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or otherwise and (c) the election of any one or more remedies by either party hereto shall not constitute a waiver of the right to pursue other available remedies.

21. Accountants' and Attorneys' Fees.

Newpark, the Company and the Stockholders shall each pay their own accountants' and attorneys' fees related to the consummation of the Exchange. In any litigation or arbitration relating to this Agreement, including litigation or arbitration with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

22. Payment of Expenses. Whether or not the Exchange is consummated, Newpark will pay and be responsible for all costs and expenses incurred by Newpark in connection with this Agreement and the transactions contemplated hereby, and the Stockholders will pay and be responsible for all costs and expenses incurred by the Company and the Stockholders in connection with this Agreement and the transactions contemplated hereby.

23. Successors and Assigns.

All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives and permitted successors and assigns.

24. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

25. Headings; Severability.

Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

26. Amendments.

No provision or term of this Agreement or any agreement contemplated herein between the parties hereto may be supplemented, amended, modified, waived or terminated except in a writing duly executed by the party to be charged.

27. Waivers.

At any time prior to the Closing Date, the parties hereto, may, to the extent legally permitted: (i) extend the time for the performance of any of the obligations or other acts or any other party; (ii) waive any inaccuracies in the representations or warranties of any other party contained in this Agreement or in any document or certificate delivered pursuant hereto; (iii) waive compliance or performance by any other party with any of the covenants, agreements or obligations of such party contained herein; and (iv) waive the satisfaction of any condition that is precedent to the performance by the party so waiving of any of its obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by one party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

28. Entire Agreement.

The Disclosure Letter and all schedules, exhibits and financial statements provided for herein are a part of this Agreement. This Agreement and the other agreements and documents provided for in this Agreement comprise the entire agreement of the parties and supersede all earlier understandings of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

STOCKHOLDERS:

NEWPARK:

NEWPARK RESOURCES, INC.

/s/ Thomas E. Eisenman

Thomas E. Eisenman

By:/s/ James D. Cole

Name: James D. Cole
Title: President

/s/ Robert E. Jones

Robert E. Jones

NONCOMPETITION AGREEMENT

This Noncompetition Agreement (the "Agreement") is made and entered into this 28th day of May, 1997, by and between _____ ("Covenantor") and NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), ancillary to and as required by the Agreement and Plan of Reorganization (the "Exchange Agreement") dated May 28, 1997, by and among Newpark, EXCALIBAR MINERALS INC., a Texas corporation (the "Company"), and the "Stockholders" so identified in the Exchange Agreement (including Covenantor), pursuant to which Newpark will exchange 166,667 shares of the Common Stock of Newpark, \$.01 par value (the "Common Stock") for 100% of the capital stock of the Company (the "Exchange"). Unless otherwise provided herein all terms used in this Agreement that are defined in the Exchange Agreement shall have the same meanings herein as in the Exchange Agreement.

In consideration of the foregoing, and in order to satisfy a condition precedent to the consummation of the Exchange, Covenantor and Newpark hereby agree and covenant as follows:

1. Certain Definitions. The following terms used herein shall have the following meanings:

Affiliate or affiliate - a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to (a) vote 50% or more of the voting interests in such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Business - Any one or more of the following activities: grinding and milling of barite and other industrial minerals and selling, marketing, or dealing in or with or otherwise soliciting orders for such services or the output therefrom.

Competitor - Any Person that, directly or indirectly, engages in any aspect of the Business within any portion of the Territory.

Person or person - Any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

The Territory - All or any part of the following: the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico.

2. Noncompetition. Covenantor hereby agrees that he will not, during the term of this Agreement, directly or indirectly, or through one or more Affiliates, do any one or more of the following: (a) engage in any aspect of the Business anywhere in the Territory, whether as an employee, agent, independent contractor or otherwise; (b) own any interest in any Competitor; (c) operate, join, control or otherwise participate in any Competitor; (d) lend credit or money for the purpose of assisting another to establish or operate any Competitor; (e) request or advise any present or future customer or supplier of the Company to withdraw, curtail or cancel its business in the Territory with any of them; or (f) induce or influence (or attempt to induce or influence) any person who is engaged (as an employee, agent, independent contractor or otherwise) by the Company or any subsidiary in the Territory to terminate his or her employment or engagement, perform any services for a Competitor or do anything contrary to the best interests of the Company; provided, that nothing herein shall prohibit Covenantor from holding an equity interest of less than 2% of the outstanding capital stock of any Competitor whose equity securities are traded on a national stock exchange or are quoted on Nasdaq.

3. Term. The term of this Agreement commences on the date hereof and shall continue throughout the term of that certain Employment Agreement dated as of May 28, 1997, by and between the Company and Covenantor, including any amendments thereto and extensions thereof (the "Employment Agreement"), plus twelve (12) months commencing upon the termination of the Employment Agreement. Covenantor hereby acknowledges the receipt and sufficiency of full consideration for this Agreement.

4. Injunctive Relief. Covenantor hereby stipulates and agrees that any breach by him of this Agreement cannot be reasonably or adequately compensated by damages in an action at law and that, in the event of such breach, Newpark shall be entitled to injunctive relief, which may include but shall not be limited to restraining Covenantor from engaging in any activity that would constitute a breach of this Agreement.

5. Severability. Covenantor acknowledges that he has carefully read and considered the provisions of Paragraphs 1 through 3 of this Agreement and, having done so, agrees that the restrictions set forth therein (including but not limited to the time periods of restriction and the geographical areas of restriction) are fair and reasonable and are reasonably required to protect the interests of Newpark and its stockholders. In the event that, notwithstanding the foregoing, any of the provisions of Paragraphs 1 through 3 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable, as though the invalid or unenforceable parts had not been included therein. In the event that any provision of Paragraphs 1 through 3 hereof relating to time periods or areas of restriction or both shall be declared by a court of competent jurisdiction to exceed the maximum time periods or areas (or both) that such court deems reasonable and enforceable, said time periods or areas of restriction or both shall be

deemed to become and thereafter shall be the maximum time periods and areas which such court deems reasonable and enforceable.

6. Entire Agreement. This Agreement constitutes the entire agreement of Covenantor and Newpark with respect to the subject matter hereof and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Any failure to insist on strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

7. Nature of Obligations. All covenants and obligations of Covenantor hereunder shall be binding on Covenantor, his assigns, successors and legal representatives and shall inure to the benefit of Newpark and all of its Affiliates that engage in any aspect of the Business in any part of the Territory.

8. Law Governing. The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within the State of Texas.

9. Attorneys' Fees. In any litigation relating to this Agreement, including litigation with respect to any supplement, modification or waiver of this Agreement or any of its provisions, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

10. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. Either party may change its address for the purpose of this Paragraph 10 by giving notice of such change to the other party in the manner which is provided in this Paragraph 10.

Covenantor: _____

Newpark: Newark Resources, Inc.
3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

11. Captions. The captions in this Agreement are included for convenience of reference only, do not constitute a part hereof and shall be disregarded in the interpretation or construction hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

COVENANTOR

NEWPARK RESOURCES, INC.

By /s/ James D. Cole

James D. Cole, President

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of May 28, 1997, by and between EXCALIBAR MINERALS INC., a Texas corporation ("Employer"), and THOMAS E. EISENMAN ("Employee"), with reference to the following facts:

A. Employee has been employed by Employer as its President.

B. On the date of this Agreement, Employer has become a wholly-owned subsidiary of NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"). Employer desires to assure itself of the continued services of Employee for a term expiring no sooner than June 30, 2000, and the parties are entering into this Agreement for that purpose and in order to set forth the terms of the employment of Employee.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree as follows:

1. Term of Employment.

Employer hereby continues the employment of Employee, and Employee hereby accepts continued employment with Employer, for a period commencing on the date hereof and, except as otherwise provided herein, expiring June 30, 2000, provided, however, that, each time neither party terminates this Agreement by written notice given at least sixty (60) days prior to the expiration of the employment term as last renewed or extended, it shall be automatically renewed for an additional twelve month period. As used herein, the phrase "employment term" refers to the entire period that Employee shall be employed hereunder, whether for the initial period provided above, or whether this Agreement is terminated earlier or extended automatically as provided herein or by mutual agreement between Employer and Employee. This Agreement supersedes all agreements and understandings between Employer and Employee relating to compensation of Employee existing on the date hereof, including but not limited to salary, commission, bonus and other arrangements, and all such existing agreements and understandings are hereby terminated.

2. Duties of Employee.

2.1 Employee shall serve as President of Employer and shall do and perform all services, acts and things necessary or advisable in that capacity in connection with the conduct of the business of Employer, subject to the instructions of and policies and limitations set by its Board of Directors. It is contemplated that Employee's role initially will be substantially the same as his role with Employer immediately prior to the date hereof.

2.2 Employee shall devote such productive time, ability and attention to the business of Employer during the employment term as is reasonably required for the performance of his duties hereunder. Employee may devote time and effort to personal activities to the extent that such activities do not materially interfere with the performance of his duties hereunder. If Employer advises Employee that, in its good faith judgment, such activities are materially interfering with the performance of Employee's duties hereunder, Employee will

promptly take steps to appropriately limit such activities. Subject to the foregoing, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of the Board of Directors of Employer.

2.3 Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices as an officer, director or member of any committee of the Board of Directors of Employer or of any direct or indirect subsidiary of Employer.

3. Compensation of Employee.

3.1 As compensation for his services hereunder, Employee shall receive a salary at the annual rate of \$110,000, payable in equal installments on Employer's regular payroll dates for executive employees. Employer's Board of Directors will review Employee's salary annually, and, with the approval of Newport's Board of Directors or Compensation Committee, may (but shall be under no obligation to) increase such salary.

3.2 For each full or partial fiscal year of Employer during the employment term, Employer shall pay to Employee, in addition to his salary, a bonus in such amount, if any, as may be determined by the Board of Directors or Compensation Committee of Newport, in its sole discretion.

4. Benefits.

Employee shall be entitled to participate in and receive benefits under all bonus plans, profit-sharing plans, pension plans, group medical plans and other plans for payment of additional compensation or benefits to employees of Employer which Employer at any time maintains for executive employees. To the extent permitted by law, and provided that such participation does not result in duplicate payments to Employee, Employee shall also participate in such benefits plans as Newport makes available to its executive employees and the executive employees of its subsidiaries.

5. Business Expenses.

Employee is authorized to incur reasonable expenses for promoting and conducting the business of Employer, including expenditures for entertainment and travel. Employer shall reimburse Employee monthly for all such business expenses upon presentation of reasonable documentation establishing the amount, date, place and essential character of the expenditures.

6. Disability.

6.1 If Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement with reasonable accommodation for a period of six consecutive months or for nine months in any twelve-month period, Employer shall have the option to terminate this

Agreement effective immediately by giving written notice of termination to Employee within a reasonable time following the end of such period of disability. If Employee becomes temporarily disabled by reason of sickness, physical or mental disability, or any other cause so that he is unable to perform efficiently his duties hereunder with reasonable accommodation, he shall be entitled to compensation as provided for herein until the total period of such temporary disability shall equal an aggregate of three consecutive months or an aggregate of six months during any period of twelve consecutive months. As to any subsequent periods of disability during said twelve month period, Employee shall not be entitled to compensation.

6.2 In the event of the termination of this Agreement pursuant to the provisions of Paragraph 6.1 above, Employee shall be entitled to salary and discretionary bonus earned by him prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; but he shall not be entitled to compensation after the date of termination.

7. Termination of Employment.

7.1 This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the term of this Agreement as follows:

(a) By Employer as a result of disability of Employee as provided in Paragraph 6.1 above, or the death of Employee;

(b) upon the mutual agreement of the parties;

(c) by Employer in the event of: (i) conviction of Employee of a major felony (whether or not committed in the course of his employment) from which no appeal has been made, or, if an appeal has been made, upon a final determination adverse to Employee; or (ii) gross misconduct by Employee causing material harm to Employer, but only if (x) Employee shall not have discontinued such gross misconduct within ten days after receiving written notice from Employer that it will consider the continuation of such gross misconduct cause for termination of this Agreement, or (y) the gross misconduct is of such a nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such gross misconduct;

(d) by Employer if Employer shall fail to cure a material or default by it under any of the terms of this Agreement within thirty days after written notice of such breach or default is given by Employee;

(e) by Employer if Employee shall fail to cure a material breach or default by him under this Agreement within thirty days after written notice of such breach or default is given by Employer; and

(f) by Employer upon thirty days' written notice given during the thirty-day period commencing eleven months after a "Change in Control" of Employer. As

used herein, the term Change in Control shall mean consummation of any one or more of the following:

(1) any transaction as a result of which Newpark ceases to beneficially own, directly or indirectly through one or more subsidiaries, capital stock or other equity interests of Employer having a majority of the voting power of the outstanding capital stock or other equity interests of Employer;

(2) any transaction as a result of which Newpark ceases to control, directly or indirectly through one or more subsidiaries, including Employer, substantially all of the assets of Employer used in its business from time to time, except for financing transactions; and

(3) any of the following transactions or events effecting a change in ownership or control of Newpark:

(A) a merger or consolidation in which Newpark is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which Newpark is incorporated;

(B) The sale, transfer or other disposition of all or substantially all of the assets of Newpark;

(C) Any merger or reverse merger in which Newpark ceases to exist as an independent corporation or becomes the subsidiary of another corporation; or

(D) If any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) who is not such beneficial owner on the date hereof becomes the "beneficial owner" (as defined in Rule 13(d)-3 under said Act), of securities possessing more than a majority of the total combined voting power of the Newpark's outstanding securities.

7.2 Except as provided herein, this Agreement shall not be terminated by any merger or consolidation where Employer is not the consolidated or surviving corporation or by any transfer of all or substantially all of the assets of Employer. In the event of any such merger or consolidation or transfer of assets, the surviving or resulting corporation or the transferee of the assets of Employer shall be bound by and shall have the benefit of the provisions of this Agreement; and Employer shall take all actions necessary to ensure that such corporation or transferee is bound by the provisions of this Agreement.

7.3 Upon termination of this Agreement for any reason whatsoever, Employee shall return to Employer all automobiles, equipment, books, records, customer lists, catalogs, invoices, correspondence and other property which was acquired from or otherwise belongs to Employer, including any property or documentation developed by Employee in the course of his employment.

8. Proprietary Information.

8.1 During the employment term and thereafter, Employee agrees to keep secret and retain in confidence, and to refrain from using for the benefit of any person or entity other than Employer, all confidential information concerning the business of Employer or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of Employer and its affiliates relating to the business of Employer learned by Employee as a result of prior and current business relationships with Employer or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Employee, (b) was available to Employee on a non-confidential basis prior to its disclosure to the Employee by Employer or (c) becomes available to Employee on a non-confidential basis from a source other than Employer, provided that such source is not bound by a confidentiality agreement with Employer known to Employee. The provisions of this Paragraph shall survive any termination of this Agreement.

8.2 Concurrently with the execution and delivery of this Agreement, Employee (as Covenantor) has entered into a Noncompetition Agreement with Newpark. The provisions of Paragraph 8 of this Agreement are in addition to and are intended to supplement the provisions of said Noncompetition Agreement.

8.3 Employee agrees that in the event of any breach by Employee of any provision of Paragraph 8.1, Employer shall be entitled, in addition to other remedies, to immediate injunctive relief if necessary to avoid irreparable harm and injury.

9. General Provisions.

9.1 Any notices to be given hereunder by either party to the other shall be in writing and may be effected either by personal delivery or by mail, registered or certified, return receipt requested, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing opposite their respective signatures below and shall be deemed effective 24 hours after being deposited in the U.S. mails, postage prepaid and properly addressed. Each party may change its address by written notice in accordance with this Paragraph.

9.2 This Agreement supersedes and any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee and contains all of the covenants and agreements between the parties with respect to such employment. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

9.3 Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed,

if possible, to be modified or altered to conform thereto or, if not possible, to be omitted from this Agreement. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

9.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and the Judicial District Court of Harris County, Texas, Houston Division, shall be the only proper forum for disputes hereunder.

9.5 The rights and obligations of Employer under this Agreement shall enure to the benefit of and shall be binding on the successors and assigns of Employer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EXCALIBAR MINERALS INC. ("Employer")

Address:

P.O. Box 1178
Channelview, Texas 77530

By:/s/ Robert E. Jones

Robert E. Jones, Vice President

Address:

/s/ Thomas E. Eisenman

Thomas E. Eisenman ("Employee")

P.O. Box 1178
Channelview, Texas 77530

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of May 28, 1997, by and between EXCALIBAR MINERALS INC., a Texas corporation ("Employer"), and ROBERT E. JONES ("Employee"), with reference to the following facts:

A. Employee has been employed by Employer as its President.

B. On the date of this Agreement, Employer has become a wholly-owned subsidiary of NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"). Employer desires to assure itself of the continued services of Employee for a term expiring no sooner than June 30, 2000, and the parties are entering into this Agreement for that purpose and in order to set forth the terms of the employment of Employee.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree as follows:

1. Term of Employment.

Employer hereby continues the employment of Employee, and Employee hereby accepts continued employment with Employer, for a period commencing on the date hereof and, except as otherwise provided herein, expiring June 30, 2000, provided, however, that, each time neither party terminates this Agreement by written notice given at least sixty (60) days prior to the expiration of the employment term as last renewed or extended, it shall be automatically renewed for an additional twelve month period. As used herein, the phrase "employment term" refers to the entire period that Employee shall be employed hereunder, whether for the initial period provided above, or whether this Agreement is terminated earlier or extended automatically as provided herein or by mutual agreement between Employer and Employee. This Agreement supersedes all agreements and understandings between Employer and Employee relating to compensation of Employee existing on the date hereof, including but not limited to salary, commission, bonus and other arrangements, and all such existing agreements and understandings are hereby terminated.

2. Duties of Employee.

2.1 Employee shall serve as President of Employer and shall do and perform all services, acts and things necessary or advisable in that capacity in connection with the conduct of the business of Employer, subject to the instructions of and policies and limitations set by its Board of Directors. It is contemplated that Employee's role initially will be substantially the same as his role with Employer immediately prior to the date hereof.

2.2 Employee shall devote such productive time, ability and attention to the business of Employer during the employment term as is reasonably required for the performance of his duties hereunder. Employee may devote time and effort to personal activities to the extent that such activities do not materially interfere with the performance of his duties hereunder. If Employer advises Employee that, in its good faith judgment, such activities are materially interfering with the performance of Employee's duties hereunder, Employee will

promptly take steps to appropriately limit such activities. Subject to the foregoing, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of the Board of Directors of Employer.

2.3 Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices as an officer, director or member of any committee of the Board of Directors of Employer or of any direct or indirect subsidiary of Employer.

3. Compensation of Employee.

3.1 As compensation for his services hereunder, Employee shall receive a salary at the annual rate of \$110,000, payable in equal installments on Employer's regular payroll dates for executive employees. Employer's Board of Directors will review Employee's salary annually, and, with the approval of Newport's Board of Directors or Compensation Committee, may (but shall be under no obligation to) increase such salary.

3.2 For each full or partial fiscal year of Employer during the employment term, Employer shall pay to Employee, in addition to his salary, a bonus in such amount, if any, as may be determined by the Board of Directors or Compensation Committee of Newport, in its sole discretion.

4. Benefits.

Employee shall be entitled to participate in and receive benefits under all bonus plans, profit-sharing plans, pension plans, group medical plans and other plans for payment of additional compensation or benefits to employees of Employer which Employer at any time maintains for executive employees. To the extent permitted by law, and provided that such participation does not result in duplicate payments to Employee, Employee shall also participate in such benefits plans as Newport makes available to its executive employees and the executive employees of its subsidiaries.

5. Business Expenses.

Employee is authorized to incur reasonable expenses for promoting and conducting the business of Employer, including expenditures for entertainment and travel. Employer shall reimburse Employee monthly for all such business expenses upon presentation of reasonable documentation establishing the amount, date, place and essential character of the expenditures.

6. Disability.

6.1 If Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement with reasonable accommodation for a period of six consecutive months or for nine months in any twelve-month period, Employer shall have the option to terminate this

Agreement effective immediately by giving written notice of termination to Employee within a reasonable time following the end of such period of disability. If Employee becomes temporarily disabled by reason of sickness, physical or mental disability, or any other cause so that he is unable to perform efficiently his duties hereunder with reasonable accommodation, he shall be entitled to compensation as provided for herein until the total period of such temporary disability shall equal an aggregate of three consecutive months or an aggregate of six months during any period of twelve consecutive months. As to any subsequent periods of disability during said twelve month period, Employee shall not be entitled to compensation.

6.2 In the event of the termination of this Agreement pursuant to the provisions of Paragraph 6.1 above, Employee shall be entitled to salary and discretionary bonus earned by him prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; but he shall not be entitled to compensation after the date of termination.

7. Termination of Employment.

7.1 This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the term of this Agreement as follows:

(a) By Employer as a result of disability of Employee as provided in Paragraph 6.1 above, or the death of Employee;

(b) upon the mutual agreement of the parties;

(c) by Employer in the event of: (i) conviction of Employee of a major felony (whether or not committed in the course of his employment) from which no appeal has been made, or, if an appeal has been made, upon a final determination adverse to Employee; or (ii) gross misconduct by Employee causing material harm to Employer, but only if (x) Employee shall not have discontinued such gross misconduct within ten days after receiving written notice from Employer that it will consider the continuation of such gross misconduct cause for termination of this Agreement, or (y) the gross misconduct is of such a nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such gross misconduct;

(d) by Employer if Employer shall fail to cure a material or default by it under any of the terms of this Agreement within thirty days after written notice of such breach or default is given by Employee;

(e) by Employer if Employee shall fail to cure a material breach or default by him under this Agreement within thirty days after written notice of such breach or default is given by Employer; and

(f) by Employer upon thirty days' written notice given during the thirty-day period commencing eleven months after a "Change in Control" of Employer. As

used herein, the term Change in Control shall mean consummation of any one or more of the following:

(1) any transaction as a result of which Newpark ceases to beneficially own, directly or indirectly through one or more subsidiaries, capital stock or other equity interests of Employer having a majority of the voting power of the outstanding capital stock or other equity interests of Employer;

(2) any transaction as a result of which Newpark ceases to control, directly or indirectly through one or more subsidiaries, including Employer, substantially all of the assets of Employer used in its business from time to time, except for financing transactions; and

(3) any of the following transactions or events effecting a change in ownership or control of Newpark:

(A) a merger or consolidation in which Newpark is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which Newpark is incorporated;

(B) The sale, transfer or other disposition of all or substantially all of the assets of Newpark;

(C) Any merger or reverse merger in which Newpark ceases to exist as an independent corporation or becomes the subsidiary of another corporation; or

(D) If any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) who is not such beneficial owner on the date hereof becomes the "beneficial owner" (as defined in Rule 13(d)-3 under said Act), of securities possessing more than a majority of the total combined voting power of the Newpark's outstanding securities.

7.2 Except as provided herein, this Agreement shall not be terminated by any merger or consolidation where Employer is not the consolidated or surviving corporation or by any transfer of all or substantially all of the assets of Employer. In the event of any such merger or consolidation or transfer of assets, the surviving or resulting corporation or the transferee of the assets of Employer shall be bound by and shall have the benefit of the provisions of this Agreement; and Employer shall take all actions necessary to ensure that such corporation or transferee is bound by the provisions of this Agreement.

7.3 Upon termination of this Agreement for any reason whatsoever, Employee shall return to Employer all automobiles, equipment, books, records, customer lists, catalogs, invoices, correspondence and other property which was acquired from or otherwise belongs to Employer, including any property or documentation developed by Employee in the course of his employment.

8. Proprietary Information.

8.1 During the employment term and thereafter, Employee agrees to keep secret and retain in confidence, and to refrain from using for the benefit of any person or entity other than Employer, all confidential information concerning the business of Employer or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of Employer and its affiliates relating to the business of Employer learned by Employee as a result of prior and current business relationships with Employer or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Employee, (b) was available to Employee on a non-confidential basis prior to its disclosure to the Employee by Employer or (c) becomes available to Employee on a non-confidential basis from a source other than Employer, provided that such source is not bound by a confidentiality agreement with Employer known to Employee. The provisions of this Paragraph shall survive any termination of this Agreement.

8.2 Concurrently with the execution and delivery of this Agreement, Employee (as Covenantor) has entered into a Noncompetition Agreement with Newpark. The provisions of Paragraph 8 of this Agreement are in addition to and are intended to supplement the provisions of said Noncompetition Agreement.

8.3 Employee agrees that in the event of any breach by Employee of any provision of Paragraph 8.1, Employer shall be entitled, in addition to other remedies, to immediate injunctive relief if necessary to avoid irreparable harm and injury.

9. General Provisions.

9.1 Any notices to be given hereunder by either party to the other shall be in writing and may be effected either by personal delivery or by mail, registered or certified, return receipt requested, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing opposite their respective signatures below and shall be deemed effective 24 hours after being deposited in the U.S. mails, postage prepaid and properly addressed. Each party may change its address by written notice in accordance with this Paragraph.

9.2 This Agreement supersedes and any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee and contains all of the covenants and agreements between the parties with respect to such employment. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

9.3 Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed,

if possible, to be modified or altered to conform thereto or, if not possible, to be omitted from this Agreement. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

9.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and the Judicial District Court of Harris County, Texas, Houston Division, shall be the only proper forum for disputes hereunder.

9.5 The rights and obligations of Employer under this Agreement shall enure to the benefit of and shall be binding on the successors and assigns of Employer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EXCALIBAR MINERALS INC. ("Employer")

Address:

By: /s/ Thomas E. Eisenman, President

P.O. Box 1178
Channelview, Texas 77530

Thomas E. Eisenman, President

Address:
P.O. Box 1178
Channelview, Texas 77530

By: /s/ Robert E. Jones

Robert E. Jones, ("Employee")

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") dated as of May 28, 1997, is entered into by and between NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), and each of the Persons whose names and addresses are listed on Exhibit "A" attached to this Agreement (each a "Holder" and collectively the "Holders"), with reference to the following facts:

A. Holders are entitled to receive an aggregate of 166,667 shares (the "Shares") of Newpark's common stock, \$.01 par value (the "Common Stock"), upon the exchange (the "Exchange") of 100% of the shares of the capital stock of EXCALIBAR MINERALS, INC., a Texas corporation (the "Company") pursuant to the Agreement and Plan of Reorganization (the "Exchange Agreement") among Newpark, the Company and the "Stockholders" so identified in the Exchange Agreement (each of whom is a Holder). Because the Shares are being issued pursuant to an exemption from the registration provisions of the Securities Act, resale of the Shares without registration under the Securities Act is subject to restrictions.

B. In order to satisfy a condition precedent to the Exchange, this Agreement obligates Newpark to use its best efforts to register some of the Shares under the Securities Act at certain times.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual promises and covenants hereinafter set forth, the parties agree as follows:

1. Definitions. As used in this Agreement, the following capitalized terms shall have the following respective meanings:

Common Stock - As defined in Paragraph A above.

Exchange Act - The Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

Holder or Holders - As defined in the introduction to this Agreement.

Holder Party or Parties - As defined in Paragraph 6.1 below.

Participating Holder or Holders - Each Holder or all Holders for whom Shares are included in a registration statement filed under the Securities Act.

Person or person - An individual, partnership, joint venture, corporation, trust, unincorporated organization or government or any department or agency thereof.

Registration Expenses - Any and all expenses incident to performance of or compliance with this Agreement, including, without limitation: (i) all SEC and stock exchange or National Association of Securities Dealers registration and filing fees, (ii) all fees and expenses

of complying with securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Shares), (iii) all printing, messenger and delivery expenses, (iv) the fees and disbursements of counsel for Newpark and of its independent public accountants, (v) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, including liability insurance if Newpark so desires, and (vi) the reasonable fees and expenses of any special experts retained by Newpark in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, applicable to Participating Holders' Shares.

Rule 144 - Rule 144 under the Securities Act, as amended from time to time, or any successor Rule.

Rules and Regulations - The rules and regulations promulgated by the SEC under the Securities Act and the Exchange Act.

Securities Act - The Securities Act of 1933, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

SEC - The Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

Shares - As defined in Paragraph A above.

2. Demand Registration Rights.

(a) Demand by Holders. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if, during the period commencing during the month of August 1997 if the Closing Date (as defined in the Exchange Agreement) is on or before May 31, 1997, or during the month of November 1997 if the Closing Date is after May 31, 1997, but on or before August 31, 1997, and continuing for 180 days, one or more Holders request in writing to Newpark that Newpark effect the registration under the Securities Act of up to thirty-three percent (33%) of the Shares (which request shall specify the number of Shares intended to be disposed of by each Holder and the intended method of disposition thereof), Newpark will promptly give notice of such requested registration to all other Holders and thereafter will use its best efforts to effect such registration of (i) the Shares which Newpark has been so requested to register by such Holders and (ii) all other Shares which Newpark has been requested to register by other Holders by written requests delivered to Newpark within 20 days after the giving of such written notice by Newpark (which requests shall specify the intended method of disposition of such other Holders' Shares), all for disposition in accordance with the intended methods of disposition stated in the requests of such Holders.

(b) Priorities in Demand Registrations. Subject to clauses (i) and (ii) below, Newpark may include in any registration statement filed in response to Holders' requests other shares of Common Stock for sale by Newpark or by other stockholders, provided, however, that (i) if such registration statement relates to an underwritten offering and the managing underwriter

or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such shares can be sold), then the number of shares of Common Stock included in the offering shall be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (x) the Shares to be sold by Holders shall have priority over all shares of Common Stock to be offered by Newpark and other stockholders of Newpark, and (y) if shares of Common Stock in excess of Holders' Shares can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, such excess shares shall be included in such offering in such proportions as may be agreed between Newpark and such other stockholders; and (ii) if such offering is not underwritten, then no other shares of Common Stock shall be included in such registration statement unless Holders consent to the inclusion of such shares therein, which consent shall not be unreasonably withheld.

(c) Only One Demand Registration. Holders shall not be entitled to make a request pursuant to this Paragraph 2 more than one time, provided that the registration so requested is actually effected and remains in effect in accordance with Paragraph 5.1(b).

3. Incidental Registration Rights.

(a) Right to Include Shares. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if Newpark at any time proposes to register any Common Stock on any form for the registration of securities under the Securities Act (other than Form S-4 and Form S-8), Newpark will at such time give prompt written notice to Holders of its intention to do so and of Holders' rights under this Paragraph 3. Upon the written request of any Holders made within 20 days after receipt of any such notice that up to 33% of the Shares be included in such registration (which request shall specify the number of Shares intended to be disposed of by each Holder desiring to participate and the intended method of disposition thereof), Newpark will cause the Shares for which Holders have requested registration to be included in the registration statement filed with respect to such registration under the Securities Act, provided that (i) if, at any time after giving written notice of its intention to register Common Stock but prior to the effective date of the registration statement filed in connection with such registration, Newpark shall determine for any reason not to register such Common Stock, Newpark may, at its election, give written notice of such determination to Holders, and, thereupon, shall be relieved of its obligation to register any Shares in such registration, and (ii) if such registration involves an underwritten offering, Holders must sell their Shares (if Holders continue to desire such Shares to be registered) to the underwriters of such offering on the same terms and conditions as apply to Newpark or the stockholders for whose account securities are to be sold, as the case may be.

(b) Priorities in Incidental Registrations. In connection with any registration pursuant to this Paragraph 3 involving an underwritten offering, if the managing underwriter or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such

Common Stock can be sold), then the amount of the Shares included in the offering shall be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (i) shares of Common Stock to be sold by Newpark shall have priority over all shares to be sold by stockholders of Newpark, including Holders, and (ii) to the extent that shares of Common Stock in excess of the Common Stock to be sold by Newpark can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, (x) the Shares to be sold by Holders and shares of Common Stock to be sold by any other stockholders of Newpark who have the right to registration of their Common Stock under agreements in existence at the time Newpark gives notice to Holders pursuant to this Paragraph 3 shall have priority over shares of Common Stock to be sold by other stockholders of Newpark, subject to reduction prorata in proportion to the number of shares of Common Stock proposed to be included in such offering by each Holder and each other stockholder having such registration rights, and (y) additional shares of Common Stock, if any, shall be included in such registration in such proportions as may be agreed upon by Newpark and such other stockholders.

4. Additional Provisions. Notwithstanding the provisions of Paragraphs 2 and 3 of this Agreement:

(a) The total number of Shares that Holders are entitled to have registered by Newpark under the Securities Act pursuant to Paragraph 2(a) and Paragraph 3(a) combined is 33% of the Shares, so that, if 33% of the Shares have been effectively registered under the Securities Act pursuant to Paragraph 2(a), Holders will not be entitled to have Shares registered pursuant to Paragraph 3(a), and vice versa. If the aggregate number of Shares that Holders propose to have registered exceeds 33% of the Shares, the number of Holders' shares eligible to be registered shall be allocated prorata among Holders in proportion to the number of Shares owned by each or as they may otherwise agree among themselves. If the aggregate number of Shares that Holders propose to have registered in any registration statement exceeds 33%, after the allocation called for by the immediately preceding sentence, the number of Holders' Shares eligible to be included in such registration statement shall be allocated prorata among requesting Holders in proportion to the number of Shares proposed by each of them for inclusion in such registration statement or as they may otherwise agree among themselves.

(b) Newpark shall not be required to effect or cause the registration of Shares held by any Holder pursuant to Paragraph 2 or 3 if, within 25 days after its receipt of a request to register such Shares, Newpark delivers to such Holder an opinion of counsel in form and substance satisfactory to counsel to such Holder, that the entire number of Shares proposed to be sold by such Holder may be sold, in the manner proposed by such Holder, without registration under the Securities Act, whether pursuant to Rule 144 or otherwise, within a period ending not more than ninety (90) days after the date of such opinion.

5. Registration Procedures.

5.1 Newpark Obligations. If and whenever Newpark is required to effect the registration of any Shares under the Securities Act as provided in this Agreement, as expeditiously as possible:

(a) Newpark will prepare and file with the SEC a registration statement with respect to such Shares and use its best efforts to cause such registration statement to become effective as soon thereafter as possible, provided, that, before filing such registration statement or prospectus or any amendments or supplements thereto: Newpark will furnish to each Participating Holder copies of all such documents proposed to be filed, which documents will be subject to review by such Holders, and Newpark will not file any such registration statement or prospectus or any amendment or supplement thereto to which any Participating Holder shall reasonably object; Newpark may assume, for the purpose of the foregoing proviso, that a Holder has no objection if Newpark has not received notice from such Holder within five calendar days after delivery of such documents to Holder or, with respect to any version of or amendment or supplement to any such registration statement after the first draft furnished to such Holder, such shorter period as Newpark may reasonably request when it furnishes such documents to such Holder, if a longer delay would result in prejudice to the proposed offering. Newpark will promptly notify the Participating Holders and confirm such advice in writing, (i) when such registration statement becomes effective, (ii) when any post-effective amendment to such registration statement becomes effective, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose, (iv) of the issuance by any state securities commission or other regulatory authority of any order suspending the qualification or the exemption from qualification of any of the Shares under state securities or blue sky laws or the initiation of any proceedings for that purpose, and (v) of any request by the SEC for any amendment or supplement to such registration statement or any prospectus relating thereto or for additional information. Newpark will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Newpark will prepare and file with the SEC such amendments (including post-effective amendments) and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for at least six (6) months (or for such shorter period in which the Participating Holders have sold all of the Shares included in such registration statement) and to comply with the provisions of the Securities Act with respect to the disposition of the Shares covered by such registration statement during such period in accordance with the intended methods of disposition by Participating Holders set forth in such registration statement, as so amended, or such prospectus, as so supplemented.

(c) Newpark will furnish to each Participating Holder one signed copy of such registration statement as originally filed and each amendment thereto (without exhibits unless otherwise requested by such Participating Holder) and such number of copies of such registration statement and of each such amendment and supplement thereto, such number of copies of the prospectus (as amended or supplemented) included in such registration statement (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as Participating Holders may reasonably request in order to facilitate the disposition of the Shares by all Participating Holders.

(d) Newpark will use its best efforts to register or qualify such Shares covered by such registration statement under such securities or blue sky laws of any State of the United

States as the managing underwriter, if any, or Participating Holders who have Shares included in such registration statement shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable each Participating Holder and each underwriter, if any, to consummate the disposition in such jurisdictions of the Shares to be sold by such Participating Holder, except that Newpark shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this Paragraph 5.1(d), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction.

(e) Newpark will promptly notify each Participating Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act during the period mentioned in Paragraph 5.1(b) and Newpark becomes aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances existing at the time it is to be delivered to a purchaser; and promptly prepare and furnish to each Participating Holder a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall 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 not misleading in the light of the circumstances then existing. If a registration statement is not effective for the full period called for by Paragraph 5.1(b) for the reasons described above in this Paragraph, then Newpark's obligation to keep such registration statement effective shall be extended for a period of time equal to the period of time during which prospectuses were not available so that the actual period of effectiveness for such registration statement shall equal that called for in Paragraph 5.1(b).

(f) During the period when the prospectus is required to be delivered under the Securities Act, Newpark will promptly file all documents required to be filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and furnish a copy thereof to each Participating Holder promptly after such document is so filed.

(g) Newpark will otherwise use its best efforts to comply with all applicable rules and regulations of the SEC and, if requested by Participating Holders having Shares included in such registration statement, will obtain an opinion letter from Newpark's counsel addressed to all Participating Holders in customary form covering such matters as may reasonably be requested.

(h) Newpark will make available for inspection by Participating Holders having Shares included in a registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, in each case upon receipt of an appropriate confidentiality agreement, all financial and other records, corporate documents and properties of Newpark and its subsidiaries, and cause all of Newpark's officers, directors and employees to supply all information, as may be reasonably requested by such Participating

Holders or any such underwriter, attorney, accountant or agent in connection with such registration statement.

5.2 Participating Holder Obligations.

(a) Each Participating Holder shall furnish Newport in writing such information and documents (or true copies of documents) regarding such Holder and the distribution of his or her Shares as Newport may reasonably request, including questionnaires, powers of attorney, indemnities, standstill agreements, underwriting agreements and other documents required under the terms of such underwriting agreements.

(b) Each Participating Holder agrees that, upon receipt of any notice from Newport of the happening of any event of the kind described in Paragraph 5.1(e), such Holder will forthwith discontinue disposition of Shares pursuant to the registration statement covering such Shares until such Holder's receipt of copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e), and, if so directed by Newport, such Holder will deliver to Newport (at Newport's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Shares current at the time of receipt of such notice. In the event Newport shall give any such notice, the period mentioned in Paragraph 5.1(b) shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Paragraph 5.1(e) to and including the date when all Participating Holders shall have received the copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e).

5.3 Expenses. Newport will pay all Registration Expenses in connection with each registration of Shares pursuant to Paragraphs 2 and 3; provided, however, that (x) all underwriting discounts and commissions attributable to the Shares shall be borne by Participating Holders in proportion to the number of Shares sold by each of them, and (y) any other fees or expenses incurred by any of the parties, including fees and expenses of attorneys and accountants, other than those fees described in clause (ii) of the definition of Registration Expenses, shall be borne by the party that incurred them.

6. Indemnification.

6.1 Indemnification by Newport. In the event of any registration of any of the Shares under the Securities Act pursuant to this Agreement, Newport will, and it hereby does, indemnify and hold harmless each Participating Holder, each Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls any such underwriter or Participating Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and the agents, employees, officers and directors of Participating Holders or such underwriter and each such controlling person (each a "Holder Party" and collectively as the "Holder Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with Newport's written consent) to which any Participating Holder, any such underwriter or controlling person may become subject under the Securities Act, common law or otherwise,

insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and Newpark will reimburse Holder Parties for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided, that Newpark shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any breach by the indemnified person of its obligations under this Agreement, including, without limitation, those contained in Paragraph 5.2 or any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus or amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to Newpark by or on behalf of such Participating Holder, any such underwriter or controlling Person specifically for use in the preparation thereof; and provided, further, that Newpark will not be liable to any Person who participates as an underwriter in the offering or sale of Shares, or to any other Person who controls such underwriter within the meaning of the Securities Act and the Exchange Act, under the indemnity agreement in this Paragraph 6.1 with respect to any preliminary prospectus or the final prospectus, or the final prospectus as amended or supplemented, as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter or controlling Person results from the fact that such underwriter sold Shares to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus (including any documents incorporated by reference therein) or of the final prospectus as then amended or supplemented (including any documents incorporated by reference therein), whichever is most recent, if Newpark has previously furnished copies thereof to such underwriter and such final prospectus, as then amended or supplemented, has corrected any such misstatement or omission, and if Newpark shall sustain the burden of proving that the Holder Party sold Shares to the person alleging such loss, claim, damage or liability without sending or giving, at or prior to the written confirmation of such sale, a copy of the amended or supplemented registration statement or prospectus if Newpark had previously furnished copies thereof to such Holder Party. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Party and shall survive the transfer of such securities by each such Person.

6.2 Indemnification by Participating Holders. In the event of any registration of any securities of Newpark under the Securities Act pursuant to this Agreement, each Participating Holder, severally and not jointly, will, and each Participating Holder hereby does, indemnify and hold harmless Newpark, each director of Newpark, each officer of Newpark who shall sign the registration statement and its controlling Persons, if any, and all other prospective sellers and their respective directors, officers and controlling Persons against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with the Participating Holder's written consent) to which such Persons may become subject under the Securities Act, common law or otherwise, to the extent that such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are

based upon any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing to Newpark by or on behalf of such Participating Holder for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, and such Participating Holder will reimburse Newpark and such other indemnified persons for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Newpark or any of the other prospective sellers or any of their respective directors, officers or controlling Persons and shall survive the transfer of such securities by the Participating Holder or such seller.

6.3 Notices of Claims, etc. Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Paragraph 6 such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Paragraph 6, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

6.4 Other Indemnification. Indemnification similar to that specified in the preceding subdivisions of this Paragraph 6 (with appropriate modifications) shall be given by Newpark to each Participating Holder and each underwriter of Shares, and by each Participating Holder to Newpark, with respect to any required registration or other qualification of securities under any federal or state law or regulation other than the Securities Act.

6.5 Contribution. If the indemnification provided for in Paragraphs 6.1, 6.2 or 6.4 is insufficient to hold harmless an indemnified party or is unavailable to a party that would have been an indemnified party under any such section in respect of any and all losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof), referred to therein, then each indemnified party and each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or

actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statements of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or such indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Newpark and Holders agree that it would not be just and equitable if contribution pursuant to this Paragraph 6.5 were determined by prorata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Paragraph 6.5. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Paragraph 6.5 shall include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim (which shall be limited as provided in Paragraph 6.3 hereof if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7. Rule 144. Newpark covenants that it will duly and timely file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder to the extent required from time to time to enable Holders to sell the Shares without registration under the Securities Act within the limitations of the exemption provided by Rule 144. None of such reports will contain any 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 are made, not misleading. Upon the request of any Holder, Newpark will deliver to such Holder a written statement as to whether it has complied with such requirements.

8. Miscellaneous.

8.1 Transfer of Rights Hereunder. The rights granted to the Holders under this Agreement may be transferred to any transferee of the Shares other than a transferee of Shares that have been registered under the Securities Act, and, from and after any such transfer, the provisions of this Agreement applicable to Holders shall be applicable to such transferees. The foregoing notwithstanding, no transfer of the Shares may be made without registration under the Securities Act unless and until the transferor delivers to Newpark an opinion of counsel reasonably satisfactory to Newpark to the effect that such transfer would not violate the registration provisions of the Securities Act and any applicable state law. In connection with the transfer of such Shares, Newpark may require each certificate representing Shares transferred to bear an appropriate restrictive legend. Such restrictive legend may be removed when (i) a registration statement with respect to the sale of the Shares represented thereby shall have become effective under the Securities Act, (ii) such Shares shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iii) such Shares shall have been otherwise transferred, new certificates for them not bearing a legend restricting

further transfer shall have been delivered by Newpark and subsequent disposition of such Shares shall not require registration or qualification of them under the Securities Act or any applicable state law.

8.2 Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Paragraph 8.2 by giving notice of such change to the other party in the manner which is provided in this Paragraph 8.2.

Holders: At their respective addresses and facsimile numbers, if any, set forth in Exhibit A

With a copy to:
Paul P. Bazelides, Esq.
9821 Katy Freeway, Suite 550
Houston, Texas 77024
Facsimile No.: (713) 722-0009

Newpark: 3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:
Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

8.2 Severability. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

8.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.4 Headings. The headings of the sections, subsections and paragraphs of this Agreement have been added for convenience only and shall not be deemed to be a part of this Agreement.

8.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

8.6 Entire Agreement. All other prior or contemporary representations, warranties, covenants or agreements, if any, between the parties hereto, or their representatives, with respect to the subject matter hereof are superseded by and merged into this Agreement. This Agreement shall constitute the entire understanding between the parties with respect hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth on the first page hereof.

NEWPARK RESOURCES, INC.

By: /s/ James D. Cole

James D. Cole, President

HOLDERS

/s/ Thomas E. Eisenman

Thomas E. Eisenman

/s/ Robert E. Jones

Robert E. Jones

EXHIBIT A
LIST OF HOLDERS

Thomas E. Eisenman
P.O. Box 1178
Channelview, Texas 77530

Robert E. Jones
P.O. Box 1178
Channelview, Texas 77530

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION ("Agreement") is made and entered into as of May 28, 1997, by and among NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), MARK L. PHILLIPS ("Mark"), JERRY L. MILLER ("Jerry") and JAMES A. MILLER ("James") (Mark, Jerry and James being sometimes referred to herein collectively as the "Stockholders"), with reference to the following facts:

A. The Stockholders own beneficially and of record 100% of the outstanding capital stock (the "Target Shares") of SUPREME CONTRACTORS, INC., a Louisiana corporation ("Contractors"), and SUPREME CONTRACTORS INTERNATIONAL, INC., a Delaware corporation ("International") (each a "Company," and, together, the "Companies"). Each reference to "the Companies" means either or both of them or, with respect to negative statements, neither nor both of them.

B. The Companies are engaged together in providing construction and site preparation services to the oil and gas industry in the Gulf Coast region.

C. The parties intend that this Agreement shall constitute a plan of reorganization (the "Plan") of the type described in Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). The Plan comprises the acquisition by Newpark of the Target Shares (including the goodwill of the Companies associated therewith) from Stockholders solely in exchange for 122,222 (subject to adjustment as provided herein) newly issued shares of voting Common Stock of Newpark (the "Newpark Shares"). Such transaction is sometimes referred to herein as the "Exchange."

D. Newpark and the Stockholders believe that it is in their best interests to adopt the Plan and consummate the Exchange.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

1. Plan of Reorganization.

1.1 Adoption of Plan. Newpark and the Stockholders hereby adopt the plan of reorganization herein set forth.

1.2 Exchange of Shares. Subject to the provisions of this Agreement, on the "Closing Date" (as defined in Section 10) the Stockholders hereby agree to deliver to Newpark one or more certificates representing all of the Target Shares, duly endorsed for transfer to Newpark or accompanied by separate stock powers so endorsed, and Newpark will issue and deliver certificates representing the Newpark Shares to the Stockholders, in proportion to their ownership of the Target Shares. No fractional Newpark Shares will be issued; if fractional shares otherwise would issue, the Stockholders shall instruct Newpark at least five business days before the Closing Date as to the rounding of such shares.

1.3 Legend on Newpark Shares. Certificates representing the Newpark Shares initially will bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE IN THE OPINION OF COUNSEL FOR THE ISSUER."

1.4 Adjustment Based on Closing Value. If the "Closing Value" (as defined in Section 18) is between \$40.50 and \$49.50, no adjustment will be made in the number of Newpark Shares. If the Closing Value falls outside that range, the number of Newpark Shares will be adjusted as follows: If the Closing Value is less than \$40.50, the number of Newpark Shares to be issued will be determined by dividing \$4,950,000 (90% of \$5,500,000) by the Closing Value. If, for example, the Closing Value is \$40.00, the number of Newpark Shares will be 123,750 (\$4,950,000 divided by \$40.00). If the Closing Value is greater than \$49.50, the number of Newpark Shares to be issued will be determined by dividing \$6,050,000 (110% of \$5,500,000) by the Closing Value. If, for example, the Closing Value is \$50.00, the number of Newpark Shares will be 121,000 (\$6,050,000 divided by \$50.00). In no event will the number of Newpark Shares be less than 107,222 or greater than 137,222.

1.5 Capital Changes. If Newpark shall combine, subdivide or reclassify its Common Stock, or shall declare any dividend payable in shares of its Common Stock, or shall take any other action of a similar nature affecting such shares, as of a record date between the date hereof and the Closing Date, the number of Newpark Shares to be issued at the Closing Date shall be adjusted to such extent as may be necessary to prevent dilution or enlargement of the rights of the Stockholders. Such adjustments shall be made by the regular independent certified public accountants for Newpark and a written report thereof, showing the adjustment and the underlying calculations, shall be sent to each party hereto.

1.6 368(a)(1)(B) Reorganization. Between the date hereof and the Closing Date, neither Newpark nor the Stockholders or any of their "Affiliates" (as defined in Section 18) shall (a) knowingly take any action, or knowingly fail to take any action, that would jeopardize qualification of the Exchange as a reorganization within the meaning of Section 368(a)(1)(B) of the Code; (b) enter into any contract, agreement, commitment or arrangement with any such effect; or (c) cause or permit the Companies to take any such action or fail to take any such action. Following the Closing Date, Newpark shall use its best efforts to conduct the business of the Companies and shall cause the Companies to use their best efforts to conduct their business in a manner that would not jeopardize the characterization of the Exchange as a reorganization within the meaning of Section 368(a)(1)(B) of the Code.

2. Ancillary Agreements.

2.1 Noncompetition Agreements. On the Closing Date, as a necessary incident of the Exchange, Newpark and the Stockholders will execute and deliver noncompetition agreements substantially as set forth in Exhibit 2.1 attached to this Agreement (the "Noncompetition Agreements").

2.2 Registration Rights Agreement. On the Closing Date, Newpark will execute and deliver an agreement substantially as set forth in Exhibit 2.2 attached to this Agreement (the "Registration Rights Agreement") with each of the Stockholders.

3. Representations and Warranties of the Stockholders.

A. Except as otherwise specifically set forth in a letter ("the Disclosure Letter") delivered by the Stockholders to Newpark prior to the execution hereof, the Stockholders hereby jointly and severally warrant and represent the following (the truth and accuracy of each of which shall constitute a condition precedent to Newpark's obligations to consummate the Exchange and issue the Newpark Shares):

3.1 Organization and Good Standing of the Companies.

3.1.1 Each Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. Each Company is duly qualified and in good standing as a foreign corporation in each jurisdiction where the character or location of the assets owned by such Company or the nature of the business transacted by such Company require such qualification, except where failure to be so qualified would not have a "Material Adverse Effect" (as defined in Section 18). The Disclosure Letter includes, for each Company, a list of the jurisdictions in which it is qualified to do business.

3.1.2 The Stockholders have furnished to Newpark complete and correct copies of each Company's Certificate of Incorporation or Articles of Incorporation and Bylaws as in effect on the date hereof.

3.1.3 The Stockholders have heretofore made available to Newpark for its examination copies of the minute books, stock certificate books and corporate seal of each Company. The minute books of each Company are accurate in all material respects and reflect all resolutions adopted and all material actions expressly authorized or ratified by the stockholders and directors of such Company. The stock certificate books of each Company reflect all issuances, transfers and cancellations of capital stock of such Company.

3.2 Capitalization.

3.2.1 The authorized capital stock of Contractors consists of 10,000 shares of common stock, \$1.00 par value per share, of which 600 shares of common stock are issued and

outstanding as of the date hereof. The authorized capital stock of International consists of 1,000 shares of common stock, without par value, of which 60 shares of common stock are issued and outstanding as of the date hereof. All such issued and outstanding shares are validly issued, fully paid and nonassessable. The Disclosure Letter includes the names, addresses and social security numbers of, and the number of the Target Shares owned by, each of the Stockholders.

3.2.2 There are no options, warrants, subscriptions or other rights outstanding for the purchase of, or any securities convertible into, capital stock of the Companies. Except as set forth in the Disclosure Letter, no shares of the Companies are held as treasury stock.

3.3 Equity Interests. The Companies do not have a material equity interest in any other "Person" (as defined in Section 18).

3.4 No Violation. The execution, delivery and performance of this Agreement by the Stockholders are not contrary to the Articles of Incorporation, Certificate of Incorporation or By-Laws of the Companies and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other material contract or agreement to which the Companies, the Stockholders or any of them are a party or by which any of them are bound.

3.5 Financial Statements. The balance sheets of each Company as of December 31, 1994, December 31, 1995 and December 31, 1996, and the related statements of income, stockholders' equity and cash flows for the years ended December 31, 1994, December 31, 1995 and December 31, 1996, accompanied by the reports and opinions of Delhomme & Associates, independent certified public accountants, and the unaudited consolidated balance sheet of each Company as of March 31, 1997, and the related statements of income, stockholders' equity and cash flows for the three month period ended on said date, certified by the principal financial officer of each Company, subject to year-end audit adjustments, copies of which have heretofore been delivered to Newport (collectively the "Company Financial Statements"), were prepared in accordance with the books and records of such Company in accordance with generally accepted accounting principles (except for the absence of footnotes from the March 31, 1997, financial statements) consistently applied throughout the periods involved (except as otherwise noted therein) and present fairly the consolidated financial position, results of operations and cash flows of each Company for and as of the end of each of such periods.

3.6 Properties. The Companies have and on the Closing Date will have good title to the assets and properties shown in the Companies' Financial Statements or acquired since the date of the latest balance sheet included therein, except as since sold or otherwise disposed of in the ordinary course of business. At the Closing, such title will be free and clear of all liens, charges, security interests, encumbrances, leases, covenants, conditions and restrictions other than "Permitted Liens" (as defined in Section 18). The plants, structures, leasehold improvements, machinery, equipment, furniture and other tangible assets owned or leased by the Companies are in good operating condition and repair, subject only to ordinary wear and tear, taking into account the respective ages of the assets involved, and constitute all the fixed tangible assets

necessary for the operation of the business of the Companies in accordance with their current methods of operation in all material respects.

3.7 Contracts.

3.7.1 The Disclosure Letter includes a listing with respect to each Company of all oral or written (a) contracts, commitments, sales orders or purchase orders, whether or not entered into in the ordinary course of business, which involve future payments, performance of services or delivery of goods and/or materials, to or by such Company of an amount or value in excess of \$100,000; (b) bonus, incentive compensation, pension, profit sharing, stock option, group insurance, medical reimbursement or employee welfare or benefit plans of any nature whatsoever; (c) collective bargaining agreements or other contracts or commitments to or with labor unions or other employee groups; (d) leases, contracts or commitments affecting ownership of, title to, use of or any material interest in real estate; (e) employment contracts and other contracts, agreements, or commitments to or with individual employees, consultants or agents extending for a period of more than six months from the date hereof or providing for earlier termination only upon payment of a penalty or the equivalent thereof; (f) equipment leases providing (in any one lease or group of related leases) for payments in excess of \$25,000 per year; (g) contracts under which the performance of any obligation of such Company is guaranteed by a Stockholder or other third party, including performance bonding arrangements; (h) contracts or commitments providing for payments based in any manner upon the revenues, purchases or profits of such Company; (i) bank credit, factoring and loan agreements, indentures, promissory notes and other documents representing indebtedness in excess of \$25,000 for borrowed money; (j) patent licensing agreements and all other agreements with respect to patents, patent applications, trademarks, service marks, trade names, technical assistance, special processes, know-how, copyright or other like items; and (k) other contracts and agreements to which such Company is a party and which have not been fully performed, involving consideration having a value in excess of \$100,000 and a remaining period for performance in excess of nine months (all such items being collectively referred to herein as "Material Contracts"). The Stockholders have furnished to Newpark true and complete copies of all such Material Contracts.

3.7.2 All Material Contracts are valid and binding obligations of the contracting Company listed in the Disclosure Letter and, to the "best of the knowledge" (as defined in Section 18) of the Stockholders, the other parties thereto in accordance with their respective terms, subject to the "Bankruptcy Exception" (as defined in Section 18); there have been no amendments to or modifications to any Material Contract (except as set forth in the copies furnished to Newpark); no event has occurred which is, or, following any grace period or required notice, would become, a material default by such Company under the terms of any Material Contract; except to the extent specifically reserved against on the latest balance sheet included in the Companies' Financial Statements, neither of the Companies is a party to any Material Contract on which the Stockholders anticipate expenses materially in excess of revenues or which is otherwise onerous or materially adverse; and the Companies have not expressly waived any material rights under any Material Contract.

3.8 Outstanding Indebtedness. The Disclosure Letter includes a true and complete schedule of all notes payable and other indebtedness in excess of \$25,000 for borrowed

money owed by the Companies, including a description of the material terms thereof and a description of all properties or assets pledged, mortgaged or otherwise hypothecated (voluntarily or involuntarily) as security therefor.

3.9 Absence of Undisclosed Liabilities. Except for liabilities and obligations reflected on the latest balance sheet included in the Companies' Financial Statements or arising in the ordinary course of business since the date of such balance sheet, none of which latter items, individually or in the aggregate, have a Materially Adverse Effect: (a) the Companies do not have, and none of their properties are subject to, any debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, which are of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles; and (b) to the best of the knowledge of the Stockholders, the Companies do not have, and none of their properties are subject to, any material debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, whether or not of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles. The Companies are not in default with respect to any material term or condition of any indebtedness.

3.10 No Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the Companies) pending or, to the knowledge of the Stockholders, threatened against or affecting the Companies, at law or in equity or before or by any "Government Body" (as defined in Section 18) or before any arbitrator of any kind. To the best of the knowledge of the Stockholders, the Companies are not in default with respect to any judgment, order, writ, injunction, decree or award of any Government Body.

3.11 Environmental Matters.

3.11.1 Neither the Companies nor, to the best of the knowledge of the Stockholders, any previous owner, lessee, tenant, occupant or user of any real property owned or leased on or prior to the date hereof by the Companies (such real property and any and all buildings and other improvements thereon being herein referred to as the "Property") used, generated, manufactured, treated, handled, refined, processed, released, discharged, stored or disposed of any "Hazardous Materials" (as defined in Section 18) on, under, in or about the Property, or transported any Hazardous Materials to or from the Property in violation of any "Hazardous Materials Laws" (as defined in Section 18) in a manner or to an extent that resulted or is reasonably likely to result in a Material Adverse Effect. Except as set forth in the Disclosure Letter, to the best of the knowledge of the Stockholders, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect existed on, under, in or about any Property previously owned or leased by the Companies on or prior to the date that fee or leasehold title to such Property was transferred to a third party by the Companies. Except as set forth in the Disclosure Letter, to the best of the knowledge of the Stockholders, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect exist on, under, in or about any Property that is currently owned or leased by the Companies.

3.11.2 While any Property was owned or leased by the Companies, they did not violate to an extent that would have a Material Adverse Effect any applicable federal, state and local laws, ordinances or regulations, now or previously in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, under, in or about such Property (including without limitation the Hazardous Materials Laws).

3.11.3 As of the date hereof, to the best of the knowledge of the Stockholders, there are no (1) enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, contemplated or threatened pursuant to any Hazardous Materials Laws against the Companies or any Property presently owned or leased by the Companies, (2) claims made or threatened by any Person or Government Body relating to the Property against the Companies or any Property presently owned or leased by the Companies or relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials or (3) any occurrence or condition known to the Stockholders on any Property that is currently owned or leased by the Companies that can reasonably be expected to subject the Companies or such Property to any material restrictions on occupancy, transferability or use of any Property under any Hazardous Materials Laws. The Disclosure Letter includes a list of all complaints, notices of violation and claims relating to Hazardous Materials Laws which, to the knowledge of the Stockholders, have been received by or asserted against the Companies.

3.12 Taxes.

3.12.1 The Companies have filed all income, franchise and other "Tax Returns" (as defined in Section 18) required to be filed by it by the date hereof. All "Taxes" (as defined in Section 18) imposed by the United States, the State of Louisiana and by any other state, municipality, subdivision, or other taxing authority, which are due and payable by the Companies have been paid in full or are adequately provided for by reserves reflected on the latest balance sheet included in the Companies' Financial Statements. International is an S Corporation under Subchapter S of the Code for federal income Tax purposes and has maintained its status as an S corporation continuously since inception. The Stockholders have paid all income Taxes required to be paid by them with respect to all items of income, net of all deductions, allocable to them for federal income tax purposes by reason of International's status as an S Corporation, for each taxable year ended on or before December 31, 1996.

3.12.2 All contributions due from the Companies pursuant to any unemployment insurance or workers compensation laws and all sales or use Taxes which are due or payable by the Companies have been paid in full and will be so paid through the Closing Date. The Companies have withheld and paid to, or will cause to be paid to, the appropriate taxing authorities all amounts required to be withheld from the wages of their employees under state law and the applicable provisions of the Code, and the Companies will continue to do so with respect to all wages paid by them through the Closing Date.

3.12.3 The Stockholders have furnished to Newpark true and complete copies of the federal income Tax Returns and comparable state Tax Returns of the Companies covering the years ended December 31, 1993, December 31, 1994 and December 31, 1995, constituting complete and accurate representations in all material respects of the Tax liabilities

of the Companies for the relevant periods stated therein and accurately setting forth all relevant material items, including the Tax bases of all assets, where required to be set forth in such Tax Returns.

3.13 Permits and Licenses. The Companies have all licenses, franchises, permits and other governmental authorizations that are legally required to enable them to conduct their business in all material respects as conducted on the date hereof, and the Companies are in compliance in all material respects with all applicable federal, state and local laws, rules, regulations and orders relating to their business, except where failure to have any such license, franchise, permit or authorization or failure to comply with any such laws, rules, regulations and orders would not have a Material Adverse Effect. The execution and performance of this Agreement and the consummation of the transactions contemplated hereby will not cause the termination or suspension of any license, franchise, permit or governmental authorization or violate any provision of or constitute a default under any law, rule or regulation, order, writ, injunction or decree of any Government Body applicable to the Stockholders or the Companies, where such violation or default would have a Material Adverse Effect.

3.14 No Labor Problems. The Companies have not been charged with any unresolved unfair labor practices. There are no material controversies pending or threatened between the Companies and any of their employees. The Companies have complied in all material respects with all laws relating to wages, hours, collective bargaining and similar employment matters the noncompliance with which would have a Material Adverse Effect, and the Companies have paid all social security and similar Taxes that are due and payable and are not liable for any arrears or wages or any Taxes or material penalties for failure to comply with any of the foregoing.

3.15 Employee Benefit Plans.

3.15.1 Definition of Benefit Plans. For purposes of this Section 3.15, the term "Benefit Plan" means any plan, program, arrangement, practice or contract which provides benefits or compensation to or on behalf of employees or former employees of the Companies or any "ERISA Affiliate" (as hereinafter defined), whether formal or informal, whether or not written, including but not limited to the following:

(a) Arrangements - any bonus, incentive compensation, stock option, deferred compensation, commission, severance, golden parachute or other compensation plan, rabbi trust, program, contract, arrangement or practice;

(b) ERISA Plans - any "employee benefit plan" (as defined in Section 3(3) of ERISA), including, but not limited to, any "multi-employer plan" (as defined in Section 3(37) and Section 4001(a)(3) of ERISA), defined benefit pension plan, profit sharing plan, money purchase pension plan, 401(k) plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, or any plan, fund, program, arrangement or practice providing for medical (including post-retirement medical), hospitalization, accident, sickness, disability, or life insurance benefits; and

(c) Other Employee Fringe Benefits - any stock purchase, vacation, scholarship, day care, prepaid legal services, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

3.15.2 ERISA Affiliate. For purposes of this Section 3.15, the term "ERISA Affiliate" means each trade or business (whether or not incorporated) which together with the Companies are treated as single employer under Section 414(b), (c), (m) or (o) of the Code.

3.15.3 Identification of Benefit Plans. Except as set forth in the Disclosure Letter and except for Benefit Plans which have been terminated and with respect to which neither the Companies nor any ERISA Affiliate has any liability or obligation, the Companies do not maintain, and have not at any time established or maintained, nor have at any time been obligated to make contributions to or under or otherwise participate in any Benefit Plan.

3.15.4 MEPPA Liability/Post-Retirement Medical Benefits/ Defined Benefit Plans/Supplemental Retirement Plans. Except as set forth in the Disclosure Letter, neither the Companies nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under any multi-employer plan. Except as set forth in the Disclosure Letter, neither the Companies nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under (i) any plan which provides post-retirement medical or health benefits, (ii) any organization described in Sections 501(c)(9) or 501(c)(20) of the Code, (iii) any defined benefit pension plan subject to Title IV of ERISA or (iv) any plan which provides retirement benefits in excess of the limitations of Section 415 of the Code.

3.15.5 Documentation. The Stockholders have made available to Newpark a true and complete copy of the following documents, if applicable, with respect to each Benefit Plan identified in the Disclosure Letter: (1) all documents, including any insurance contracts and trust agreements, setting forth the terms of the Benefit Plan, or if there are no such documents evidencing the Benefit Plan, a full description of the Benefit Plan, (2) the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries for each such Benefit Plan, (3) the annual reports filed for the most recent three plan years and most recent financial statements or periodic accounting of related plan assets with respect to each Benefit Plan, (4) each favorable determination letter, opinion or ruling from the IRS for each Benefit Plan which is intended to satisfy the requirements of Section 401(a) or Section 501 of the Code or which is dependent on such letter, ruling or opinion to avoid current federal come tax to the beneficiaries of such Benefit Plan, and in (5) each opinion or ruling from the Department of Labor or the Pension Benefit Guaranty Corporation ("PBGC") with respect to such Benefit Plans.

3.15.6 Qualified Status. Each Benefit Plan that is funded through a trust or insurance contract and is intended to satisfy the requirements of Section 401(a) of the Code, has at all times satisfied in all material respects, by its terms and to the best knowledge of the Stockholders in its operation, all applicable requirements under Section 401(a) and related sections of the Code, and any such trust has been and, at the Closing Date, shall be exempt from federal income taxation under Section 501(a) of the Code. All such plans have been operated to the best

knowledge of the Stockholders in all material respects in accordance with the applicable requirements of the Tax Reform Act of 1986 and subsequent applicable legislation.

3.15.7 Compliance. Each Benefit Plan maintained by the Companies or any ERISA Affiliate has at all times been maintained, to the best knowledge of the Stockholders, by its terms and in operation, in accordance with all applicable laws in all material respects, including ERISA and (to the extent applicable) Code Section 4980B. Further, there has been no failure to comply with applicable ERISA or other requirements concerning the filing of reports, documents and notices with the Secretary of Labor and Secretary of Treasury or the furnishing of such documents to participants or beneficiaries that could subject any Benefit Plan, the Companies or any ERISA Affiliate to any material civil or any criminal sanction or could require any such Person to indemnify any other Person for such a sanction. There are no claims known to the Stockholders which are pending or threatened against any Benefit Plan except claims for benefits made in the ordinary course of the operation of such plans.

3.15.8 Funding. The Companies and each ERISA Affiliate have made full and timely payment of all amounts required to be contributed under the terms of each Benefit Plan and applicable law or required to be paid as expenses under such Benefit Plan including, but not limited to, PBGC premiums and amounts required to be contributed under Section 412 of the Code, and no excise taxes are assessable as a result of any nondeductible or other contributions made or not made to a Benefit Plan. With respect to any Benefit Plan that is subject to Title IV of ERISA, (i) the present value of all accrued benefits under such Benefit Plan does not exceed the value of the assets of such Benefit Plan allocated to such accrued benefits, (ii) no amount is due or owing from the Companies or any ERISA Affiliate to the PBGC or to any multi-employer plan on account of any withdrawal therefrom, (iii) no such Benefit Plan has incurred any "accumulated funding deficiency", as such term is defined in Section 412 of the Code, whether or not waived, since the effective date of such Section 412, (iv) since September 2, 1974, no such Benefit Plan has been completely or partially terminated, nor has any notice of intent to terminate been filed or given, other than in accordance with ERISA or at a time when such Benefit Plan was not sufficiently funded, (v) there has been no "reportable event" as such term is defined in Section 4043(b) of ERISA, (vi) there has been no withdrawal by the Companies or any ERISA Affiliate that is a "substantial employer" from a Benefit Plan that is a single employer plan that has two or more contributing sponsors, at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, and (vii) there has been no cessation by the Companies or any ERISA Affiliate of operations at a facility causing more than 20% of a Benefit Plan's participants to be separated from employment, as referred to in Section 4062(f) of ERISA. There are no liens against the property of the Companies or any ERISA Affiliate under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. The Companies' Financial Statements properly reflect all amounts required to be accrued as liabilities under each Benefit Plan. To the best knowledge of the Stockholders, the most recent actuarial valuations of the Companies' Benefit Plans were based on accurate facts and information, and the Stockholders have no reason to believe that the conclusions set forth in such valuations are incorrect.

3.15.9 Liabilities. Neither the Companies nor any ERISA Affiliate is subject to any material liability, tax or penalty whatsoever to any Person whomsoever as a result of engaging in a prohibited transaction under ERISA or the Code, and neither the Companies

nor any ERISA Affiliate has any knowledge of any circumstances which reasonably might result in any such material liability, tax or penalty, including but not limited to a penalty under Section 502 of ERISA, as a result of a breach of and duty under ERISA or any other applicable law. Other than routine claims for benefits under the Benefit Plans, there are no pending or threatened investigations, proceedings, claims, lawsuits, disputes, actions, audits or controversies involving the Benefit Plans, or the fiduciaries, administrators, or trustees of any of the Benefit Plans, or the Companies or any ERISA Affiliate as the employer or sponsor under any Benefit Plan, with any of the Internal Revenue Service, Department of Labor, Pension Benefit Guaranty Corporation, any participant in or beneficiary of the Benefit Plans or any other Person whatsoever. The Stockholders know of no reasonable basis for any such claim, lawsuit, dispute, action or controversy. Except as set forth in the Disclosure Letter, the execution and performance of the transactions contemplated by this Agreement will not create, accelerate or increase any obligations under any Benefit Plan, including any obligation to make any payment which would not be deductible as an "excess parachute payment" under Section 280G of the Code.

3.16 Insurance. The Stockholders have furnished to Newpark a complete list of all insurance policies that the Companies maintain, indicating risks insured against, carrier, policy number, amount of coverage, premiums and expiration date.

3.17 Tax-Free Reorganization. None of the Stockholders plans or intends to sell, exchange or otherwise dispose of a number of the Newpark Shares that would reduce the Stockholders' ownership of Newpark Shares to a number of shares having a value, as of the Closing Date, of less than fifty percent (50%) of the value of all of the formerly outstanding Target Shares as of the same date.

3.18 Interest in Competitors, Suppliers, etc. Except as set forth in the Disclosure Letter, none of the Stockholders and no officer or director of the Companies or any "Family Member" (as defined in Section 18) of any such Person owns, directly or indirectly, individually or collectively, any interest in any corporation, partnership, proprietorship, firm or association which (a) is a competitor, customer or supplier of the Companies, or (b) has an existing contractual relationship with the Companies, including but not limited to lessors of real or personal property leased to the Companies and entities against whom rights or options are exercisable by the Companies. On the Closing Date the Companies will own, free and clear and without payment of any royalty or fee, all interests in the assets, profits or business of the Companies that are held by any Affiliate of the Companies, including the Stockholders and their Family Members.

3.19 Indebtedness with Insiders. Except as set forth in the Disclosure Letter, and except for accrued salaries for one payroll period, vacation pay and business expense reimbursements, the Companies are not, and, on the Closing Date, will not be, indebted to any of the stockholders, directors or officers of the Companies or any Affiliate of any such Person. None of such Persons is or will be on the Closing Date indebted to the Companies.

3.20 Consents. No authorizations, approvals or consents of any Government Body are required for consummation of the transactions contemplated by this Agreement or the subsequent operation of the business of the Company.

3.21 Patents, Trademarks and Other Intangibles. The Disclosure Letter includes a list of all material patents, patent applications, trade names, trademark registrations and applications therefor, copyrights, licenses, franchises and other assets of like kind ("Intangible Assets") and all interests in Intangible Assets which are owned in whole or in part by or registered in the name of the Companies. The Companies own or have the right to use all Intangible Assets now used in the conduct of their business. Such Intangible Assets include all of the proprietary products and formulations developed by each Company or used by it in its business. The Companies are not obligated to pay any royalty or other fee to any licensor or other third party with respect to any Intangible Assets. The Stockholders have no knowledge of any claim received by the Companies alleging any conflict between any aspect of the business of the Companies and any Intangible Assets claimed to be owned by others which, if determined adversely to the Companies, would have a Material Adverse Effect. Neither the Stockholders nor any other officer or director of the Companies, and no Person that is an Affiliate of any such Person, has any interest in any Intangibles Assets which are presently used by the Companies or which infringe upon, conflict with or relate to improvements or modifications of any Intangible Assets presently used by the Companies.

3.22 Purchases and Sales. Since December 31, 1996, the Companies have not placed any orders for materials, merchandise or supplies in exceptional or unusual quantities based upon past operating practices and have not entered into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

3.23 Brokerage and Finder's Fees. Neither the Companies nor the Stockholders (or any Affiliate of the Stockholders) has incurred any liability to any broker, finder or agent for any brokerage fees, finder's fees or commissions for which the Companies could be liable with respect to the transactions contemplated by this Agreement.

3.24 Absence of Certain Changes. Since December 31, 1996, except for matters of a general economic nature which do not affect the Companies uniquely, the Companies have not:

3.24.1 suffered any Material Adverse Effect;

3.24.2 borrowed or agreed to borrow any funds in excess of \$25,000 in a single transaction or \$100,000 in the aggregate, except borrowings under their bank lines of credit in the ordinary course of business, or incurred or become subject to any obligation or liability (absolute or contingent) in excess of \$25,000 in a single transaction or \$100,000 in the aggregate, except obligations and liabilities incurred in the ordinary course of business;

3.24.3 mortgaged, pledged, hypothecated or otherwise encumbered any of their properties or assets except for Permitted Liens;

3.24.4 made or agreed to make any distribution of any funds or assets of any kind whatsoever to any past or present stockholder of the Companies or any Affiliate of any such Person, whether by way of dividend, redemption or purchase of capital stock, or any other type of distribution on or with respect to their capital stock, whether or not similar to the foregoing, except as described in Section 4.5;

3.24.5 made any payment of principal or interest on any indebtedness owed to any past or present stockholder of the Companies or any Affiliate of any such Person;

3.24.6 sold or agreed to sell any of their assets, properties or rights having an aggregate value in excess of \$100,000 or canceled or agreed to cancel any debts or claims exceeding \$100,000 in the aggregate, except for fair value in the ordinary course of business;

3.24.7 entered or agreed to enter into any agreement or arrangement granting any preferential right to purchase a material part of its assets, properties or rights;

3.24.8 increased the rate of compensation of or paid or accrued bonuses to or for any of their officers, employees, consultants or agents, except for normal merit or cost of living increases;

3.24.9 suffered any damage, destruction or loss in excess of an aggregate of \$100,000, whether or not covered by insurance, adversely affecting any of their properties;

3.24.10 assigned or agreed to assign any of their Intangible Assets having a value in excess of \$100,000;

3.24.11 suffered any adverse amendment or termination of any Material Contract (or any contract that would have been a Material Contract if not amended or terminated) to which the Companies are a party;

3.24.12 paid any commissions or similar fees to brokers or finders for arranging the transactions contemplated by this Agreement or any similar proposed transaction with any other party; or

3.24.13 entered into any other material transaction other than in the ordinary course of business.

3.25 No Material Misstatements or Omissions. No representation or warranty by the Stockholders in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to Newpark pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated therein or necessary in order

to make the statements or facts therein, in the light of the circumstances under which they were made, not misleading.

B. Except as otherwise set forth in the Disclosure Letter, each Stockholder represents and warrants with respect to himself, severally but not jointly, the following (the truth and accuracy of each of which shall constitute a condition precedent to Newpark's obligations to consummate the Exchange and issue the Newpark Shares):

3.26 Investment Representations. Either such Stockholder is an "accredited investor", as that term is defined in Rule 501 of the "Rules and Regulations" (as defined in Section 18) or such Stockholder, either alone or with such Stockholder's qualified "purchaser representative" (as defined in Rule 501 of the Rules and Regulations), has such knowledge and experience in financial and business matters that he is capable of evaluating the risks and merits of an investment in the Newpark Shares. Such Stockholder is acquiring his Newpark Shares in the Exchange for investment and not with a view to the sale thereof other than in compliance with the requirements of the "Securities Act" (as defined in Section 18) and applicable Blue Sky laws. At the request of Newpark, each Stockholder will furnish to Newpark evidence reasonably satisfactory to Newpark that the foregoing representations are true.

3.27 Enforceability. This Agreement has been duly and validly executed by such Stockholder, and this Agreement constitutes a legal, valid, and binding obligation of such Stockholder, enforceable against him in accordance with its terms, subject to the Bankruptcy Exception. Such Stockholder has the requisite power to enter into this Agreement and perform his obligations hereunder (including without limitation to sell and deliver his Target Shares), and no other Person's joinder as a party hereto is necessary therefor pursuant to any community property laws or otherwise, and there is no restriction on the power of the Stockholder to sell and deliver his Target Shares pursuant to any trust, estate planning or other similar document or any prenuptial or post-nuptial agreement or arrangement.

3.28 No Litigation. There are no actions pending or, to the knowledge of the Stockholders, threatened in any court or arbitration forum or by or before any Government Body involving the Companies or such Stockholder relating to or affecting any of the transactions contemplated by this Agreement.

3.29 Title to Shares. Each Stockholder is the holder of record and owns beneficially that number of Target Shares set forth opposite his name in the Disclosure Letter. At the Closing, each Stockholder will own the Target Shares set forth in the Disclosure Letter free and clear of all liens, security interests, encumbrances and restrictions, other than restrictions contemplated by this Agreement. Except as set forth in the Disclosure Letter, no Stockholder is a party to any voting trust, proxy or other agreement with respect to the voting of any of such Target Shares.

4. Additional Obligations and Covenants of the Stockholders.

Except as otherwise provided in the Disclosure Letter, the Stockholders hereby jointly and severally covenant and agree with Newpark as follows (the fulfillment of each such

covenant and agreement is a condition precedent to Newpark's obligations to consummate the Exchange and issue the Newpark Shares):

4.1 Conduct of Business. Between the date hereof and the Closing Date, the Stockholders will and will cause the Companies to comply with the following:

4.1.1 The business of the Companies shall be conducted diligently and only in the ordinary course, and the Stockholders will use reasonable efforts to preserve the organization of the Companies intact, to keep available to the Companies their present key employees and to maintain the Companies' relationships with their suppliers, customers and others. The Companies will not, without Newpark's prior written approval, increase the rate of compensation payable or to become payable to any of their officers, employees, consultants or agents over the rate being paid to them at the date hereof, except for normal merit or cost of living increases to employees other than officers of the Companies.

4.1.2 Without Newpark's prior written approval, no amendment will be made to any Benefit Plan, no commitment will be made to amend any Benefit Plan and no commitment will be made to continue any Benefit Plan or to adopt any new compensatory plan, fund or program for the benefit of any employees of the Companies or any ERISA Affiliate.

4.1.3 The Companies will not, without Newpark's prior written approval, enter into any Material Contract other than in the ordinary course of business or enter into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

4.1.4 The Companies will not, without Newpark's prior written approval, sell or dispose of any of their material properties or assets except for sales at fair value in the ordinary course of business.

4.1.5 The Companies will not, without Newpark's prior written approval, acquire or enter into any agreement to acquire, by merger, consolidation, purchase of stock or assets or otherwise, any business or entity.

4.1.6 The Companies will use reasonable diligence to maintain their properties in their condition as of the date of this Agreement, ordinary wear and tear excepted.

4.1.7 The Companies will continue to carry their existing insurance policies subject only to variations in amounts required by the ordinary operations of their business. At the request of Newpark and at its sole expense, the amount and scope of said insurance shall be increased by such amounts and extended to provide coverage against such risks as Newpark shall specify.

4.2 Access and Information. Subject to the execution by Newpark of a confidentiality agreement in form and substance reasonably satisfactory to the Stockholders, the Stockholders will afford to Newpark and Newpark's counsel, accountants and other representatives

reasonable access, throughout the period from the date hereof to the Closing Date, to all of the Companies' properties, books, contracts, commitments, and records and shall furnish Newport during such period with all information that Newport reasonably may request, including copies and/or extracts of pertinent records, documents and contracts. The Stockholders will furnish to Newport copies of the Companies' state and federal income Tax Returns for the year ended December 31, 1996, as soon they are available; the representations and warranties contained in Paragraph 3.12.3 above will apply to such Tax Returns.

4.3 Efforts to Satisfy Conditions. The Stockholders agree to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to Newport's obligations under this Agreement, to the extent that their action or inaction can control or influence the satisfaction of such conditions. Without limiting the generality of the foregoing the Stockholders will and will cause the Companies to refrain from all negotiations and transactions, the consummation of which would be inconsistent with the transactions contemplated by this Agreement, including, without limitation, any transaction providing for the sale of any capital stock of the Companies, any merger or other business combination involving the Companies, the acquisition of a substantial equity interest in the Companies by a third party or the sale of a substantial portion of the assets of the Companies.

4.4 Corporate Matters. Between the date hereof and the Closing Date, the Stockholders will cause the Companies not to, without Newport's prior written approval: (a) amend their Articles of Incorporation, Certificate of Incorporation or Bylaws; (b) issue any shares of its capital stock; (c) issue or create any warrants, obligations, subscriptions, options, convertible securities or other commitments under which any additional shares of their capital stock of any class might be directly or indirectly authorized, issued or transferred from treasury; or (d) enter into any agreement requiring them to do any of the foregoing prohibited acts.

4.5 No Distributions to Stockholders. Between the date hereof and the Closing Date, the Stockholders will cause the Companies not to, without Newport's prior written approval: (a) declare, set aside or pay any dividend or make any distribution in respect of their capital stock, except that International may make a distribution (the "Distribution") to the Stockholders on or before the Closing Date, payable after the Closing Date, in an amount equal to 39.6% of each Stockholders' prorata share of the net profits of the International from January 1, 1997 through April 30, 1997 (the "Short Period Income Taxes"); (b) directly or indirectly purchase, redeem or otherwise acquire any shares of their capital stock for consideration; (c) pay or distribute any cash or property to any Stockholder as a loan or in payment of principal or interest on any indebtedness to any Stockholder; or (d) enter into any agreement requiring it to do any of the foregoing prohibited acts.

4.6 Capital Expenditures. Between the date hereof and the Closing Date, the Stockholders will cause the Companies not to, without Newport's prior written approval, make any commitment for capital expenditures in excess of an aggregate of \$100,000.

4.7 Indebtedness. Between the date hereof and the Closing Date, the Stockholders will cause the Companies not to, without Newport's prior written approval: (a) create, incur or assume any long-term debt (including capital leases that individually involve

annual payments in excess of \$100,000) or, except in the ordinary course of business under existing lines of credit, create, incur or assume any short-term debt for borrowed money in excess of \$25,000 in a single transaction or \$100,000 in the aggregate; (b) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person (except in the ordinary course of business and consistent with past practice); (c) make any loans or advances to any Person except in the ordinary course of business and consistent with past practice; or (d) make any capital contributions to, or investments in, any Person except in the ordinary course of business and consistent with past practice.

5. Representations and Warranties of Newpark.

Newpark hereby represents and warrants the following (the truth and accuracy of each of which shall constitute a condition precedent to the Stockholders' obligations to consummate the Exchange):

5.1 Organization and Good Standing.

5.1.1 Newpark is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Newpark has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

5.1.2 Newpark has furnished to the Stockholders complete and correct copies of Newpark's Certificate of Incorporation and Bylaws as in effect on the date hereof.

5.2 Capital Stock. The authorized capital stock of Newpark consists of 20,000,000 shares of Common Stock, \$.01 par value, of which 15,175,438 shares were issued and outstanding on March 24, 1997, and 1,000,000 shares of Preferred Stock, \$.01 par value, of which no shares are issued and outstanding. Newpark's Board of Directors and stockholders have approved amendments to Newpark's Certificate of Incorporation to increase the number of authorized shares of Common Stock to 80,000,000 and to effect a two-for-one split of the Common Stock, both to take effect on May 30, 1997.

5.3 Newpark Subsidiaries. Each subsidiary of Newpark that is a "significant subsidiary," as defined in Rule 1-02(w) of Regulation S-X of the Rules and Regulations (each a "Newpark Subsidiary" and collectively the "Newpark Subsidiaries"), is duly organized and in good standing under the laws of the jurisdiction in which it was incorporated or organized, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. Each Newpark Subsidiary is duly qualified and in good standing as a foreign corporation or other entity in each jurisdiction where the character or location of the assets owned by it or the nature of the business transacted by it require such qualification, except where failure to be so qualified would not have a Material Adverse Effect.

5.4 Authority. The execution and delivery of this Agreement by Newpark and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Newpark. This Agreement has been duly executed and delivered to the Stockholders and no vote of the stockholders of Newpark or further corporate action is necessary on the part of Newpark to make this Agreement valid and binding upon Newpark in accordance with its terms, subject to the Bankruptcy Exception. The execution, delivery and performance of this Agreement by Newpark are not contrary to the Certificate of Incorporation or Bylaws of Newpark and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other contract or agreement to which Newpark is a party or by which Newpark is bound.

5.5 Newpark Reports. Newpark has delivered to the Stockholders copies of Newpark's Annual Reports on Form 10-K for the years ended December 31, 1994, 1995 and 1996 (as amended), Newpark's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997 and Newpark's definitive Proxy Statement dated April 4, 1997, for its Annual Meeting of Stockholders held on May 14, 1997. All of said documents and all periodic reports filed by Newpark with the "Commission" (as defined in Section 18) after the date hereof are called the "Newpark Reports" herein. The Newpark Reports have been or will be duly and timely filed with the Commission and are or will be when filed in compliance with the Rules and Regulations. As of their respective dates, none of the Newpark Reports contained or will contain any untrue statement of a material fact or omitted or will 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.

5.6 Newpark Financial Statements. The financial statements contained in the Newpark Reports (the "Newpark Financial Statements") filed on or before the date hereof have been prepared in accordance with the books and records of Newpark and its subsidiaries and in accordance with generally accepted accounting principles consistently applied during the periods indicated, all as more particularly set forth in such financial statements and the Notes thereto. Each of the balance sheets included in the Newpark Financial Statements presents fairly as of its date the consolidated financial condition and assets and liabilities of Newpark and its subsidiaries. Except as and to the extent reflected or reserved against in such balance sheets (including the Notes thereto), Newpark (including its subsidiaries) did not have, as of the dates of such balance sheets, any material liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto prepared in accordance with generally accepted accounting principles. The consolidated statements of earnings and stockholders' equity and consolidated statements of changes in financial position included in the Newpark Financial Statements present fairly the results of operations and changes in financial position of Newpark and its subsidiaries for the periods indicated.

5.7 No Litigation. Except as disclosed in the Newpark Reports or omitted therefrom in accordance with the Rules and Regulations: (a) there are no actions, suits or proceedings (whether or not purportedly on behalf of Newpark or any Newpark Subsidiary) pending or, to the "knowledge of Newpark" (as defined in Section 18), threatened against or affecting Newpark or any Newpark Subsidiary, at law or in equity or before or by any

Government Body or before any arbitrator of any kind; and (b) to the best of the knowledge of Newpark, neither Newpark nor any Newpark Subsidiary is in default with respect to any judgment, order, writ, injunction, decree, award of any court, arbitrator or Government Body.

5.8 Newpark Benefit Plans. Newpark has made available to the Stockholders a true and complete copy of the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries, if applicable, for each Benefit Plan (as defined in Section 3.15.1, substituting "Newpark" for "the Companies") maintained by Newpark.

5.9 Environmental Matters. Newpark and the Newpark Subsidiaries have complied in all material respects with all Hazardous Materials Laws applicable to their properties and business. Neither Newpark nor, to the best of Newpark's knowledge, any Newpark Subsidiary has received any complaint, order or similar notice that it is not in compliance with any Hazardous Materials Laws or that any Government Body is investigating its compliance with any Hazardous Materials Laws, except as disclosed in the Newpark Reports or omitted therefrom in accordance with the Rules and Regulations and except for routine inspections and investigations in connection with applications by Newpark and the Newpark Subsidiaries for additional permits or authorizations. Newpark has no knowledge of any material violation of any Hazardous Materials Laws on or about its properties or the properties of any Newpark Subsidiary.

5.10 Absence of Certain Changes. Since December 31, 1996, there has not been any material adverse change in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole, which, in the aggregate, have a Material Adverse Effect.

5.11 Consents. No authorizations, approvals or consents of any governmental department, commission, bureau, agency or other public body or authority are required for consummation by Newpark of the transactions contemplated by this Agreement, except such qualifications as may be required under state securities or Blue Sky laws relating to the Newpark Shares.

5.12 No Material Misstatements or Omissions. No representation or warranty by Newpark in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to the Stockholders pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements or facts contained therein not misleading.

6. Additional Obligations and Covenants of Newpark.

Newpark hereby covenants and agrees with the Stockholders as follows (the fulfillment of each such covenant and agreement is a condition precedent to the Stockholders' obligations to consummate the Exchange):

6.1 Efforts. Newport agrees to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to the Stockholders' obligations under this Agreement, to the extent that its action or inaction can control or influence the satisfaction of such conditions.

6.2 Additional Information. Newport will make available to each Stockholder the opportunity to ask questions and receive answers concerning the terms and conditions of the Exchange and to obtain any additional information that Newport is required to furnish under Regulation D of the Rules and Regulations.

6.3 Issuance and Listing of Stock. Newport has reserved for issuance, and, as and when required by the provisions of this Agreement, will issue the Newport Shares, and the Newport Shares, when so issued, will be validly issued, fully paid and nonassessable. Newport will use its best efforts to list the Newport Shares on the New York Stock Exchange.

6.4 Exemption for Issuance of Newport Shares. Newport will use all reasonable efforts to qualify the issuance of the Newport Shares in connection with the Exchange under Rule 506 of the Rules and Regulations and, if necessary, to qualify the issuance thereof pursuant to all applicable state securities or Blue Sky laws.

6.5 Continuing Employees. Each employee of the Companies who continues immediately after the Closing Date as an employee of the Companies, Newport, or any of its subsidiaries ("Continuing Employee") shall be treated under Newport's compensation, benefit plans and employment policies and practices on a basis which Newport deems no less favorable than an employee of Newport who performs comparable duties and responsibilities for Newport on an equally satisfactory basis. Each Continuing Employee shall receive service credit for all purposes (including, but not limited to, vesting, eligibility and benefit accrual) under Newport's "Benefit Plans" (as defined in Section 3.15.1, substituting "Newport" for "the Companies") and under any Benefit Plan adopted in the future for service completed with the Companies as if such service had been completed with Newport except that (a) no such employee shall receive such past service credit under a future Benefit Plan except on the same basis that Newport's employees also receive past service credit under such plan, and (b) no such past service credit will be provided under a plan if the Internal Revenue Service determines that such credit would adversely affect the tax qualified status of such plan under Section 401 of the Code.

6.6 Stockholder Guarantees. Subject to consummation of the Exchange, Newport agrees that, after the Closing Date, it will cause the Companies to discharge in accordance with its terms all indebtedness of the Companies as to which the Stockholders have executed personal guarantees, as disclosed in the Disclosure Letter.

7. Conditions to Each Party's Obligations.

The respective obligations of each party to consummate the Exchange under this Agreement shall be subject to the satisfaction on or before the Closing Date of each of the following conditions except to the extent the parties may waive any of such conditions in writing:

7.1 Securities Laws. All applicable Blue Sky and state securities laws shall have been complied with in connection with the issuance of the Newport Shares, and no stop order suspending the qualification or registration of the Newport Shares under the Blue Sky laws of any jurisdiction shall have been issued and no proceeding for that purpose shall have been initiated or shall be threatened by the authorities of any such jurisdiction.

7.2 Government Body Consents. All consents, authorizations, orders and approvals of (or filings or registrations with) any Government Body required in connection with the execution, delivery and performance of this Agreement or the operation of the business of the Company following the Closing Date shall have been obtained or made, except where the failure to have obtained or made any such consent, authorization, order, approval, filing or registration would not have a Material Adverse Effect following the Closing Date.

7.3 Injunction. At the Closing Date there shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction to the effect that the Exchange may not be consummated as herein provided, no proceeding or lawsuit shall have been commenced by any Government Body for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Government Body indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement.

7.4 Tax Opinion. The Stockholders and Newport shall each have received a written opinion of Ervin, Cohen & Jessup LLP, in form reasonably satisfactory to the Stockholders and Newport (the "Tax Opinion"), to the effect that (a) the Exchange will constitute a reorganization within the meaning of Section 368(a)(1)(B) of the Code, (b) the exchange of the Target Shares for Newport Shares will not give rise to gain or loss to the Stockholders, (c) the basis of Newport Shares received in the Exchange by a Stockholder will be the same as the basis of such Stockholder in Target Shares which were exchanged for such Newport Shares, and (d) the holding period for Newport Shares received in the Exchange by a Stockholder will include the holding period of such Stockholder in Target Shares which were exchanged for such Newport Shares. In connection with such tax opinion, Ervin, Cohen & Jessup LLP shall be entitled to make factual assumptions as are customary in similar tax opinions, and such factual assumptions shall be confirmed by certificates signed by the Stockholders and by responsible officers of the Companies and Newport.

7.5 Listing of Newport Shares. The Newport Shares shall have been listed on the New York Stock Exchange, subject to official notice of issuance.

8. Conditions Precedent to Obligations of Newport.

The obligations of Newport to consummate the Exchange and issue the Newport Shares are subject to the satisfaction of each of the additional following conditions at or prior to the Closing, unless waived in writing by Newport:

8.1 Investigation of the Companies. Newport shall have made an investigation of the business, properties (tangible and intangible), products, customers, plants, contracts and

financial condition of the Companies and shall have been satisfied with the results of such investigation. This condition shall be deemed satisfied unless Newportark notifies the Stockholders in writing within thirty (30) days of the date hereof that it is dissatisfied with the results of such investigation.

8.2 Accuracy of Warranties and Representations. The representations and warranties of the Stockholders herein shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect, except as to transactions permitted herein or to which Newportark may have consented in writing and changes occurring in the ordinary course of business after the date of this Agreement and not materially adversely affecting the Companies, or their properties, prospects, or financial condition, as though such representations and warranties had been made on and as of the Closing Date, and the Stockholders shall have performed in all material respects all covenants required by this Agreement to be performed by them at or prior to the Closing.

8.3 No Material Adverse Change. There shall have been no changes after the date of this Agreement in the results of operations, assets, liabilities, financial condition or affairs of the Companies which in their total effect have been materially adverse to the Companies.

8.4 Stockholders' Certificate. The Stockholders shall have delivered to Newportark a certificate, dated the Closing Date, executed by each of the Stockholders, individually, stating that, to the best knowledge of each, (a) all the representations and warranties of the Stockholders contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of Newportark hereunder have been fulfilled and (c) the Companies and the Stockholders have duly performed all obligations and covenants to be performed by them hereunder.

8.5 Material Contracts. The Companies shall have received consents to assignment of all Material Contracts or written waivers of the provisions of any Material Contracts requiring the consents of third parties as set forth in the Disclosure Letter, except where the failure to have obtained any such consent or written waiver would not have a Material Adverse Effect following the Closing Date.

8.6 Opinion of the Stockholders' Counsel. Newportark shall have received an opinion of Beyt & Beyt, dated the Closing Date, substantially in the form attached hereto as Exhibit 8.6.

8.7 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for Newportark, and there shall have been furnished to such counsel by the Stockholders certified copies of such corporate records of the Companies and copies of such other documents as such counsel may reasonably have requested for such purpose.

9. Conditions Precedent to Obligation of the Stockholders.

The obligations of the Stockholders to consummate the Exchange are subject to the satisfaction of each of the following additional conditions at or prior to the Closing, unless waived in writing by the Stockholders:

9.1 Accuracy of Warranties and Representations. The representations and warranties of Newpark contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and Newpark shall have performed in all material respects all of the covenants required by this Agreement to be performed by it on or before the Closing.

9.2 Authorization of Exchange. All corporate action necessary by Newpark to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby shall have been duly and validly taken.

9.3 No Material Adverse Change. There shall have been no changes since December 31, 1996, in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole.

9.4 Officers' Certificate of Newpark. Newpark shall have delivered to the Stockholders a certificate dated the Closing Date, signed by the President and Chief Financial Officer of Newpark and stating that, to the best knowledge of each, (a) all the representations and warranties of Newpark contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of the Stockholders hereunder have been fulfilled and (c) Newpark has duly performed all obligations and covenants to be performed by it hereunder.

9.5 Opinion of Newpark's Counsel. The Stockholders shall have received an opinion of Ervin, Cohen & Jessup LLP, dated the Closing Date, substantially in the form attached hereto as Exhibit 9.5.

9.6 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for the Stockholders, and there shall have been furnished to such counsel by Newpark certified copies of such corporate records of Newpark (including Board of Directors resolutions approving the Exchange Agreements) and copies of such other documents as such counsel may reasonably have requested for such purpose.

10. Closing.

The closing ("Closing") of the transactions covered by this Agreement shall take place at 10:00 a.m., on May 29, 1997, at the offices of Newpark, 3850 North Causeway, Suite 1770, Metairie, LA 70002. If the conditions specified in this Agreement have not been fulfilled by that date, any party may postpone the Closing for the minimum reasonably necessary period or periods, in any event not exceeding an aggregate of 45 days, by written notice to the other

parties. Any party exercising such right shall deliver written notice to the other parties specifying in reasonable detail the condition which has not been fulfilled, and the other parties will have the right to cure or correct the matter within the 45-day period. The term "Closing Date" herein shall mean the last date fixed by mutual agreement or otherwise under this Section.

11. Survival of Representations.

Except as otherwise provided herein, all representations, warranties and indemnifications made by the Stockholders or Newpark under or in connection with this Agreement (including any representations and warranties set forth in the certificates delivered pursuant to Sections 8.4 and 9.4) shall survive the Closing until 24 months after the Closing Date. The representations and warranties of the Stockholders set forth in Paragraphs 3.11, 3.12, 3.15 and 3.29 shall survive until the expiration of the applicable statute of limitations. Neither party shall be entitled to recover against the other for any misrepresentation or breach of warranty except to the extent that written notice of any such claim has been delivered to the party against whom recovery is sought within the applicable period setting forth in reasonable detail and specifying the nature of the claim being asserted. The provisions of this Section and Section 13.3.3 apply only to claims arising under this Agreement and do not affect any other claims that any party may have at any time against any other party, including but not limited to claims that may arise under "Hazardous Material Laws" (as defined in Section 18).

12. Post-Closing Covenants.

12.1 Cooperation and Assistance. Upon request, each of the parties hereto shall cooperate with the other to the extent reasonably requested, at the requesting party's expense, in furnishing information, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving the Stockholders and Newpark which are based upon contracts, arrangements or acts of the Stockholders or the Companies or both which were in effect or occurred on or prior to the Closing.

12.2 Access to Records. The Stockholders shall be entitled, after the Closing, upon reasonable notice and during the regular business hours of Newpark, to have access to and to make copies of the business records of the Companies which relate to periods prior to the Closing. Newpark shall retain such business records for a period of five (5) years following the Closing Date, after which time Newpark may destroy or otherwise dispose of such business records without the Stockholders' consent.

12.3 Tax Matters.

12.3.1 Control of Tax Proceedings. Whenever any taxing authority asserts a claim, makes an assessment, or otherwise disputes the amount of Taxes for any period prior to the Closing Date Newpark shall promptly inform the Stockholders. The provisions of Section 13 shall apply to the defense of any such claim, assessment or dispute.

12.3.2 Current Tax Returns. The Stockholders shall be responsible for the preparation and filing of all Tax Returns for all taxable periods that end or ended on or before

the Closing Date. Newpark will make available to the Stockholders, without charge, the services of its personnel and the personnel of the Companies to assist the Stockholders in the preparation of such Tax Returns. Such Tax Returns shall be reasonably satisfactory to Newpark in form and substance. The Stockholders shall each pay their prorata portion of the Short Period Income Taxes.

12.3.3 Refunds and Credits. Subject to the provisions of Section 12.3.2 above, any refunds and credits of federal income Taxes paid by Contractors attributable to any taxable year ending on or before the Closing Date shall be for the account of Contractors, and any refunds and credits of federal income Taxes paid by the Stockholders with respect to International that is attributable to any taxable year ending on or before the Closing Date shall be for the account of the Stockholders; any refunds and credits of other Taxes attributable to any taxable year ending on or before the Closing Date for either Contractors or International shall be for the account of such Company; to the extent that any such refund of Taxes that is for the account of a Company exceeds the amount, if any, accrued on the books of such Company with respect to the period for which the refund is received, the Stockholders shall receive credit against any liability they may have under Section 13.

12.3.4 Cooperation. Newpark and the Stockholders shall cooperate with each other in a timely manner in the preparation and filing of any Tax Returns, payment of any Taxes in accordance with this Agreement, and the conduct of any audit or other proceeding. Each party shall execute and deliver such powers of attorney and make available such other documents as are necessary to carry out the intent of this Section 12.3.4. Each party agrees to notify the other party of any audit adjustments that do not result in Tax liability but can be reasonably expected to affect Tax Returns of the other party.

12.3.5 Retention of Records. Newpark shall (i) retain records, documents, accounting data and other information (including computer data) necessary for the preparation and filing of all Tax Returns or the audit of such returns, and (ii) give to the Stockholders reasonable access to such records, documents, accounting data and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the review or audit of such returns to the extent relevant to an obligation or liability of a party under this Agreement.

13. Indemnifications.

13.1 Indemnification by the Stockholders. Subject to the provisions of Sections 11 and 13.3, the Stockholders, jointly and severally, hereby agree to indemnify, defend, protect and hold harmless Newpark against:

(a) all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any and all breaches of warranty or representation made by them under or in connection with this Agreement; and

(b) all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from the claims listed in Item 3.10 of the Disclosure Schedule, all claims

for personal injury or workers' compensation benefits that were asserted against the Companies before the Closing Date and are not listed in the Disclosure Letter and all claims for personal injury or workers' compensation benefits that are asserted against the Company on or after the Closing Date for occurrences and conditions attributable to any period prior to the Closing Date, but only to the extent that such damages, losses, liabilities, costs and expenses paid after May 15, 1997, exceed \$200,000.

Such indemnification shall be solely the responsibility of the Stockholders, and they shall not have any right to recover any portion of their liability from the Companies, whether by right of indemnification, contribution or otherwise.

13.2 Indemnification by Newpark. Subject to the provisions of Sections 11 and 13.3, Newpark hereby agrees to indemnify, defend, protect and hold harmless the Stockholders against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any breach of any warranty or representation made by Newpark under or in connection with this Agreement. The rights to such indemnification shall accrue solely to the Stockholders, and the Companies shall have no interest therein.

13.3 Indemnification Procedures and Limitations. The following provisions shall apply to all indemnification and hold harmless provisions of this Agreement:

13.3.1 No party shall be required to indemnify another pursuant hereto unless the party seeking indemnification (the "Indemnitee") shall, with reasonable promptness, provide the other party (the "Indemnitor") with copies of any claims or other documents received and shall otherwise make available to the Indemnitor all material relevant information. The Indemnitor shall have the right to defend any such claim at its expense, with counsel of its choosing, and the Indemnitee shall have the right, at its expense, using counsel of its choosing, to join in the defense of any such claim. The Indemnitee's failure to give prompt notice or to provide copies of documents or to furnish relevant data shall not constitute a defense in whole or in part to any claim by the Indemnitee against the Indemnitor except to the extent that such failure by the Indemnitee shall result in a material prejudice to the Indemnitor.

13.3.2 Except as hereinafter provided, neither party shall settle or compromise any such claim unless it shall first obtain the written consent of the other, which shall not be unreasonably withheld. The foregoing notwithstanding, if suit shall have been instituted against the Indemnitee and the Indemnitor shall have failed, after the lapse of a reasonable time after written notice to it of such suit, to take action to defend the same, the Indemnitee shall have the right to defend the claim (without limiting the right of the Indemnitor to participate in the defense) and to charge the Indemnitor with the reasonable cost of any such defense, including reasonable attorneys' fees, and the Indemnitee shall have the right, after notifying but without consulting the Indemnitor, to settle or compromise such claim on any terms reasonably approved by the Indemnitee.

13.3.3 Neither Newpark nor the Stockholders shall have any liability for breach of warranty or representation hereunder except to the extent that the amount of all valid claims for breach of warranty or representation against it or them hereunder exceeds an aggregate

of \$50,000. This \$50,000 floor does not apply to the Stockholders' liability under Paragraph 13.1(b). In no event shall the liability of any of the Stockholders for any breach of warranty or representation hereunder exceed the value of the Newpark Shares for which his Target Shares are exchanged in the Exchange, for which purpose they shall be valued at their Closing Value. To the fullest extent permitted by law, Stockholders shall satisfy their liability hereunder by delivering to Newpark some or all of such Newpark Shares, valued at their Closing Value, and Newpark shall satisfy its liability by issuing additional Newpark Shares valued at their Closing Value. Nothing contained herein shall relieve any of the Stockholders or Newpark of any liability he or it may have for any intentional breach of representation or warranty.

13.3.4 In determining the amount of any damage, loss, liability, cost or expense suffered by Newpark which gives rise to liability of the Stockholders hereunder, there shall be taken into account the amount of any Tax benefits actually realized by Newpark and its subsidiaries attributable to such damage, loss, liability, cost or expense or derived therefrom in the same or any past or subsequent taxable period, also taking into account the Tax treatment of the receipt by Newpark of any payment from the Stockholders.

13.4 Dispute Resolution; Arbitration.

13.4.1 The parties desire to finally resolve any and all issues and disputes arising out of or related to this Agreement or its alleged breach as promptly as practicable. Newpark and the Stockholders shall first attempt diligently to resolve any such issue or dispute. They may, if they desire, attempt to mediate the dispute and shall, if they choose, do so in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"), either as written or as modified by mutual agreement. A written agreement to undertake mediation may be made at any time. If arbitration proceedings have been instituted, they shall be stayed until the mediation process is terminated. Any dispute arising out of or related to this Agreement or its alleged breach that cannot be resolved by mutual agreement (including mutually agreed mediation) shall be resolved exclusively by final and binding arbitration, conducted as expeditiously as possible in the City of Lafayette, Louisiana, in accordance with the provisions of this Agreement and, to the extent not inconsistent with such provisions, the Commercial Arbitration Rules of the American Arbitration Association. To the extent lawful, the arbitrators, in their discretion, may shorten any time periods or notice periods specified by law, in the interest of timely completing arbitration and issuing their award.

13.4.2 The Stockholders, as one party, or Newpark may initiate arbitration of a dispute by giving the other party written notice of arbitration, which shall specify with reasonable detail (a) the issue in dispute, (b) the claims asserted and (c) the remedy sought by the party invoking arbitration. The arbitration shall be conducted before a single neutral arbitrator if the parties are able to agree on one arbitrator. If they are unable so to agree and do not agree otherwise, arbitration shall be conducted by a panel of three neutral arbitrators. None of the arbitrators shall be affiliated in any way with either of the parties or have any direct or indirect financial interest in the outcome of the arbitration. If the parties fail to reach agreement upon a single arbitrator within 5 business days following receipt by one party of the other party's notice of arbitration, the initiating party shall submit in writing to the other party the name of a neutral arbitrator selected by the initiating party. Within 5 business days after such name is submitted,

the other party shall submit to the initiating party in writing the name of a neutral arbitrator selected by such other party and may submit an answering statement. Within 10 days after appointment of the second arbitrator, the two arbitrators appointed by the parties shall select a third neutral arbitrator; the three arbitrators so selected shall finally resolve the dispute. If the two arbitrators appointed by the parties fail before the end of said 10 day period to agree on a third arbitrator, the 15th Judicial District Court, Parish of Lafayette, State of Louisiana, shall, upon the filing of a petition by any of the parties hereto select the third arbitrator from a list of five individuals obtained by the Court from the New Orleans office of the American Arbitration Association. If the non-initiating party shall fail to appoint an arbitrator within 10 days after the name of the arbitrator selected by the initiating party is submitted, the arbitrator appointed by the initiating party shall be empowered to proceed to arbitrate and determine the matter in controversy as the sole arbitrator. All references to "the arbitrators" in the following Sections shall be deemed to refer to the sole arbitrator, if there is only one arbitrator. The arbitrators shall, at the earliest possible date, set dates for a hearing and establish any pre-hearing conferences or procedural schedules that the arbitrators deem appropriate. The arbitrators may authorize depositions and issue subpoenas and make other decisions provided for in Section 13.4.3 below. All decisions of the arbitrators shall be by a majority of the arbitrators, unless the parties agree otherwise.

13.4.3 It is the mutual intention of the parties that discovery, if any, shall be limited in nature and scope and, to the extent possible, shall be handled informally and by agreement. Any dispute regarding discovery shall be submitted promptly to the arbitrators and shall be resolved by them. If necessary, any decision of the arbitrators respecting discovery may be enforced by any court of competent jurisdiction in the same manner as a final award under this Section, including an order for specific performance.

13.4.4 The arbitrators shall diligently, expeditiously and in good faith decide the matter under consideration in accordance with the laws of the State of Louisiana, excluding its choice of law rules. If there is only one arbitrator, his decision shall be final, conclusive and binding on all parties; if there are three arbitrators, the agreed decision of any two of them shall be final, conclusive and binding on all parties. The arbitrators shall prepare an award in writing which reflects the final decision of the arbitrators and a copy of such award shall be delivered to each party to the arbitration. Judicial confirmation of the decision of the arbitrators shall be sought only in the 15th Judicial District Court, Parish of Lafayette, State of Louisiana.

13.4.5 The arbitrators' compensation shall be agreed upon by the parties and the arbitrators. The terms of compensation for each of the arbitrators shall be identical. The parties shall share equally the cost of the arbitration proceedings, including the fees and expenses of the arbitrators and the cost of the stenographic record, provided that the arbitrators shall have discretion to charge such costs to the parties in such different proportions as they determine to be appropriate.

13.4.6 If any other provision of this Agreement should be or become invalid or unenforceable by force of law, the provisions of this Section 13.4 shall not be affected but shall remain in full force and effect. Any obligation to arbitrate which is established by this

Section shall remain in full force and effect. Any obligation to arbitrate which is established by this Section shall not be extinguished upon the termination or expiration of this Agreement but shall survive that event.

14. Destruction of Assets.

All risk of loss with respect to the assets and business of the Companies shall be borne by the Stockholders until the Closing to the extent set forth in this Section 14. If on the Closing Date any assets of the Companies shall have suffered loss or damage on account of fire, flood, accident, act of war, civil commotion, or any other cause or event beyond the reasonable power and control of the Companies (whether or not similar to the foregoing) to an extent which materially affects the value to Newpark of the Target Shares, Newpark shall have the right at its election to complete the acquisition (in which event, as Newpark's sole and exclusive remedy with respect to the consequences of such loss or damage, all claims of the Companies with respect to such loss or damage and all insurance proceeds arising therefrom shall be for the account of the Companies), or, if it does not so elect, it shall have the right, which shall be in lieu of any other right or remedy whatsoever, to terminate this Agreement. In the latter event, all parties shall be released from liability hereunder.

15. Termination.

In addition to any party's right to terminate this Agreement if any condition precedent to its obligations is not satisfied on the Closing Date, subject to the provisions of this Agreement relating to the postponement of the Closing Date, either Newpark or the Stockholders may forthwith terminate this Agreement: (a) subject to clause (b) below, without liability to the other of them if a bona fide action or proceeding (by and at the sole instance of a party or parties not an Affiliate or Affiliates of Newpark or the Stockholders) shall be pending against either party on the Closing Date wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) without prejudice to other rights and remedies which either party may have, if a material default shall be made by the other of them in the observance or in the due and timely performance of its covenants and agreements herein contained, or if there shall have been a material breach of the warranties and representations herein contained.

16. Notices.

Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Section 16 by giving notice of such change to the other party in the manner which is provided in this Section 16.

Stockholders: Mr. Mark L. Phillips
Mr. Jerry L. Miller
Mr. James A. Miller
c/o Supreme Contractors, Inc.
110 Emerald Drive
Lafayette, LA 70506
Facsimile No.: (318) 233-7789

With a copy to:

Raymond Beyt, Esq.
Beyt & Beyt, a Professional Corporation
700 E. University Avenue
Lafayette, LA 70505
Facsimile No.: (318) 233-6773

Newpark: c/o Newpark Resources, Inc.
3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:

Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

17. Assignment.

Rights hereunder shall not be assignable and duties hereunder shall not be delegable by the Stockholders or Newpark without the prior written consent of the other; consent may be withheld for any reason or without reason. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any Person other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

18. Certain Definitions.

As used herein, the following terms (whether used in the singular or the plural) have the following meanings:

"Affiliate" or "affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person and,

without limiting the generality of the foregoing, includes (a) any director or officer of such Person or of any Affiliate of such Person, (b) any such director's or officer's Family Members, (c) any group, acting in concert, of one or more of such directors, officers or Family Members, and (d) any Person controlled by any such director, officer, Family Member or group which beneficially owns or holds 25% or more of any class of equity securities or profits interest. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

"Bankruptcy Exception" means the limitation on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, whether enforcement is sought in equity or at law.

"Closing Value" means the average of the closing prices of Newpark's Common Stock on the New York Stock Exchange, as reported in The Wall Street Journal, for the five trading days ending three trading days prior to the Closing Date.

"Commission" means the U.S. Securities and Exchange Commission.

"Family Member" means, in the case of a Person who is an individual, any parent, spouse or lineal descendant (including legally adopted descendants) of such Person, or the spouse of any such descendant.

"Government Body" means any domestic or foreign federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Material Laws" means any and all federal, state and local laws in effect at or before the Closing Date that relate to or impose liability or standards of conduct concerning the environment, as now or hereafter in effect and as have been or hereafter may be amended or reauthorized, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. (S) 9601, et seq.), the Hazardous Materials Transportation Act (42 U.S.C. (S) 1802, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. (S) 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S) 1251, et seq.), the Toxic Substances Control Act (14 U.S.C. (S) 2601, et seq.), the Clean Air Act (42 U.S.C., (S) 7901 et seq.), the National Environmental Policy Act (42 U.S.C. (S) 4231, et seq.), the Refuse Act (33 U.S.C. (S) 407, et seq.), the Safe Drinking Water Act (42 U.S.C. (S) 300(f), et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing.

"Hazardous Materials," means any flammable explosives, radioactive materials, asbestos, compounds known as polychlorinated byphenyls, chemicals now known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition

of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under the Hazardous Materials Laws.

"Knowledge of the Stockholders" (and similar terms such as "to the best of the knowledge of the Stockholders") means the actual knowledge of the Stockholders or any other executive officer of the Companies.

"Knowledge of Newpark" (and similar terms such as "to the best of the knowledge of Newpark") means the actual knowledge of any executive officer of Newpark.

"Material Adverse Effect" means a material adverse effect on the financial condition, results of operations, business or prospects of the entity referred to (i.e., the Companies or Newpark) and its subsidiaries (i.e., the Newpark Subsidiaries), taken as a whole.

"Permitted Lien(s)" means (a) all liens and encumbrances disclosed in the Disclosure Letter, (b) landlords', mechanics', carriers', workers' and similar statutory liens arising in the ordinary course of business for sums not delinquent, for which adequate reserves or other appropriate provisions have been made in the Companies' Financial Statements, (c) deed restrictions and similar exceptions to clear title not incurred in connection with indebtedness that do not materially impair the existing use or materially detract from the value of the assets or property subject thereto, and (d) liens for current taxes not delinquent, for which adequate reserves or other appropriate provisions have been made in the Companies' Financial Statements.

"Person" or "person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a Government Body.

"Rules and Regulations" means the rules and regulations adopted by the Commission under the Securities Act and the Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax" (including with correlative meaning, the terms "Taxes" and "Taxable") means any income, gross receipts, ad valorem, premium, excise, value-added, sales, use, transfer, franchise, license, severance, stamp, occupation, service, lease, withholding, employment, payroll, premium, property or windfall profits tax, alternative or add-on-minimum tax, or other tax, fee or assessment, together with any interest and any penalty, addition to tax or additional amount imposed by any Government Body responsible for the imposition of any such tax.

"Tax Return" means any return, report, statement, information statement and the like required to be filed with any authority with respect to Taxes.

19. Applicable Law; Jurisdiction.

The provisions of this Agreement and all rights and obligations hereunder and under all documents, instruments and agreements executed under or in connection with this Agreement shall be governed and construed in accordance with the internal laws of the State of Louisiana applicable to contracts made and to be wholly performed within said State.

20. Remedies Not Exclusive.

Except as provided in Section 14, (a) no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, (b) each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or otherwise and (c) the election of any one or more remedies by either party hereto shall not constitute a waiver of the right to pursue other available remedies.

21. Attorneys' Fees.

In any litigation or arbitration relating to this Agreement, including litigation or arbitration with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

22. Payment of Expenses. Whether or not the Exchange is consummated, Newpark will pay and be responsible for all costs and expenses incurred by Newpark in connection with this Agreement and the transactions contemplated hereby, and the Stockholders will pay and be responsible for all costs and expenses incurred by the Companies and the Stockholders in connection with this Agreement and the transactions contemplated hereby.

23. Successors and Assigns.

All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives and permitted successors and assigns.

24. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

25. Headings; Severability.

Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

26. Amendments.

No provision or term of this Agreement or any agreement contemplated herein between the parties hereto may be supplemented, amended, modified, waived or terminated except in a writing duly executed by the party to be charged.

27. Waivers.

At any time prior to the Closing Date, the parties hereto, may, to the extent legally permitted: (i) extend the time for the performance of any of the obligations or other acts or any other party; (ii) waive any inaccuracies in the representations or warranties of any other party contained in this Agreement or in any document or certificate delivered pursuant hereto; (iii) waive compliance or performance by any other party with any of the covenants, agreements or obligations of such party contained herein; and (iv) waive the satisfaction of any condition that is precedent to the performance by the party so waiving of any of its obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by one party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

28. Entire Agreement.

The Disclosure Letter and all schedules, exhibits and financial statements provided for herein are a part of this Agreement. This Agreement and the other agreements and documents provided for in this Agreement comprise the entire agreement of the parties and supersede all earlier understandings of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

NEWPARK:
NEWPARK RESOURCES, INC.

STOCKHOLDERS:

By: /s/ James D. Cole

Name: James D. Cole
Title: President and Chief
Financial Officer

/s/ Mark L. Phillips

Mark L. Phillips

/s/ Jerry L. Miller

Jerry L. Miller

/s/ James A. Miller

James A. Miller

NONCOMPETITION AGREEMENT

This Noncompetition Agreement (the "Agreement") is made and entered into this 29th day of May, 1997, by and between _____ ("Covenantor") and NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), ancillary to and as required by the Agreement and Plan of Reorganization (the "Exchange Agreement") dated May 28, 1997, by and among Newpark and the "Stockholders" so identified in the Exchange Agreement (including Covenantor), pursuant to which Newpark will exchange (the "Exchange") 122,222 shares of the Common Stock of Newpark, \$.01 par value (the "Common Stock") for 100% of the capital stock of SUPREME CONTRACTORS, a Louisiana corporation, and SUPREME CONTRACTORS INTERNATIONAL, INC., a Delaware corporation (together, the "Company"). Unless otherwise provided herein all terms used in this Agreement that are defined in the Exchange Agreement shall have the same meanings herein as in the Exchange Agreement.

In consideration of the foregoing, and in order to satisfy a condition precedent to the consummation of the Exchange, Covenantor and Newpark hereby agree and covenant as follows:

1. Certain Definitions. The following terms used herein shall have the following meanings:

Affiliate or affiliate - a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to (a) vote 50% or more of the voting interests in such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Business - Any one or more of the following activities: selling, providing, installing, recycling, renting, marketing, or dealing in or with or otherwise soliciting orders for any of the Products and Services or any products, services, materials, supplies or support activities that compete with or may be used to replace any Products and Services.

Competitor - Any Person that, directly or indirectly, engages in any aspect of the Business within any portion of the Territory.

Person or person - Any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

Products and Services - All products, services, materials, supplies and support activities which, as of the date hereof or within twelve months prior to the date hereof, are or have been provided, sold, installed, recycled, rented, marketed or dealt in or with by the Company, and all competitive products, services, materials, supplies and support activities.

The Territory - All or any part of the following: the geographical limits of the parishes in the State of Louisiana identified on Exhibit A attached hereto and incorporated herein by this reference, the States of Texas, Mississippi and Alabama and the Gulf of Mexico.

2. Noncompetition. Covenantor hereby agrees that he will not, during the term of this Agreement, directly or indirectly, or through one or more Affiliates, do any one or more of the following: (a) engage in any aspect of the Business, whether as an employee, agent, independent contractor or otherwise; (b) own any interest in any Competitor; (c) operate, join, control or otherwise participate in any Competitor; (d) lend credit or money for the purpose of assisting another to establish or operate any Competitor; (e) request or advise any present or future customer or supplier of the Company to withdraw, curtail or cancel its business with any of them; or (f) induce or influence (or attempt to induce or influence) any person who is engaged (as an employee, agent, independent contractor or otherwise) by the Company or any subsidiary to terminate his or her employment or engagement or to perform any services for a Competitor; provided, that nothing herein shall prohibit Covenantor from holding an equity interest of less than 2% of the outstanding capital stock of any Competitor whose equity securities are traded on a national stock exchange or are quoted on The Nasdaq Stock Market.

3. Confidentiality. Covenantor shall keep secret and retain in confidence, and shall not use for the benefit of Covenantor or others, any confidential information concerning the business of the Company or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of the Company and its affiliates relating to the business of the Company learned by Covenantor as a result of prior and current business relationships with the Company or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Covenantor, (b) was available to Covenantor on a non-confidential basis prior to its disclosure to the Covenantor by the Company or (c) becomes available to Covenantor on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to Covenantor.

4. Term. The term of this Agreement commences on the date hereof and shall continue for a period of two (2) years. Covenantor hereby acknowledges the receipt and sufficiency of full consideration for this Agreement.

5. Injunctive Relief. Covenantor hereby stipulates and agrees that any breach by him of this Agreement cannot be reasonably or adequately compensated by damages in an action at law and that, in the event of such breach, Newport shall be entitled to injunctive relief, which may include but shall not be limited to restraining Covenantor from engaging in any activity that would constitute a breach of this Agreement.

6. Severability. Covenantor acknowledges that he has carefully read and considered the provisions of Paragraphs 1 through 4 of this Agreement and, having done so, agrees that the restrictions set forth therein (including but not limited to the time periods of restriction and the geographical areas of restriction) are fair and reasonable and are reasonably required to protect the interests of Newport and its stockholders. If, notwithstanding the foregoing, any of the provisions of Paragraphs 1 through 4 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable, as though the invalid or unenforceable parts had not been included therein. If any provision of Paragraphs 1 through

4 hereof relating to time periods or areas of restriction or both shall be declared by a court of competent jurisdiction to exceed the maximum time periods or areas (or both) that such court deems reasonable and enforceable, said time periods or areas of restriction or both shall be deemed to become and thereafter shall be the maximum time periods and areas which such court deems reasonable and enforceable.

7. Entire Agreement. This Agreement constitutes the entire agreement of Covenantor and Newpark with respect to the subject matter hereof and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Any failure to insist on strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

8. Nature of Obligations. All covenants and obligations of Covenantor hereunder shall be binding on Covenantor, his assigns, successors and legal representatives and shall inure to the benefit of Newpark and all of its Affiliates that engage in any aspect of the Business in any part of the Territory.

9. Law Governing. The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within the State of Texas.

10. Attorneys' Fees. In any litigation relating to this Agreement, including litigation with respect to any supplement, modification or waiver of this Agreement or any of its provisions, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

11. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. Either party may change its address for the purpose of this Paragraph 11 by giving notice of such change to the other party in the manner which is provided in this Paragraph 11.

Covenantor: _____

Facsimile No.: () -

Newpark: Newpark Resources, Inc.
 3850 North Causeway, Suite 1770
 Metairie, LA 70002
 Attention: Secretary
 Facsimile No.: (504) 833-9506

12. Captions. The captions in this Agreement are included for convenience of reference only, do not constitute a part hereof and shall be disregarded in the interpretation or construction hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Covenantor:

NEWPARK RESOURCES, INC.

By: /s/ James D. Cole

James D. Cole, President

EXHIBIT A
LIST OF PARISHES

ACADIA
ALLEN
ASCENSION
ASSUMPTION
AVOUELLES
BEAUREGARD
CALCASIEU
CAMERON
EAST BATON ROUGE
EVANGELINE
IBERIA
IBERVILLE
JEFFERSON
JEFFERSON DAVIS
LAFAYETTE
LAFOURCHE
LIVINGSTON
ORLEANS
PLAQUEMINES
POINTE COUPEE
RAPIDES
ST. BERNARD
ST. CHARLES
ST. HELENA
ST. JAMES
ST. JOHN THE BAPTIST
ST. LANDRY
ST. MARTIN
ST. MARY
ST. TAMMANY
TANGIPAHOA
TERREBONNE
THIBODEAUX
UNION
VERMILLION
VERNON
WEST BATON ROUGE

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of May 29, 1997, by and between SUPREME CONTRACTORS, INC., a Louisiana corporation ("Employer"), and MARK L. PHILLIPS ("Employee"), with reference to the following facts:

A. Employee has been employed as a senior executive of Employer.

B. On the date of this Agreement, Employer has become a wholly-owned subsidiary of NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"). Employer desires to assure itself of the continued services of Employee for a term expiring no sooner than June 30, 2000, and the parties are entering into this Agreement for that purpose and in order to set forth the terms of the employment of Employee.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree as follows:

1. Term of Employment.

Employer hereby continues the employment of Employee, and Employee hereby accepts continued employment with Employer, for a period commencing on the date hereof and, except as otherwise provided herein, expiring June 30, 2000, provided, however, that, each time neither party terminates this Agreement by written notice given at least sixty (60) days prior to the expiration of the employment term as last renewed or extended, it shall be automatically renewed for an additional twelve month period. As used herein, the phrase "employment term" refers to the entire period that Employee shall be employed hereunder, whether for the initial period provided above, or whether this Agreement is terminated earlier or extended automatically as provided herein or by mutual agreement between Employer and Employee.

2. Duties of Employee.

2.1 Employee shall serve as President of Employer and shall do and perform all services, acts and things necessary or advisable in that capacity in connection with the conduct of the business of Employer, subject to the instructions of and policies and limitations set by its Board of Directors. It is contemplated that Employee's role initially will be substantially the same as his role with Employer immediately prior to the date hereof.

2.2 Employee shall devote his entire productive time, ability and attention to the business of Employer during the employment term, except that Employee may devote time and effort to personal activities to the extent that such activities do not materially interfere with the performance of his duties hereunder. If Employer advises Employee that, in its good faith judgment, such activities are materially interfering with the performance of Employee's duties hereunder, Employee will promptly take steps to appropriately limit such activities. Subject to the foregoing, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for

compensation or otherwise, without the prior written consent of the Board of Directors of Employer.

2.3 Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices as an officer, director or member of any committee of the Board of Directors of Employer or of any direct or indirect subsidiary of Employer.

3. Compensation of Employee.

3.1 As compensation for his services hereunder, Employee shall receive a salary at the annual rate of \$87,000, payable in equal installments on Employer's regular payroll dates for executive employees. Employer's Board of Directors will review Employee's salary annually, and, with the approval of Newpark's Board of Directors or Compensation Committee, may (but shall be under no obligation to) increase such salary.

3.2 For each full or partial fiscal year of Employer during the employment term, Employer shall pay to Employee, in addition to his salary, a bonus in such amount, if any, as may be determined by the Board of Directors or Compensation Committee of Newpark, in its sole discretion.

4. Benefits.

Employee shall be entitled to participate in and receive benefits under all profit-sharing plans, pension plans, group medical plans and other plans for payment of additional compensation or benefits to employees of Employer which Employer at any time maintains for executive employees. To the extent permitted by law, and provided that such participation does not result in duplicate payments to Employee, Employee shall also participate in such benefits plans as Newpark makes available to its executive employees and the executive employees of its subsidiaries.

5. Business Expenses.

Employee is authorized to incur reasonable expenses for promoting and conducting the business of Employer, including expenditures for entertainment and travel. Employer shall reimburse Employee monthly for all such business expenses upon presentation of reasonable documentation establishing the amount, date, place and essential character of the expenditures.

6. Disability.

6.1 If Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement with reasonable accommodation for a period of six consecutive months or for nine months in any twelve-month period, Employer shall have the option to terminate this Agreement effective immediately by giving written notice of termination to Employee within a reasonable time following the end of such period of disability. If Employee becomes temporarily

disabled by reason of sickness, physical or mental disability, or any other cause so that he is unable to perform efficiently his duties hereunder with reasonable accommodation, he shall be entitled to compensation as provided for herein until the total period of such temporary disability shall equal an aggregate of three months during any period of twelve consecutive months. As to any subsequent periods of disability during said twelve month period, Employee shall not be entitled to compensation.

6.2 In the event of the termination of this Agreement pursuant to the provisions of Paragraph 6.1 above, Employee shall be entitled to salary and discretionary bonus earned by him prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; but he shall not be entitled to compensation after the date of termination.

7. Termination of Employment.

7.1 This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the term of this Agreement as follows:

(a) By Employer as a result of disability of Employee as provided in Paragraph 6.1 above, or the death of Employee;

(b) upon the mutual agreement of the parties;

(c) by Employer in the event of: (i) conviction of Employee of a major felony (whether or not committed in the course of his employment) from which no appeal has been made, or, if an appeal has been made, upon a final determination adverse to Employee; or (ii) gross misconduct by Employee causing material harm to Employer, but only if (x) Employee shall not have discontinued such gross misconduct within ten days after receiving written notice from Employer that it will consider the continuation of such gross misconduct cause for termination of this Agreement, or (y) the gross misconduct is of such a nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such gross misconduct;

(d) by Employee if Employer shall fail to cure a material or default by it under any of the terms of this Agreement within thirty days after written notice of such breach or default is given by Employee;

(e) by Employer if Employee shall fail to cure a material breach or default by him under this Agreement within thirty days after written notice of such breach or default is given by Employer.

7.2 This Agreement shall not be terminated by any merger or consolidation where Employer is not the consolidated or surviving corporation or by any transfer of all or substantially all of the assets of Employer. In the event of any such merger or consolidation or transfer of assets, the surviving or resulting corporation or the transferee of the assets of Employer shall be bound by and shall have the benefit of the provisions of this

Agreement; and Employer shall take all actions necessary to ensure that such corporation or transferee is bound by the provisions of this Agreement.

7.3 Upon termination of this Agreement for any reason whatsoever, Employee shall return to Employer all automobiles, equipment, books, records, customer lists, catalogs, invoices, correspondence and other property which was acquired from or otherwise belongs to Employer, including any property or documentation developed by Employee in the course of his employment.

8. Proprietary Information and Non-Competition.

8.1 Employee recognizes and acknowledges that the performance of his services hereunder will necessarily result in disclosure to him of certain trade secrets and confidential information, including source of supply information, sales information, customer lists, customer information and pricing, all of which are special and unique assets and trade secrets of Employer's business. For the purpose of this Agreement, such information shall be referred to and is acknowledged as "proprietary information of the Employer." In view of the foregoing, in addition to and not in limitation of the provisions of the Noncompetition Agreement executed concurrently herewith by Newpark and Employee, Employee agrees that:

8.1.1 During and after the employment term, Employee will not disclose or use any proprietary information of Employer, except for the purpose of carrying out his duties hereunder, unless such use or disclosure is specifically consented to in writing by Employer.

8.1.2 For the period of one year after the employment term, Employee will not in any way, directly or indirectly, for himself or on behalf of any other person or entity, associate in business as an employer, employee or otherwise, with any employee, officer or agent of Employer until such person has terminated employment with Employer for a period of one year.

8.1.3 During the employment term and thereafter, Employee will not, directly or indirectly, for himself or on behalf of any other person or entity, induce or attempt to induce any of Employer's personnel to terminate their relationship with Employer, nor will Employee induce or attempt to induce any of Employer's personnel to do anything contrary to the best interests of Employer.

8.2 Employee agrees that in the event of any breach by Employee of any covenant in this Paragraph 8, Employer shall be entitled, in addition to other remedies, to immediate injunctive relief if necessary to avoid irreparable harm and injury.

9. General Provisions.

9.1 Any notices to be given hereunder by either party to the other shall be in writing and may be effected either by personal delivery or by mail, registered or certified, return receipt requested, postage prepaid. Mailed notices shall be addressed to the parties at the

addresses appearing opposite their respective signatures below and shall be deemed effective 24 hours after being deposited in the U.S. mails, postage prepaid and property addressed. Each party may change its address by written notice in accordance with this Paragraph.

9.2 This Agreement supersedes and any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee and contains all of the covenants and agreements between the parties with respect to such employment. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

9.3 Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed, if possible, to be modified or altered to conform thereto or, if not possible, to be omitted from this Agreement. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

9.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana, and the 15th Judicial District Court, Parish of Lafayette, State of Louisiana, shall be the only proper forum for disputes hereunder.

9.5 The rights and obligations of Employer under this Agreement shall enure to the benefit of and shall be binding on the successors and assigns of Employer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

SUPREME CONTRACTORS, INC. ("Employer")

Address:

110 Emerald Drive
Lafayette, LA 70505

By: /s/ James D. Cole

Name and Title: James D. Cole, President

Address:

("Employee")

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") dated as of May 29, 1997, is entered into by and between NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), and each of the Persons whose names and addresses are listed on Exhibit "A" attached to this Agreement (each a "Holder" and collectively the "Holders"), with reference to the following facts:

A. Holders are entitled to receive an aggregate of 122,222 shares (the "Shares") of Newpark's common stock, \$.01 par value (the "Common Stock"), upon the exchange (the "Exchange") of 100% of the shares of the capital stock of SUPREME CONTRACTORS, INC., a Louisiana corporation, and 100% of the shares of capital stock of SUPREME CONTRACTORS INTERNATIONAL, INC., a Delaware corporation (together, the "Company") pursuant to the Agreement and Plan of Reorganization (the "Exchange Agreement") among Newpark and the "Stockholders" so identified in the Exchange Agreement (each of whom is a Holder). Because the Shares are being issued pursuant to an exemption from the registration provisions of the Securities Act, resale of the Shares without registration under the Securities Act is subject to restrictions.

B. In order to satisfy a condition precedent to the Exchange, this Agreement obligates Newpark to use its best efforts to register some of the Shares under the Securities Act at certain times.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual promises and covenants hereinafter set forth, the parties agree as follows:

1. Definitions. As used in this Agreement, the following capitalized terms shall have the following respective meanings:

Common Stock - As defined in Paragraph A above.

Exchange Act - The Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

Holder or Holders - As defined in the introduction to this Agreement.

Holder Party or Parties - As defined in Paragraph 6.1 below.

Participating Holder or Holders - Each Holder or all Holders for whom Shares are included in a registration statement filed under the Securities Act.

Person or person - An individual, partnership, joint venture, corporation, trust, unincorporated organization or government or any department or agency thereof.

Registration Expenses - Any and all expenses incident to performance of or compliance with this Agreement, including, without limitation: (i) all SEC and stock exchange or National Association of Securities Dealers registration and filing fees, (ii) all fees and expenses of complying with securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Shares), (iii) all printing, messenger and delivery expenses, (iv) the fees and disbursements of counsel for Newport and of its independent public accountants, (v) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, including liability insurance if Newport so desires, and (vi) the reasonable fees and expenses of any special experts retained by Newport in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, applicable to Participating Holders' Shares.

Rule 144 - Rule 144 under the Securities Act, as amended from time to time, or any successor Rule.

Rules and Regulations - The rules and regulations promulgated by the SEC under the Securities Act and the Exchange Act.

Securities Act - The Securities Act of 1933, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

SEC - The Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

Shares - As defined in Paragraph A above.

2. Demand Registration Rights.

(a) Demand by Holders. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if, during the period commencing August 1, 1997 and continuing for 180 days, one or more Holders request in writing to Newport that Newport effect the registration under the Securities Act of up to 30,000 of the Shares (which request shall specify the number of Shares intended to be disposed of by each Holder and the intended method of disposition thereof), Newport will promptly give notice of such requested registration to all other Holders and thereafter will use its best efforts to effect such registration of (i) the Shares which Newport has been so requested to register by such Holders and (ii) all other Shares which Newport has been requested to register by other Holders by written requests delivered to Newport within 20 days after the giving of such written notice by Newport (which requests shall specify the intended method of disposition of such other Holders' Shares), all for disposition in accordance with the intended methods of disposition stated in the requests of such Holders.

(b) Priorities in Demand Registrations. Subject to clauses (i) and (ii) below, Newport may include in any registration statement filed in response to Holders' requests other shares of Common Stock for sale by Newport or by other stockholders, provided, however, that (i) if such registration statement relates to an underwritten offering and the managing underwriter

or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such shares can be sold), then the number of shares of Common Stock included in the offering shall be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (x) the Shares to be sold by Holders shall have priority over all shares of Common Stock to be offered by Newpark and other stockholders of Newpark, and (y) if shares of Common Stock in excess of Holders' Shares can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, such excess shares shall be included in such offering in such proportions as may be agreed between Newpark and such other stockholders; and (ii) if such offering is not underwritten, then no other shares of Common Stock shall be included in such registration statement unless Holders consent to the inclusion of such shares therein, which consent shall not be unreasonably withheld.

(c) Only One Demand Registration. Holders shall not be entitled to make a request pursuant to this Paragraph 2 more than one time, provided that the registration so requested is actually effected and remains in effect in accordance with Paragraph 5.1(b).

3. Incidental Registration Rights.

(a) Right to Include Shares. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if Newpark at any time proposes to register any Common Stock on any form for the registration of securities under the Securities Act (other than Form S-4 and Form S-8), Newpark will at such time give prompt written notice to Holders of its intention to do so and of Holders' rights under this Paragraph 3. Upon the written request of any Holders made within 20 days after receipt of any such notice that up to 30,000 of the Shares be included in such registration (which request shall specify the number of Shares intended to be disposed of by each Holder desiring to participate and the intended method of disposition thereof), Newpark will cause the Shares for which Holders have requested registration to be included in the registration statement filed with respect to such registration under the Securities Act, provided that (i) if, at any time after giving written notice of its intention to register Common Stock but prior to the effective date of the registration statement filed in connection with such registration, Newpark shall determine for any reason not to register such Common Stock, Newpark may, at its election, give written notice of such determination to Holders, and, thereupon, shall be relieved of its obligation to register any Shares in such registration, and (ii) if such registration involves an underwritten offering, Holders must sell their Shares (if Holders continue to desire such Shares to be registered) to the underwriters of such offering on the same terms and conditions as apply to Newpark or the stockholders for whose account securities are to be sold, as the case may be.

(b) Priorities in Incidental Registrations. In connection with any registration pursuant to this Paragraph 3 involving an underwritten offering, if the managing underwriter or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such

Common Stock can be sold), then the amount of the Shares included in the offering shall be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (i) shares of Common Stock to be sold by Newpark shall have priority over all shares to be sold by stockholders of Newpark, including Holders, and (ii) to the extent that shares of Common Stock in excess of the Common Stock to be sold by Newpark can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, (x) the Shares to be sold by Holders and shares of Common Stock to be sold by any other stockholders of Newpark who have the right to registration of their Common Stock under agreements in existence at the time Newpark gives notice to Holders pursuant to this Paragraph 3 shall have priority over shares of Common Stock to be sold by other stockholders of Newpark, subject to reduction prorata in proportion to the number of shares of Common Stock proposed to be included in such offering by each Holder and each other stockholder having such registration rights, and (y) additional shares of Common Stock, if any, shall be included in such registration in such proportions as may be agreed upon by Newpark and such other stockholders.

4. Additional Provisions. Notwithstanding the provisions of Paragraphs 2 and 3 of this Agreement:

(a) The total number of Shares that Holders are entitled to have registered by Newpark under the Securities Act pursuant to Paragraph 2(a) and Paragraph 3(a) combined is 30,000, so that if 30,000 Shares have been effectively registered under the Securities Act pursuant to Paragraph 2(a), Holders will not be entitled to have Shares registered pursuant to Paragraph 3(a), and vice versa. If the aggregate number of Shares that Holders propose to have registered exceeds 30,000 Shares, the number of Holders' shares eligible to be registered shall be allocated prorata among Holders in proportion to the number of Shares owned by each or as they may otherwise agree among themselves. If the aggregate number of Shares that Holders propose to have registered in any registration statement exceeds 30,000 Shares after the allocation called for by the immediately preceding sentence, the number of Holders' Shares eligible to be included in such registration statement shall be allocated prorata among requesting Holders in proportion to the number of Shares proposed by each of them for inclusion in such registration statement or as they may otherwise agree among themselves.

(b) Newpark shall not be required to effect or cause the registration of Shares held by any Holder pursuant to Paragraph 2 or 3 if, within 25 days after its receipt of a request to register such Shares, Newpark delivers to such Holder an opinion of counsel in form and substance satisfactory to counsel to such Holder, that the entire number of Shares proposed to be sold by such Holder may be sold, in the manner proposed by such Holder, without registration under the Securities Act, whether pursuant to Rule 144 or otherwise, within a period ending not more than ninety (90) days after the date of such opinion.

5. Registration Procedures.

5.1 Newpark Obligations. If and whenever Newpark is required to effect the registration of any Shares under the Securities Act as provided in this Agreement, as expeditiously as possible:

(a) Newpark will prepare and file with the SEC a registration statement with respect to such Shares and use its best efforts to cause such registration statement to become effective as soon thereafter as possible, provided, that, before filing such registration statement or prospectus or any amendments or supplements thereto: Newpark will furnish to each Participating Holder copies of all such documents proposed to be filed, which documents will be subject to review by such Holders, and Newpark will not file any such registration statement or prospectus or any amendment or supplement thereto to which any Participating Holder shall reasonably object; Newpark may assume, for the purpose of the foregoing proviso, that a Holder has no objection if Newpark has not received notice from such Holder within five calendar days after delivery of such documents to Holder or, with respect to any version of or amendment or supplement to any such registration statement after the first draft furnished to such Holder, such shorter period as Newpark may reasonably request when it furnishes such documents to such Holder, if a longer delay would result in prejudice to the proposed offering. Newpark will promptly notify the Participating Holders and confirm such advice in writing, (i) when such registration statement becomes effective, (ii) when any post-effective amendment to such registration statement becomes effective, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose, (iv) of the issuance by any state securities commission or other regulatory authority of any order suspending the qualification or the exemption from qualification of any of the Shares under state securities or blue sky laws or the initiation of any proceedings for that purpose, and (v) of any request by the SEC for any amendment or supplement to such registration statement or any prospectus relating thereto or for additional information. Newpark will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Newpark will prepare and file with the SEC such amendments (including post-effective amendments) and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for at least six (6) months (or for such shorter period in which the Participating Holders have sold all of the Shares included in such registration statement) and to comply with the provisions of the Securities Act with respect to the disposition of the Shares covered by such registration statement during such period in accordance with the intended methods of disposition by Participating Holders set forth in such registration statement, as so amended, or such prospectus, as so supplemented.

(c) Newpark will furnish to each Participating Holder one signed copy of such registration statement as originally filed and each amendment thereto (without exhibits unless otherwise requested by such Participating Holder) and such number of copies of such registration statement and of each such amendment and supplement thereto, such number of copies of the prospectus (as amended or supplemented) included in such registration statement (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as Participating Holders may reasonably request in order to facilitate the disposition of the Shares by all Participating Holders.

(d) Newpark will use its best efforts to register or qualify such Shares covered by such registration statement under such securities or blue sky laws of any State of the United

States as the managing underwriter, if any, or Participating Holders who have Shares included in such registration statement shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable each Participating Holder and each underwriter, if any, to consummate the disposition in such jurisdictions of the Shares to be sold by such Participating Holder, except that Newpark shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this Paragraph 5.1(d), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction.

(e) Newpark will promptly notify each Participating Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act during the period mentioned in Paragraph 5.1(b) and Newpark becomes aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances existing at the time it is to be delivered to a purchaser; and promptly prepare and furnish to each Participating Holder a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall 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 not misleading in the light of the circumstances then existing. If a registration statement is not effective for the full period called for by Paragraph 5.1(b) for the reasons described above in this Paragraph, then Newpark's obligation to keep such registration statement effective shall be extended for a period of time equal to the period of time during which prospectuses were not available so that the actual period of effectiveness for such registration statement shall equal that called for in Paragraph 5.1(b).

(f) During the period when the prospectus is required to be delivered under the Securities Act, Newpark will promptly file all documents required to be filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and furnish a copy thereof to each Participating Holder promptly after such document is so filed.

(g) Newpark will otherwise use its best efforts to comply with all applicable rules and regulations of the SEC and, if requested by Participating Holders having Shares included in such registration statement, will obtain an opinion letter from Newpark's counsel addressed to all Participating Holders in customary form covering such matters as may reasonably be requested.

(h) Newpark will make available for inspection by Participating Holders having Shares included in a registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, in each case upon receipt of an appropriate confidentiality agreement, all financial and other records, corporate documents and properties of Newpark and its subsidiaries, and cause all of Newpark's officers, directors and employees to supply all information, as may be reasonably requested by such Participating

Holders or any such underwriter, attorney, accountant or agent in connection with such registration statement.

5.2 Participating Holder Obligations.

(a) Each Participating Holder shall furnish Newpark in writing such information and documents (or true copies of documents) regarding such Holder and the distribution of his or her Shares as Newpark may reasonably request, including questionnaires, powers of attorney, indemnities, standstill agreements, underwriting agreements and other documents required under the terms of such underwriting agreements.

(b) Each Participating Holder agrees that, upon receipt of any notice from Newpark of the happening of any event of the kind described in Paragraph 5.1(e), such Holder will forthwith discontinue disposition of Shares pursuant to the registration statement covering such Shares until such Holder's receipt of copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e), and, if so directed by Newpark, such Holder will deliver to Newpark (at Newpark's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Shares current at the time of receipt of such notice. In the event Newpark shall give any such notice, the period mentioned in Paragraph 5.1(b) shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Paragraph 5.1(e) to and including the date when all Participating Holders shall have received the copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e).

5.3 Expenses. Newpark will pay all Registration Expenses in connection with each registration of Shares pursuant to Paragraphs 2 and 3; provided, however, that (x) all underwriting discounts and commissions attributable to the Shares shall be borne by Participating Holders in proportion to the number of Shares sold by each of them, and (y) any other fees or expenses incurred by any of the parties, including fees and expenses of attorneys and accountants, other than those fees described in clause (ii) of the definition of Registration Expenses, shall be borne by the party that incurred them.

6. Indemnification.

6.1 Indemnification by Newpark. In the event of any registration of any of the Shares under the Securities Act pursuant to this Agreement, Newpark will, and it hereby does, indemnify and hold harmless each Participating Holder, each Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls any such underwriter or Participating Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and the agents, employees, officers and directors of Participating Holders or such underwriter and each such controlling person (each a "Holder Party" and collectively as the "Holder Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with Newpark's written consent) to which any Participating Holder, any such underwriter or controlling person may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof)

arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and Newport will reimburse Holder Parties for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided, that Newport shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any breach by the indemnified person of its obligations under this Agreement, including, without limitation, those contained in Paragraph 5.2 or any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus or amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to Newport by or on behalf of such Participating Holder, any such underwriter or controlling Person specifically for use in the preparation thereof; and provided, further, that Newport will not be liable to any Person who participates as an underwriter in the offering or sale of Shares, or to any other Person who controls such underwriter within the meaning of the Securities Act and the Exchange Act, under the indemnity agreement in this Paragraph 6.1 with respect to any preliminary prospectus or the final prospectus, or the final prospectus as amended or supplemented, as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter or controlling Person results from the fact that such underwriter sold Shares to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus (including any documents incorporated by reference therein) or of the final prospectus as then amended or supplemented (including any documents incorporated by reference therein), whichever is most recent, if Newport has previously furnished copies thereof to such underwriter and such final prospectus, as then amended or supplemented, has corrected any such misstatement or omission, and if Newport shall sustain the burden of proving that the Holder Party sold Shares to the person alleging such loss, claim, damage or liability without sending or giving, at or prior to the written confirmation of such sale, a copy of the amended or supplemented registration statement or prospectus if Newport had previously furnished copies thereof to such Holder Party. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Party and shall survive the transfer of such securities by each such Person.

6.2 Indemnification by Participating Holders. In the event of any registration of any securities of Newport under the Securities Act pursuant to this Agreement, each Participating Holder, severally and not jointly, will, and each Participating Holder hereby does, indemnify and hold harmless Newport, each director of Newport, each officer of Newport who shall sign the registration statement and its controlling Persons, if any, and all other prospective sellers and their respective directors, officers and controlling Persons against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with the Participating Holder's written consent) to which such Persons may become subject under the Securities Act, common law or otherwise, to the extent that such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon any statement or alleged statement in or omission or alleged omission from such

registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing to Newpark by or on behalf of such Participating Holder for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, and such Participating Holder will reimburse Newpark and such other indemnified persons for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Newpark or any of the other prospective sellers or any of their respective directors, officers or controlling Persons and shall survive the transfer of such securities by the Participating Holder or such seller.

6.3 Notices of Claims, etc. Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Paragraph 6 such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Paragraph 6, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

6.4 Other Indemnification. Indemnification similar to that specified in the preceding subdivisions of this Paragraph 6 (with appropriate modifications) shall be given by Newpark to each Participating Holder and each underwriter of Shares, and by each Participating Holder to Newpark, with respect to any required registration or other qualification of securities under any federal or state law or regulation other than the Securities Act.

6.5 Contribution. If the indemnification provided for in Paragraphs 6.1, 6.2 or 6.4 is insufficient to hold harmless an indemnified party or is unavailable to a party that would have been an indemnified party under any such section in respect of any and all losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof), referred to therein, then each indemnified party and each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the

relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statements of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or such indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Newport and Holders agree that it would not be just and equitable if contribution pursuant to this Paragraph 6.5 were determined by prorata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Paragraph 6.5. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Paragraph 6.5 shall include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim (which shall be limited as provided in Paragraph 6.3 hereof if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7. Rule 144. Newport covenants that it will duly and timely file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder to the extent required from time to time to enable Holders to sell the Shares without registration under the Securities Act within the limitations of the exemption provided by Rule 144. None of such reports will contain any 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 are made, not misleading. Upon the request of any Holder, Newport will deliver to such Holder a written statement as to whether it has complied with such requirements.

8. Miscellaneous.

8.1 Transfer of Rights Hereunder. The rights granted to the Holders under this Agreement may be transferred to any transferee of the Shares other than a transferee of Shares that have been registered under the Securities Act, and, from and after any such transfer, the provisions of this Agreement applicable to Holders shall be applicable to such transferees. The foregoing notwithstanding, no transfer of the Shares may be made without registration under the Securities Act unless and until the transferor delivers to Newport an opinion of counsel reasonably satisfactory to Newport to the effect that such transfer would not violate the registration provisions of the Securities Act and any applicable state law. In connection with the transfer of such Shares, Newport may require each certificate representing Shares transferred to bear an appropriate restrictive legend. Such restrictive legend may be removed when (i) a registration statement with respect to the sale of the Shares represented thereby shall have become effective under the Securities Act, (ii) such Shares shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iii) such Shares shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by Newport and subsequent disposition of such Shares

shall not require registration or qualification of them under the Securities Act or any applicable state law.

8.2 Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Paragraph 8.2 by giving notice of such change to the other party in the manner which is provided in this Paragraph 8.2.

Holders: At their respective addresses and facsimile numbers, if any, set forth in Exhibit A

With a copy to:
Raymond A. Beyt
Beyt & Beyt, a Professional Corporation
700 E. University Ave.
Lafayette, LA 70503
Facsimile No.: (318) 233-6773

Newpark: 3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:
Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

8.2 Severability. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

8.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.4 Headings. The headings of the sections, subsections and paragraphs of this Agreement have been added for convenience only and shall not be deemed to be a part of this Agreement.

8.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

8.6 Entire Agreement. All other prior or contemporary representations, warranties, covenants or agreements, if any, between the parties hereto, or their representatives, with respect to the subject matter hereof are superseded by and merged into this Agreement. This Agreement shall constitute the entire understanding between the parties with respect hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth on the first page hereof.

NEWPARK RESOURCES, INC.

By: /s/ James D. Cole

James D. Cole, President

HOLDERS

/s/ Mark L. Phillips

Mark L. Phillips

/s/ Jerry L. Miller

Jerry L. Miller

/s/ James A. Miller

James A. Miller

EXHIBIT A

LIST OF HOLDERS

Mark L. Phillips
110 Emerald Drive
P.O. Box 52164
Lafayette, LA 70505

Jerry L. Miller
518 East Academy
Jennings, LA 70546

James A. Miller
618 Comfort Lane
Jennings, LA 70546

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION ("Agreement") is made and entered into as of June 3, 1997, by and among NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), PERRY BENNETT ("Bennett"), KENTNER SHELL ("Shell"), RAY BENNETT ("Ray") and BOB HILL ("Hill") (Bennett, Shell, Ray and Hill being sometimes referred to herein collectively as the "Stockholders"), with reference to the following facts:

A. The Stockholders own beneficially and of record 100% of the outstanding capital stock (the "Company Shares") of CHEMICAL TECHNOLOGIES, INC., a Texas corporation (the "Company").

B. The Company is a regional Gulf Coast drilling mud company specializing in the distribution and sale of oil based drilling fluid components to the oil industry.

C. The parties intend that this Agreement shall constitute a plan of reorganization (the "Plan") of the type described in Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code"). The Plan comprises the acquisition by Newpark of the Company Shares from the Stockholders solely in exchange for 186,666 newly issued shares of voting Common Stock of Newpark (the "Newpark Shares"). Such transaction is sometimes referred to herein as the "Exchange."

D. Newpark and the Stockholders believe that it is in their best interests to adopt the Plan and consummate the Exchange.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

1. Plan of Reorganization.

1.1 Adoption of Plan. Newpark and the Stockholders hereby adopt the plan of reorganization herein set forth.

1.2 Exchange of Shares. Subject to the provisions of this Agreement, on the "Closing Date" (as defined in Section 10) the Stockholders hereby agree to deliver to Newpark one or more certificates representing all of the Company Shares, duly endorsed for transfer to Newpark or accompanied by separate stock powers so endorsed, and Newpark will issue and deliver certificates representing the Newpark Shares to the Stockholders, in proportion to their ownership of the Company Shares. No fractional Newpark Shares will be issued; if fractional shares otherwise would issue, the Stockholders shall instruct Newpark at least five business days before the Closing Date as to the rounding of such shares.

1.3 Legend on Newpark Shares. Certificates representing the Newpark Shares initially will bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE IN THE OPINION OF COUNSEL FOR THE ISSUER."

1.4 Capital Changes. If Newpark shall combine, subdivide or reclassify its Common Stock, or shall declare any dividend payable in shares of its Common Stock, or shall take any other action of a similar nature affecting such shares, as of a record date between the date hereof and the Closing Date, the number of Newpark Shares to be issued at the Closing Date shall be adjusted to such extent as may be necessary to prevent dilution or enlargement of the rights of the Stockholders. Such adjustments shall be made by the regular independent certified public accountants for Newpark and a written report thereof, showing the adjustment and the underlying calculations, shall be sent to each party hereto.

1.5 368(a)(1)(B) Reorganization. Between the date hereof and the Closing Date, neither Newpark nor the Stockholders or any of their "Affiliates" (as defined in Section 18) shall (a) knowingly take any action, or knowingly fail to take any action, that would jeopardize qualification of the Exchange as a reorganization within the meaning of Section 368(a)(1)(B) of the Code; (b) enter into any contract, agreement, commitment or arrangement with any such effect; or (c) cause or permit the Company to take any such action or fail to take any such action. Following the Closing Date, Newpark shall use its best efforts to conduct the business of the Company and shall cause the Company to use its best efforts to conduct its business in a manner that would not jeopardize the characterization of the Exchange as a reorganization within the meaning of Section 368(a)(1)(B) of the Code.

1.6 Concurrent Transaction. Concurrently with the execution and delivery of this Agreement, Newpark, the Stockholders and other interested parties are executing and delivering an agreement (the "Related Agreement") pursuant to which Newpark intends to acquire (the "Related Acquisition") on the Closing Date, solely in exchange for 35,554 newly issued shares of voting Common Stock of Newpark, 100% of the outstanding equity interests in FMI WHOLESale DRILLING FLUIDS, U.S.A, L.P., a Texas limited partnership. The consummation of the Related Acquisition on or before the Closing Date is a condition precedent to each party's obligations under this Agreement unless waived in writing by such party.

2. Ancillary Agreements.

On the Closing Date, as a necessary incident of the Exchange, Newpark and the Stockholders will execute and deliver (i) noncompetition agreements substantially as set forth in Exhibit 2.1 attached to this Agreement and (ii) a Registration Rights Agreement substantially as set forth in Exhibit 2.2 attached to this Agreement.

3. Representations and Warranties of the Stockholders.

A. Except as otherwise specifically set forth in a letter ("the Disclosure Letter") delivered by the Stockholders to Newpark prior to the execution hereof, the Stockholders hereby jointly and severally warrant and represent the following (the truth and accuracy of each of which shall constitute a condition precedent to Newpark's obligations to consummate the Exchange and issue the Newpark Shares):

3.1 Organization and Good Standing of the Company.

3.1.1 The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. The Company is duly qualified and in good standing as a foreign corporation in each jurisdiction where the character or location of the assets owned by the Company or the nature of the business transacted by the Company require such qualification, except where failure to be so qualified would not have a "Material Adverse Effect" (as defined in Section 18). The Disclosure Letter includes a list of the jurisdictions in which the Company is qualified to do business.

3.1.2 The Stockholders have furnished to Newpark complete and correct copies of the Company's Articles of Incorporation and Bylaws as in effect on the date hereof.

3.1.3 The Stockholders have heretofore made available to Newpark for its examination copies of the minute books, stock certificate books and corporate seal of the Company. Said minute books are accurate in all material respects and reflect all resolutions adopted and all material actions expressly authorized or ratified by the stockholders and directors of the Company. The stock certificate books reflect all issuances, transfers and cancellations of capital stock of the Company.

3.2 Capitalization.

3.2.1 The authorized capital stock of the Company consists of 1,000 common shares, \$0.10 par value per share, of which 1,000 shares, i.e., the Company Shares, are issued and outstanding as of the date hereof. All such issued and outstanding shares are validly issued, fully paid and nonassessable. The Disclosure Letter includes the names, addresses and social security numbers of, and the number of the Company Shares owned by, each of the Stockholders.

3.2.2 There are no options, warrants, subscriptions or other rights outstanding for the purchase of, or any securities convertible into, capital stock of the Company. No shares of the Company are held as treasury stock.

3.3 Equity Interests. The Company does not have a material equity interest in any other "Person" (as defined in Section 18).

3.4 No Violation. The execution, delivery and performance of this Agreement by the Stockholders are not contrary to the Articles of Incorporation or By-Laws of the Company and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other material contract or agreement to which the Company, the Stockholders or any of them are a party or by which any of them are bound.

3.5 Financial Statements. The unaudited balance sheets of the Company as of December 31, 1996, January 31, 1997, February 28, 1997, and March 31, 1997, and the related unaudited statements of income, stockholders' equity and cash flows for the seven months ended December 31, 1996, the months ended January 31, 1997, February 28, 1997, and March 31, 1997, and for the period from January 1, 1997, to the end of each such month, copies of which have heretofore been delivered to Newpark (collectively the "Company Financial Statements"), were prepared in accordance with the books and records of the Company and in accordance with generally accepted accounting principles consistently applied throughout the periods involved (except as otherwise noted therein) and present fairly the financial position, results of operations and cash flows of the Company as of the end of and for each of such periods.

3.6 Properties. The Company has and on the Closing Date will have, good title to the assets and properties shown in the Company Financial Statements or acquired since the date of the latest balance sheet included therein, except as since sold or otherwise disposed of in the ordinary course of business. At the Closing, such title will be free and clear of all liens, charges, security interests, encumbrances, leases, covenants, conditions and restrictions other than "Permitted Liens" (as defined in Section 18). The plants, structures, leasehold improvements, machinery, equipment, furniture and other tangible assets owned or leased by the Company are in good operating condition and repair, subject only to ordinary wear and tear, taking into account the respective ages of the assets involved, and constitute all the fixed tangible assets necessary for the operation of the business of the Company in accordance with its current methods of operation in all material respects.

3.7 Contracts.

3.7.1 The Disclosure Letter includes a listing of all oral or written (a) contracts, commitments, sales orders or purchase orders, whether or not entered into in the ordinary course of business, which involve future payments, performance of services or delivery of goods and/or materials, to or by the Company of an amount or value in excess of \$50,000; (b) bonus, incentive compensation, pension, profit sharing, stock option, group insurance, medical reimbursement or employee welfare or benefit plans of any nature whatsoever; (c) collective bargaining agreements or other contracts or commitments to or with labor unions; (d) leases, contracts or commitments affecting ownership of, title to, use of or any material interest in real estate; (e) employment contracts and other contracts, agreements, or commitments to or with individual employees, consultants or agents extending for a period of more than six months from the date hereof or providing for earlier termination only upon payment of a penalty or the equivalent thereof; (f) equipment leases providing (in any one lease or group of related leases) for payments in excess of \$50,000 per year; (g) contracts under which the performance of any obligation of the

Company is guaranteed by a Stockholder or other third party, including performance bonding arrangements; (h) contracts or commitments providing for payments based in any manner upon the revenues, purchases or profits of the Company; (i) bank credit, factoring and loan agreements, indentures, promissory notes and other documents representing indebtedness in excess of \$50,000 for borrowed money; (j) patent licensing agreements and all other agreements with respect to patents, patent applications, trademarks, service marks, trade names, technical assistance, special processes, know-how, copyright or other like items; and (k) other contracts and agreements to which the Company is a party and which have not been fully performed, involving consideration having a value in excess of \$50,000 and a remaining period for performance in excess of nine months (all such items being collectively referred to herein as "Material Contracts"). The Stockholders have furnished to Newpark true and complete copies of all such Material Contracts.

3.7.2 All Material Contracts are valid and binding obligations of the Company and, to the "best of the knowledge" (as defined in Section 18) of the Stockholders, the other parties thereto in accordance with their respective terms, subject to the "Bankruptcy Exception" (as defined in Section 18); there have been no amendments to or modifications to any Material Contract (except as set forth in the copies furnished to Newpark); no event has occurred which is, or, following any grace period or required notice, would become, a material default by the Company under the terms of any Material Contract; except to the extent specifically reserved against on the latest balance sheet included in the Company Financial Statements, the Company is not a party to any Material Contract on which any of the Stockholders anticipates expenses materially in excess of revenues or which is otherwise onerous or materially adverse; and the Company has not expressly waived any material rights under any Material Contract.

3.8 Outstanding Indebtedness. The Disclosure Letter includes a true and complete schedule of all notes payable and other indebtedness in excess of \$10,000 for borrowed money owed by the Company, including a description of the material terms thereof and a description of all properties or assets pledged, mortgaged or otherwise hypothecated (voluntarily or involuntarily) as security therefor.

3.9 Absence of Undisclosed Liabilities. Except for liabilities and obligations reflected on the latest balance sheet included in the Company Financial Statements or arising in the ordinary course of business since the date of such balance sheet, none of which latter items, individually or in the aggregate, have a Materially Adverse Effect: (a) the Company does not have, and none of its properties are subject to, any debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, which are of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles; and (b) to the best of the knowledge of the Stockholders, the Company does not have, and none of its properties are subject to, any material debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, whether or not of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles. The Company is not in default with respect to any material term or condition of any indebtedness.

3.10 No Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the Company) pending or, to the knowledge of the Stockholders, threatened against or affecting the Company, at law or in equity or before or by any "Government Body" (as defined in Section 18) or before any arbitrator of any kind. To the best of the knowledge of the Stockholders, the Company is not in default with respect to any judgment, order, writ, injunction, decree or award of any Government Body.

3.11 Environmental Matters.

3.11.1 Neither the Company nor, to the best of the knowledge of the Stockholders, any previous owner, lessee, tenant, occupant or user of any real property owned or leased on or prior to the date hereof by the Company (such real property and any and all buildings and other improvements thereon being herein referred to as the "Property") used, generated, manufactured, treated, handled, refined, processed, released, discharged, stored or disposed of any "Hazardous Materials" (as defined in Section 18) on, under, in or about the Property, or transported any Hazardous Materials to or from the Property in violation of any "Hazardous Materials Laws" (as defined in Section 18) in a manner or to an extent that resulted or is reasonably likely to result in a Material Adverse Effect. To the best of the knowledge of the Stockholders, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect existed on, under, in or about any Property previously owned or leased by the Company on or prior to the date that fee or leasehold title to such Property was transferred to a third party by the Company. To the best of the knowledge of the Stockholders, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect exist on, under, in or about any Property that is currently owned or leased by the Company.

3.11.2 While any Property was owned or leased by the Company, it did not violate to an extent that would have a Material Adverse Effect any applicable federal, state and local laws, ordinances or regulations, now or previously in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, under, in or about such Property (including without limitation the Hazardous Materials Laws).

3.11.3 As of the date hereof, to the best of the knowledge of the Stockholders, there are no (1) enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, contemplated or threatened pursuant to any Hazardous Materials Laws against the Company or any Property presently owned or leased by the Company, (2) claims made or threatened by any Person or Government Body relating to the Property against the Company or any Property presently owned or leased by the Company or relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials or (3) any occurrence or condition known to the Stockholders on any Property that is currently owned or leased by the Company that can reasonably be expected to subject the Company or such Property to any material restrictions on occupancy, transferability or use of any Property under any Hazardous Materials Laws. The Disclosure Letter includes a list of all complaints, notices of violation and claims relating to Hazardous Materials Laws which, to the knowledge of the Stockholders, have been received by or asserted against the Company.

3.12 Taxes.

3.12.1 Except as set forth in the Disclosure Letter, the Company has filed all income, franchise and other "Tax Returns" (as defined in Section 18) required to be filed by it by the date hereof. All "Taxes" (as defined in Section 18) imposed by the United States, the State of Texas and by any other state, municipality, subdivision, or other taxing authority, which are due and payable by the Company have been paid in full or are adequately provided for by reserves reflected on the latest balance sheet included in the Company Financial Statements. The Company is an S Corporation under Subchapter S of the Code for federal income Tax purposes and has maintained its status as an S corporation continuously since inception.

3.12.2 All contributions due from the Company pursuant to any unemployment insurance or workers compensation laws and all sales or use Taxes which are due or payable by the Company have been paid in full and will be so paid through the Closing Date. The Company has withheld and paid to, or will cause to be paid to, the appropriate taxing authorities all amounts required to be withheld from the wages of its employees under state law and the applicable provisions of the Code, and the Company will continue to do so with respect to all wages paid by it through the Closing Date.

3.12.3 The Company has furnished to Newpark true and complete copies of the federal income Tax Returns and comparable state Tax Returns of the Company covering all taxable periods ended since the inception of the Company and constituting complete and accurate representations in all material respects of the Tax liabilities of the Company for the relevant periods stated therein and accurately setting forth all relevant material items, including the Tax bases of all assets, where required to be set forth in such Tax Returns.

3.13 Permits and Licenses. The Company has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects as conducted on the date hereof, and the Company is in compliance in all material respects with all applicable federal, state and local laws, rules, regulations and orders relating to its business, except where failure to have any such license, franchise, permit or authorization or failure to comply with any such laws, rules, regulations and orders would not have a Material Adverse Effect. The execution and performance of this Agreement and the consummation of the transactions contemplated hereby will not cause the termination or suspension of any license, franchise, permit or governmental authorization or violate any provision of or constitute a default under any law, rule or regulation, order, writ, injunction or decree of any Government Body applicable to the Stockholders or the Company, where such violation or default would have a Material Adverse Effect.

3.14 No Labor Problems. The Company has not been charged with any unresolved unfair labor practices. There are no material controversies pending or threatened between the Company and any of its employees. The Company has complied in all material respects with all laws relating to wages, hours, collective bargaining and similar employment matters the noncompliance with which would have a Material Adverse Effect, and the Company is not liable for any arrears, wages or material penalties for failure to comply with any of the foregoing.

3.15 Employee Benefit Plans.

3.15.1 Definition of Benefit Plans. For purposes of this Section 3.15, the term "Benefit Plan" means any plan, program, arrangement, practice or contract which provides benefits or compensation to or on behalf of employees or former employees of the Company or any "ERISA Affiliate" (as hereinafter defined), whether formal or informal, whether or not written, including but not limited to the following:

(a) Arrangements - any bonus, incentive compensation, stock option, deferred compensation, commission, severance, golden parachute or other compensation plan, rabbi trust, program, contract, arrangement or practice;

(b) ERISA Plans - any "employee benefit plan" (as defined in Section 3(3) of ERISA), including, but not limited to, any "multi-employer plan" (as defined in Section 3(37) and Section 4001(a)(3) of ERISA), defined benefit pension plan, profit sharing plan, money purchase pension plan, 401(k) plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, or any plan, fund, program, arrangement or practice providing for medical (including post-retirement medical), hospitalization, accident, sickness, disability or life insurance benefits; and

(c) Other Employee Fringe Benefits - any stock purchase, vacation, scholarship, day care, prepaid legal services, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

3.15.2 ERISA Affiliate. For purposes of this Section 3.15, the term "ERISA Affiliate" means each trade or business (whether or not incorporated) which together with the Company is treated as single employer under Section 414(b), (c), (m) or (o) of the Code.

3.15.3 Identification of Benefit Plans. Except as set forth in the Disclosure Letter and except for Benefit Plans which have been terminated and with respect to which neither the Company nor any ERISA Affiliate has any liability or obligation, the Company does not maintain, and has not at any time established or maintained, nor has at any time been obligated to make contributions to or under or otherwise participate in any Benefit Plan.

3.15.4 MEPPA Liability/Post-Retirement Medical Benefits/Defined Benefit Plans/Supplemental Retirement Plans. Except as set forth in the Disclosure Letter, neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under any multi-employer plan. Except as set forth in the Disclosure Letter, neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under (i) any plan which provides post-retirement medical or health benefits, (ii) any organization described in Sections 501(c)(9) or 501(c)(20) of the Code, (iii) any defined benefit pension plan subject to Title IV of ERISA or (iv) any plan which provides retirement benefits in excess of the limitations of Section 415 of the Code.

3.15.5 Documentation. The Stockholders have made available to Newport a true and complete copy of the following documents, if applicable, with respect to each Benefit Plan identified in the Disclosure Letter: (1) all documents, including any insurance contracts and trust agreements, setting forth the terms of the Benefit Plan, or if there are no such documents evidencing the Benefit Plan, a full description of the Benefit Plan, (2) the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries for each such Benefit Plan, (3) the annual reports filed for the most recent three plan years and most recent financial statements or periodic accounting of related plan assets with respect to each Benefit Plan, (4) each favorable determination letter, opinion or ruling from the IRS for each Benefit Plan which is intended to satisfy the requirements of Section 401(a) or Section 501 of the Code or which is dependent on such letter, ruling or opinion to avoid current federal come tax to the beneficiaries of such Benefit Plan, and in (5) each opinion or ruling from the Department of Labor or the Pension Benefit Guaranty Corporation ("PBGC") with respect to such Benefit Plans.

3.15.6 Qualified Status. Each Benefit Plan that is funded through a trust or insurance contract and is intended to satisfy the requirements of Section 401(a) of the Code, has at all times satisfied in all material respects, by its terms and to the best knowledge of the Stockholders in its operation, all applicable requirements under Section 401(a) and related sections of the Code, and any such trust has been and, at the Closing Date, shall be exempt from federal income taxation under Section 501(a) of the Code. All such plans have been operated to the best knowledge of the Stockholders in all material respects in accordance with the applicable requirements of the Tax Reform Act of 1986 and subsequent applicable legislation.

3.15.7 Compliance. Each Benefit Plan maintained by the Company or any ERISA Affiliate has at all times been maintained, to the best knowledge of the Stockholders, by its terms and in operation, in accordance with all applicable laws in all material respects, including ERISA and (to the extent applicable) Code Section 4980B. Further, there has been no failure to comply with applicable ERISA or other requirements concerning the filing of reports, documents and notices with the Secretary of Labor and Secretary of Treasury or the furnishing of such documents to participants or beneficiaries that could subject any Benefit Plan, the Company or any ERISA Affiliate to any material civil or any criminal sanction or could require any such Person to indemnify any other Person for such a sanction. There are no claims known to the Stockholders which are pending or threatened against any Benefit Plan except claims for benefits made in the ordinary course of the operation of such plans.

3.15.8 Funding. The Company and each ERISA Affiliate has made full and timely payment of all amounts required to be contributed under the terms of each Benefit Plan and applicable law or required to be paid as expenses under such Benefit Plan including, but not limited to, PBGC premiums and amounts required to be contributed under Section 412 of the Code, and no excise taxes are assessable as a result of any nondeductible or other contributions made or not made to a Benefit Plan. With respect to any Benefit Plan that is subject to Title IV of ERISA, (i) the present value of all accrued benefits under such Benefit Plan does not exceed the value of the assets of such Benefit Plan allocated to such accrued benefits, (ii) no amount is due or owing from the Company or any ERISA Affiliate to the PBGC or to any multi-employer plan on account of any withdrawal therefrom, (iii) no such Benefit Plan has

incurred any "accumulated funding deficiency", as such term is defined in Section 412 of the Code, whether or not waived, since the effective date of such Section 412, (iv) since September 2, 1974, no such Benefit Plan has been completely or partially terminated, nor has any notice of intent to terminate been filed or given, other than in accordance with ERISA or at a time when such Benefit Plan was not sufficiently funded, (v) there has been no "reportable event" as such term is defined in Section 4043(b) of ERISA, (vi) there has been no withdrawal by the Company or any ERISA Affiliate that is a "substantial employer" from a Benefit Plan that is a single employer plan that has two or more contributing sponsors, at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, and (vii) there has been no cessation by the Company or any ERISA Affiliate of operations at a facility causing more than 20% of a Benefit Plan's participants to be separated from employment, as referred to in Section 4062(f) of ERISA. There are no liens against the property of the Company or any ERISA Affiliate under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. The Company Financial Statements properly reflect all amounts required to be accrued as liabilities under each Benefit Plan. To the best knowledge of the Stockholders, the most recent actuarial valuations of the Company's Benefit Plans were based on accurate facts and information, and the Stockholders have no reason to believe that the conclusions set forth in such valuations are incorrect.

3.15.9 Liabilities. Neither the Company nor any ERISA Affiliate is subject to any material liability, tax or penalty whatsoever to any Person whomsoever as a result of engaging in a prohibited transaction under ERISA or the Code, and neither the Company nor any ERISA Affiliate has any knowledge of any circumstances which reasonably might result in any such material liability, tax or penalty, including but not limited to a penalty under Section 502 of ERISA, as a result of a breach of and duty under ERISA or any other applicable law. Other than routine claims for benefits under the Benefit Plans, there are no pending or threatened investigations, proceedings, claims, lawsuits, disputes, actions, audits or controversies involving the Benefit Plans, or the fiduciaries, administrators, or trustees of any of the Benefit Plans, or the Company or any ERISA Affiliate as the employer or sponsor under any Benefit Plan, with any of the Internal Revenue Service, Department of Labor, PBGC, any participant in or beneficiary of the Benefit Plans or any other Person whatsoever. The Stockholders know of no reasonable basis for any such claim, lawsuit, dispute, action or controversy. Except as set forth in the Disclosure Letter, the execution and performance of the transactions contemplated by this Agreement will not create, accelerate or increase any obligations under any Benefit Plan, including any obligation to make any payment which would not be deductible as an "excess parachute payment" under Section 280G of the Code.

3.16 Insurance. The Stockholders have furnished to Newpark a complete list of all insurance policies that the Company maintains, indicating risks insured against, carrier, policy number, amount of coverage, premiums and expiration date.

3.17 Tax-Free Reorganization. None of the Stockholders plans or intends to sell, exchange or otherwise dispose of a number of the Newpark Shares that would reduce the Stockholders' ownership of Newpark Shares to a number of shares having a value, as of the Closing Date, of less than fifty percent (50%) of the value of all of the formerly outstanding Company Shares as of the same date.

3.18 Interest in Competitors, Suppliers, etc. Except as set forth in the Disclosure Letter, none of the Stockholders, and no officer or director of the Company or any "Family Member" (as defined in Section 18) of any such Person, owns, directly or indirectly, individually or collectively, any interest in any corporation, partnership, proprietorship, firm or association which (a) is a competitor, customer or supplier of the Company, or (b) has an existing contractual relationship with the Company, including but not limited to lessors of real or personal property leased to the Company and entities against whom rights or options are exercisable by the Company. On the Closing Date the Company will own, free and clear and without payment of any royalty or fee, all interests in the assets, profits or business of the Company that are held by any Affiliate of the Company, including the Stockholders and their Family Members.

3.19 Indebtedness with Insiders. Except as set forth in the Disclosure Letter, and except for accrued salaries for one payroll period, vacation pay and business expense reimbursements, the Company is not, and, on the Closing Date, will not be, indebted to any of the stockholders, directors or officers of the Company or any Affiliate of any such Person. None of such Persons is or will be on the Closing Date indebted to the Company.

3.20 Consents. No authorizations, approvals or consents of any Government Body are required for consummation of the transactions contemplated by this Agreement.

3.21 Patents, Trademarks and Other Intangibles. The Disclosure Letter includes a list of all material patents, patent applications, trade names, trademark registrations and applications therefor, copyrights, licenses, franchises and other assets of like kind ("Intangible Assets") and all interests in Intangible Assets which are owned in whole or in part by or registered in the name of the Company. The Company owns or has the right to use all Intangible Assets now used in the conduct of its business. Such Intangible Assets include all of the proprietary products and formulations developed by the Company or used by it in its business. The Company is not obligated to pay any royalty or other fee to any licensor or other third party with respect to any Intangible Assets. The Stockholders have no knowledge of any claim received by the Company alleging any conflict between any aspect of the business of the Company and any Intangible Assets claimed to be owned by others which, if determined adversely to the Company, would have a Material Adverse Effect. Neither the Stockholders nor any other officer or director of the Company, and no Person that is an Affiliate of any such Person, has any interest in any Intangibles Assets which are presently used by the Company or which infringe upon, conflict with or relate to improvements or modifications of any Intangible Assets presently used by the Company.

3.22 Purchases and Sales. Since December 31, 1996, the Company has not placed any orders for materials, merchandise or supplies in exceptional or unusual quantities based upon past operating practices and has not entered into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

3.23 Brokerage and Finder's Fees. Neither the Company nor the Stockholders (or any Affiliate of the Stockholders) has incurred any liability to any broker, finder or agent for

any brokerage fees, finder's fees or commissions for which the Company could be liable with respect to the transactions contemplated by this Agreement.

3.24 Absence of Certain Changes. Since December 31, 1996, except for matters of a general economic nature which do not affect the Company uniquely, the Company has not:

3.24.1 suffered any Material Adverse Effect;

3.24.2 borrowed or agreed to borrow any funds in excess of \$10,000 in a single transaction or \$25,000 in the aggregate, except borrowings under its bank lines of credit in the ordinary course of business, or incurred or become subject to any obligation or liability (absolute or contingent) in excess of \$25,000 in a single transaction or \$100,000 in the aggregate, except obligations and liabilities incurred in the ordinary course of business;

3.24.3 mortgaged, pledged, hypothecated or otherwise encumbered any of its properties or assets except for Permitted Liens;

3.24.4 made or agreed to make any distribution of any funds or assets of any kind whatsoever to any past or present stockholder of the Company or any Affiliate of any such Person, whether by way of dividend, redemption or purchase of capital stock, or any other type of distribution on or with respect to its capital stock, whether or not similar to the foregoing, except as described in Section 4.5;

3.24.5 made any payment of principal or interest on any indebtedness owed to any past or present stockholder of the Company or any Affiliate of any such Person;

3.24.6 sold or agreed to sell any of its assets, properties or rights having an aggregate value in excess of \$100,000 or canceled or agreed to cancel any debts or claims exceeding \$100,000 in the aggregate, except for fair value in the ordinary course of business;

3.24.7 entered or agreed to enter into any agreement or arrangement granting any preferential right to purchase a material part of its assets, properties or rights;

3.24.8 increased the rate of compensation of or paid or accrued bonuses to or for any of its officers, employees, consultants or agents, except for normal merit or cost of living increases;

3.24.9 suffered any damage, destruction or loss in excess of an aggregate of \$100,000, whether or not covered by insurance, adversely affecting any of its properties;

3.24.10 assigned or agreed to assign any of its Intangible Assets having a value in excess of \$100,000;

3.24.11 suffered any adverse amendment or termination of any Material Contract (or any contract that would have been a Material Contract if not amended or terminated) to which it is a party;

3.24.12 paid any commissions or similar fees to brokers or finders for arranging the transactions contemplated by this Agreement or any similar proposed transaction with any other party; or

3.24.13 entered into any other material transaction other than in the ordinary course of business.

3.25 No Material Misstatements or Omissions. No representation or warranty by the Stockholders in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to Newport pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated therein or necessary in order to make the statements or facts therein, in the light of the circumstances under which they were made, not misleading.

B. Except as otherwise set forth in the Disclosure Letter, each Stockholder represents and warrants with respect to himself, severally but not jointly, the following (the truth and accuracy of each of which shall constitute a condition precedent to Newport's obligations to consummate the Exchange and issue the Newport Shares):

3.26 Investment Representations. Either such Stockholder is an "accredited investor", as that term is defined in Rule 501 of the "Rules and Regulations" (as defined in Section 18) or such Stockholder, either alone or with such Stockholder's qualified "purchaser representative" (as defined in Rule 501 of the Rules and Regulations), has such knowledge and experience in financial and business matters that he is capable of evaluating the risks and merits of an investment in the Newport Shares. Such Stockholder is acquiring his Newport Shares in the Exchange for investment and not with a view to the sale thereof other than in compliance with the requirements of the "Securities Act" (as defined in Section 18) and applicable Blue Sky laws. At the request of Newport, each Stockholder will furnish to Newport evidence reasonably satisfactory to Newport that the foregoing representations are true.

3.27 Enforceability. This Agreement has been duly and validly executed by such Stockholder, and this Agreement constitutes a legal, valid, and binding obligation of such Stockholder, enforceable against him in accordance with its terms, subject to the Bankruptcy Exception. Such Stockholder has the requisite power to enter into this Agreement and perform his obligations hereunder (including without limitation to sell and deliver his Company Shares), and no other Person's joinder as a party hereto is necessary therefor pursuant to any community property laws or otherwise, and there is no restriction on the power of the Stockholder to sell and deliver his Company Shares pursuant to any trust, estate planning or other similar document or any prenuptial or post-nuptial agreement or arrangement.

3.28 No Litigation. There are no actions pending or, to the knowledge of such Stockholder, threatened in any court or arbitration forum or by or before any Government Body involving the Company or such Stockholder relating to or affecting any of the transactions contemplated by this Agreement.

3.29 Title to Shares. Such Stockholder is the holder of record and owns beneficially that number of Company Shares set forth opposite his name in the Disclosure Letter. At the Closing, such Stockholder will own the Company Shares set forth in the Disclosure Letter free and clear of all liens, security interests, encumbrances and restrictions, other than restrictions contemplated by this Agreement. Except as set forth in the Disclosure Letter, no Stockholder is a party to any voting trust, proxy or other agreement with respect to the voting of any of such Company Shares.

4. Additional Obligations and Covenants of the Stockholders.

Except as otherwise provided in the Disclosure Letter, the Stockholders hereby jointly and severally covenant and agree with Newport as follows (the fulfillment of each such covenant and agreement is a condition precedent to Newport's obligations to consummate the Exchange and issue the Newport Shares):

4.1 Conduct of Business. Between the date hereof and the Closing Date, the Stockholders will and will cause the Company to comply with the following:

4.1.1 The business of the Company shall be conducted diligently and only in the ordinary course, and the Stockholders will use reasonable efforts to preserve the organization of the Company intact, to keep available to the Company its present key employees and to maintain the relationships of the Company with its suppliers, customers and others. The Company will not, without Newport's prior written approval, increase the rate of compensation payable or to become payable to any of its officers, employees, consultants or agents over the rate being paid to them at the date hereof, except for normal merit or cost of living increases to employees other than officers of the Company.

4.1.2 Without Newport's prior written approval, no amendment will be made to any Benefit Plan, no commitment will be made to amend any Benefit Plan and no commitment will be made to continue any Benefit Plan or to adopt any new compensatory plan, fund or program for the benefit of any employees of the Company or any ERISA Affiliate.

4.1.3 The Company will not, without Newport's prior written approval, enter into any Material Contract other than in the ordinary course of business or enter into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

4.1.4 The Company will not, without Newport's prior written approval, sell or dispose of any of its material properties or assets except for sales at fair value in the ordinary course of business.

4.1.5 The Company will not, without Newport's prior written approval, acquire or enter into any agreement to acquire, by merger, consolidation, purchase of stock or assets or otherwise, any business or entity.

4.1.6 The Company will use reasonable diligence to maintain its properties in their condition as of the date of this Agreement, ordinary wear and tear excepted.

4.1.7 The Company will continue to carry its existing insurance policies subject only to variations in amounts required by the ordinary operations of its business. At the request of Newpark and at its sole expense, the amount and scope of said insurance shall be increased by such amounts and extended to provide coverage against such risks as Newpark shall specify.

4.2 Access and Information. Subject to the execution by Newpark of a confidentiality agreement in form and substance reasonably satisfactory to the Stockholders, the Stockholders will afford to Newpark and Newpark's counsel, accountants and other representatives reasonable access, throughout the period from the date hereof to the Closing Date, to all of the Company's properties, books, contracts, commitments, and records and shall furnish Newpark during such period with all information that Newpark reasonably may request, including copies and/or extracts of pertinent records, documents and contracts.

4.3 Efforts to Satisfy Conditions. The Stockholders agree to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to Newpark's obligations under this Agreement, to the extent that their action or inaction can control or influence the satisfaction of such conditions. Without limiting the generality of the foregoing, the Stockholders will and will cause the Company to refrain from all negotiations and transactions, the consummation of which would be inconsistent with the transactions contemplated by this Agreement, including, without limitation, any transaction providing for the sale of any capital stock of the Company, any merger or other business combination involving the Company, the acquisition of a substantial equity interest in the Company by a third party or the sale of a substantial portion of the assets of the Company.

4.4 Corporate Matters. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newpark's prior written approval: (a) amend its Articles of Incorporation or Bylaws; (b) issue any shares of its capital stock; (c) issue or create any warrants, obligations, subscriptions, options, convertible securities or other commitments under which any additional shares of its capital stock of any class might be directly or indirectly authorized, issued or transferred from treasury; or (d) enter into any agreement requiring it to do any of the foregoing prohibited acts.

4.5 No Distributions to Stockholders. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newpark's prior written approval: (a) declare, set aside or pay any dividend or make any distribution in respect of its capital stock, except that the Company may declare a distribution (the "Distribution") to the Stockholders on or before the Closing Date, payable after the Closing Date, in an amount equal to 39.6% of each Stockholders' prorated share of the net profits of the Company from January 1, 1997 through the Closing Date (the "Short Period Income Taxes"); (b) directly or indirectly purchase, redeem or otherwise acquire any shares of its capital stock for consideration; (c) pay or distribute any cash or property to any Stockholder as a loan or in payment of principal of or interest on any

indebtedness to any Stockholder; or (d) enter into any agreement requiring it to do any of the foregoing prohibited acts.

4.6 Capital Expenditures. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newpark's prior written approval, make any commitment for capital expenditures in excess of an aggregate of \$10,000.

4.7 Indebtedness. Between the date hereof and the Closing Date, the Stockholders will cause the Company not to, without Newpark's prior written approval: (a) create, incur or assume any long-term debt (including capital leases that individually involve annual payments in excess of \$50,000) or, except in the ordinary course of business under existing lines of credit, create, incur or assume any short-term debt for borrowed money in excess of \$25,000 in a single transaction or \$10,000 in the aggregate; (b) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person (except in the ordinary course of business and consistent with past practice); (c) make any loans or advances to any Person except in the ordinary course of business and consistent with past practice; or (d) make any capital contributions to, or investments in, any Person except in the ordinary course of business and consistent with past practice.

5. Representations and Warranties of Newpark.

Newpark hereby represents and warrants the following (the truth and accuracy of each of which shall constitute a condition precedent to the Stockholders' obligations to consummate the Exchange):

5.1 Organization and Good Standing.

5.1.1 Newpark is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Newpark has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

5.1.2 Newpark has furnished to the Company and the Stockholders complete and correct copies of Newpark's Certificate of Incorporation and Bylaws as in effect on the date hereof.

5.2 Capital Stock. The authorized capital stock of Newpark consists of 80,000,000 shares of Common Stock, \$.01 par value, of which 30,414,618 shares were issued and outstanding on May 8, 1997 (as adjusted for a two-for-one stock split effective May 30, 1997), and 1,000,000 shares of Preferred Stock, \$.01 par value, of which no shares are issued and outstanding.

5.3 Newpark Subsidiaries. Each subsidiary of Newpark that is a "significant subsidiary," as defined in Rule 1-02(w) of Regulation S-X of the Rules and Regulations (each a

"Newpark Subsidiary" and collectively the "Newpark Subsidiaries), is duly organized and in good standing under the laws of the jurisdiction in which it was incorporated or organized, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. Each Newpark Subsidiary is duly qualified and in good standing as a foreign corporation or other entity in each jurisdiction where the character or location of the assets owned by it or the nature of the business transacted by it require such qualification, except where failure to be so qualified would not have a Material Adverse Effect.

5.4 Authority. The execution and delivery of this Agreement by Newpark and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Newpark. This Agreement has been duly executed and delivered to the Stockholders and no vote of the stockholders of Newpark or further corporate action is necessary on the part of Newpark to make this Agreement valid and binding upon Newpark in accordance with its terms, subject to the Bankruptcy Exception. The execution, delivery and performance of this Agreement by Newpark are not contrary to the Certificate of Incorporation or Bylaws of Newpark and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other contract or agreement to which Newpark is a party or by which Newpark is bound.

5.5 Newpark Reports. Newpark has delivered to the Stockholders copies of Newpark's Annual Reports on Form 10-K for the years ended December 31, 1994, 1995 and 1996 (as amended), Newpark's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, and Newpark's definitive Proxy Statement dated April 4, 1997, for its Annual Meeting of Stockholders held on May 14, 1997. All of said documents and all periodic reports filed by Newpark with the "Commission" (as defined in Section 18) after the date hereof are called the "Newpark Reports" herein. The Newpark Reports have been or will be duly and timely filed with the Commission and are or will be when filed in compliance with the Rules and Regulations. As of their respective dates, none of the Newpark Reports contained or will contain any untrue statement of a material fact or omitted or will 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.

5.6 Newpark Financial Statements. The financial statements contained in the Newpark Reports (the "Newpark Financial Statements") filed on or before the date hereof have been prepared in accordance with the books and records of Newpark and its subsidiaries and in accordance with generally accepted accounting principles consistently applied during the periods indicated, all as more particularly set forth in such financial statements and the Notes thereto. Each of the balance sheets included in the Newpark Financial Statements presents fairly as of its date the consolidated financial condition and assets and liabilities of Newpark and its subsidiaries. Except as and to the extent reflected or reserved against in such balance sheets (including the Notes thereto), Newpark (including its subsidiaries) did not have, as of the dates of such balance sheets, any material liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto prepared in accordance with generally accepted accounting principles. The consolidated statements of earnings and stockholders' equity and

consolidated statements of changes in financial position included in the Newpark Financial Statements present fairly the results of operations and changes in financial position of Newpark and its subsidiaries for the periods indicated.

5.7 No Litigation. Except as disclosed in the Newpark Reports or omitted therefrom in accordance with the Rules and Regulations: (a) there are no actions, suits or proceedings (whether or not purportedly on behalf of Newpark or any Newpark Subsidiary) pending or, to the "knowledge of Newpark" (as defined in Section 18), threatened against or affecting Newpark or any Newpark Subsidiary, at law or in equity or before or by any Government Body or before any arbitrator of any kind; and (b) to the best of the knowledge of Newpark, neither Newpark nor any Newpark Subsidiary is in default with respect to any judgment, order, writ, injunction, decree, award of any court, arbitrator or Government Body.

5.8 Newpark Benefit Plans. Newpark has made available to the Stockholders a true and complete copy of the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries, if applicable, for each Benefit Plan (as defined in Section 3.15.1, substituting "Newpark" for "the Company") maintained by Newpark.

5.9 Environmental Matters. Newpark and the Newpark Subsidiaries have complied in all material respects with all Hazardous Materials Laws applicable to their properties and business. Neither Newpark nor, to the best of Newpark's knowledge, any Newpark Subsidiary has received any complaint, order or similar notice that it is not in compliance with any Hazardous Materials Laws or that any Government Body is investigating its compliance with any Hazardous Materials Laws, except as disclosed in the Newpark Reports or omitted therefrom in accordance with the Rules and Regulations and except for routine inspections and investigations in connection with applications by Newpark and the Newpark Subsidiaries for additional permits or authorizations. Newpark has no knowledge of any material violation of any Hazardous Materials Laws on or about its properties or the properties of any Newpark Subsidiary.

5.10 Absence of Certain Changes. Since December 31, 1996, there has not been any material adverse change in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole.

5.11 Consents. No authorizations, approvals or consents of any governmental department, commission, bureau, agency or other public body or authority are required for consummation by Newpark of the transactions contemplated by this Agreement, except such qualifications as may be required under state securities or Blue Sky laws relating to the Newpark Shares.

5.12 No Material Misstatements or Omissions. No representation or warranty by Newpark in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to the Stockholders pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements or facts contained therein not misleading.

6. Additional Obligations and Covenants of Newpark.

Newpark hereby covenants and agrees with the Stockholders as follows (the fulfillment of each such covenant and agreement is a condition precedent to the Stockholders' obligations to consummate the Exchange):

6.1 Efforts. Newpark agrees to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to the Stockholders' obligations under this Agreement, to the extent that its action or inaction can control or influence the satisfaction of such conditions.

6.2 Additional Information. Newpark will make available to each Stockholder the opportunity to ask questions and receive answers concerning the terms and conditions of the Exchange and to obtain any additional information that Newpark is required to furnish under Regulation D of the Rules and Regulations.

6.3 Issuance and Listing of Stock. Newpark has reserved for issuance, and, as and when required by the provisions of this Agreement, will issue the Newpark Shares, and the Newpark Shares, when so issued, will be validly issued, fully paid and nonassessable. Newpark will use its best efforts to list the Newpark Shares on the New York Stock Exchange.

6.4 Exemption for Issuance of Newpark Shares. Newpark will use all reasonable efforts to qualify the issuance of the Newpark Shares in connection with the Exchange under Rule 506 of the Rules and Regulations and, if necessary, to qualify the issuance thereof pursuant to all applicable state securities or Blue Sky laws.

6.5 Continuing Employees. Each employee of the Company who continues immediately after the Closing Date as an employee of the Company, Newpark, or any of its subsidiaries ("Continuing Employee") shall be treated under Newpark's compensation, benefit plans and employment policies and practices on a basis which Newpark deems no less favorable than an employee of Newpark who performs comparable duties and responsibilities for Newpark on an equally satisfactory basis. Each Continuing Employee shall receive service credit for all purposes (including, but not limited to, vesting, eligibility and benefit accrual) under Newpark's "Benefit Plans" (as defined in Section 3.15.1, substituting "Newpark" for "the Company") and under any Benefit Plan adopted in the future for service completed with the Company as if such service had been completed with Newpark except that (a) no such employee shall receive such past service credit under a future Benefit Plan except on the same basis that Newpark's employees also receive past service credit under such plan, and (b) no such past service credit will be provided under a plan if the Internal Revenue Service determines that such credit would adversely affect the tax qualified status of such plan under Section 401 of the Code.

6.6 Stockholder Guarantees. Subject to consummation of the Exchange, Newpark agrees that, after the Closing Date, it will cause the Company to discharge in accordance with its terms all indebtedness of the Company as to which the Stockholders have executed personal guarantees, as disclosed in the Disclosure Letter.

7. Conditions to Each Party's Obligations.

The respective obligations of each party to consummate the Exchange under this Agreement shall be subject to the satisfaction on or before the Closing Date of each of the following conditions except to the extent the parties may waive any of such conditions in writing:

7.1 Securities Laws. All applicable Blue Sky and state securities laws shall have been complied with in connection with the issuance of the Newpark Shares, and no stop order suspending the qualification or registration of the Newpark Shares under the Blue Sky laws of any jurisdiction shall have been issued and no proceeding for that purpose shall have been initiated or shall be threatened by the authorities of any such jurisdiction.

7.2 Related Acquisition Consummated. The Related Acquisition shall have been consummated.

7.3 Government Body Consents. All consents, authorizations, orders and approvals of (or filings or registrations with) any Government Body required in connection with the execution, delivery and performance of this Agreement or the operation of the business of the Company following the Closing Date shall have been obtained or made, except where the failure to have obtained or made any such consent, authorization, order, approval, filing or registration would not have a Material Adverse Effect following the Closing Date.

7.4 Injunction. At the Closing Date there shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction to the effect that the Exchange may not be consummated as herein provided, no proceeding or lawsuit shall have been commenced by any Government Body for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Government Body indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement.

7.5 Tax Opinion. The Stockholders and Newpark shall each have received a written opinion of Ervin, Cohen & Jessup LLP, in form and substance reasonably satisfactory to the Stockholders and Newpark (the "Tax Opinion"), to the effect that (a) the Exchange will constitute a reorganization within the meaning of Section 368(a)(1)(B) of the Code, (b) the exchange of the Company Shares for Newpark Shares will not give rise to gain or loss to the Stockholders, (c) the tax basis of Newpark Shares received in the Exchange by a Stockholder will be the same as the tax basis of such Stockholder in Company Shares which were exchanged for such Newpark Shares, and (d) the holding period for Newpark Shares received in the Exchange by a Stockholder will include the holding period of such Stockholder in Company Shares which were exchanged for such Newpark Shares. In connection with such tax opinion, Ervin, Cohen & Jessup LLP shall be entitled to make factual assumptions as are customary in similar tax opinions, and such factual assumptions shall be based on and confirmed by certificates signed by the Stockholders and by responsible officers of the Company and Newpark.

7.6 Listing of Newpark Shares. The Newpark Shares shall have been listed on the New York Stock Exchange, subject to official notice of issuance.

8. Conditions Precedent to Obligations of Newpark.

The obligations of Newpark to consummate the Exchange and issue the Newpark Shares are subject to the satisfaction of each of the additional following conditions at or prior to the Closing, unless waived in writing by Newpark:

8.1 Investigation of the Company. Newpark shall have made an investigation of the business, properties (tangible and intangible), products, customers, plants, contracts and financial condition of the Company and shall have been satisfied with the results of such investigation. This condition shall be deemed satisfied unless Newpark notifies the Stockholders in writing within thirty (30) days of the date hereof that it is dissatisfied with the results of such investigation.

8.2 Accuracy of Warranties and Representations. The representations and warranties of the Stockholders herein shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect, except as to transactions permitted herein or to which Newpark may have consented in writing and changes occurring in the ordinary course of business after the date of this Agreement and not materially adversely affecting the Company, or its properties, prospects, or financial condition, as though such representations and warranties had been made on and as of the Closing Date, and the Stockholders shall have performed in all material respects all covenants required by this Agreement to be performed by them at or prior to the Closing.

8.3 No Material Adverse Change. There shall have been no changes after the date of this Agreement in the results of operations, assets, liabilities, financial condition or affairs of the Company which in their total effect have a Material Adverse Effect on the Company.

8.4 Stockholders' Certificate. The Stockholders shall have delivered to Newpark a certificate, dated the Closing Date, executed by each of the Stockholders, individually, stating that, to the best knowledge of each, (a) all the representations and warranties of the Stockholders contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of Newpark hereunder have been fulfilled and (c) the Company and the Stockholders have duly performed all obligations and covenants to be performed by them hereunder.

8.5 Material Contracts. The Company shall have received consents to assignment of all Material Contracts or written waivers of the provisions of any Material Contracts requiring the consents of third parties as set forth in the Disclosure Letter, except where the failure to have obtained any such consent or written waiver would not have a Material Adverse Effect following the Closing Date.

8.6 Opinion of the Stockholders' Counsel. Newpark shall have received an opinion of Farnsworth & vonBerg, dated the Closing Date, substantially in the form attached hereto as Exhibit 8.6.

8.7 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for Newpark, and

there shall have been furnished to such counsel by the Stockholders certified copies of such corporate records of the Company and copies of such other documents as such counsel may reasonably have requested for such purpose.

9. Conditions Precedent to Obligation of the Stockholders.

The obligations of the Stockholders to consummate the Exchange are subject to the satisfaction of each of the following additional conditions at or prior to the Closing, unless waived in writing by the Stockholders:

9.1 Accuracy of Warranties and Representations. The representations and warranties of Newpark contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and Newpark shall have performed in all material respects all of the covenants required by this Agreement to be performed by it on or before the Closing.

9.2 Authorization of Exchange. All corporate action necessary by Newpark to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby shall have been duly and validly taken.

9.3 No Material Adverse Change. There shall have been no changes since December 31, 1996, in the results of operations, assets, liabilities, financial condition or affairs of Newpark and its subsidiaries, taken as a whole, which, in their total effect, have a Material Adverse Effect on Newpark and its subsidiaries.

9.4 Officers' Certificate of Newpark. Newpark shall have delivered to the Stockholders a certificate dated the Closing Date, signed by the President and Chief Financial Officer of Newpark and stating that, to the best knowledge of each, (a) all the representations and warranties of Newpark contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of the Stockholders hereunder have been fulfilled and (c) Newpark has duly performed all obligations and covenants to be performed by it hereunder.

9.5 Opinion of Newpark's Counsel. The Stockholders shall have received an opinion of Ervin, Cohen & Jessup LLP, dated the Closing Date, substantially in the form attached hereto as Exhibit 9.5.

9.6 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for the Stockholders, and there shall have been furnished to such counsel by Newpark certified copies of such corporate records of Newpark (including Board of Directors resolutions approving the Exchange Agreements) and copies of such other documents as such counsel may reasonably have requested for such purpose.

10. Closing.

The closing ("Closing") of the transactions covered by this Agreement shall take place at 10:00 a.m., on June 4, 1997, at the offices of Newpark, 3850 North Causeway, Suite 1770, Metairie, LA 70002. If the conditions specified in this Agreement have not been fulfilled by that date, any party may postpone the Closing for the minimum reasonably necessary period or periods, in any event not exceeding an aggregate of 45 days, by written notice to the other parties. Any party exercising such right shall deliver written notice to the other parties specifying in reasonable detail the condition which has not been fulfilled, and the other parties will have the right to cure or correct the matter within the 45-day period. The term "Closing Date" herein shall mean the last date fixed by mutual agreement or otherwise under this Section.

11. Survival of Representations.

Except as otherwise provided herein, all representations, warranties and indemnifications made by the Stockholders or Newpark under or in connection with this Agreement (including any representations and warranties set forth in the certificates delivered pursuant to Sections 8.4 and 9.4) shall survive the Closing until 24 months after the Closing Date. The representations and warranties of the Stockholders set forth in Paragraphs 3.11, 3.12, 3.15 and 3.29 shall survive until the expiration of the applicable statute of limitations. Neither party shall be entitled to recover against the other for any misrepresentation or breach of warranty except to the extent that written notice of any such claim has been delivered to the party against whom recovery is sought within the applicable period setting forth in reasonable detail and specifying the nature of the claim being asserted. The provisions of this Section and Section 13.3.3 apply only to claims arising under this Agreement and do not affect any other claims that any party may have at any time against any other party, including but not limited to claims that may arise under "Hazardous Material Laws" (as defined in Section 18).

12. Post-Closing Covenants.

12.1 Cooperation and Assistance. Upon request, each of the parties hereto shall cooperate with the other to the extent reasonably requested, at the requesting party's expense, in furnishing information, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving the Stockholders and Newpark which are based upon contracts, arrangements or acts of the Stockholders or the Company or both which were in effect or occurred on or prior to the Closing.

12.2 Access to Records. The Stockholders shall be entitled, after the Closing, upon reasonable notice and during the regular business hours of Newpark, to have access to and to make copies of the business records of the Company which relate to periods prior to the Closing. Newpark shall retain such business records for a period of five (5) years following the Closing Date, after which time Newpark may destroy or otherwise dispose of such business records without the Stockholders' consent.

12.3 Tax Matters.

12.3.1 Control of Tax Proceedings. Whenever any taxing authority asserts a claim, makes an assessment, or otherwise questions or disputes the amount of Taxes of the Company for any period prior to the Closing Date, Newport shall promptly inform the Stockholders in writing of such fact. The provisions of Section 13 shall apply to the defense of any such claim, assessment or dispute.

12.3.2 Current Tax Returns. The Stockholders shall be responsible for the preparation and filing of all Tax Returns for all taxable periods that end or ended on or before the Closing Date and which have not been filed or are not required to be filed by the Closing Date. The Company shall pay any and all Taxes due with respect to such returns. Newport will make available to the Stockholders, without charge, the services of its personnel and the personnel of the Company to assist the Stockholders in the preparation of such Tax Returns. Such Tax Returns shall be reasonably satisfactory to Newport in form and substance. The Stockholders shall each pay their prorata portion of the Short Period Income Taxes.

12.3.3 Refunds and Credits. Subject to the provisions of Section 12.3.2 above, any refunds and credits of federal income Taxes attributable to any taxable year ending on or before the Closing Date shall be for the account of the Stockholders, and any refunds and credit of other Taxes attributable to any taxable year ending on or before the Closing Date shall be for the account of the Company; to the extent that any such refund of Taxes other than federal income Taxes exceeds the amount, if any, accrued on the books of the Company with respect to the period for which the refund is received, the Stockholders shall receive credit against any liability they may have under Section 13.

12.3.4 Cooperation. Newport and the Stockholders shall cooperate with each other in a timely manner in the preparation and filing of any Tax Returns and the conduct of any audit or any other inquiry or proceeding with respect to any Tax Return. Each party shall execute and deliver such powers of attorney and make available such other documents as are necessary to carry out the intent of this Section 12.3.4. Each party agrees to notify the other party of any adjustments that do not result in Tax liability but can be reasonably expected to affect any Tax Return of the other party.

12.3.5 Retention of Records. Newport shall (i) retain records, documents, accounting data and other information (including computer data) necessary for the preparation and filing of all Tax Returns or the audit of such returns, and (ii) give to the Stockholders reasonable access to such records, documents, accounting data and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the review or audit of such returns to the extent relevant to an obligation or liability of a party under this Agreement.

13. Indemnifications.

13.1 Indemnification by the Stockholders. Subject to the provisions of Sections 11 and 13.3, the Stockholders, jointly and severally (but severally with respect to their

individual representations and warranties set forth in paragraphs 3.26, 3.27, 3.28 and 3.29), hereby agree to indemnify, defend, protect and hold harmless Newport against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any and all breaches of any warranty or representation made by them in this Agreement or any schedule or agreement delivered pursuant to this Agreement. Such indemnification shall be solely the responsibility of the Stockholders, and they shall not have any right to recover any portion of their liability from the Company, whether by right of indemnification, contribution or otherwise.

13.2 Indemnification by Newport. Subject to the provisions of Sections 11 and 13.3, Newport hereby agrees to indemnify, defend, protect and hold harmless the Stockholders against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any breach of any warranty or representation made by Newport in this Agreement or any schedule or agreement delivered pursuant to this Agreement. The rights to such indemnification shall accrue solely to the Stockholders, and the Company shall have no interest therein.

13.3 Indemnification Procedures and Limitations. The following provisions shall apply to all indemnification and hold harmless provisions of this Agreement:

13.3.1 No party shall be required to indemnify another pursuant hereto unless the party seeking indemnification (the "Indemnitee") shall, with reasonable promptness, provide the other party (the "Indemnitor") with copies of any claims or other documents received and shall otherwise make available to the Indemnitor all material relevant information. The Indemnitor shall have the right to defend any such claim at its expense, with counsel of its choosing, and the Indemnitee shall have the right, at its expense, using counsel of its choosing, to join in the defense of any such claim. The Indemnitee's failure to give prompt notice or to provide copies of documents or to furnish relevant data shall not constitute a defense in whole or in part to any claim by the Indemnitee against the Indemnitor except to the extent that such failure by the Indemnitee shall result in a material prejudice to the Indemnitor.

13.3.2 Except as hereinafter provided, neither party shall settle or compromise any such claim unless it shall first obtain the written consent of the other, which shall not be unreasonably withheld. The foregoing notwithstanding, if suit shall have been instituted against the Indemnitee and the Indemnitor shall have failed, after the lapse of a reasonable time after written notice to it of such suit, to take action to defend the same, the Indemnitee shall have the right to defend the claim (without limiting the right of the Indemnitor to participate in the defense) and to charge the Indemnitor with the reasonable cost of any such defense, including reasonable attorneys' fees, and the Indemnitee shall have the right, after notifying but without consulting the Indemnitor, to settle or compromise such claim on any terms reasonably approved by the Indemnitee.

13.3.3 Neither Newport nor the Stockholders shall have any liability for breach of warranty or representation hereunder except to the extent that the amount of all valid claims for breach of warranty or representation against it or them hereunder exceeds an aggregate of \$50,000. In no event shall the liability of any of the Stockholders for any breach of warranty or representation hereunder exceed the value of the Newport Shares for which his Company

Shares are exchanged in the Exchange, for which purpose they shall be valued at their "Closing Value" (as defined in Section 18). To the fullest extent permitted by law, and to the extent that such Stockholder continues to own any of the Newpark Shares, each Stockholder shall satisfy his liability hereunder by delivering to Newpark some or all of such Newpark Shares, valued at their Closing Value, and Newpark shall satisfy its liability by issuing additional Newpark Shares valued at their Closing Value. Nothing contained herein shall relieve any of the Stockholders or Newpark of any liability he or it may have for any intentional breach of representation or warranty.

13.3.4 In determining the amount of any damage, loss, liability, cost or expense suffered by Newpark which gives rise to liability of the Stockholders hereunder, there shall be taken into account the amount of any Tax benefits actually realized by Newpark and its subsidiaries attributable to such damage, loss, liability, cost or expense or derived therefrom in the same or any past or subsequent taxable period, also taking into account the Tax treatment of the receipt by Newpark of any payment from the Stockholders.

13.3.5 The rights and obligations of the parties under this Article 13 shall be the exclusive rights and obligations of the parties with respect to any breach of any representation or warranty in this Agreement and shall be in lieu of any other rights or remedies to which the party entitled to indemnification hereunder would otherwise be entitled as a result of such breach under this Agreement.

13.4 Dispute Resolution; Arbitration.

13.4.1 The parties desire to finally resolve any and all issues and disputes arising out of or related to this Agreement or its alleged breach as promptly as practicable. Newpark and the Stockholders shall first attempt diligently to resolve any such issue or dispute. They may, if they desire, attempt to mediate the dispute and shall, if they choose, do so in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"), either as written or as modified by mutual agreement. A written agreement to undertake mediation may be made at any time. If arbitration proceedings have been instituted, they shall be stayed until the mediation process is terminated. Any dispute arising out of or related to this Agreement or its alleged breach that cannot be resolved by mutual agreement (including mutually agreed mediation) shall be resolved exclusively by final and binding arbitration, conducted as expeditiously as possible in the City of Houston, Texas, in accordance with the provisions of this Agreement and, to the extent not inconsistent with such provisions, the Commercial Arbitration Rules of the American Arbitration Association. To the extent lawful, the arbitrators, in their discretion, may shorten any time periods or notice periods specified by law, in the interest of timely completing arbitration and issuing their award.

13.4.2 The Stockholders, as one party, or Newpark may initiate arbitration of a dispute by giving the other party written notice of arbitration, which shall specify with reasonable detail (a) the issue in dispute, (b) the claims asserted and (c) the remedy sought by the party invoking arbitration. The arbitration shall be conducted before a single neutral arbitrator if the parties are able to agree on one arbitrator. If they are unable so to agree and do not agree otherwise, arbitration shall be conducted by a panel of three neutral arbitrators. None of the

arbitrators shall be affiliated in any way with either of the parties or have any direct or indirect financial interest in the outcome of the arbitration. If the parties fail to reach agreement upon a single arbitrator within 5 business days following receipt by one party of the other party's notice of arbitration, the initiating party shall submit in writing to the other party the name of a neutral arbitrator selected by the initiating party. Within 5 business days after such name is submitted, the other party shall submit to the initiating party in writing the name of a neutral arbitrator selected by such other party and may submit an answering statement. Within 10 days after appointment of the second arbitrator, the two arbitrators appointed by the parties shall select a third neutral arbitrator; the three arbitrators so selected shall finally resolve the dispute. If the two arbitrators appointed by the parties fail before the end of said 10 day period to agree on a third arbitrator, the Judicial District Court of Harris County, Houston Division, shall, upon the filing of a petition by any of the parties hereto select the third arbitrator from a list of five individuals obtained by the Court from the Houston office of the American Arbitration Association. If the non-initiating party shall fail to appoint an arbitrator within 10 days after the name of the arbitrator selected by the initiating party is submitted, the arbitrator appointed by the initiating party shall be empowered to proceed to arbitrate and determine the matter in controversy as the sole arbitrator. All references to "the arbitrators" in the following Sections shall be deemed to refer to the sole arbitrator, if there is only one arbitrator. The arbitrators shall, at the earliest possible date, set dates for a hearing and establish any pre-hearing conferences or procedural schedules that the arbitrators deem appropriate. The arbitrators may authorize depositions and issue subpoenas and make other decisions provided for in Section 13.4.3 below. All decisions of the arbitrators shall be by a majority of the arbitrators, unless the parties agree otherwise.

13.4.3 It is the mutual intention of the parties that discovery, if any, shall be limited in nature and scope and, to the extent possible, shall be handled informally and by agreement. Any dispute regarding discovery shall be submitted promptly to the arbitrators and shall be resolved by them. If necessary, any decision of the arbitrators respecting discovery may be enforced by any court of competent jurisdiction in the same manner as a final award under this Section, including an order for specific performance.

13.4.4 The arbitrators shall diligently, expeditiously and in good faith decide the matter under consideration in accordance with the laws of the State of Texas, excluding its choice of law rules. If there is only one arbitrator, his decision shall be final, conclusive and binding on all parties; if there are three arbitrators, the agreed decision of any two of them shall be final, conclusive and binding on all parties. The arbitrators shall prepare an award in writing which reflects the final decision of the arbitrators and a copy of such award shall be delivered to each party to the arbitration. Judicial confirmation of the decision of the arbitrators shall be sought only in the Judicial District Court of Harris County, Houston Division.

13.4.5 The arbitrators' compensation shall be agreed upon by the parties and the arbitrators. The terms of compensation for each of the arbitrators shall be identical. The parties shall share equally the cost of the arbitration proceedings, including the fees and expenses of the arbitrators and the cost of the stenographic record, provided that the arbitrators shall have discretion to charge such costs to the parties in such different proportions as they determine to be appropriate.

13.4.6 If any other provision of this Agreement should be or become invalid or unenforceable by force of law, the provisions of this Section 13.4 shall not be affected but shall remain in full force and effect. Any obligation to arbitrate which is established by this Section shall remain in full force and effect. Any obligation to arbitrate which is established by this Section shall not be extinguished upon the termination or expiration of this Agreement but shall survive that event.

14. Destruction of Assets.

All risk of loss with respect to the assets and business of the Company shall be borne by the Stockholders until the Closing to the extent set forth in this Section 14. If on the Closing Date any assets of the Company shall have suffered loss or damage on account of fire, flood, accident, act of war, civil commotion, or any other cause or event beyond the reasonable power and control of the Company (whether or not similar to the foregoing) to an extent which materially affects the value to Newpark of the Company Shares, Newpark shall have the right at its election to complete the acquisition (in which event, as Newpark's sole and exclusive remedy with respect to the consequences of such loss or damage, all claims of the Company with respect to such loss or damage and all insurance proceeds arising therefrom shall be for the account of the Company), or, if it does not so elect, it shall have the right, which shall be in lieu of any other right or remedy whatsoever, to terminate this Agreement. In the latter event, all parties shall be released from liability hereunder.

15. Termination.

In addition to any party's right to terminate this Agreement if any condition precedent to its obligations is not satisfied on the Closing Date, subject to the provisions of this Agreement relating to the postponement of the Closing Date, either Newpark or the Stockholders may forthwith terminate this Agreement: (a) subject to clause (b) below, without liability to the other of them if a bona fide action or proceeding (by and at the sole instance of a party or parties not an Affiliate or Affiliates of Newpark or the Stockholders) shall be pending against either party on the Closing Date wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) without prejudice to other rights and remedies which either party may have, if a material default shall be made by the other of them in the observance or in the due and timely performance of its covenants and agreements herein contained, or if there shall have been a material breach of the warranties and representations herein contained.

16. Notices.

Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Section 16

by giving notice of such change to the other party in the manner which is provided in this Section 16.

Stockholders: c/o Chemical Technologies, Inc.
11767 Katy Freeway, Suite 330
Houston, Texas 77079
Facsimile No.: (713) 988-7267

With a copy to:

Mary Frances vonBerg, Esq.
Farnsworth & vonBerg
333 North Sam Houston Parkway, Suite 300
Houston, Texas 77060
Facsimile No.: (281) 931-6032

Newpark: c/o Newpark Resources, Inc.
3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:

Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

17. Assignment.

Rights hereunder shall not be assignable and duties hereunder shall not be delegable by the Stockholders or Newpark without the prior written consent of the other; consent may be withheld for any reason or without reason. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any Person other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

18. Certain Definitions.

As used herein, the following terms (whether used in the singular or the plural) have the following meanings:

"Affiliate" or "affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person and, without limiting the generality of the foregoing, includes (a) any director or officer of such Person or of any Affiliate of such Person, (b) any such director's or officer's Family Members, (c) any group, acting in concert, of one or more of such directors, officers or Family Members, and (d) any Person controlled by any such director, officer, Family Member or group which beneficially owns or holds 25% or more of any class of equity securities or profits interest. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

"Bankruptcy Exception" means the limitation on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, whether enforcement is sought in equity or at law.

"Closing Value" means the average of the closing prices of Newpark's Common Stock on the New York Stock Exchange, as reported in The Wall Street Journal, for the five trading days immediately preceding the third trading day prior to the Closing Date.

"Commission" means the U.S. Securities and Exchange Commission.

"Family Member" means, in the case of a Person who is an individual, any parent, spouse or lineal descendant (including legally adopted descendants) of such Person, or the spouse of any such descendant.

"Government Body" means any domestic or foreign federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Material Laws" means any and all federal, state and local laws in effect at or before the Closing Date that relate to or impose liability or standards of conduct concerning the environment, as now or hereafter in effect and as have been or hereafter may be amended or reauthorized, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. (S) 9601, et seq.), the Hazardous Materials Transportation Act (42 U.S.C. (S) 1802, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. (S) 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S) 1251, et seq.), the Toxic Substances Control Act (15 U.S.C. (S) 2601, et seq.), the Clean Air Act (42 U.S.C., (S) 7901 et seq.), the National Environmental Policy Act (42 U.S.C. (S) 4231, et seq.), the Refuse Act (33 U.S.C. (S) 407, et seq.), the Safe Drinking Water Act (42 U.S.C. (S) 300(f), et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing.

"Hazardous Materials," means any flammable explosives, radioactive materials, asbestos, compounds known as polychlorinated byphenyls, chemicals now known to cause cancer

or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under the Hazardous Materials Laws.

"Knowledge of the Stockholders" (and similar terms such as "to the best of the knowledge of the Stockholders") means the actual knowledge of the Stockholders or any other executive officer of the Company.

"Knowledge of Newpark" (and similar terms such as "to the best of the knowledge of Newpark") means the actual knowledge of any executive officer of Newpark.

"Material Adverse Effect" means a material adverse effect on the financial condition, results of operations, business or prospects of the entity referred to (i.e., the Company or Newpark) and its subsidiaries (i.e., the Newpark Subsidiaries), taken as a whole.

"Permitted Lien(s)" means (a) all liens and encumbrances disclosed in the Disclosure Letter, (b) landlords', mechanics', carriers', workers' and similar statutory liens arising in the ordinary course of business for sums not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements, (c) deed restrictions and similar exceptions to clear title not incurred in connection with indebtedness that do not materially impair the existing use or materially detract from the value of the assets or property subject thereto, and (d) liens for current taxes not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements.

"Person" or "person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a Government Body.

"Rules and Regulations" means the rules and regulations adopted by the Commission under the Securities Act and the Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax" (including with correlative meaning, the terms "Taxes" and "Taxable") means any income, gross receipts, ad valorem, premium, excise, value-added, sales, use, transfer, franchise, license, severance, stamp, occupation, service, lease, withholding, employment, payroll, premium, property or windfall profits tax, alternative or add-on-minimum tax, or other tax, fee or assessment, together with any interest and any penalty, addition to tax or additional amount imposed by any Government Body responsible for the imposition of any such tax.

"Tax Return" means any return, report, statement, information statement and the like required to be filed with any authority with respect to Taxes.

19. Applicable Law; Jurisdiction.

The provisions of this Agreement and all rights and obligations hereunder and under all documents, instruments and agreements executed under or in connection with this Agreement shall be governed and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within said State.

20. Remedies Not Exclusive.

Except as provided in Sections 13 and 14, (a) no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, (b) each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or otherwise and (c) the election of any one or more remedies by either party hereto shall not constitute a waiver of the right to pursue other available remedies.

21. Attorneys' Fees.

In any litigation or arbitration relating to this Agreement, including litigation or arbitration with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

22. Payment of Expenses.

Whether or not the Exchange is consummated, Newpark will pay and be responsible for all costs and expenses incurred by Newpark in connection with this Agreement and the transactions contemplated hereby, and the Stockholders will pay and be responsible for all costs and expenses incurred by the Company and the Stockholders in connection with this Agreement and the transactions contemplated hereby.

23. Successors and Assigns.

All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives and permitted successors and assigns.

24. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

25. Headings; Severability.

Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. The provisions of this Agreement

are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

26. Amendments.

No provision or term of this Agreement or any agreement contemplated herein between the parties hereto may be supplemented, amended, modified, waived or terminated except in a writing duly executed by the party to be charged.

27. Waivers.

At any time prior to the Closing Date, the parties hereto, may, to the extent legally permitted: (i) extend the time for the performance of any of the obligations or other acts or any other party; (ii) waive any inaccuracies in the representations or warranties of any other party contained in this Agreement or in any document or certificate delivered pursuant hereto; (iii) waive compliance or performance by any other party with any of the covenants, agreements or obligations of such party contained herein; and (iv) waive the satisfaction of any condition that is precedent to the performance by the party so waiving of any of its obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by one party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

28. Entire Agreement.

The Disclosure Letter and all schedules, exhibits and financial statements provided for herein are a part of this Agreement. This Agreement and the other agreements and documents provided for in this Agreement comprise the entire agreement of the parties and supersede all earlier understandings of the parties with respect to the subject matter hereof.

(Signatures set forth on the following page)

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

NEWPARK:
NEWPARK RESOURCES, INC.

THE STOCKHOLDERS:

/s/ Perry Bennett

Perry Bennett

By:/s/ James D. Cole

Name: James D. Cole
Title: President

/s/ Kentner Shell

Kentner Shell

/s/ Ray Bennett

Ray Bennett

/s/ Bob Hill

Bob Hill

NONCOMPETITION AGREEMENT

This Noncompetition Agreement (the "Agreement") is made and entered into as of June 4, 1997, by and between _____ ("Covenantor") and NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), ancillary to and as required by the Agreement and Plan of Reorganization (the "Exchange Agreement"), dated June 3, 1997, by and among Newpark and the "Stockholders" so identified in the Exchange Agreement (including Covenantor), pursuant to which Newpark has acquired 100% of the capital stock of CHEMICAL TECHNOLOGIES, INC., a Texas corporation (the "Company"). Unless otherwise provided herein all terms used in this Agreement that are defined in the Exchange Agreement shall have the same meanings herein as in the Exchange Agreement.

In consideration of the foregoing, and in order to satisfy a condition precedent to the consummation of the Exchange, Covenantor and Newpark hereby agree and covenant as follows:

1. Certain Definitions. The following terms used herein shall have the following meanings:

Affiliate or affiliate - a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to (a) vote 50% or more of the voting interests in such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Business - Any one or more of the following activities: selling, providing, installing, recycling, renting, marketing, or dealing in or with or otherwise soliciting orders for any of the Products and Services or any products, services, materials, supplies or support activities that compete with or may be used to replace any Products and Services.

Competitor - Any Person that, directly or indirectly, engages in any aspect of the Business within any portion of the Territory.

Person or person - Any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

Products and Services - All products, services, materials, supplies and support activities which, as of the date hereof or within twelve months prior to the date hereof, are or have been provided, sold, installed, recycled, rented, marketed or dealt in or with by the Company, and all competitive products, services, materials, supplies and support activities.

The Territory - All or any part of the following: the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico.

2. Noncompetition. Covenantor hereby agrees that he will not, during the term of this Agreement, directly or indirectly, or through one or more Affiliates, do any one or more of the following: (a) engage in any aspect of the Business, whether as an employee, agent, independent contractor or otherwise ; (b) own any interest in any Competitor; (c) operate, join, control or otherwise participate in any Competitor; (d) lend credit or money for the purpose of assisting another to establish or operate any Competitor; (e) request or advise any present or future customer or supplier of the Company to withdraw, curtail or cancel its business with any of them; or (f) induce or influence (or attempt to induce or influence) any person who is engaged (as an employee, agent, independent contractor or otherwise) by the Company or any subsidiary to terminate his or her employment or engagement or to perform any services for a Competitor; provided, that nothing herein shall prohibit Covenantor from holding an equity interest of less than 2% of the outstanding capital stock of any Competitor whose equity securities are traded on a national stock exchange or are quoted on Nasdaq.

3. Confidentiality. Covenantor shall keep secret and retain in confidence, and shall not use for the benefit of Covenantor or others, any confidential information concerning the business of the Company or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of the Company and its affiliates relating to the business of the Company learned by Covenantor as a result of prior and current business relationships with the Company or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Covenantor, (b) was available to Covenantor on a non-confidential basis prior to its disclosure to the Covenantor by the Company or (c) becomes available to Covenantor on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to Covenantor.

4. Term. The term of this Agreement commences on the date hereof and shall continue for a period of sixty months. Covenantor hereby acknowledges the receipt and sufficiency of full consideration for this Agreement.

5. Injunctive Relief. Covenantor hereby stipulates and agrees that any breach by him of this Agreement cannot be reasonably or adequately compensated by damages in an action at law and that, in the event of such breach, Newport shall be entitled to injunctive relief, which may include but shall not be limited to restraining Covenantor from engaging in any activity that would constitute a breach of this Agreement.

6. Severability. Covenantor acknowledges that he has carefully read and considered the provisions of Paragraphs 1 through 4 of this Agreement and, having done so, agrees that the restrictions set forth therein (including but not limited to the time periods of restriction and the geographical areas of restriction) are fair and reasonable and are reasonably required to protect the interests of Newport and its stockholders. If, notwithstanding the foregoing, any of the provisions of Paragraphs 1 through 4 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable, as though the invalid or unenforceable parts had not been included therein. If any provision of Paragraphs 1 through 4

hereof relating to time periods or areas of restriction or both shall be declared by a court of competent jurisdiction to exceed the maximum time periods or areas (or both) that such court deems reasonable and enforceable, said time periods or areas of restriction or both shall be deemed to become and thereafter shall be the maximum time periods and areas which such court deems reasonable and enforceable.

7. Entire Agreement. This Agreement constitutes the entire agreement of Covenantor and Newpark with respect to the subject matter hereof and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Any failure to insist on strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

8. Nature of Obligations. All covenants and obligations of Covenantor hereunder shall be binding on Covenantor, his assigns, successors and legal representatives and shall inure to the benefit of Newpark and all of its Affiliates that engage in any aspect of the Business in any part of the Territory.

9. Law Governing. The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within the State of Texas.

10. Attorneys' Fees. In any litigation relating to this Agreement, including litigation with respect to any supplement, modification or waiver of this Agreement or any of its provisions, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

11. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. Either party may change its address for the purpose of this Paragraph 11 by giving notice of such change to the other party in the manner which is provided in this Paragraph 11.

Covenantor: _____

Facsimile No.: () -

Newpark: Newpark Resources, Inc.
 3850 North Causeway, Suite 1770
 Metairie, LA 70002
 Attention: Secretary
 Facsimile No.: (504) 833-9506

12. Captions. The captions in this Agreement are included for convenience of reference only, do not constitute a part hereof and shall be disregarded in the interpretation or construction hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Covenantor:

NEWPARK RESOURCES, INC.

By /s/ James D. Cole, President

James D. Cole, President

-4-

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of June 4, 1997, by and between CHEMICAL TECHNOLOGIES, INC., a Texas corporation ("Employer"), and PERRY BENNETT ("Employee"), with reference to the following facts:

A. Employee has been employed by Employer as its President.

B. On the date of this Agreement, Employer has become a wholly-owned subsidiary of NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"). Employer desires to assure itself of the continued services of Employee for a term expiring no sooner than June 30, 2000, and the parties are entering into this Agreement for that purpose and in order to set forth the terms of the employment of Employee.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree as follows:

1. Term of Employment.

Employer hereby continues the employment of Employee, and Employee hereby accepts continued employment with Employer, for a period commencing on the date hereof and, except as otherwise provided herein, expiring June 30, 2000, provided, however, that, each time neither party terminates this Agreement by written notice given at least sixty (60) days prior to the expiration of the employment term as last renewed or extended, it shall be automatically renewed for an additional twelve month period. As used herein, the phrase "employment term" refers to the entire period that Employee shall be employed hereunder, whether for the initial period provided above, or whether this Agreement is terminated earlier or extended automatically as provided herein or by mutual agreement between Employer and Employee.

2. Duties of Employee.

2.1 Employee shall serve as a senior executive officer of Employer and shall do and perform all services, acts and things necessary or advisable in that capacity in connection with the conduct of the business of Employer, subject to the instructions of and policies and limitations set by its Board of Directors. It is contemplated that Employee's role will be substantially the same as his role with Employer immediately prior to date hereof.

2.2 Employee shall devote his entire productive time, ability and attention to the business of Employer during the employment term, except that Employee may devote time and effort to personal activities to the extent that such activities do not materially interfere with the performance of his duties hereunder. If Employer advises Employee that, in its good faith judgment, such activities are materially interfering with the performance of Employee's duties hereunder, Employee will promptly take steps to appropriately limit such activities. Subject to the foregoing, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for

compensation or otherwise, without the prior written consent of the Board of Directors of Employer.

2.3 Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices as an officer, director or member of any committee of the Board of Directors of Employer or of any direct or indirect subsidiary of Employer.

3. Compensation of Employee.

3.1 As compensation for his services hereunder, Employee shall receive a salary at the annual rate of \$108,000, payable in equal installments on Employer's regular payroll dates for executive employees. Employer's Board of Directors will review Employee's salary annually, and, with the approval of Newpark's Board of Directors or Compensation Committee, may (but shall be under no obligation to) further increase such salary.

3.2 For each full or partial fiscal year of Employer during the employment term, Employer shall pay to Employee, in addition to his salary, a bonus in such amount, if any, as may be determined by the Board of Directors or Compensation Committee of Newpark, in its sole discretion.

4. Benefits.

Employee shall be entitled to participate in and receive benefits under all profit-sharing plans, pension plans, group medical plans and other plans for payment of additional compensation or benefits to employees of Employer which Employer at any time maintains for executive employees. To the extent permitted by law, and provided that such participation does not result in duplicate payments to Employee, Employee shall also participate in such benefits plans as Newpark makes available to its executive employees and the executive employees of its subsidiaries.

5. Business Expenses.

Employee is authorized to incur reasonable expenses for promoting and conducting the business of Employer, including expenditures for entertainment and travel. Employer shall reimburse Employee monthly for all such business expenses upon presentation of reasonable documentation establishing the amount, date, place and essential character of the expenditures.

6. Disability.

6.1 If Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement with reasonable accommodation for a period of six consecutive months or for nine months in any twelve-month period, Employer shall have the option to terminate this Agreement effective immediately by giving written notice of termination to Employee within a reasonable time following the end of such period of disability. If Employee becomes temporarily

disabled by reason of sickness, physical or mental disability, or any other cause so that he is unable to perform efficiently his duties hereunder with reasonable accommodation, he shall be entitled to compensation as provided for herein until the total period of such temporary disability shall equal an aggregate of three months during any period of twelve consecutive months. As to any subsequent periods of disability during said twelve month period, Employee shall not be entitled to compensation.

6.2 In the event of the termination of this Agreement pursuant to the provisions of Paragraph 6.1 above, Employee shall be entitled to salary and discretionary bonus earned by him prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; but he shall not be entitled to compensation after the date of termination.

7. Termination of Employment.

7.1 This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the term of this Agreement as follows:

(a) By Employer as a result of disability of Employee as provided in Paragraph 6.1 above, or the death of Employee;

(b) Upon the mutual agreement of the parties;

(c) by Employer in the event of: (i) conviction of Employee of a major felony (whether or not committed in the course of his employment) from which no appeal has been made, or, if an appeal has been made, upon a final determination adverse to Employee; or (ii) gross misconduct by Employee causing material harm to Employer, but only if (x) Employee shall not have discontinued such gross misconduct within ten days after receiving written notice from Employer that it will consider the continuation of such gross misconduct cause for termination of this Agreement, or (y) the gross misconduct is of such a nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such gross misconduct;

(d) by Employer if Employer shall fail to cure a material or default by it under any of the terms of this Agreement within thirty days after written notice of such breach or default is given by Employee;

(e) by Employer if Employee shall fail to cure a material breach or default by him under this Agreement within thirty days after written notice of such breach or default is given by Employer.

7.2 This Agreement shall not be terminated by any merger or consolidation where Employer is not the consolidated or surviving corporation or by any transfer of all or substantially all of the assets of Employer. In the event of any such merger or consolidation or transfer of assets, the surviving or resulting corporation or the transferee of the assets of Employer shall be bound by and shall have the benefit of the provisions of this

Agreement; and Employer shall take all actions necessary to ensure that such corporation or transferee is bound by the provisions of this Agreement.

7.3 Upon termination of this Agreement for any reason whatsoever, Employee shall return to Employer all automobiles, equipment, books, records, customer lists, catalogs, invoices, correspondence and other property which was acquired from or otherwise belongs to Employer, including any property or documentation developed by Employee in the course of his employment.

8. Proprietary Information and Non-Competition.

8.1 Employee recognizes and acknowledges that the performance of his services hereunder will necessarily result in disclosure to him of certain trade secrets and confidential information, including source of supply information, sales information, customer lists, customer information and pricing, all of which are special and unique assets and trade secrets of Employer's business. For the purpose of this Agreement, such information shall be referred to and is acknowledged as "proprietary information of the Employer." In view of the foregoing, in addition to and not in limitation of the provisions of the Noncompetition Agreement executed concurrently herewith by Newpark and Employee, Employee agrees that:

8.1.1 During and after the employment term, Employee will not disclose or use any proprietary information of Employer, except for the purpose of carrying out his duties hereunder, unless such use or disclosure is specifically consented to in writing by Employer.

8.1.2 For the period of one year after the employment term, Employee will not in any way, directly or indirectly, for himself or on behalf of any other person or entity, associate in business as an employer, employee or otherwise, with any employee, officer or agent of Employer until such person has terminated employment with Employer for a period of one year.

8.1.3 During the employment term and thereafter, Employee will not, directly or indirectly, for himself or on behalf of any other person or entity, induce or attempt to induce any of Employer's personnel to terminate their relationship with Employer, nor will Employee induce or attempt to induce any of Employer's personnel to do anything contrary to the best interests of Employer.

8.2 Employee agrees that in the event of any breach by Employee of any covenant in this Paragraph 8, Employer shall be entitled, in addition to other remedies, to immediate injunctive relief if necessary to avoid irreparable harm and injury.

9. General Provisions.

9.1 Any notices to be given hereunder by either party to the other shall be in writing and may be effected either by personal delivery or by mail, registered or certified, return receipt requested, postage prepaid. Mailed notices shall be addressed to the parties at the

addresses appearing opposite their respective signatures below and shall be deemed effective 24 hours after being deposited in the U.S. mails, postage prepaid and property addressed. Each party may change its address by written notice in accordance with this Paragraph.

9.2 This Agreement supersedes and any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee and contains all of the covenants and agreements between the parties with respect to such employment. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

9.3 Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed, if possible, to be modified or altered to conform thereto or, if not possible, to be omitted from this Agreement. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

9.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and the Judicial District Court of Harris County, Texas, Houston Division, shall be the only proper forum for disputes hereunder.

9.5 The rights and obligations of Employer under this Agreement shall enure to the benefit of and shall be binding on the successors and assigns of Employer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

CHEMICAL TECHNOLOGIES, INC. ("Employer") Address:

11767 Katy Freeway, Suite 330
Houston, Texas 77079

By: /s/ Perry Bennett, President

Name and Title

/s/ Perry Bennett

Perry Bennett ("Employee")

Address:
2122 Greencove Lane
Sugar Land, Texas 77479

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") dated as of June 4, 1997, is entered into by and between NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), and each of the Persons whose names and addresses are listed on Exhibit "A" attached to this Agreement (each a "Holder" and collectively the "Holders"), with reference to the following facts:

A. Holders are entitled to receive an aggregate of 186,666 shares (the "Shares") of Newpark's common stock, \$.01 par value (the "Common Stock"), upon the exchange (the "Exchange") of 100% of the shares of the capital stock of CHEMICAL TECHNOLOGIES, INC., a Texas corporation (the "Company"), pursuant to the Agreement and Plan of Reorganization (the "Exchange Agreement") among Newpark and the "Stockholders" so identified in the Exchange Agreement (each of whom is a Holder). Because the Shares are being issued pursuant to an exemption from the registration provisions of the Securities Act, resale of the Shares without registration under the Securities Act is subject to restrictions.

B. In order to satisfy a condition precedent to the Exchange, this Agreement obligates Newpark to use its best efforts to register some of the Shares under the Securities Act at certain times.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual promises and covenants hereinafter set forth, the parties agree as follows:

1. Definitions. As used in this Agreement, the following capitalized terms shall have the following respective meanings:

Common Stock - As defined in Paragraph A above.

Exchange Act - The Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

Holder or Holders - As defined in the introduction to this Agreement.

Holder Party or Parties - As defined in Paragraph 6.1 below.

Participating Holder or Holders - Each Holder or all Holders for whom Shares are included in a registration statement filed under the Securities Act.

Person or person - An individual, partnership, joint venture, corporation, trust, unincorporated organization or government or any department or agency thereof.

Registration Expenses - Any and all expenses incident to performance of or compliance with this Agreement, including, without limitation: (i) all SEC and stock exchange or National Association of Securities Dealers registration and filing fees, (ii) all fees and expenses of complying with securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Shares), (iii) all

printing, messenger and delivery expenses, (iv) the fees and disbursements of counsel for Newpark and of its independent public accountants, (v) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, including liability insurance if Newpark so desires, and (vi) the reasonable fees and expenses of any special experts retained by Newpark in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, applicable to Participating Holders' Shares.

Rule 144 - Rule 144 under the Securities Act, as amended from time to time, or any successor Rule.

Rules and Regulations - The rules and regulations promulgated by the SEC under the Securities Act and the Exchange Act.

Securities Act - The Securities Act of 1933, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

SEC - The Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

Shares - As defined in Paragraph A above.

2. Demand Registration Rights.

(a) Demand by Holders. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if, during the period commencing August 1, 1997 and continuing for 180 days, one or more Holders request in writing to Newpark that Newpark effect the registration under the Securities Act of up to twenty percent (20%) of the Shares (which request shall specify the number of Shares intended to be disposed of by each Holder and the intended method of disposition thereof), Newpark will promptly give notice of such requested registration to all other Holders and thereafter will use its best efforts to effect such registration of (i) the Shares which Newpark has been so requested to register by such Holders and (ii) all other Shares which Newpark has been requested to register by other Holders by written requests delivered to Newpark within 20 days after the giving of such written notice by Newpark (which requests shall specify the intended method of disposition of such other Holders' Shares), all for disposition in accordance with the intended methods of disposition stated in the requests of such Holders.

(b) Priorities in Demand Registrations. Subject to clauses (i) and (ii) below, Newpark may include in any registration statement filed in response to Holders' requests other shares of Common Stock for sale by Newpark or by other stockholders, provided, however, that (i) if such registration statement relates to an underwritten offering and the managing underwriter or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such shares can be sold), then the number of shares of Common Stock included in the offering shall

be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (x) the Shares to be sold by Holders shall have priority over all shares of Common Stock to be offered by Newpark and other stockholders of Newpark, and (y) if shares of Common Stock in excess of Holders' Shares can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, such excess shares shall be included in such offering in such proportions as may be agreed between Newpark and such other stockholders; and (ii) if such offering is not underwritten, then no other shares of Common Stock shall be included in such registration statement unless Holders consent to the inclusion of such shares therein, which consent shall not be unreasonably withheld.

(c) Only One Demand Registration. Holders shall not be entitled to make a request pursuant to this Paragraph 2 more than one time, provided that the registration so requested is actually effected and remains in effect in accordance with Paragraph 5.1(b).

3. Incidental Registration Rights.

(a) Right to Include Shares. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if Newpark at any time proposes to register any Common Stock on any form for the registration of securities under the Securities Act (other than Form S-4 and Form S-8), Newpark will at such time give prompt written notice to Holders of its intention to do so and of Holders' rights under this Paragraph 3. Upon the written request of any Holders made within 20 days after receipt of any such notice that up to twenty percent (20%) of the Shares be included in such registration (which request shall specify the number of Shares intended to be disposed of by each Holder desiring to participate and the intended method of disposition thereof), Newpark will cause the Shares for which Holders have requested registration to be included in the registration statement filed with respect to such registration under the Securities Act, provided that (i) if, at any time after giving written notice of its intention to register Common Stock but prior to the effective date of the registration statement filed in connection with such registration, Newpark shall determine for any reason not to register such Common Stock, Newpark may, at its election, give written notice of such determination to Holders, and, thereupon, shall be relieved of its obligation to register any Shares in such registration, and (ii) if such registration involves an underwritten offering, Holders must sell their Shares (if Holders continue to desire such Shares to be registered) to the underwriters of such offering on the same terms and conditions as apply to Newpark or the stockholders for whose account securities are to be sold, as the case may be.

(b) Priorities in Incidental Registrations. In connection with any registration pursuant to this Paragraph 3 involving an underwritten offering, if the managing underwriter or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such Common Stock can be sold), then the amount of the Shares included in the offering shall be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (i) shares of Common Stock to be sold by Newpark shall have priority over all shares to be sold by stockholders of Newpark, including Holders, and

(ii) to the extent that shares of Common Stock in excess of the Common Stock to be sold by Newport can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, (x) the Shares to be sold by Holders and shares of Common Stock to be sold by any other stockholders of Newport who have the right to registration of their Common Stock under agreements in existence at the time Newport gives notice to Holders pursuant to this Paragraph 3 shall have priority over shares of Common Stock to be sold by other stockholders of Newport, subject to reduction prorata in proportion to the number of shares of Common Stock proposed to be included in such offering by each Holder and each other stockholder having such registration rights, and (y) additional shares of Common Stock, if any, shall be included in such registration in such proportions as may be agreed upon by Newport and such other stockholders.

4. Additional Provisions. Notwithstanding the provisions of Paragraphs 2 and 3 of this Agreement:

(a) The total number of Shares that Holders are entitled to have registered by Newport under the Securities Act pursuant to Paragraph 2(a) and Paragraph 3(a) combined is twenty percent (20%) so that if twenty percent (20%) of the Shares have been effectively registered under the Securities Act pursuant to Paragraph 2(a), Holders will not be entitled to have Shares registered pursuant to Paragraph 3(a), and vice versa. If the aggregate number of Shares that Holders propose to have registered exceeds twenty percent (20%) of the Shares, the number of Holders' shares eligible to be registered shall be allocated prorata among Holders in proportion to the number of Shares owned by each or as they may otherwise agree among themselves. If the aggregate number of Shares that Holders propose to have registered in any registration statement exceeds twenty percent (20%) of the Shares after the allocation called for by the immediately preceding sentence, the number of Holders' Shares eligible to be included in such registration statement shall be allocated prorata among requesting Holders in proportion to the number of Shares proposed by each of them for inclusion in such registration statement or as they may otherwise agree among themselves.

(b) Newport shall not be required to effect or cause the registration of Shares held by any Holder pursuant to Paragraph 2 or 3 if, within 25 days after its receipt of a request to register such Shares, Newport delivers to such Holder an opinion of counsel in form and substance satisfactory to counsel to such Holder, that the entire number of Shares proposed to be sold by such Holder may be sold, in the manner proposed by such Holder, without registration under the Securities Act, whether pursuant to Rule 144 or otherwise, within a period ending not more than ninety (90) days after the date of such opinion.

5. Registration Procedures.

5.1 Newport Obligations. If and whenever Newport is required to effect the registration of any Shares under the Securities Act as provided in this Agreement, as expeditiously as possible:

(a) Newport will prepare and file with the SEC a registration statement with respect to such Shares and use its best efforts to cause such registration statement to become

effective as soon thereafter as possible, provided, that, before filing such registration statement or prospectus or any amendments or supplements thereto: Newpark will furnish to each Participating Holder copies of all such documents proposed to be filed, which documents will be subject to review by such Holders, and Newpark will not file any such registration statement or prospectus or any amendment or supplement thereto to which any Participating Holder shall reasonably object; Newpark may assume, for the purpose of the foregoing proviso, that a Holder has no objection if Newpark has not received notice from such Holder within five calendar days after delivery of such documents to Holder or, with respect to any version of or amendment or supplement to any such registration statement after the first draft furnished to such Holder, such shorter period as Newpark may reasonably request when it furnishes such documents to such Holder, if a longer delay would result in prejudice to the proposed offering. Newpark will promptly notify the Participating Holders and confirm such advice in writing, (i) when such registration statement becomes effective, (ii) when any post-effective amendment to such registration statement becomes effective, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose, (iv) of the issuance by any state securities commission or other regulatory authority of any order suspending the qualification or the exemption from qualification of any of the Shares under state securities or blue sky laws or the initiation of any proceedings for that purpose, and (v) of any request by the SEC for any amendment or supplement to such registration statement or any prospectus relating thereto or for additional information. Newpark will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Newpark will prepare and file with the SEC such amendments (including post-effective amendments) and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for at least six (6) months (or for such shorter period in which the Participating Holders have sold all of the Shares included in such registration statement) and to comply with the provisions of the Securities Act with respect to the disposition of the Shares covered by such registration statement during such period in accordance with the intended methods of disposition by Participating Holders set forth in such registration statement, as so amended, or such prospectus, as so supplemented.

(c) Newpark will furnish to each Participating Holder one signed copy of such registration statement as originally filed and each amendment thereto (without exhibits unless otherwise requested by such Participating Holder) and such number of copies of such registration statement and of each such amendment and supplement thereto, such number of copies of the prospectus (as amended or supplemented) included in such registration statement (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as Participating Holders may reasonably request in order to facilitate the disposition of the Shares by all Participating Holders.

(d) Newpark will use its best efforts to register or qualify such Shares covered by such registration statement under such securities or blue sky laws of any State of the United States as the managing underwriter, if any, or Participating Holders who have Shares included in such registration statement shall reasonably request, and do any and all other acts and things

which may be reasonably necessary or advisable to enable each Participating Holder and each underwriter, if any, to consummate the disposition in such jurisdictions of the Shares to be sold by such Participating Holder, except that Newport shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this Paragraph 5.1(d), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction.

(e) Newport will promptly notify each Participating Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act during the period mentioned in Paragraph 5.1(b) and Newport becomes aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances existing at the time it is to be delivered to a purchaser; and promptly prepare and furnish to each Participating Holder a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall 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 not misleading in the light of the circumstances then existing. If a registration statement is not effective for the full period called for by Paragraph 5.1(b) for the reasons described above in this Paragraph, then Newport's obligation to keep such registration statement effective shall be extended for a period of time equal to the period of time during which prospectuses were not available so that the actual period of effectiveness for such registration statement shall equal that called for in Paragraph 5.1(b).

(f) During the period when the prospectus is required to be delivered under the Securities Act, Newport will promptly file all documents required to be filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and furnish a copy thereof to each Participating Holder promptly after such document is so filed.

(g) Newport will otherwise use its best efforts to comply with all applicable rules and regulations of the SEC and, if requested by Participating Holders having Shares included in such registration statement, will obtain an opinion letter from Newport's counsel addressed to all Participating Holders in customary form covering such matters as may reasonably be requested.

(h) Newport will make available for inspection by Participating Holders having Shares included in a registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, in each case upon receipt of an appropriate confidentiality agreement, all financial and other records, corporate documents and properties of Newport and its subsidiaries, and cause all of Newport's officers, directors and employees to supply all information, as may be reasonably requested by such Participating Holders or any such underwriter, attorney, accountant or agent in connection with such registration statement.

5.2 Participating Holder Obligations.

(a) Each Participating Holder shall furnish Newpark in writing such information and documents (or true copies of documents) regarding such Holder and the distribution of his or her Shares as Newpark may reasonably request, including questionnaires, powers of attorney, indemnities, standstill agreements, underwriting agreements and other documents required under the terms of such underwriting agreements.

(b) Each Participating Holder agrees that, upon receipt of any notice from Newpark of the happening of any event of the kind described in Paragraph 5.1(e), such Holder will forthwith discontinue disposition of Shares pursuant to the registration statement covering such Shares until such Holder's receipt of copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e), and, if so directed by Newpark, such Holder will deliver to Newpark (at Newpark's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Shares current at the time of receipt of such notice. In the event Newpark shall give any such notice, the period mentioned in Paragraph 5.1(b) shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Paragraph 5.1(e) to and including the date when all Participating Holders shall have received the copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e).

5.3 Expenses. Newpark will pay all Registration Expenses in connection with each registration of Shares pursuant to Paragraphs 2 and 3; provided, however, that (x) all underwriting discounts and commissions attributable to the Shares shall be borne by Participating Holders in proportion to the number of Shares sold by each of them, and (y) any other fees or expenses incurred by any of the parties, including fees and expenses of attorneys and accountants, other than those fees described in clause (ii) of the definition of Registration Expenses, shall be borne by the party that incurred them.

6. Indemnification.

6.1 Indemnification by Newpark. In the event of any registration of any of the Shares under the Securities Act pursuant to this Agreement, Newpark will, and it hereby does, indemnify and hold harmless each Participating Holder, each Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls any such underwriter or Participating Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and the agents, employees, officers and directors of Participating Holders or such underwriter and each such controlling person (each a "Holder Party" and collectively as the "Holder Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with Newpark's written consent) to which any Participating Holder, any such underwriter or controlling person may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any

amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and Newpark will reimburse Holder Parties for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided, that Newpark shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any breach by the indemnified person of its obligations under this Agreement, including, without limitation, those contained in Paragraph 5.2 or any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus or amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to Newpark by or on behalf of such Participating Holder, any such underwriter or controlling Person specifically for use in the preparation thereof; and provided, further, that Newpark will not be liable to any Person who participates as an underwriter in the offering or sale of Shares, or to any other Person who controls such underwriter within the meaning of the Securities Act and the Exchange Act, under the indemnity agreement in this Paragraph 6.1 with respect to any preliminary prospectus or the final prospectus, or the final prospectus as amended or supplemented, as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter or controlling Person results from the fact that such underwriter sold Shares to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus (including any documents incorporated by reference therein) or of the final prospectus as then amended or supplemented (including any documents incorporated by reference therein), whichever is most recent, if Newpark has previously furnished copies thereof to such underwriter and such final prospectus, as then amended or supplemented, has corrected any such misstatement or omission, and if Newpark shall sustain the burden of proving that the Holder Party sold Shares to the person alleging such loss, claim, damage or liability without sending or giving, at or prior to the written confirmation of such sale, a copy of the amended or supplemented registration statement or prospectus if Newpark had previously furnished copies thereof to such Holder Party. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Party and shall survive the transfer of such securities by each such Person.

6.2 Indemnification by Participating Holders. In the event of any registration of any securities of Newpark under the Securities Act pursuant to this Agreement, each Participating Holder, severally and not jointly, will, and each Participating Holder hereby does, indemnify and hold harmless Newpark, each director of Newpark, each officer of Newpark who shall sign the registration statement and its controlling Persons, if any, and all other prospective sellers and their respective directors, officers and controlling Persons against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with the Participating Holder's written consent) to which such Persons may become subject under the Securities Act, common law or otherwise, to the extent that such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing to Newpark

by or on behalf of such Participating Holder for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, and such Participating Holder will reimburse Newpark and such other indemnified persons for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Newpark or any of the other prospective sellers or any of their respective directors, officers or controlling Persons and shall survive the transfer of such securities by the Participating Holder or such seller.

6.3 Notices of Claims, etc. Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Paragraph 6 such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Paragraph 6, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

6.4 Other Indemnification. Indemnification similar to that specified in the preceding subdivisions of this Paragraph 6 (with appropriate modifications) shall be given by Newpark to each Participating Holder and each underwriter of Shares, and by each Participating Holder to Newpark, with respect to any required registration or other qualification of securities under any federal or state law or regulation other than the Securities Act.

6.5 Contribution. If the indemnification provided for in Paragraphs 6.1, 6.2 or 6.4 is insufficient to hold harmless an indemnified party or is unavailable to a party that would have been an indemnified party under any such section in respect of any and all losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof), referred to therein, then each indemnified party and each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof). The relative

fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statements of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or such indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Newport and Holders agree that it would not be just and equitable if contribution pursuant to this Paragraph 6.5 were determined by prorata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Paragraph 6.5. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Paragraph 6.5 shall include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim (which shall be limited as provided in Paragraph 6.3 hereof if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7. Rule 144. Newport covenants that it will duly and timely file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder to the extent required from time to time to enable Holders to sell the Shares without registration under the Securities Act within the limitations of the exemption provided by Rule 144. None of such reports will contain any 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 are made, not misleading. Upon the request of any Holder, Newport will deliver to such Holder a written statement as to whether it has complied with such requirements.

8. Miscellaneous.

8.1 Transfer of Rights Hereunder. The rights granted to the Holders under this Agreement may be transferred to any transferee of the Shares other than a transferee of Shares that have been registered under the Securities Act, and, from and after any such transfer, the provisions of this Agreement applicable to Holders shall be applicable to such transferees. The foregoing notwithstanding, no transfer of the Shares may be made without registration under the Securities Act unless and until the transferor delivers to Newport an opinion of counsel reasonably satisfactory to Newport to the effect that such transfer would not violate the registration provisions of the Securities Act and any applicable state law. In connection with the transfer of such Shares, Newport may require each certificate representing Shares transferred to bear an appropriate restrictive legend. Such restrictive legend may be removed when (i) a registration statement with respect to the sale of the Shares represented thereby shall have become effective under the Securities Act, (ii) such Shares shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iii) such Shares shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by Newport and subsequent disposition of such Shares shall not require registration or qualification of them under the Securities Act or any applicable state law.

8.2 Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Paragraph 8.2 by giving notice of such change to the other party in the manner which is provided in this Paragraph 8.2.

Holders: At their respective addresses and facsimile numbers, if any, set forth in Exhibit A

With a copy to:
Mary Frances vonBerg, Esq.
Farnsworth & vonBerg
333 North Sam Houston Parkway, Suite 300
Houston, TX 77060
Facsimile No.: (281) 931-6032

Newpark: 3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:
Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

8.2 Severability. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

8.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.4 Headings. The headings of the sections, subsections and paragraphs of this Agreement have been added for convenience only and shall not be deemed to be a part of this Agreement.

8.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

8.6 Entire Agreement. All other prior or contemporary representations, warranties, covenants or agreements, if any, between the parties hereto, or their representatives, with respect to the subject matter hereof are superseded by and merged into this Agreement. This Agreement shall constitute the entire understanding between the parties with respect hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth on the first page hereof.

NEWPARK RESOURCES, INC.

By: /s/ James D. Cole, President

James D. Cole, President

HOLDERS

/s/ Perry Bennett

Perry Bennett

/s/ Kentner Shell

Kentner Shell

/s/ Ray Bennett

Ray Bennett

/s/ Bob Hill

Bob Hill

EXHIBIT A
LIST OF HOLDERS

Perry Bennett
2122 Greencove Lane
Sugar Land, Texas 77479

Kentner Shell
1906 Rock Fence
Richmond, Texas 77469

Ray Bennett
2220 93rd Place
Lubbock, Texas 79423

Bob Hill
12323 Buckhorn
Littleton, Colorado 80127

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION ("Agreement") is made and entered into as of June 3, 1997, by and among NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), NEWPARK HOLDINGS, INC., a Louisiana corporation ("Holdings"), NEWPARK TEXAS L.L.C., a Louisiana limited liability company ("Newpark Texas") (Newpark, Holdings and Newpark Texas being sometimes referred to herein collectively as "Buyers"), FMI WHOLESale DRILLING FLUIDS, INC., a Texas corporation ("FMI"), GENERAL SUPPLY CO., an Oklahoma corporation ("Supply"), AMERICAN POLYMER, INC., an Oklahoma corporation ("American"), and PERRY BENNETT ("Bennett") (Supply, American and Bennett being sometimes referred to herein collectively as the "Limited Partners" and, together with FMI, the "Partners"), with reference to the following facts:

A. FMI owns beneficially and of record 100% of the general partnership interests (the "General Partner Interest") in FMI WHOLESale DRILLING FLUIDS, U.S.A., L.P., a Texas limited partnership (the "Company"), and the Limited Partners own beneficially and of record 100% of the outstanding limited partnership interests (the "Limited Partner Interests") in the Company. The General Partner Interest and the Limited Partner Interests being hereinafter collectively referred to as the Interests.

B. The Company is a regional Gulf Coast drilling mud company specializing in the distribution and sale of oil based drilling fluid components to the oil industry.

C. The parties believe that it is in their best interests to provide for the acquisition by Holdings of the General Partner Interest from FMI and the acquisition by Newpark Texas of the Limited Partner Interests from the Limited Partners solely in exchange for an aggregate of 35,556 newly issued shares of voting Common Stock of Newpark (the "Newpark Shares"). Such transaction is sometimes referred to herein as the "Exchange."

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

1. Transfer and Exchange of Interests.

1.1 Exchange of Interests. Subject to the provisions of this Agreement, on the "Closing Date" (as defined in Section 10) (i) FMI hereby agrees to sell, transfer and assign to Holdings good and marketable title in and to the General Partner Interest and (ii) the Limited Partners hereby agree to sell, transfer and assign to Newpark Texas good and marketable title in and to the Limited Partner Interests, and Newpark will issue and deliver certificates representing the Newpark Shares to the Partners, in proportion to their ownership of the Interests. No fractional Newpark Shares will be issued; if fractional shares otherwise would issue, the Partners shall instruct Newpark at least five business days before the Closing Date as to the rounding of such shares.

1.2 Legend on Newpark Shares. Certificates representing the Newpark Shares initially will bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE IN THE OPINION OF COUNSEL FOR THE ISSUER."

1.3 Capital Changes. If Newpark shall combine, subdivide or reclassify its Common Stock, or shall declare any dividend payable in shares of its Common Stock, or shall take any other action of a similar nature affecting such shares, as of a record date between the date hereof and the Closing Date, the number of Newpark Shares to be issued at the Closing Date shall be adjusted to such extent as may be necessary to prevent dilution or enlargement of the rights of the Partners. Such adjustments shall be made by the regular independent certified public accountants for Newpark and a written report thereof, showing the adjustment and the underlying calculations, shall be sent to each party hereto.

1.4 Concurrent Transaction. Concurrently with the execution and delivery of this Agreement, Newpark, certain of the Partners and other interested parties are executing and delivering an agreement (the "Related Agreement") pursuant to which Newpark intends to acquire (the "Related Acquisition") on the Closing Date, solely in exchange for 186,666 newly issued shares of voting Common Stock of Newpark, 100% of the outstanding equity interests in CHEMICAL TECHNOLOGIES, INC., a Texas corporation. The consummation of the Related Acquisition on or before the Closing Date is a condition precedent to each party's obligations under this Agreement unless waived in writing by such party.

2. Ancillary Agreements.

On the Closing Date, as a necessary incident of the Exchange, Newpark and the Partners will execute and deliver (i) noncompetition agreements substantially as set forth in Exhibit 2.1 attached to this Agreement and (ii) a Registration Rights Agreement substantially as set forth in Exhibit 2.2 attached to this Agreement.

3. Representations and Warranties of the Partners.

A. Except as otherwise specifically set forth in a letter ("the Disclosure Letter") delivered by FMI to Buyers prior to the execution hereof, FMI hereby warrants and represents the following (the truth and accuracy of each of which shall constitute a condition precedent to Buyers' obligations to consummate the Exchange and issue the Newpark Shares):

3.1 Organization and Good Standing.

3.1.1 FMI is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas and has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it.

3.1.2 The Company is a limited partnership duly formed and validly existing under the laws of the State of Texas and has full partnership power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. The Company is duly qualified in good standing in each jurisdiction where the character or location of the assets owned by the Company or the nature of the business transacted by the Company require such qualification, except where failure to be so qualified would not have a "Material Adverse Effect" (as defined in Section 18). The Disclosure Letter includes a list of the jurisdictions in which the Company is qualified to do business.

3.1.3 FMI has furnished to Newpark a complete and correct copy of the Company's Agreement of Limited Partnership as in effect on the date hereof (the "Partnership Agreement").

3.1.4 FMI has heretofore made available to Newpark for its examination copies of the records of all the proceeding of the Partners. Said records are accurate in all material respects and reflect all resolutions adopted and all material actions expressly authorized or ratified by the partners of the Company.

3.2 Capitalization.

3.2.1 The Partners are the owners of 100% of the Partnership Interests, and the Disclosure Letter includes the names, addresses and social security numbers of, and the percentage interest in the Company owned by, each of the Partners. All of the Partnership Interests have been validly issued.

3.2.2 Except as set forth in the Disclosure Letter, the Company has not issued and is not subject to any securities or other instruments representing an interest in the capital, net profits or net losses of the Company, and there are no options, warrants, subscriptions or other rights outstanding for the purchase of, or any securities convertible into, any securities or other instruments representing an interest in the capital, net profits or net losses of the Company.

3.3 Equity Interests. The Company does not have a material equity interest in any other "Person" (as defined in Section 18).

3.4 No Violation. The execution, delivery and performance of this Agreement by the Partners are not contrary to the Partnership Agreement and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other material contract or agreement to which the Company, the Partners or any of them are a party or by which any of them are bound.

3.5 Financial Statements. The unaudited balance sheets of the Company as of December 31, 1996, January 31, 1997, February 28, 1997, March 31, 1997, and April 30, 1997, and the related unaudited statements of income, partner equity and cash flows for the seven

months ended December 31, 1996, the months ended January 31, 1997, February 28, 1997, March 31, 1997, and April 30, 1997, and for the period from January 1, 1997, to the end of each such month, copies of which have heretofore been delivered to Newpark (collectively the "Company Financial Statements"), were prepared in accordance with the books and records of the Company and in accordance with generally accepted accounting principles consistently applied throughout the periods involved (except as otherwise noted therein) and present fairly the financial position, results of operations and cash flows of the Company as of the end of and for each of such periods.

3.6 Properties. The Company has and on the Closing Date will have, good title to the assets and properties shown in the Company Financial Statements or acquired since the date of the latest balance sheet included therein, except as since sold or otherwise disposed of in the ordinary course of business. At the Closing, such title will be free and clear of all liens, charges, security interests, encumbrances, leases, covenants, conditions and restrictions other than "Permitted Liens," as defined in Section 18. The plants, structures, leasehold improvements, machinery, equipment, furniture and other tangible assets owned or leased by the Company are in good operating condition and repair, subject only to ordinary wear and tear, taking into account the respective ages of the assets involved, and constitute all the fixed tangible assets necessary for the operation of the business of the Company in accordance with its current methods of operation in all material respects.

3.7 Contracts.

3.7.1 The Disclosure Letter includes a listing of all oral or written (a) contracts, commitments, sales orders or purchase orders, whether or not entered into in the ordinary course of business, which involve future payments, performance of services or delivery of goods and/or materials, to or by the Company of an amount or value in excess of \$50,000; (b) bonus, incentive compensation, pension, profit sharing, stock option, group insurance, medical reimbursement or employee welfare or benefit plans of any nature whatsoever; (c) collective bargaining agreements or other contracts or commitments to or with labor unions; (d) leases, contracts or commitments affecting ownership of, title to, use of or any material interest in real estate; (e) employment contracts and other contracts, agreements, or commitments to or with individual employees, consultants or agents extending for a period of more than six months from the date hereof or providing for earlier termination only upon payment of a penalty or the equivalent thereof; (f) equipment leases providing (in any one lease or group of related leases) for payments in excess of \$50,000 per year; (g) contracts under which the performance of any obligation of the Company is guaranteed by a Partner or other third party, including performance bonding arrangements; (h) contracts or commitments providing for payments based in any manner upon the revenues, purchases or profits of the Company; (i) bank credit, factoring and loan agreements, indentures, promissory notes and other documents representing indebtedness in excess of \$50,000 for borrowed money; (j) patent licensing agreements and all other agreements with respect to patents, patent applications, trademarks, service marks, trade names, technical assistance, special processes, know-how, copyright or other like items; and (k) other contracts and agreements to which the Company is a party and which have not been fully performed, involving consideration having a value in excess of \$50,000 and a remaining period for performance in

excess of nine months (all such items being collectively referred to herein as "Material Contracts"). FMI has furnished to Newpark true and complete copies of all such Material Contracts.

3.7.2 All Material Contracts are valid and binding obligations of the Company and, to the "best of the knowledge" (as defined in Section 18) of FMI, the other parties thereto in accordance with their respective terms, subject to the "Bankruptcy Exception" (as defined in Section 18); there have been no amendments to or modifications to any Material Contract (except as set forth in the copies furnished to Newpark); no event has occurred which is, or, following any grace period or required notice, would become, a material default by the Company under the terms of any Material Contract; except to the extent specifically reserved against on the latest balance sheet included in the Company Financial Statements, the Company is not a party to any Material Contract on which FMI anticipates expenses materially in excess of revenues or which is otherwise onerous or materially adverse; and the Company has not expressly waived any material rights under any Material Contract.

3.8 Outstanding Indebtedness. The Disclosure Letter includes a true and complete schedule of all notes payable and other indebtedness in excess of \$10,000 for borrowed money owed by the Company, including a description of the material terms thereof and a description of all properties or assets pledged, mortgaged or otherwise hypothecated (voluntarily or involuntarily) as security therefor.

3.9 Absence of Undisclosed Liabilities. Except for liabilities and obligations reflected on the latest balance sheet included in the Company Financial Statements or arising in the ordinary course of business since the date of such balance sheet, none of which latter items, individually or in the aggregate, have a Materially Adverse Effect: (a) the Company does not have, and none of its properties are subject to, any debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, which are of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles; and (b) to the best of the knowledge of FMI, the Company does not have, and none of its properties are subject to, any material debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, whether or not of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles. The Company is not in default with respect to any material term or condition of any indebtedness.

3.10 No Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the Company) pending or, to the knowledge of FMI, threatened against or affecting the Company, at law or in equity or before or by any "Government Body" (as defined in Section 18) or before any arbitrator of any kind. To the best of the knowledge of FMI, the Company is not in default with respect to any judgment, order, writ, injunction, decree or award of any Government Body.

3.11 Environmental Matters.

3.11.1 Neither the Company nor, to the best of the knowledge of FMI, any previous owner, lessee, tenant, occupant or user of any real property owned or leased on or prior

to the date hereof by the Company (such real property and any and all buildings and other improvements thereon being herein referred to as the "Property") used, generated, manufactured, treated, handled, refined, processed, released, discharged, stored or disposed of any "Hazardous Materials" (as defined in Section 18) on, under, in or about the Property, or transported any Hazardous Materials to or from the Property in violation of any "Hazardous Materials Laws" (as defined in Section 18) in a manner or to an extent that resulted or is reasonably likely to result in a Material Adverse Effect. To the best of the knowledge of FMI, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect existed on, under, in or about any Property previously owned or leased by the Company on or prior to the date that fee or leasehold title to such Property was transferred to a third party by the Company. To the best of the knowledge of FMI, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect exist on, under, in or about any Property that is currently owned or leased by the Company.

3.11.2 While any Property was owned or leased by the Company, it did not violate to an extent that would have a Material Adverse Effect any applicable federal, state and local laws, ordinances or regulations, now or previously in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, under, in or about such Property (including without limitation the Hazardous Materials Laws).

3.11.3 As of the date hereof, to the best of the knowledge of FMI, there are no (1) enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, contemplated or threatened pursuant to any Hazardous Materials Laws against the Company or any Property presently owned or leased by the Company, (2) claims made or threatened by any Person or Government Body relating to the Property against the Company or any Property presently owned or leased by the Company or relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials or (3) any occurrence or condition known to FMI on any Property that is currently owned or leased by the Company that can reasonably be expected to subject the Company or such Property to any material restrictions on occupancy, transferability or use of any Property under any Hazardous Materials Laws. The Disclosure Letter includes a list of all complaints, notices of violation and claims relating to Hazardous Materials Laws which, to the knowledge of FMI, have been received by or asserted against the Company.

3.12 Taxes.

3.12.1 Except as set forth in the Disclosure Letter, the Company has filed all income, franchise and other "Tax Returns" (as defined in Section 18) required to be filed by it by the date hereof. All "Taxes" (as defined in Section 18) imposed by the United States, the State of Texas and by any other state, municipality, subdivision, or other taxing authority, which are due and payable by the Company have been paid in full or are adequately provided for by reserves reflected on the latest balance sheet included in the Company Financial Statements. The Company is a partnership for federal income Tax purposes and has maintained its status as a partnership continuously since inception.

3.12.2 All contributions due from the Company pursuant to any unemployment insurance or workers compensation laws and all sales or use Taxes which are due or payable by the Company have been paid in full and will be so paid through the Closing Date. The Company has withheld and paid to, or will cause to be paid to, the appropriate taxing authorities all amounts required to be withheld from the wages of its employees under state law and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the Company will continue to do so with respect to all wages paid by it through the Closing Date.

3.12.3 The Company has furnished to Newpark true and complete copies of the federal income Tax Returns and comparable state Tax Returns of the Company covering all taxable periods ended since the inception of the Company and constituting complete and accurate representations in all material respects of the Tax liabilities of the Company for the relevant periods stated therein and accurately setting forth all relevant material items, including the Tax bases of all assets, where required to be set forth in such Tax Returns.

3.13 Permits and Licenses. The Company has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects as conducted on the date hereof, and the Company is in compliance in all material respects with all applicable federal, state and local laws, rules, regulations and orders relating to its business, except where failure to have any such license, franchise, permit or authorization or failure to comply with any such laws, rules, regulations and orders would not have a Material Adverse Effect. The execution and performance of this Agreement and the consummation of the transactions contemplated hereby will not cause the termination or suspension of any license, franchise, permit or governmental authorization or violate any provision of or constitute a default under any law, rule or regulation, order, writ, injunction or decree of any Government Body applicable to the Partners or the Company, where such violation or default would have a Material Adverse Effect.

3.14 No Labor Problems. The Company has not been charged with any unresolved unfair labor practices. There are no material controversies pending or threatened between the Company and any of its employees. The Company has complied in all material respects with all laws relating to wages, hours, collective bargaining and similar employment matters the noncompliance with which would have a Material Adverse Effect, and the Company is not liable for any arrears, wages or material penalties for failure to comply with any of the foregoing.

3.15 Employee Benefit Plans.

3.15.1 Definition of Benefit Plans. For purposes of this Section 3.15, the term "Benefit Plan" means any plan, program, arrangement, practice or contract which provides benefits or compensation to or on behalf of employees or former employees of the Company or any "ERISA Affiliate" (as hereinafter defined), whether formal or informal, whether or not written, including but not limited to the following:

(a) Arrangements - any bonus, incentive compensation, stock option, deferred compensation, commission, severance, golden parachute or other compensation plan, rabbi trust, program, contract, arrangement or practice;

(b) ERISA Plans - any "employee benefit plan" (as defined in Section 3(3) of ERISA), including, but not limited to, any "multi-employer plan" (as defined in Section 3(37) and Section 4001(a)(3) of ERISA), defined benefit pension plan, profit sharing plan, money purchase pension plan, 401(k) plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, or any plan, fund, program, arrangement or practice providing for medical (including post-retirement medical), hospitalization, accident, sickness, disability or life insurance benefits; and

(c) Other Employee Fringe Benefits - any stock purchase, vacation, scholarship, day care, prepaid legal services, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

3.15.2 ERISA Affiliate. For purposes of this Section 3.15, the term "ERISA Affiliate" means each trade or business (whether or not incorporated) which together with the Company is treated as single employer under Section 414(b), (c), (m) or (o) of the Code.

3.15.3 Identification of Benefit Plans. Except as set forth in the Disclosure Letter and except for Benefit Plans which have been terminated and with respect to which neither the Company nor any ERISA Affiliate has any liability or obligation, the Company does not maintain, and has not at any time established or maintained, nor has at any time been obligated to make contributions to or under or otherwise participate in any Benefit Plan.

3.15.4 MEPPA Liability/Post-Retirement Medical Benefits/ Defined Benefit Plans/Supplemental Retirement Plans. Except as set forth in the Disclosure Letter, neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under any multi-employer plan. Except as set forth in the Disclosure Letter, neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under (i) any plan which provides post-retirement medical or health benefits, (ii) any organization described in Sections 501(c)(9) or 501(c)(20) of the Code, (iii) any defined benefit pension plan subject to Title IV of ERISA or (iv) any plan which provides retirement benefits in excess of the limitations of Section 415 of the Code.

3.15.5 Documentation. FMI has made available to Newpark a true and complete copy of the following documents, if applicable, with respect to each Benefit Plan identified in the Disclosure Letter: (1) all documents, including any insurance contracts and trust agreements, setting forth the terms of the Benefit Plan, or if there are no such documents evidencing the Benefit Plan, a full description of the Benefit Plan, (2) the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries for each such Benefit Plan, (3) the annual reports filed for the most recent three plan years and most recent financial statements or periodic accounting of related plan assets with respect to each Benefit Plan, (4) each favorable determination letter, opinion or ruling from the IRS for each Benefit Plan which is intended to satisfy the requirements of Section 401(a) or Section 501 of the

Code or which is dependent on such letter, ruling or opinion to avoid current federal come tax to the beneficiaries of such Benefit Plan, and in (5) each opinion or ruling from the Department of Labor or the Pension Benefit Guaranty Corporation ("PBGC") with respect to such Benefit Plans.

3.15.6 Qualified Status. Each Benefit Plan that is funded through a trust or insurance contract and is intended to satisfy the requirements of Section 401(a) of the Code, has at all times satisfied in all material respects, by its terms and to the best knowledge of FMI in its operation, all applicable requirements under Section 401(a) and related sections of the Code, and any such trust has been and, at the Closing Date, shall be exempt from federal income taxation under Section 501(a) of the Code. All such plans have been operated to the best knowledge of FMI in all material respects in accordance with the applicable requirements of the Tax Reform Act of 1986 and subsequent applicable legislation.

3.15.7 Compliance. Each Benefit Plan maintained by the Company or any ERISA Affiliate has at all times been maintained, to the best knowledge of FMI, by its terms and in operation, in accordance with all applicable laws in all material respects, including ERISA and (to the extent applicable) Code Section 4980B. Further, there has been no failure to comply with applicable ERISA or other requirements concerning the filing of reports, documents and notices with the Secretary of Labor and Secretary of Treasury or the furnishing of such documents to participants or beneficiaries that could subject any Benefit Plan, the Company or any ERISA Affiliate to any material civil or any criminal sanction or could require any such Person to indemnify any other Person for such a sanction. There are no claims known to FMI which are pending or threatened against any Benefit Plan except claims for benefits made in the ordinary course of the operation of such plans.

3.15.8 Funding. The Company and each ERISA Affiliate has made full and timely payment of all amounts required to be contributed under the terms of each Benefit Plan and applicable law or required to be paid as expenses under such Benefit Plan including, but not limited to, PBGC premiums and amounts required to be contributed under Section 412 of the Code, and no excise taxes are assessable as a result of any nondeductible or other contributions made or not made to a Benefit Plan. With respect to any Benefit Plan that is subject to Title IV of ERISA, (i) the present value of all accrued benefits under such Benefit Plan does not exceed the value of the assets of such Benefit Plan allocated to such accrued benefits, (ii) no amount is due or owing from the Company or any ERISA Affiliate to the PBGC or to any multi-employer plan on account of any withdrawal therefrom, (iii) no such Benefit Plan has incurred any "accumulated funding deficiency", as such term is defined in Section 412 of the Code, whether or not waived, since the effective date of such Section 412, (iv) since September 2, 1974, no such Benefit Plan has been completely or partially terminated, nor has any notice of intent to terminate been filed or given, other than in accordance with ERISA or at a time when such Benefit Plan was not sufficiently funded, (v) there has been no "reportable event" as such term is defined in Section 4043(b) of ERISA, (vi) there has been no withdrawal by the Company or any ERISA Affiliate that is a "substantial employer" from a Benefit Plan that is a single employer plan that has two or more contributing sponsors, at least two of whom are not under common control, as referred to in Section 4063(b) of ERISA, and (vii) there has been no cessation by the Company or any ERISA Affiliate of operations at a facility causing more than 20% of a

Benefit Plan's participants to be separated from employment, as referred to in Section 4062(f) of ERISA. There are no liens against the property of the Company or any ERISA Affiliate under Section 412(n) of the Code or Sections 302(f) or 4068 of ERISA. The Company Financial Statements properly reflect all amounts required to be accrued as liabilities under each Benefit Plan. To the best knowledge of FMI, the most recent actuarial valuations of the Company's Benefit Plans were based on accurate facts and information, and FMI has no reason to believe that the conclusions set forth in such valuations are incorrect.

3.15.9 Liabilities. Neither the Company nor any ERISA Affiliate is subject to any material liability, tax or penalty whatsoever to any Person whomsoever as a result of engaging in a prohibited transaction under ERISA or the Code, and neither the Company nor any ERISA Affiliate has any knowledge of any circumstances which reasonably might result in any such material liability, tax or penalty, including but not limited to a penalty under Section 502 of ERISA, as a result of a breach of and duty under ERISA or any other applicable law. Other than routine claims for benefits under the Benefit Plans, there are no pending or threatened investigations, proceedings, claims, lawsuits, disputes, actions, audits or controversies involving the Benefit Plans, or the fiduciaries, administrators, or trustees of any of the Benefit Plans, or the Company or any ERISA Affiliate as the employer or sponsor under any Benefit Plan, with any of the Internal Revenue Service, Department of Labor, PBGC, any participant in or beneficiary of the Benefit Plans or any other Person whatsoever. FMI knows of no reasonable basis for any such claim, lawsuit, dispute, action or controversy. Except as set forth in the Disclosure Letter, the execution and performance of the transactions contemplated by this Agreement will not create, accelerate or increase any obligations under any Benefit Plan, including any obligation to make any payment which would not be deductible as an "excess parachute payment" under Section 280G of the Code.

3.16 Insurance. FMI has furnished to Newpark a complete list of all insurance policies that the Company maintains, indicating risks insured against, carrier, policy number, amount of coverage, premiums and expiration date.

3.17 Interest in Competitors, Suppliers, etc. Except as set forth in the Disclosure Letter, none of the Partners, and no officer or director of the Company or any "Family Member" (as defined in Section 18) of any such Person, owns, directly or indirectly, individually or collectively, any interest in any corporation, partnership, proprietorship, firm or association which (a) is a competitor, customer or supplier of the Company, or (b) has an existing contractual relationship with the Company, including but not limited to lessors of real or personal property leased to the Company and entities against whom rights or options are exercisable by the Company. On the Closing Date the Company will own, free and clear and without payment of any royalty or fee, all interests in the assets, profits or business of the Company that are held by any "Affiliate" (as defined in Section 18) of the Company, including the Partners and their Family Members.

3.18 Indebtedness with Insiders. Except as set forth in the Disclosure Letter, and except for accrued salaries for one payroll period, vacation pay and business expense reimbursements, the Company is not, and, on the Closing Date, will not be, indebted to any of

the Partners, directors or officers of the Company or any Affiliate of any such Person. None of such Persons is or will be on the Closing Date indebted to the Company.

3.19 Consents. No authorizations, approvals or consents of any Government Body are required for consummation of the transactions contemplated by this Agreement.

3.20 Patents, Trademarks and Other Intangibles. The Disclosure Letter includes a list of all material patents, patent applications, trade names, trademark registrations and applications therefor, copyrights, licenses, franchises and other assets of like kind ("Intangible Assets") and all interests in Intangible Assets which are owned in whole or in part by or registered in the name of the Company. The Company owns or has the right to use all Intangible Assets now used in the conduct of its business. Such Intangible Assets include all of the proprietary products and formulations developed by the Company or used by it in its business. The Company is not obligated to pay any royalty or other fee to any licensor or other third party with respect to any Intangible Assets. FMI has no knowledge of any claim received by the Company alleging any conflict between any aspect of the business of the Company and any Intangible Assets claimed to be owned by others which, if determined adversely to the Company, would have a Material Adverse Effect. Neither FMI nor any other Partner or Affiliate of the Company, and no Person that is an Affiliate of any such Person, has any interest in any Intangible Assets which are presently used by the Company or which infringe upon, conflict with or relate to improvements or modifications of any Intangible Assets presently used by the Company.

3.21 Purchases and Sales. Since December 31, 1996, the Company has not placed any orders for materials, merchandise or supplies in exceptional or unusual quantities based upon past operating practices and has not entered into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

3.22 Brokerage and Finder's Fees. Neither the Company nor the Partners (or any Affiliate of the Partners) has incurred any liability to any broker, finder or agent for any brokerage fees, finder's fees or commissions for which the Company could be liable with respect to the transactions contemplated by this Agreement.

3.23 Absence of Certain Changes. Since December 31, 1996, except for matters of a general economic nature which do not affect the Company uniquely, the Company has not:

3.23.1 suffered any Material Adverse Effect;

3.23.2 borrowed or agreed to borrow any funds in excess of \$10,000 in a single transaction or \$25,000 in the aggregate, except borrowings under its bank lines of credit in the ordinary course of business, or incurred or become subject to any obligation or liability (absolute or contingent) in excess of \$25,000 in a single transaction or \$100,000 in the aggregate, except obligations and liabilities incurred in the ordinary course of business;

3.23.3 mortgaged, pledged, hypothecated or otherwise encumbered any of its properties or assets except for Permitted Liens;

3.23.4 made or agreed to make any distribution of any funds or assets of any kind whatsoever to any past or present partner of the Company or any Affiliate of any such Person, except as described in Section 4.5;

3.23.5 made any payment of principal or interest on any indebtedness owed to any past or present partner of the Company or any Affiliate of any such Person;

3.23.6 sold or agreed to sell any of its assets, properties or rights having an aggregate value in excess of \$100,000 or canceled or agreed to cancel any debts or claims exceeding \$100,000 in the aggregate, except for fair value in the ordinary course of business;

3.23.7 entered or agreed to enter into any agreement or arrangement granting any preferential right to purchase a material part of its assets, properties or rights;

3.23.8 increased the rate of compensation of or paid or accrued bonuses to or for any of its officers, employees, consultants or agents, except for normal merit or cost of living increases;

3.23.9 suffered any damage, destruction or loss in excess of an aggregate of \$100,000, whether or not covered by insurance, adversely affecting any of its properties;

3.23.10 assigned or agreed to assign any of its Intangible Assets having a value in excess of \$100,000;

3.23.11 suffered any adverse amendment or termination of any Material Contract (or any contract that would have been a Material Contract if not amended or terminated) to which it is a party;

3.23.12 paid any commissions or similar fees to brokers or finders for arranging the transactions contemplated by this Agreement or any similar proposed transaction with any other party; or

3.23.13 entered into any other material transaction other than in the ordinary course of business.

B. Except as otherwise set forth in the Disclosure Letter, each Partner represents and warrants with respect to itself or himself, as the case may be, severally but not jointly, the following (the truth and accuracy of each of which shall constitute a condition precedent to Buyers' obligations to consummate the Exchange and issue the Newpark Shares):

3.24 Investment Representations. Either such Partner is an "accredited investor", as that term is defined in Rule 501 of the "Rules and Regulations" (as defined in Section 18) or such Partner, either alone or with such Partner's qualified "purchaser representative" (as defined

in Rule 501 of the Rules and Regulations), has such knowledge and experience in financial and business matters that such Partner is capable of evaluating the risks and merits of an investment in the Newpark Shares. Such Partner is acquiring the Newpark Shares in the Exchange for investment and not with a view to the sale thereof other than in compliance with the requirements of the "Securities Act" (as defined in Section 18) and applicable Blue Sky laws. At the request of Newpark, each Partner will furnish to Newpark evidence reasonably satisfactory to Newpark that the foregoing representations are true.

3.25 Authority of Corporate Partners. The execution and delivery of this Agreement by a Partner that is a corporation (a "Corporate Partner") and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors and the stockholders of such Corporate Partner. This Agreement has been duly executed and delivered to Newpark and no further corporate action is necessary on the part of such Corporate Partner to make this Agreement valid and binding upon such Corporate Partner in accordance with its terms, subject to the Bankruptcy Exception. The execution, delivery and performance of this Agreement by the Corporate Partner are not contrary to the Articles of Incorporation or Bylaws of such Corporate Partner and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other contract or agreement to which such Corporate Partner is a party or by which such Corporate Partner is bound.

3.26 Authority of Individual Partners. This Agreement has been duly and validly executed by each Partner that is an individual, and this Agreement constitutes a legal, valid, and binding obligation of such Partner, enforceable against him in accordance with its terms, subject to the Bankruptcy Exception. Such Partner has the requisite power to enter into this Agreement and perform his obligations hereunder (including without limitation to sell and deliver such Partner's Interest), and no other Person's joinder as a party hereto is necessary therefor pursuant to any community property laws or otherwise, and there is no restriction on the power of such Partner to sell and deliver his Interest pursuant to any trust, estate planning or other similar document or any prenuptial or post-nuptial agreement or arrangement.

3.27 No Litigation. There are no actions pending or, to the knowledge of such Partner, threatened in any court or arbitration forum or by or before any Government Body involving the Company or such Partner relating to or affecting any of the transactions contemplated by this Agreement.

3.28 Title to Interest. Such Partner is the holder of record and owns beneficially the Interest in the Company set forth opposite such Partner's name in the Disclosure Letter. At the Closing, such Partner will own the Interest set forth in the Disclosure Letter free and clear of all liens, security interests, encumbrances and restrictions, other than restrictions contemplated by this Agreement. Except as set forth in the Disclosure Letter, no Partner is a party to any voting trust, proxy or other agreement with respect to the voting of any of such Interest.

3.29 No Material Misstatements or Omissions. No representation or warranty by the Partners in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to Newpark pursuant hereto, or in connection with the transactions

contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated therein or necessary in order to make the statements or facts therein, in the light of the circumstances under which they were made, not misleading.

4. Additional Obligations and Covenants of the Partners.

Except as otherwise provided in the Disclosure Letter, the Partners hereby jointly and severally covenant and agree with Buyers as follows (the fulfillment of each such covenant and agreement is a condition precedent to Buyers' obligations to consummate the Exchange and issue the Newpark Shares):

4.1 Conduct of Business. Between the date hereof and the Closing Date, the Partners will and will cause the Company to comply with the following:

4.1.1 The business of the Company shall be conducted diligently and only in the ordinary course, and the Partners will use reasonable efforts to preserve the organization of the Company intact, to keep available to the Company its present key employees and to maintain the relationships of the Company with its suppliers, customers and others. The Company will not, without Newpark's prior written approval, increase the rate of compensation payable or to become payable to any of its officers, employees, consultants or agents over the rate being paid to them at the date hereof, except for normal merit or cost of living increases to employees other than officers of the Company.

4.1.2 Without Newpark's prior written approval, no amendment will be made to any Benefit Plan, no commitment will be made to amend any Benefit Plan and no commitment will be made to continue any Benefit Plan or to adopt any new compensatory plan, fund or program for the benefit of any employees of the Company or any ERISA Affiliate.

4.1.3 The Company will not, without Newpark's prior written approval, enter into any Material Contract other than in the ordinary course of business or enter into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

4.1.4 The Company will not, without Newpark's prior written approval, sell or dispose of any of its material properties or assets except for sales at fair value in the ordinary course of business.

4.1.5 The Company will not, without Newpark's prior written approval, acquire or enter into any agreement to acquire, by merger, consolidation, purchase of stock or assets or otherwise, any business or entity.

4.1.6 The Company will use reasonable diligence to maintain its properties in their condition as of the date of this Agreement, ordinary wear and tear excepted.

4.1.7 The Company will continue to carry its existing insurance policies subject only to variations in amounts required by the ordinary operations of its business. At the request of Newpark and at its sole expense, the amount and scope of said insurance shall be increased by such amounts and extended to provide coverage against such risks as Newpark shall specify.

4.2 Access and Information. Subject to the execution by Newpark of a confidentiality agreement in form and substance reasonably satisfactory to FMI, FMI will afford to Newpark and Newpark's counsel, accountants and other representatives reasonable access, throughout the period from the date hereof to the Closing Date, to all of the Company's properties, books, contracts, commitments, and records and shall furnish Newpark during such period with all information that Newpark reasonably may request, including copies and/or extracts of pertinent records, documents and contracts.

4.3 Efforts to Satisfy Conditions. The Partners agree to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to Buyers' obligations under this Agreement, to the extent that their action or inaction can control or influence the satisfaction of such conditions. Without limiting the generality of the foregoing, the Partners will and will cause the Company to refrain from all negotiations and transactions, the consummation of which would be inconsistent with the transactions contemplated by this Agreement, including, without limitation, any transaction providing for the sale or acquisition of any interest in the capital, net profits or net losses of the Company, any business combination involving the Company or the sale of a substantial portion of the assets of the Company.

4.4 Partnership Matters. Between the date hereof and the Closing Date, the Partners will cause the Company not to, without Newpark's prior written approval: (a) amend the Partnership Agreement; (b) issue any interest in the capital, net profits or net losses of the Company; (c) issue or create any warrants, obligations, subscriptions, options, convertible securities or other commitments under which any interest in its capital, net profits or net losses might be directly or indirectly authorized, issued or transferred; or (d) enter into any agreement requiring it to do any of the foregoing prohibited acts.

4.5 No Distributions to Partners. Between the date hereof and the Closing Date, the Partners will cause the Company not to, without Newpark's prior written approval: (a) declare, set aside or pay any distribution in respect of any of the Interests, except that the Company may authorize a distribution (the "Tax Distribution") to the Partners on or before the Closing Date, payable after the Closing Date, in an amount equal to 39.6% of each Partner's prorated share of the net profits of the Company from January 1, 1997 through the Closing Date (the "Short Period Income Taxes"); (b) directly or indirectly purchase, redeem or otherwise acquire any shares of the Interests for consideration; (c) pay or distribute any cash or property to any Partner as a loan or in payment of principal of or interest on any indebtedness to any Partner; or (d) enter into any agreement requiring it to do any of the foregoing prohibited acts.

4.6 Capital Expenditures. Between the date hereof and the Closing Date, the Partners will cause the Company not to, without Newpark's prior written approval, make any commitment for capital expenditures in excess of an aggregate of \$10,000.

4.7 Indebtedness. Between the date hereof and the Closing Date, the Partners will cause the Company not to, without Newpark's prior written approval: (a) create, incur or assume any long-term debt (including capital leases that individually involve annual payments in excess of \$50,000) or, except in the ordinary course of business under existing lines of credit, create, incur or assume any short-term debt for borrowed money in excess of \$25,000 in a single transaction or \$10,000 in the aggregate; (b) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person (except in the ordinary course of business and consistent with past practice); (c) make any loans or advances to any Person except in the ordinary course of business and consistent with past practice; or (d) make any capital contributions to, or investments in, any Person except in the ordinary course of business and consistent with past practice.

5. Representations and Warranties of Newpark.

Newpark hereby represents and warrants the following (the truth and accuracy of each of which shall constitute a condition precedent to the Partners' obligations to consummate the Exchange):

5.1 Organization and Good Standing.

5.1.1 Newpark is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Newpark has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

5.1.2 Newpark has furnished to the Company and the Partners complete and correct copies of Newpark's Certificate of Incorporation and Bylaws as in effect on the date hereof.

5.2 Capital Stock. The authorized capital stock of Newpark consists of 80,000,000 shares of Common Stock, \$.01 par value, of which 30,414,618 shares were issued and outstanding on May 8, 1997 (as adjusted for a two-for-one stock split effective May 30, 1997), and 1,000,000 shares of Preferred Stock, \$.01 par value, of which no shares are issued and outstanding.

5.3 Newpark Subsidiaries. Each subsidiary of Newpark that is a "significant subsidiary," as defined in Rule 1-02(w) of Regulation S-X of the Rules and Regulations (each a "Newpark Subsidiary" and collectively the "Newpark Subsidiaries), is duly organized and in good standing under the laws of the jurisdiction in which it was incorporated or organized, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. Each Newpark Subsidiary is duly qualified and in good standing as a foreign corporation or other entity in each jurisdiction where the character or location of the assets owned by it or the nature of the

business transacted by it require such qualification, except where failure to be so qualified would not have a Material Adverse Effect.

5.4 Authority. The execution and delivery of this Agreement by Newportark and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of Newportark. This Agreement has been duly executed and delivered to the Partners and no vote of the stockholders of Newportark or further corporate action is necessary on the part of Newportark to make this Agreement valid and binding upon Newportark in accordance with its terms, subject to the Bankruptcy Exception. The execution, delivery and performance of this Agreement by Newportark are not contrary to the Certificate of Incorporation or Bylaws of Newportark and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other contract or agreement to which Newportark is a party or by which Newportark is bound.

5.5 Newportark Reports. Newportark has delivered to the Partners copies of Newportark's Annual Reports on Form 10-K for the years ended December 31, 1994, 1995 and 1996 (as amended), Newportark's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, and Newportark's definitive Proxy Statement dated April 4, 1997, for its Annual Meeting of Stockholders held on May 14, 1997. All of said documents and all periodic reports filed by Newportark with the "Commission" (as defined in Section 18) after the date hereof are called the "Newpark Reports" herein. The Newportark Reports have been or will be duly and timely filed with the Commission and are or will be when filed in compliance with the Rules and Regulations. As of their respective dates, none of the Newportark Reports contained or will contain any untrue statement of a material fact or omitted or will 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.

5.6 Newportark Financial Statements. The financial statements contained in the Newportark Reports (the "Newpark Financial Statements") filed on or before the date hereof have been prepared in accordance with the books and records of Newportark and its subsidiaries and in accordance with generally accepted accounting principles consistently applied during the periods indicated, all as more particularly set forth in such financial statements and the Notes thereto. Each of the balance sheets included in the Newportark Financial Statements presents fairly as of its date the consolidated financial condition and assets and liabilities of Newportark and its subsidiaries. Except as and to the extent reflected or reserved against in such balance sheets (including the Notes thereto), Newportark (including its subsidiaries) did not have, as of the dates of such balance sheets, any material liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto prepared in accordance with generally accepted accounting principles. The consolidated statements of earnings and stockholders' equity and consolidated statements of changes in financial position included in the Newportark Financial Statements present fairly the results of operations and changes in financial position of Newportark and its subsidiaries for the periods indicated.

5.7 No Litigation. Except as disclosed in the Newportark Reports or omitted therefrom in accordance with the Rules and Regulations: (a) there are no actions, suits or

proceedings (whether or not purportedly on behalf of Newpark or any Newpark Subsidiary) pending or, to the "knowledge of Newpark" (as defined in Section 18), threatened against or affecting Newpark or any Newpark Subsidiary, at law or in equity or before or by any Government Body or before any arbitrator of any kind; and (b) to the best of the knowledge of Newpark, neither Newpark nor any Newpark Subsidiary is in default with respect to any judgment, order, writ, injunction, decree, award of any court, arbitrator or Government Body.

5.8 Newpark Benefit Plans. Newpark has made available to the Partners a true and complete copy of the ERISA summary plan description and any other summary of plan provisions provided to participants or beneficiaries, if applicable, for each Benefit Plan (as defined in Section 3.15.1, substituting "Newpark" for "the Company") maintained by Newpark.

5.9 Environmental Matters. Newpark and the Newpark Subsidiaries have complied in all material respects with all Hazardous Materials Laws applicable to their properties and business. Neither Newpark nor, to the best of Newpark's knowledge, any Newpark Subsidiary has received any complaint, order or similar notice that it is not in compliance with any Hazardous Materials Laws or that any Government Body is investigating its compliance with any Hazardous Materials Laws, except as disclosed in the Newpark Reports or omitted therefrom in accordance with the Rules and Regulations and except for routine inspections and investigations in connection with applications by Newpark and the Newpark Subsidiaries for additional permits or authorizations. Newpark has no knowledge of any material violation of any Hazardous Materials Laws on or about its properties or the properties of any Newpark Subsidiary.

5.10 Absence of Certain Changes. Since December 31, 1996, there has not been any material adverse change in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole.

5.11 Consents. No authorizations, approvals or consents of any governmental department, commission, bureau, agency or other public body or authority are required for consummation by Newpark of the transactions contemplated by this Agreement, except such qualifications as may be required under state securities or Blue Sky laws relating to the Newpark Shares.

5.12 No Material Misstatements or Omissions. No representation or warranty by Newpark in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to the Partners pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements or facts contained therein not misleading.

6. Additional Obligations and Covenants of Newpark.

Newpark hereby covenants and agrees with the Partners as follows (the fulfillment of each such covenant and agreement is a condition precedent to the Partners' obligations to consummate the Exchange):

6.1 Efforts. Newport agrees to use reasonable efforts to satisfy or cause to be satisfied all of the conditions precedent to the Partners' obligations under this Agreement, to the extent that its action or inaction can control or influence the satisfaction of such conditions.

6.2 Additional Information. Newport will make available to each Partner the opportunity to ask questions and receive answers concerning the terms and conditions of the Exchange and to obtain any additional information that Newport is required to furnish under Regulation D of the Rules and Regulations.

6.3 Issuance and Listing of Stock. Newport has reserved for issuance, and, as and when required by the provisions of this Agreement, will issue the Newport Shares, and the Newport Shares, when so issued, will be validly issued, fully paid and nonassessable. Newport will use its best efforts to list the Newport Shares on the New York Stock Exchange.

6.4 Exemption for Issuance of Newport Shares. Newport will use all reasonable efforts to qualify the issuance of the Newport Shares in connection with the Exchange under Rule 506 of the Rules and Regulations and, if necessary, to qualify the issuance thereof pursuant to all applicable state securities or Blue Sky laws.

6.5 Continuing Employees. Each employee of the Company who continues immediately after the Closing Date as an employee of the Company, Newport, or any of its subsidiaries ("Continuing Employee") shall be treated under Newport's compensation, benefit plans and employment policies and practices on a basis which Newport deems no less favorable than an employee of Newport who performs comparable duties and responsibilities for Newport on an equally satisfactory basis. Each Continuing Employee shall receive service credit for all purposes (including, but not limited to, vesting, eligibility and benefit accrual) under Newport's "Benefit Plans" (as defined in Section 3.15.1, substituting "Newport" for "the Company") and under any Benefit Plan adopted in the future for service completed with the Company as if such service had been completed with Newport except that (a) no such employee shall receive such past service credit under a future Benefit Plan except on the same basis that Newport's employees also receive past service credit under such plan, and (b) no such past service credit will be provided under a plan if the Internal Revenue Service determines that such credit would adversely affect the tax qualified status of such plan under Section 401 of the Code.

6.6 Supply Indebtedness. Subject to consummation of the Exchange, Newport agrees that, after the Closing Date, it will cause the Company to repay the indebtedness of the Company to Supply as described in the Disclosure Letter.

7. Conditions to Each Party's Obligations.

The respective obligations of each party to consummate the Exchange under this Agreement shall be subject to the satisfaction on or before the Closing Date of each of the following conditions except to the extent the parties may waive any of such conditions in writing:

7.1 Securities Laws. All applicable Blue Sky and state securities laws shall have been complied with in connection with the issuance of the Newport Shares, and no stop order

suspending the qualification or registration of the Newpark Shares under the Blue Sky laws of any jurisdiction shall have been issued and no proceeding for that purpose shall have been initiated or shall be threatened by the authorities of any such jurisdiction.

7.2 Related Acquisition Consummated. The Related Acquisition shall have been consummated.

7.3 Government Body Consents. All consents, authorizations, orders and approvals of (or filings or registrations with) any Government Body required in connection with the execution, delivery and performance of this Agreement or the operation of the business of the Company following the Closing Date shall have been obtained or made, except where the failure to have obtained or made any such consent, authorization, order, approval, filing or registration would not have a Material Adverse Effect following the Closing Date.

7.4 Injunction. At the Closing Date there shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction to the effect that the Exchange may not be consummated as herein provided, no proceeding or lawsuit shall have been commenced by any Government Body for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Government Body indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement.

7.5 Listing of Newpark Shares. The Newpark Shares shall have been listed on the New York Stock Exchange, subject to official notice of issuance.

8. Conditions Precedent to Obligations of Buyers.

The obligations of Buyers to consummate the Exchange and issue the Newpark Shares are subject to the satisfaction of each of the additional following conditions at or prior to the Closing, unless waived in writing by Buyers:

8.1 Investigation of the Company. Newpark shall have made an investigation of the business, properties (tangible and intangible), products, customers, plants, contracts and financial condition of the Company and shall have been satisfied with the results of such investigation. This condition shall be deemed satisfied unless Newpark notifies the Partners in writing within thirty (30) days of the date hereof that it is dissatisfied with the results of such investigation.

8.2 Accuracy of Warranties and Representations. The representations and warranties of the Partners herein shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect, except as to transactions permitted herein or to which Newpark may have consented in writing and changes occurring in the ordinary course of business after the date of this Agreement and not materially adversely affecting the Company, or its properties, prospects, or financial condition, as though such representations and warranties had been made on and as of the Closing Date, and the Partners shall have performed in all

material respects all covenants required by this Agreement to be performed by them at or prior to the Closing.

8.3 No Material Adverse Change. There shall have been no changes after the date of this Agreement in the results of operations, assets, liabilities, financial condition or affairs of the Company which in their total effect have a Material Adverse Effect on the Company.

8.4 Partners' Certificate. The Partners shall have delivered to Buyers a certificate, dated the Closing Date, executed by each of the Partners, individually, stating that, to the best knowledge of each, (a) all the representations and warranties of the Partners contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of Buyers hereunder have been fulfilled and (c) the Company and the Partners have duly performed all obligations and covenants to be performed by them hereunder.

8.5 Material Contracts. The Company shall have received consents to assignment of all Material Contracts or written waivers of the provisions of any Material Contracts requiring the consents of third parties as set forth in the Disclosure Letter, except where the failure to have obtained any such consent or written waiver would not have a Material Adverse Effect following the Closing Date.

8.6 Opinion of the Partners' Counsel. Newport shall have received an opinion of Farnsworth & vonBerg, dated the Closing Date, substantially in the form attached hereto as Exhibit 8.6.

8.7 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for Newport, and there shall have been furnished to such counsel by the Partners certified copies of such records of the Company and copies of such other documents as such counsel may reasonably have requested for such purpose.

9. Conditions Precedent to Obligation of the Partners.

The obligations of the Partners to consummate the Exchange are subject to the satisfaction of each of the following additional conditions at or prior to the Closing, unless waived in writing by the Partners:

9.1 Accuracy of Warranties and Representations. The representations and warranties of Newport contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, and Newport shall have performed in all material respects all of the covenants required by this Agreement to be performed by it on or before the Closing.

9.2 Authorization of Exchange. All corporate action necessary by Newport to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby shall have been duly and validly taken.

9.3 No Material Adverse Change. There shall have been no changes since December 31, 1996, in the results of operations, assets, liabilities, financial condition or affairs of Newpark and its subsidiaries, taken as a whole, which, in their total effect, have a Material Adverse Effect on Newpark and its subsidiaries.

9.4 Officers' Certificate of Newpark. Newpark shall have delivered to the Partners a certificate dated the Closing Date, signed by the President and Chief Financial Officer of Newpark and stating that, to the best knowledge of each, (a) all the representations and warranties of Newpark contained in this Agreement are true and accurate, (b) all of the conditions precedent to the obligations of the Partners hereunder have been fulfilled and (c) Newpark has duly performed all obligations and covenants to be performed by it hereunder.

9.5 Opinion of Newpark's Counsel. The Partners shall have received an opinion of Ervin, Cohen & Jessup LLP, dated the Closing Date, substantially in the form attached hereto as Exhibit 9.5.

9.6 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for the Partners, and there shall have been furnished to such counsel by Newpark certified copies of such corporate records of Newpark (including Board of Directors resolutions approving the Exchange Agreements) and copies of such other documents as such counsel may reasonably have requested for such purpose.

10. Closing.

The closing ("Closing") of the transactions covered by this Agreement shall take place at 10:00 a.m., on June 4, 1997, at the offices of Newpark, 3850 North Causeway, Suite 1770, Metairie, LA 70002. If the conditions specified in this Agreement have not been fulfilled by that date, any party may postpone the Closing for the minimum reasonably necessary period or periods, in any event not exceeding an aggregate of 45 days, by written notice to the other parties. Any party exercising such right shall deliver written notice to the other parties specifying in reasonable detail the condition which has not been fulfilled, and the other parties will have the right to cure or correct the matter within the 45-day period. The term "Closing Date" herein shall mean the last date fixed by mutual agreement or otherwise under this Section.

11. Survival of Representations.

Except as otherwise provided herein, all representations, warranties and indemnifications made by the Partners or Newpark under or in connection with this Agreement (including any representations and warranties set forth in the certificates delivered pursuant to Sections 8.4 and 9.4) shall survive the Closing until 24 months after the Closing Date. The representations and warranties of the Partners set forth in Paragraphs 3.11, 3.12, 3.15 and 3.28 shall survive until the expiration of the applicable statute of limitations. Neither party shall be entitled to recover against the other for any misrepresentation or breach of warranty except to the extent that written notice of any such claim has been delivered to the party against whom recovery is sought within the applicable period setting forth in reasonable detail and specifying

the nature of the claim being asserted. The provisions of this Section and Section 13.3.3 apply only to claims arising under this Agreement and do not affect any other claims that any party may have at any time against any other party, including but not limited to claims that may arise under "Hazardous Material Laws" (as defined in Section 18).

12. Post-Closing Covenants.

12.1 Cooperation and Assistance. Upon request, each of the parties hereto shall cooperate with the other to the extent reasonably requested, at the requesting party's expense, in furnishing information, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving the Partners and Buyers which are based upon contracts, arrangements or acts of the Partners or the Company or both which were in effect or occurred on or prior to the Closing.

12.2 Access to Records. The Partners shall be entitled, after the Closing, upon reasonable notice and during the regular business hours of Newport, to have access to and to make copies of the business records of the Company which relate to periods prior to the Closing. Newport shall retain such business records for a period of five (5) years following the Closing Date, after which time Newport may destroy or otherwise dispose of such business records without the Partners' consent.

12.3 Tax Matters.

12.3.1 Control of Tax Proceedings. Whenever any taxing authority asserts a claim, makes an assessment, or otherwise questions or disputes the amount of Taxes of the Company for any period prior to the Closing Date, Newport shall promptly inform the Partners in writing of such fact. The provisions of Section 13 shall apply to the defense of any such claim, assessment or dispute.

12.3.2 Current Tax Returns. The Partners shall be responsible for the preparation and filing of all Tax Returns for all taxable periods that end or ended on or before the Closing Date and which have not been filed or are not required to be filed by the Closing Date. The Company shall pay any and all Taxes due with respect to such returns. Buyers will make available to the Partners, without charge, the services of its personnel and the personnel of the Company to assist the Partners in the preparation of such Tax Returns. Such Tax Returns shall be reasonably satisfactory to Newport in form and substance. The Partners shall pay their pro rata portion of the Short Period Income Taxes.

12.3.3 Refunds and Credits. Subject to the provisions of Section 12.3.2 above, any refunds and credits of federal income Taxes attributable to any taxable year ending on or before the Closing Date shall be for the account of the Partners, and any refunds and credit of other Taxes attributable to any taxable year ending on or before the Closing Date shall be for the account of the Company; to the extent that any such refund of Taxes other than federal income Taxes exceeds the amount, if any, accrued on the books of the Company with respect to the period for which the refund is received, the Partners shall receive credit against any liability they may have under Section 13.

12.3.4 Cooperation. Buyers and the Partners shall cooperate with each other in a timely manner in the preparation and filing of any Tax Returns and the conduct of any audit or any other inquiry or proceeding with respect to any Tax Return. Each party shall execute and deliver such powers of attorney and make available such other documents as are necessary to carry out the intent of this Section 12.3.4. Each party agrees to notify the other party of any adjustments that do not result in Tax liability but can be reasonably expected to affect any Tax Return of the other party.

12.3.5 Retention of Records. Newpark shall (i) retain records, documents, accounting data and other information (including computer data) necessary for the preparation and filing of all Tax Returns or the audit of such returns, and (ii) give to the Partners reasonable access to such records, documents, accounting data and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the review or audit of such returns to the extent relevant to an obligation or liability of a party under this Agreement.

13. Indemnifications.

13.1 Indemnification by the Partners. Subject to the provisions of Sections 11 and 13.3, the Partners, jointly and severally (but severally with respect to their individual representations and warranties set forth in paragraphs 3.24, 3.25, 3.26, 3.27, 3.28 and 3.29), hereby agree to indemnify, defend, protect and hold harmless Buyers against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any and all breaches of any warranty or representation made by them in this Agreement or any schedule or agreement delivered pursuant to this Agreement. Such indemnification shall be solely the responsibility of the Partners, and they shall not have any right to recover any portion of their liability from the Company, whether by right of indemnification, contribution or otherwise.

13.2 Indemnification by Newpark. Subject to the provisions of Sections 11 and 13.3, Newpark hereby agrees to indemnify, defend, protect and hold harmless the Partners against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any breach of any warranty or representation made by Newpark in this Agreement or any schedule or agreement delivered pursuant to this Agreement. The rights to such indemnification shall accrue solely to the Partners, and the Company shall have no interest therein.

13.3 Indemnification Procedures and Limitations. The following provisions shall apply to all indemnification and hold harmless provisions of this Agreement:

13.3.1 No party shall be required to indemnify another pursuant hereto unless the party seeking indemnification (the "Indemnitee") shall, with reasonable promptness, provide the other party (the "Indemnitor") with copies of any claims or other documents received and shall otherwise make available to the Indemnitor all material relevant information. The Indemnitor shall have the right to defend any such claim at its expense, with counsel of its choosing, and the Indemnitee shall have the right, at its expense, using counsel of its choosing, to join in the defense of any such claim. The Indemnitee's failure to give prompt notice or to provide copies of documents or to furnish relevant data shall not constitute a defense in whole

or in part to any claim by the Indemnitee against the Indemnitor except to the extent that such failure by the Indemnitee shall result in a material prejudice to the Indemnitor.

13.3.2 Except as hereinafter provided, neither party shall settle or compromise any such claim unless it shall first obtain the written consent of the other, which shall not be unreasonably withheld. The foregoing notwithstanding, if suit shall have been instituted against the Indemnitee and the Indemnitor shall have failed, after the lapse of a reasonable time after written notice to it of such suit, to take action to defend the same, the Indemnitee shall have the right to defend the claim (without limiting the right of the Indemnitor to participate in the defense) and to charge the Indemnitor with the reasonable cost of any such defense, including reasonable attorneys' fees, and the Indemnitee shall have the right, after notifying but without consulting the Indemnitor, to settle or compromise such claim on any terms reasonably approved by the Indemnitee.

13.3.3 Neither Newpark nor the Partners shall have any liability for breach of warranty or representation hereunder except to the extent that the amount of all valid claims for breach of warranty or representation against it or them hereunder exceeds an aggregate of \$50,000. In no event shall the liability of any of the Partners for any breach of warranty or representation hereunder exceed the value of the Newpark Shares for which such Partner's Interests are exchanged in the Exchange, for which purpose they shall be valued at their "Closing Value" (as defined in Section 18). To the fullest extent permitted by law, and to the extent that such Partner continues to own any of the Newpark Shares, each Partner shall satisfy such Partner's liability hereunder by delivering to Newpark some or all of such Newpark Shares, valued at their Closing Value, and Newpark shall satisfy its liability by issuing additional Newpark Shares valued at their Closing Value. Nothing contained herein shall relieve any of the Partners or Newpark of any liability he or it may have for any intentional breach of representation or warranty.

13.3.4 In determining the amount of any damage, loss, liability, cost or expense suffered by Newpark which gives rise to liability of the Partners hereunder, there shall be taken into account the amount of any Tax benefits actually realized by Newpark and its subsidiaries attributable to such damage, loss, liability, cost or expense or derived therefrom in the same or any past or subsequent taxable period, also taking into account the Tax treatment of the receipt by Newpark of any payment from the Partners.

13.3.5 The rights and obligations of the parties under this Article 13 shall be the exclusive rights and obligations of the parties with respect to any breach of any representation or warranty in this Agreement and shall be in lieu of any other rights or remedies to which the party entitled to indemnification hereunder would otherwise be entitled as a result of such breach under this Agreement.

13.4 Dispute Resolution; Arbitration.

13.4.1 The parties desire to finally resolve any and all issues and disputes arising out of or related to this Agreement or its alleged breach as promptly as practicable. Buyers and the Partners shall first attempt diligently to resolve any such issue or dispute. They

may, if they desire, attempt to mediate the dispute and shall, if they choose, do so in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"), either as written or as modified by mutual agreement. A written agreement to undertake mediation may be made at any time. If arbitration proceedings have been instituted, they shall be stayed until the mediation process is terminated. Any dispute arising out of or related to this Agreement or its alleged breach that cannot be resolved by mutual agreement (including mutually agreed mediation) shall be resolved exclusively by final and binding arbitration, conducted as expeditiously as possible in the City of Houston, Texas, in accordance with the provisions of this Agreement and, to the extent not inconsistent with such provisions, the Commercial Arbitration Rules of the American Arbitration Association. To the extent lawful, the arbitrators, in their discretion, may shorten any time periods or notice periods specified by law, in the interest of timely completing arbitration and issuing their award.

13.4.2 The Partners, as one party, or Buyers, as the other party, may initiate arbitration of a dispute by giving the other party written notice of arbitration, which shall specify with reasonable detail (a) the issue in dispute, (b) the claims asserted and (c) the remedy sought by the party invoking arbitration. The arbitration shall be conducted before a single neutral arbitrator if the parties are able to agree on one arbitrator. If they are unable so to agree and do not agree otherwise, arbitration shall be conducted by a panel of three neutral arbitrators. None of the arbitrators shall be affiliated in any way with either of the parties or have any direct or indirect financial interest in the outcome of the arbitration. If the parties fail to reach agreement upon a single arbitrator within 5 business days following receipt by one party of the other party's notice of arbitration, the initiating party shall submit in writing to the other party the name of a neutral arbitrator selected by the initiating party. Within 5 business days after such name is submitted, the other party shall submit to the initiating party in writing the name of a neutral arbitrator selected by such other party and may submit an answering statement. Within 10 days after appointment of the second arbitrator, the two arbitrators appointed by the parties shall select a third neutral arbitrator; the three arbitrators so selected shall finally resolve the dispute. If the two arbitrators appointed by the parties fail before the end of said 10 day period to agree on a third arbitrator, the Judicial District Court of Harris County, Houston Division, shall, upon the filing of a petition by any of the parties hereto select the third arbitrator from a list of five individuals obtained by the Court from the Houston office of the American Arbitration Association. If the non-initiating party shall fail to appoint an arbitrator within 10 days after the name of the arbitrator selected by the initiating party is submitted, the arbitrator appointed by the initiating party shall be empowered to proceed to arbitrate and determine the matter in controversy as the sole arbitrator. All references to "the arbitrators" in the following Sections shall be deemed to refer to the sole arbitrator, if there is only one arbitrator. The arbitrators shall, at the earliest possible date, set dates for a hearing and establish any pre-hearing conferences or procedural schedules that the arbitrators deem appropriate. The arbitrators may authorize depositions and issue subpoenas and make other decisions provided for in Section 13.4.3 below. All decisions of the arbitrators shall be by a majority of the arbitrators, unless the parties agree otherwise.

13.4.3 It is the mutual intention of the parties that discovery, if any, shall be limited in nature and scope and, to the extent possible, shall be handled informally and by agreement. Any dispute regarding discovery shall be submitted promptly to the arbitrators and

shall be resolved by them. If necessary, any decision of the arbitrators respecting discovery may be enforced by any court of competent jurisdiction in the same manner as a final award under this Section, including an order for specific performance.

13.4.4 The arbitrators shall diligently, expeditiously and in good faith decide the matter under consideration in accordance with the laws of the State of Texas, excluding its choice of law rules. If there is only one arbitrator, his decision shall be final, conclusive and binding on all parties; if there are three arbitrators, the agreed decision of any two of them shall be final, conclusive and binding on all parties. The arbitrators shall prepare an award in writing which reflects the final decision of the arbitrators and a copy of such award shall be delivered to each party to the arbitration. Judicial confirmation of the decision of the arbitrators shall be sought only in the Judicial District Court of Harris County, Houston Division.

13.4.5 The arbitrators' compensation shall be agreed upon by the parties and the arbitrators. The terms of compensation for each of the arbitrators shall be identical. The parties shall share equally the cost of the arbitration proceedings, including the fees and expenses of the arbitrators and the cost of the stenographic record, provided that the arbitrators shall have discretion to charge such costs to the parties in such different proportions as they determine to be appropriate.

13.4.6 If any other provision of this Agreement should be or become invalid or unenforceable by force of law, the provisions of this Section 13.4 shall not be affected but shall remain in full force and effect. Any obligation to arbitrate which is established by this Section shall remain in full force and effect. Any obligation to arbitrate which is established by this Section shall not be extinguished upon the termination or expiration of this Agreement but shall survive that event.

14. Destruction of Assets.

All risk of loss with respect to the assets and business of the Company shall be borne by the Partners until the Closing to the extent set forth in this Section 14. If on the Closing Date any assets of the Company shall have suffered loss or damage on account of fire, flood, accident, act of war, civil commotion, or any other cause or event beyond the reasonable power and control of the Company (whether or not similar to the foregoing) to an extent which materially affects the value to Buyers of the Interests, Buyers shall have the right at their election to complete the acquisition (in which event, as Buyers' sole and exclusive remedy with respect to the consequences of such loss or damage, all claims of the Company with respect to such loss or damage and all insurance proceeds arising therefrom shall be for the account of the Company), or, if they do not so elect, they shall have the right, which shall be in lieu of any other right or remedy whatsoever, to terminate this Agreement. In the latter event, all parties shall be released from liability hereunder.

15. Termination.

In addition to any party's right to terminate this Agreement if any condition precedent to its obligations is not satisfied on the Closing Date, subject to the provisions of this

Agreement relating to the postponement of the Closing Date, either Buyers or the Partners may forthwith terminate this Agreement: (a) subject to clause (b) below, without liability to the other of them if a bona fide action or proceeding (by and at the sole instance of a party or parties not an Affiliate or Affiliates of Buyers or the Partners) shall be pending against either party on the Closing Date wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) without prejudice to other rights and remedies which either party may have, if a material default shall be made by the other of them in the observance or in the due and timely performance of its covenants and agreements herein contained, or if there shall have been a material breach of the warranties and representations herein contained.

16. Notices.

Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Section 16 by giving notice of such change to the other party in the manner which is provided in this Section 16.

Partners: c/o FMI Wholesale Drilling Fluids, Inc.
Highway 359 West
Loredo, Texas 78042
Facsimile No.: (____) ____-____

With a copy to:

Mary Frances vonBerg, Esq.
Farnsworth & vonBerg
333 North Sam Houston Parkway, Suite 300
Houston, Texas 77060
Facsimile No.: (281) 931-6032

Buyers: c/o Newpark Resources, Inc.
3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:

Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

17. Assignment.

Rights hereunder shall not be assignable and duties hereunder shall not be delegable by the Partners or Buyers without the prior written consent of the other; consent may be withheld for any reason or without reason. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any Person other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

18. Certain Definitions.

As used herein, the following terms (whether used in the singular or the plural) have the following meanings:

"Affiliate" or "affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person and, without limiting the generality of the foregoing, includes (a) any director or officer of such Person or of any Affiliate of such Person, (b) any such director's or officer's Family Members, (c) any group, acting in concert, of one or more of such directors, officers or Family Members, and (d) any Person controlled by any such director, officer, Family Member or group which beneficially owns or holds 25% or more of any class of equity securities or profits interest. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

"Bankruptcy Exception" means the limitation on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, whether enforcement is sought in equity or at law.

"Closing Value" means the average of the closing prices of Newpark's Common Stock on the New York Stock Exchange, as reported in The Wall Street Journal, for the five trading days immediately preceding the third trading day prior to the Closing Date.

"Commission" means the U.S. Securities and Exchange Commission.

"Family Member" means, in the case of a Person who is an individual, any parent, spouse or lineal descendant (including legally adopted descendants) of such Person, or the spouse of any such descendant.

"Government Body" means any domestic or foreign federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Material Laws" means any and all federal, state and local laws in effect at or before the Closing Date that relate to or impose liability or standards of conduct concerning the environment, as now or hereafter in effect and as have been or hereafter may be amended or reauthorized, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. (S) 9601, et seq.), the Hazardous Materials Transportation Act (42 U.S.C. (S) 1802, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. (S) 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S) 1251, et seq.), the Toxic Substances Control Act (14 U.S.C. (S) 2601, et seq.), the Clean Air Act (42 U.S.C., (S) 7901 et seq.), the National Environmental Policy Act (42 U.S.C. (S) 4231, et seq.), the Refuse Act (33 U.S.C. (S) 407, et seq.), the Safe Drinking Water Act (42 U.S.C. (S) 300(f), et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing.

"Hazardous Materials," means any flammable explosives, radioactive materials, asbestos, compounds known as polychlorinated biphenyls, chemicals now known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under the Hazardous Materials Laws.

"Knowledge of FMI" (and similar terms such as "to the best of the knowledge of FMI") means the actual knowledge of any executive officer of the Company, FMI, General Supply Co. and Fluids Management, Inc., including, without limitation, Gene McElvany and Perry Bennett.

"Knowledge of Newport" (and similar terms such as "to the best of the knowledge of Newport") means the actual knowledge of any executive officer of Newport.

"Material Adverse Effect" means a material adverse effect on the financial condition, results of operations, business or prospects of the entity referred to (i.e., the Company or Newport) and its subsidiaries (i.e., the Newport Subsidiaries), taken as a whole.

"Permitted Lien(s)" means (a) all liens and encumbrances disclosed in the Disclosure Letter, (b) landlords', mechanics', carriers', workers' and similar statutory liens arising in the ordinary course of business for sums not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements, (c) deed restrictions and similar exceptions to clear title not incurred in connection with indebtedness that do not materially impair the existing use or materially detract from the value of the assets or property subject thereto, and (d) liens for current taxes not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements.

"Person" or "person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a Government Body.

"Rules and Regulations" means the rules and regulations adopted by the Commission under the Securities Act and the Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax" (including with correlative meaning, the terms "Taxes" and "Taxable") means any income, gross receipts, ad valorem, premium, excise, value-added, sales, use, transfer, franchise, license, severance, stamp, occupation, service, lease, withholding, employment, payroll, premium, property or windfall profits tax, alternative or add-on-minimum tax, or other tax, fee or assessment, together with any interest and any penalty, addition to tax or additional amount imposed by any Government Body responsible for the imposition of any such tax.

"Tax Return" means any return, report, statement, information statement and the like required to be filed with any authority with respect to Taxes.

19. Applicable Law; Jurisdiction.

The provisions of this Agreement and all rights and obligations hereunder and under all documents, instruments and agreements executed under or in connection with this Agreement shall be governed and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within said State.

20. Remedies Not Exclusive.

Except as provided in Sections 13 and 14, (a) no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, (b) each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or otherwise and (c) the election of any one or more remedies by either party hereto shall not constitute a waiver of the right to pursue other available remedies.

21. Attorneys' Fees.

In any litigation or arbitration relating to this Agreement, including litigation or arbitration with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

22. Payment of Expenses.

Whether or not the Exchange is consummated, Buyers will pay and be responsible for all costs and expenses incurred by Buyers in connection with this Agreement and the transactions contemplated hereby, and the Partners will pay and be responsible for all costs and

expenses incurred by the Company and the Partners in connection with this Agreement and the transactions contemplated hereby.

23. Successors and Assigns.

All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives and permitted successors and assigns.

24. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

25. Headings; Severability.

Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

26. Amendments.

No provision or term of this Agreement or any agreement contemplated herein between the parties hereto may be supplemented, amended, modified, waived or terminated except in a writing duly executed by the party to be charged.

27. Waivers.

At any time prior to the Closing Date, the parties hereto, may, to the extent legally permitted: (i) extend the time for the performance of any of the obligations or other acts or any other party; (ii) waive any inaccuracies in the representations or warranties of any other party contained in this Agreement or in any document or certificate delivered pursuant hereto; (iii) waive compliance or performance by any other party with any of the covenants, agreements or obligations of such party contained herein; and (iv) waive the satisfaction of any condition that is precedent to the performance by the party so waiving of any of its obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by one party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

28. Entire Agreement.

The Disclosure Letter and all schedules, exhibits and financial statements provided for herein are a part of this Agreement. This Agreement and the other agreements and documents provided for in this Agreement comprise the entire agreement of the parties and supersede all earlier understandings of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

BUYERS: THE PARTNERS:
Newpark Resources, Inc. FMI Wholesale Drilling Fluids, Inc.

By:/s/ James D. Cole By:/s/ Gene McElvaney

Name: James D. Cole Gene McElvaney, President
Title: President

Newpark Holdings, Inc. General Supply Co.

By:/s/ Matthew W. Hardey By:/s/ Gene McElvaney

Name: Matthew W. Hardey Gene McElvaney, President
Title: Vice President of Finance

Newpark Texas L.L.C. American Polymer, Inc.

By:/s/ Matthew W. Hardey By:/s/ Gene McElvaney

Name: Matthew W. Hardey Gene McElvaney, President
Title: Vice President of Finance

/s/ Perry Bennett

Perry Bennett

NONCOMPETITION AGREEMENT

This Noncompetition Agreement (the "Agreement") is made and entered into as of June 4, 1997, by and between _____ ("Covenantor") and NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), ancillary to and as required by the Agreement and Plan of Reorganization (the "Exchange Agreement"), dated June 3, 1997, by and among Newpark, certain subsidiaries of Newpark and the "Partners" so identified in the Exchange Agreement (including Covenantor), pursuant to which Newpark has acquired 100% of the equity interests in FMI WHOLESALE DRILLING FLUIDS, U.S.A., L.P., a Texas limited partnership (the "Company"). Unless otherwise provided herein all terms used in this Agreement that are defined in the Exchange Agreement shall have the same meanings herein as in the Exchange Agreement.

In consideration of the foregoing, and in order to satisfy a condition precedent to the consummation of the Exchange, Covenantor and Newpark hereby agree and covenant as follows:

1. Certain Definitions. The following terms used herein shall have the following meanings:

Affiliate or affiliate - a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to (a) vote 50% or more of the voting interests in such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Business - Any one or more of the following activities: selling, providing, installing, recycling, renting, marketing, or dealing in or with or otherwise soliciting orders for any of the Products and Services or any products, services, materials, supplies or support activities that compete with or may be used to replace any Products and Services.

Competitor - Any Person that, directly or indirectly, engages in any aspect of the Business within any portion of the Territory.

Person or person - Any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

Products and Services - All products, services, materials, supplies and support activities which, as of the date hereof or within twelve months prior to the date hereof, are or have been provided, sold, installed, recycled, rented, marketed or dealt in or with by the Company, and all competitive products, services, materials, supplies and support activities.

The Territory - All or any part of the following: the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico.

2. Noncompetition. Covenantor hereby agrees that he will not, during the term of this Agreement, directly or indirectly, or through one or more Affiliates, do any one or more of the following: (a) engage in any aspect of the Business, whether as an employee, agent, independent contractor or otherwise; (b) own any interest in any Competitor; (c) operate, join, control or otherwise participate in any Competitor; (d) lend credit or money for the purpose of assisting another to establish or operate any Competitor; (e) request or advise any present or future customer or supplier of the Company to withdraw, curtail or cancel its business with any of them; or (f) induce or influence (or attempt to induce or influence) any person who is engaged (as an employee, agent, independent contractor or otherwise) by the Company or any subsidiary to terminate his or her employment or engagement or to perform any services for a Competitor; provided, that nothing herein shall prohibit Covenantor from holding an equity interest of less than 2% of the outstanding capital stock of any Competitor whose equity securities are traded on a national stock exchange or are quoted on Nasdaq.

3. Confidentiality. Covenantor shall keep secret and retain in confidence, and shall not use for the benefit of Covenantor or others, any confidential information concerning the business of the Company or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of the Company and its affiliates relating to the business of the Company learned by Covenantor as a result of prior and current business relationships with the Company or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Covenantor, (b) was available to Covenantor on a non-confidential basis prior to its disclosure to the Covenantor by the Company or (c) becomes available to Covenantor on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to Covenantor.

4. Term. The term of this Agreement commences on the date hereof and shall continue for a period of sixty months. Covenantor hereby acknowledges the receipt and sufficiency of full consideration for this Agreement.

5. Injunctive Relief. Covenantor hereby stipulates and agrees that any breach by him of this Agreement cannot be reasonably or adequately compensated by damages in an action at law and that, in the event of such breach, Newark shall be entitled to injunctive relief, which may include but shall not be limited to restraining Covenantor from engaging in any activity that would constitute a breach of this Agreement.

6. Severability. Covenantor acknowledges that he has carefully read and considered the provisions of Paragraphs 1 through 4 of this Agreement and, having done so, agrees that the restrictions set forth therein (including but not limited to the time periods of restriction and the geographical areas of restriction) are fair and reasonable and are reasonably required to protect the interests of Newark and its stockholders. If, notwithstanding the foregoing, any of the provisions of Paragraphs 1 through 4 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable, as though the invalid or unenforceable parts had not been included therein. If any provision of Paragraphs 1 through

4 hereof relating to time periods or areas of restriction or both shall be declared by a court of competent jurisdiction to exceed the maximum time periods or areas (or both) that such court deems reasonable and enforceable, said time periods or areas of restriction or both shall be deemed to become and thereafter shall be the maximum time periods and areas which such court deems reasonable and enforceable.

7. Entire Agreement. This Agreement constitutes the entire agreement of Covenantor and Newpark with respect to the subject matter hereof and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Any failure to insist on strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

8. Nature of Obligations. All covenants and obligations of Covenantor hereunder shall be binding on Covenantor, his assigns, successors and legal representatives and shall inure to the benefit of Newpark and all of its Affiliates that engage in any aspect of the Business in any part of the Territory.

9. Law Governing. The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within the State of Texas.

10. Attorneys' Fees. In any litigation relating to this Agreement, including litigation with respect to any supplement, modification or waiver of this Agreement or any of its provisions, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

11. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. Either party may change its address for the purpose of this Paragraph 11 by giving notice of such change to the other party in the manner which is provided in this Paragraph 11.

Covenantor: _____
Facsimile No.: () -

Newpark: Newpark Resources, Inc.
 3850 North Causeway, Suite 1770
 Metairie, LA 70002
 Attention: Secretary
 Facsimile No.: (504) 833-9506

12. Captions. The captions in this Agreement are included for convenience of reference only, do not constitute a part hereof and shall be disregarded in the interpretation or construction hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Covenantor:

NEWPARK RESOURCES, INC.

By /s/ James D. Cole

James D. Cole, President

NONCOMPETITION AGREEMENT

This Noncompetition Agreement (the "Agreement") is made and entered into as of June 4, 1997, by and between _____, an Oklahoma corporation ("Covenantor") and NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), ancillary to and as required by the Agreement and Plan of Reorganization (the "Exchange Agreement"), dated June 3, 1997, by and among Newpark, certain subsidiaries of Newpark and the "Partners" so identified in the Exchange Agreement (including Covenantor), pursuant to which Newpark has acquired 100% of the equity interests in FMI WHOLESale DRILLING FLUIDS, U.S.A., L.P., a Texas limited partnership (the "Company"). Unless otherwise provided herein all terms used in this Agreement that are defined in the Exchange Agreement shall have the same meanings herein as in the Exchange Agreement.

In consideration of the foregoing, and in order to satisfy a condition precedent to the consummation of the Exchange, Covenantor and Newpark hereby agree and covenant as follows:

1. Certain Definitions. The following terms used herein shall have the following meanings:

Affiliate or affiliate - a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to (a) vote 50% or more of the voting interests in such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Business - Any one or more of the following activities: selling, providing, installing, recycling, renting, marketing, or dealing in or with or otherwise soliciting orders for any of the Products and Services or any products, services, materials, supplies or support activities that compete with or may be used to replace any Products and Services within the Territory to the Covered Customers.

Competitor - Any Person that, directly or indirectly, engages in any aspect of the Business within any portion of the Territory.

Covered Customers - TransTexas Gas Corporation, Enron, Columbus Energy and Conoco.

Person or person - Any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

Products and Services - All products, services, materials, supplies and support activities which, as of the date hereof or within twelve months prior to the date hereof, are or have been provided, sold, installed, recycled, rented, marketed or dealt in or with by the Company, and all competitive products, services, materials, supplies and support activities.

The Territory - All or any part of the State of Texas, but excluding the territory in Texas described on Exhibit A attached hereto.

2. Noncompetition. Covenantor hereby agrees that he will not, during the term of this Agreement, directly or indirectly, or through one or more Affiliates, do any one or more of the following: (a) engage in any aspect of the Business, whether as an employee, agent, independent contractor or otherwise ; (b) own any interest in any Competitor; (c) operate, join, control or otherwise participate in any Competitor; (d) lend credit or money for the purpose of assisting another to establish or operate any Competitor; (e) request or advise any present or future customer or supplier of the Company to withdraw, curtail or cancel its business with any of them; or (f) induce or influence (or attempt to induce or influence) any person who is engaged (as an employee, agent, independent contractor or otherwise) by the Company or any subsidiary to terminate his or her employment or engagement or to perform any services for a Competitor; provided, that nothing herein shall prohibit Covenantor from holding an equity interest of less than 2% of the outstanding capital stock of any Competitor whose equity securities are traded on a national stock exchange or are quoted on Nasdaq.

3. Confidentiality. Covenantor shall keep secret and retain in confidence, and shall not use for the benefit of Covenantor or others, any confidential information concerning the business of the Company or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of the Company and its affiliates relating to the business of the Company learned by Covenantor as a result of prior and current business relationships with the Company or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Covenantor, (b) was available to Covenantor on a non-confidential basis prior to its disclosure to the Covenantor by the Company or (c) becomes available to Covenantor on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to Covenantor.

4. Term. The term of this Agreement commences on the date hereof and shall continue for a period of twenty-four months. Covenantor hereby acknowledges the receipt and sufficiency of full consideration for this Agreement.

5. Injunctive Relief. Covenantor hereby stipulates and agrees that any breach by him of this Agreement cannot be reasonably or adequately compensated by damages in an action at law and that, in the event of such breach, Newport shall be entitled to injunctive relief, which may include but shall not be limited to restraining Covenantor from engaging in any activity that would constitute a breach of this Agreement.

6. Severability. Covenantor acknowledges that he has carefully read and considered the provisions of Paragraphs 1 through 4 of this Agreement and, having done so, agrees that the restrictions set forth therein (including but not limited to the time periods of restriction and the geographical areas of restriction) are fair and reasonable and are reasonably required to protect the interests of Newport and its stockholders. If, notwithstanding the foregoing, any of the

provisions of Paragraphs 1 through 4 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable, as though the invalid or unenforceable parts had not been included therein. If any provision of Paragraphs 1 through 4 hereof relating to time periods or areas of restriction or both shall be declared by a court of competent jurisdiction to exceed the maximum time periods or areas (or both) that such court deems reasonable and enforceable, said time periods or areas of restriction or both shall be deemed to become and thereafter shall be the maximum time periods and areas which such court deems reasonable and enforceable.

7. Entire Agreement. This Agreement constitutes the entire agreement of Covenantor and Newpark with respect to the subject matter hereof and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Any failure to insist on strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

8. Nature of Obligations. All covenants and obligations of Covenantor hereunder shall be binding on Covenantor, his assigns, successors and legal representatives and shall inure to the benefit of Newpark and all of its Affiliates that engage in any aspect of the Business in any part of the Territory.

9. Law Governing. The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within the State of Texas.

10. Attorneys' Fees. In any litigation relating to this Agreement, including litigation with respect to any supplement, modification or waiver of this Agreement or any of its provisions, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

11. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. Either party may change its address for the purpose of this Paragraph 11 by giving notice of such change to the other party in the manner which is provided in this Paragraph 11.

Covenantor:

Facsimile No.: () -

Newpark: Newpark Resources, Inc.
 3850 North Causeway, Suite 1770
 Metairie, LA 70002
 Attention: Secretary
 Facsimile No.: (504) 833-9506

12. Captions. The captions in this Agreement are included for convenience of reference only, do not constitute a part hereof and shall be disregarded in the interpretation or construction hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Covenantor:

NEWPARK RESOURCES, INC.

By /s/ James D. Cole

James D. Cole, President

EXHIBIT A

The Panhandle of Texas, defined as being that part of the State of Texas north of the following line: from the beginning point of the border of Texas with the State of New Mexico at Highway 2290, east along Highway 2290 to the town of Bovina, continuing from there east along Highway 86 to the town of Estelline; continuing from there east along the Prairie Dog Town Fork of the Red River to the border of Texas with the State of Oklahoma.

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") dated as of June 4, 1997, is entered into by and between NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), and each of the Persons whose names and addresses are listed on Exhibit "A" attached to this Agreement (each a "Holder" and collectively the "Holders"), with reference to the following facts:

A. Holders are entitled to receive an aggregate of 35,556 shares (the "Shares") of Newpark's common stock, \$.01 par value (the "Common Stock"), upon the exchange (the "Exchange") of 100% of the equity interests in FMI WHOLESALE DRILLING FLUIDS, U.S.A., L.P., a Texas limited partnership (the "Company"), pursuant to the Agreement and Plan of Reorganization (the "Exchange Agreement") among Newpark, certain Newpark subsidiaries identified in the Exchange Agreement, and the "Partners" so identified in the Exchange Agreement (each of whom is a Holder). Because the Shares are being issued pursuant to an exemption from the registration provisions of the Securities Act, resale of the Shares without registration under the Securities Act is subject to restrictions.

B. In order to satisfy a condition precedent to the Exchange, this Agreement obligates Newpark to use its best efforts to register some of the Shares under the Securities Act at certain times.

NOW, THEREFORE, in consideration of the premises set forth above and the mutual promises and covenants hereinafter set forth, the parties agree as follows:

1. Definitions. As used in this Agreement, the following capitalized terms shall have the following respective meanings:

Common Stock - As defined in Paragraph A above.

Exchange Act - The Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

Holder or Holders - As defined in the introduction to this Agreement.

Holder Party or Parties - As defined in Paragraph 6.1 below.

Participating Holder or Holders - Each Holder or all Holders for whom Shares are included in a registration statement filed under the Securities Act.

Person or person - An individual, partnership, joint venture, corporation, trust, unincorporated organization or government or any department or agency thereof.

Registration Expenses - Any and all expenses incident to performance of or compliance with this Agreement, including, without limitation: (i) all SEC and stock exchange or National Association of Securities Dealers registration and filing fees, (ii) all fees and expenses of complying with securities or blue sky laws (including reasonable fees and disbursements of

counsel for the underwriters in connection with blue sky qualifications of the Shares), (iii) all printing, messenger and delivery expenses, (iv) the fees and disbursements of counsel for Newpark and of its independent public accountants, (v) any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, including liability insurance if Newpark so desires, and (vi) the reasonable fees and expenses of any special experts retained by Newpark in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, applicable to Participating Holders' Shares.

Rule 144 - Rule 144 under the Securities Act, as amended from time to time, or any successor Rule.

Rules and Regulations - The rules and regulations promulgated by the SEC under the Securities Act and the Exchange Act.

Securities Act - The Securities Act of 1933, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

SEC - The Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

Shares - As defined in Paragraph A above.

2. Demand Registration Rights.

(a) Demand by Holders. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if, during the period commencing August 1, 1997 and continuing for 180 days, one or more Holders request in writing to Newpark that Newpark effect the registration under the Securities Act of up to fifty-one percent (51%) of the Shares (which request shall specify the number of Shares intended to be disposed of by each Holder and the intended method of disposition thereof), Newpark will promptly give notice of such requested registration to all other Holders and thereafter will use its best efforts to effect such registration of (i) the Shares which Newpark has been so requested to register by such Holders and (ii) all other Shares which Newpark has been requested to register by other Holders by written requests delivered to Newpark within 20 days after the giving of such written notice by Newpark (which requests shall specify the intended method of disposition of such other Holders' Shares), all for disposition in accordance with the intended methods of disposition stated in the requests of such Holders.

(b) Priorities in Demand Registrations. Subject to clauses (i) and (ii) below, Newpark may include in any registration statement filed in response to Holders' requests other shares of Common Stock for sale by Newpark or by other stockholders, provided, however, that (i) if such registration statement relates to an underwritten offering and the managing underwriter or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such

shares can be sold), then the number of shares of Common Stock included in the offering shall be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (x) the Shares to be sold by Holders shall have priority over all shares of Common Stock to be offered by Newpark and other stockholders of Newpark, and (y) if shares of Common Stock in excess of Holders' Shares can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, such excess shares shall be included in such offering in such proportions as may be agreed between Newpark and such other stockholders; and (ii) if such offering is not underwritten, then no other shares of Common Stock shall be included in such registration statement unless Holders consent to the inclusion of such shares therein, which consent shall not be unreasonably withheld.

(c) Only One Demand Registration. Holders shall not be entitled to make a request pursuant to this Paragraph 2 more than one time, provided that the registration so requested is actually effected and remains in effect in accordance with Paragraph 5.1(b).

3. Incidental Registration Rights.

(a) Right to Include Shares. Subject to the further terms and conditions of this Agreement and the Exchange Agreement, if Newpark at any time proposes to register any Common Stock on any form for the registration of securities under the Securities Act (other than Form S-4 and Form S-8), Newpark will at such time give prompt written notice to Holders of its intention to do so and of Holders' rights under this Paragraph 3. Upon the written request of any Holders made within 20 days after receipt of any such notice that up to fifty-one percent (51%) of the Shares be included in such registration (which request shall specify the number of Shares intended to be disposed of by each Holder desiring to participate and the intended method of disposition thereof), Newpark will cause the Shares for which Holders have requested registration to be included in the registration statement filed with respect to such registration under the Securities Act, provided that (i) if, at any time after giving written notice of its intention to register Common Stock but prior to the effective date of the registration statement filed in connection with such registration, Newpark shall determine for any reason not to register such Common Stock, Newpark may, at its election, give written notice of such determination to Holders, and, thereupon, shall be relieved of its obligation to register any Shares in such registration, and (ii) if such registration involves an underwritten offering, Holders must sell their Shares (if Holders continue to desire such Shares to be registered) to the underwriters of such offering on the same terms and conditions as apply to Newpark or the stockholders for whose account securities are to be sold, as the case may be.

(b) Priorities in Incidental Registrations. In connection with any registration pursuant to this Paragraph 3 involving an underwritten offering, if the managing underwriter or underwriters advise Newpark in writing that, in its or their opinion, the number of shares of Common Stock requested to be included in such registration would have a material adverse effect on such offering (including, without limitation, a material decrease in the price at which such Common Stock can be sold), then the amount of the Shares included in the offering shall be reduced, and the Shares and the other shares of Common Stock to be included in the offering shall participate in such offering as follows: (i) shares of Common Stock to be sold by Newpark

shall have priority over all shares to be sold by stockholders of Newpark, including Holders, and (ii) to the extent that shares of Common Stock in excess of the Common Stock to be sold by Newpark can, in the good faith judgment of such managing underwriter or underwriters, successfully be marketed in such offering, (x) the Shares to be sold by Holders and shares of Common Stock to be sold by any other stockholders of Newpark who have the right to registration of their Common Stock under agreements in existence at the time Newpark gives notice to Holders pursuant to this Paragraph 3 shall have priority over shares of Common Stock to be sold by other stockholders of Newpark, subject to reduction prorata in proportion to the number of shares of Common Stock proposed to be included in such offering by each Holder and each other stockholder having such registration rights, and (y) additional shares of Common Stock, if any, shall be included in such registration in such proportions as may be agreed upon by Newpark and such other stockholders.

4. Additional Provisions. Notwithstanding the provisions of Paragraphs 2 and 3 of this Agreement:

(a) The total number of Shares that Holders are entitled to have registered by Newpark under the Securities Act pursuant to Paragraph 2(a) and Paragraph 3(a) combined is fifty-one percent (51%) so that if fifty-one percent (51%) of the Shares have been effectively registered under the Securities Act pursuant to Paragraph 2(a), Holders will not be entitled to have Shares registered pursuant to Paragraph 3(a), and vice versa. If the aggregate number of Shares that Holders propose to have registered exceeds fifty-one percent (51%) of the Shares, the number of Holders' shares eligible to be registered shall be allocated prorata among Holders in proportion to the number of Shares owned by each or as they may otherwise agree among themselves. If the aggregate number of Shares that Holders propose to have registered in any registration statement exceeds fifty-one percent (51%) of the Shares after the allocation called for by the immediately preceding sentence, the number of Holders' Shares eligible to be included in such registration statement shall be allocated prorata among requesting Holders in proportion to the number of Shares proposed by each of them for inclusion in such registration statement or as they may otherwise agree among themselves.

(b) Newpark shall not be required to effect or cause the registration of Shares held by any Holder pursuant to Paragraph 2 or 3 if, within 25 days after its receipt of a request to register such Shares, Newpark delivers to such Holder an opinion of counsel in form and substance satisfactory to counsel to such Holder, that the entire number of Shares proposed to be sold by such Holder may be sold, in the manner proposed by such Holder, without registration under the Securities Act, whether pursuant to Rule 144 or otherwise, within a period ending not more than ninety (90) days after the date of such opinion.

5. Registration Procedures.

5.1 Newpark Obligations. If and whenever Newpark is required to effect the registration of any Shares under the Securities Act as provided in this Agreement, as expeditiously as possible:

(a) Newpark will prepare and file with the SEC a registration statement with respect to such Shares and use its best efforts to cause such registration statement to become effective as soon thereafter as possible, provided, that, before filing such registration statement or prospectus or any amendments or supplements thereto: Newpark will furnish to each Participating Holder copies of all such documents proposed to be filed, which documents will be subject to review by such Holders, and Newpark will not file any such registration statement or prospectus or any amendment or supplement thereto to which any Participating Holder shall reasonably object; Newpark may assume, for the purpose of the foregoing proviso, that a Holder has no objection if Newpark has not received notice from such Holder within five calendar days after delivery of such documents to Holder or, with respect to any version of or amendment or supplement to any such registration statement after the first draft furnished to such Holder, such shorter period as Newpark may reasonably request when it furnishes such documents to such Holder, if a longer delay would result in prejudice to the proposed offering. Newpark will promptly notify the Participating Holders and confirm such advice in writing, (i) when such registration statement becomes effective, (ii) when any post-effective amendment to such registration statement becomes effective, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or the initiation of any proceedings for that purpose, (iv) of the issuance by any state securities commission or other regulatory authority of any order suspending the qualification or the exemption from qualification of any of the Shares under state securities or blue sky laws or the initiation of any proceedings for that purpose, and (v) of any request by the SEC for any amendment or supplement to such registration statement or any prospectus relating thereto or for additional information. Newpark will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Newpark will prepare and file with the SEC such amendments (including post-effective amendments) and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for at least six (6) months (or for such shorter period in which the Participating Holders have sold all of the Shares included in such registration statement) and to comply with the provisions of the Securities Act with respect to the disposition of the Shares covered by such registration statement during such period in accordance with the intended methods of disposition by Participating Holders set forth in such registration statement, as so amended, or such prospectus, as so supplemented.

(c) Newpark will furnish to each Participating Holder one signed copy of such registration statement as originally filed and each amendment thereto (without exhibits unless otherwise requested by such Participating Holder) and such number of copies of such registration statement and of each such amendment and supplement thereto, such number of copies of the prospectus (as amended or supplemented) included in such registration statement (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as Participating Holders may reasonably request in order to facilitate the disposition of the Shares by all Participating Holders.

(d) Newpark will use its best efforts to register or qualify such Shares covered by such registration statement under such securities or blue sky laws of any State of the United

States as the managing underwriter, if any, or Participating Holders who have Shares included in such registration statement shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable each Participating Holder and each underwriter, if any, to consummate the disposition in such jurisdictions of the Shares to be sold by such Participating Holder, except that Newpark shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this Paragraph 5.1(d), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction.

(e) Newpark will promptly notify each Participating Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act during the period mentioned in Paragraph 5.1(b) and Newpark becomes aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances existing at the time it is to be delivered to a purchaser; and promptly prepare and furnish to each Participating Holder a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall 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 not misleading in the light of the circumstances then existing. If a registration statement is not effective for the full period called for by Paragraph 5.1(b) for the reasons described above in this Paragraph, then Newpark's obligation to keep such registration statement effective shall be extended for a period of time equal to the period of time during which prospectuses were not available so that the actual period of effectiveness for such registration statement shall equal that called for in Paragraph 5.1(b).

(f) During the period when the prospectus is required to be delivered under the Securities Act, Newpark will promptly file all documents required to be filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act and furnish a copy thereof to each Participating Holder promptly after such document is so filed.

(g) Newpark will otherwise use its best efforts to comply with all applicable rules and regulations of the SEC and, if requested by Participating Holders having Shares included in such registration statement, will obtain an opinion letter from Newpark's counsel addressed to all Participating Holders in customary form covering such matters as may reasonably be requested.

(h) Newpark will make available for inspection by Participating Holders having Shares included in a registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, in each case upon receipt of an appropriate confidentiality agreement, all financial and other records, corporate documents and properties of Newpark and its subsidiaries, and cause all of Newpark's officers, directors and employees to supply all information, as may be reasonably requested by such Participating

Holders or any such underwriter, attorney, accountant or agent in connection with such registration statement.

5.2 Participating Holder Obligations.

(a) Each Participating Holder shall furnish Newpark in writing such information and documents (or true copies of documents) regarding such Holder and the distribution of his or her Shares as Newpark may reasonably request, including questionnaires, powers of attorney, indemnities, standstill agreements, underwriting agreements and other documents required under the terms of such underwriting agreements.

(b) Each Participating Holder agrees that, upon receipt of any notice from Newpark of the happening of any event of the kind described in Paragraph 5.1(e), such Holder will forthwith discontinue disposition of Shares pursuant to the registration statement covering such Shares until such Holder's receipt of copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e), and, if so directed by Newpark, such Holder will deliver to Newpark (at Newpark's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Shares current at the time of receipt of such notice. In the event Newpark shall give any such notice, the period mentioned in Paragraph 5.1(b) shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Paragraph 5.1(e) to and including the date when all Participating Holders shall have received the copies of the supplemented or amended prospectus contemplated by Paragraph 5.1(e).

5.3 Expenses. Newpark will pay all Registration Expenses in connection with each registration of Shares pursuant to Paragraphs 2 and 3; provided, however, that (x) all underwriting discounts and commissions attributable to the Shares shall be borne by Participating Holders in proportion to the number of Shares sold by each of them, and (y) any other fees or expenses incurred by any of the parties, including fees and expenses of attorneys and accountants, other than those fees described in clause (ii) of the definition of Registration Expenses, shall be borne by the party that incurred them.

6. Indemnification.

6.1 Indemnification by Newpark. In the event of any registration of any of the Shares under the Securities Act pursuant to this Agreement, Newpark will, and it hereby does, indemnify and hold harmless each Participating Holder, each Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls any such underwriter or Participating Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and the agents, employees, officers and directors of Participating Holders or such underwriter and each such controlling person (each a "Holder Party" and collectively as the "Holder Parties"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with Newpark's written consent) to which any Participating Holder, any such underwriter or controlling person may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof)

arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and Newport will reimburse Holder Parties for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided, that Newport shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any breach by the indemnified person of its obligations under this Agreement, including, without limitation, those contained in Paragraph 5.2 or any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus or amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to Newport by or on behalf of such Participating Holder, any such underwriter or controlling Person specifically for use in the preparation thereof; and provided, further, that Newport will not be liable to any Person who participates as an underwriter in the offering or sale of Shares, or to any other Person who controls such underwriter within the meaning of the Securities Act and the Exchange Act, under the indemnity agreement in this Paragraph 6.1 with respect to any preliminary prospectus or the final prospectus, or the final prospectus as amended or supplemented, as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter or controlling Person results from the fact that such underwriter sold Shares to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus (including any documents incorporated by reference therein) or of the final prospectus as then amended or supplemented (including any documents incorporated by reference therein), whichever is most recent, if Newport has previously furnished copies thereof to such underwriter and such final prospectus, as then amended or supplemented, has corrected any such misstatement or omission, and if Newport shall sustain the burden of proving that the Holder Party sold Shares to the person alleging such loss, claim, damage or liability without sending or giving, at or prior to the written confirmation of such sale, a copy of the amended or supplemented registration statement or prospectus if Newport had previously furnished copies thereof to such Holder Party. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder Party and shall survive the transfer of such securities by each such Person.

6.2 Indemnification by Participating Holders. In the event of any registration of any securities of Newport under the Securities Act pursuant to this Agreement, each Participating Holder, severally and not jointly, will, and each Participating Holder hereby does, indemnify and hold harmless Newport, each director of Newport, each officer of Newport who shall sign the registration statement and its controlling Persons, if any, and all other prospective sellers and their respective directors, officers and controlling Persons against any and all losses, claims, damages or liabilities, joint or several, and expenses (including any amounts paid in any settlement effected with the Participating Holder's written consent) to which such Persons may become subject under the Securities Act, common law or otherwise, to the extent that such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of or are based upon any statement or alleged statement in or omission or alleged omission from such

registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing to Newpark by or on behalf of such Participating Holder for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, and such Participating Holder will reimburse Newpark and such other indemnified persons for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of Newpark or any of the other prospective sellers or any of their respective directors, officers or controlling Persons and shall survive the transfer of such securities by the Participating Holder or such seller.

6.3 Notices of Claims, etc. Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Paragraph 6 such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Paragraph 6, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

6.4 Other Indemnification. Indemnification similar to that specified in the preceding subdivisions of this Paragraph 6 (with appropriate modifications) shall be given by Newpark to each Participating Holder and each underwriter of Shares, and by each Participating Holder to Newpark, with respect to any required registration or other qualification of securities under any federal or state law or regulation other than the Securities Act.

6.5 Contribution. If the indemnification provided for in Paragraphs 6.1, 6.2 or 6.4 is insufficient to hold harmless an indemnified party or is unavailable to a party that would have been an indemnified party under any such section in respect of any and all losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof), referred to therein, then each indemnified party and each party that would have been an indemnifying party thereunder shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) in such proportion as is appropriate to reflect the

relative fault of the indemnifying party, on the one hand, and such indemnified party, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, joint or several (or actions or proceedings in respect thereof). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statements of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or such indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Newport and Holders agree that it would not be just and equitable if contribution pursuant to this Paragraph 6.5 were determined by prorata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Paragraph 6.5. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to above in this Paragraph 6.5 shall include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim (which shall be limited as provided in Paragraph 6.3 hereof if the indemnifying party has assumed the defense of any such action in accordance with the provisions thereof). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7. Rule 144. Newport covenants that it will duly and timely file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder to the extent required from time to time to enable Holders to sell the Shares without registration under the Securities Act within the limitations of the exemption provided by Rule 144. None of such reports will contain any 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 are made, not misleading. Upon the request of any Holder, Newport will deliver to such Holder a written statement as to whether it has complied with such requirements.

8. Miscellaneous.

8.1 Transfer of Rights Hereunder. The rights granted to the Holders under this Agreement may be transferred to any transferee of the Shares other than a transferee of Shares that have been registered under the Securities Act, and, from and after any such transfer, the provisions of this Agreement applicable to Holders shall be applicable to such transferees. The foregoing notwithstanding, no transfer of the Shares may be made without registration under the Securities Act unless and until the transferor delivers to Newport an opinion of counsel reasonably satisfactory to Newport to the effect that such transfer would not violate the registration provisions of the Securities Act and any applicable state law. In connection with the transfer of such Shares, Newport may require each certificate representing Shares transferred to bear an appropriate restrictive legend. Such restrictive legend may be removed when (i) a registration statement with respect to the sale of the Shares represented thereby shall have become effective under the Securities Act, (ii) such Shares shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, or (iii) such Shares shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by Newport and subsequent disposition of such Shares

shall not require registration or qualification of them under the Securities Act or any applicable state law.

8.2 Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Paragraph 8.2 by giving notice of such change to the other party in the manner which is provided in this Paragraph 8.2.

Holders: At their respective addresses and facsimile numbers, if any, set forth in Exhibit A

With a copy to:
Mary Frances vonBerg, Esq.
Farnsworth & vonBerg
333 North Sam Houston Parkway, Suite 300
Houston, TX 77060
Facsimile No.: (281) 931-6032

Newpark: 3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

With a copy to:
Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

8.2 Severability. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

8.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

EXHIBIT A

LIST OF HOLDERS

FMI Wholesale Drilling Fluids, Inc.
4704 North Rockwell
Bethany, Oklahoma 77038

General Supply Co.
P.O. Box 22477
Oklahoma City, Oklahoma 73123

American Polymer, Inc.
P.O. Box 22477
Oklahoma City, Oklahoma 73123

Perry Bennett
2122 Greencove Lane
Sugar Land, Texas 77479

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION ("Agreement") is made and entered into as of July 24, 1997, by and among NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), SAMPEY BILBO MESCHI DRILLING FLUIDS MANAGEMENT, INC., a Texas corporation and a wholly-owned subsidiary of Newpark ("SBM"), SMITHEY, INC., a Texas corporation (the "Company"), and C. M. SMITHEY ("Stockholder"), with reference to the following facts:

A. Stockholder owns beneficially and of record 100% of the outstanding capital stock (the "Company Shares") of the Company.

B. The Company provides drilling fluids and related products and services to the oil and gas industry.

C. The parties intend that this Agreement shall constitute a plan of reorganization (the "Plan") of the type described in Section 368(a)(1)(A) and Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code") and that the Plan will qualify for "pooling of interests" accounting treatment under generally accepted accounting principles. The Plan comprises (a) the merger (the "Merger") of the Company into SBM, with SBM continuing as the surviving corporation, pursuant to this Agreement and the Agreement of Merger in the form attached hereto as Exhibit "A" (the "Agreement of Merger"), on the terms contained herein and in accordance with the applicable provisions of the Texas Business Corporation Act (the "BCA"), and (b) the conversion of all the outstanding shares of capital stock of the Company into 70,000 newly issued shares of voting Common Stock of Newpark (the "Newpark Shares"). The consummation of the Plan in accordance with the terms of this Agreement and the Agreement of Merger is sometimes referred to herein as the "Closing."

D. Newpark, SBM, the Company and Stockholder believe that it is in their best interests to adopt and consummate the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

1. Plan of Reorganization.

1.1 Adoption of Plan. Newpark, SBM, the Company and Stockholder hereby adopt the plan of reorganization herein set forth.

1.2 Merger of the Company into SBM. Subject to the provisions of this Agreement and the BCA, at the "Effective Time" (as defined in paragraph 1.3), the Company shall be merged with and into SBM, and the separate corporate existence of the Company shall cease. SBM shall be the surviving corporation in the Merger (hereinafter sometimes called the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Texas. The Merger shall have the effects set forth in Article 5.06 of the BCA. In connection with the Merger, the Articles of Incorporation of SBM shall be amended to change the name of the Surviving Corporation to "Newpark Drilling Fluids, Inc."

1.3 Effective Time. If all of the conditions precedent to the parties' obligations to consummate the Merger under this Agreement are satisfied or waived and this Agreement has not been terminated, the parties shall cause the Agreement of Merger to be duly executed and filed with the Secretary of State of Texas. The Merger shall become effective as of the time the Agreement of Merger is accepted for filing and officially filed. The date and time when the Merger becomes effective is referred to herein as the "Effective Time". This Agreement and the Agreement of Merger are hereinafter collectively referred to as the "Merger Agreements".

1.4 Conversion of Shares. As of the Effective Time, by virtue of the Merger and without any action on the part of any holder thereof:

1.4.1 The shares of Common Stock of SBM which are issued and outstanding immediately prior to the Effective Time shall not be changed or converted as a result of the Merger, but shall remain outstanding as shares of the Surviving Corporation.

1.4.2 All of the outstanding shares of capital stock of the Company issued and outstanding immediately prior to the Effective Time (i.e., the Company Shares) shall be converted (in the aggregate) into the right to receive 70,000 shares of Newpark Common Stock (i.e., the Newpark Shares).

1.5 Surrender of Shares.

1.5.1 Stockholder, as the holder of all of the Company Shares, upon the surrender to Newpark of the certificate or certificates which, immediately prior to the Effective Time, represented the Company Shares, shall be entitled to receive in exchange therefor certificates representing the number of shares of Newpark Common Stock into which the shares of capital stock of the Company theretofore represented by the certificate or certificates so surrendered shall have been converted pursuant to the provisions of paragraph 1.4.2.

1.5.2 Until surrendered and exchanged as herein provided, each outstanding certificate which, prior to the Effective Time, represented capital stock of the Company shall represent for all purposes only the right to receive the consideration provided in paragraph 1.4.2. Certificates representing the Newpark Shares shall be delivered to Stockholder as soon as practicable following the Effective Time.

1.6 Securities Act Legend on Newpark Shares. Stockholder hereby agrees that he will not offer to sell, transfer or otherwise dispose of any of the Newpark Shares issued to him in the Merger, except in accordance with the applicable provisions of the "Securities Act" and the "Rules and Regulations" (as such terms are defined in Section 15). Certificates representing the Newpark Shares initially will bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE IN THE OPINION OF COUNSEL FOR THE ISSUER."

1.7 Pooling of Interests Restriction. Stockholder hereby agrees that he will not offer to sell, transfer or otherwise dispose of any of the Newpark Shares issued to him pursuant to the Merger until such time as financial results covering at least 30 days of combined operations of Newpark, SBM and the Company have been published within the meaning of Section 201.01 of the Commission's Codification of Financial Reporting Policies.

2. Noncompetition Agreement. At the Closing, as a necessary incident of the Plan, Newpark and Stockholder will execute and deliver a noncompetition agreement substantially as set forth in Exhibit 2 attached to this Agreement (the "Noncompetition Agreement").

3. Representations and Warranties of the Company and Stockholder.

A. Except as otherwise specifically set forth in a letter ("the Disclosure Letter") delivered by the Company and Stockholder to Newpark prior to the execution hereof, the Company and Stockholder hereby jointly and severally warrant and represent the following (the truth and accuracy of each of which shall constitute a condition precedent to Newpark's obligations to consummate the Plan and issue the Newpark Shares):

3.1 Organization and Good Standing of the Company.

3.1.1 The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. The Company is duly qualified and in good standing as a foreign corporation in each jurisdiction where the character or location of the assets owned by the Company or the nature of the business transacted by the Company require such qualification, except where failure to be so qualified would not have a "Material Adverse Effect" (as defined in Section 15). The Disclosure Letter includes a list of the jurisdictions in which the Company is qualified to do business.

3.1.2 The Company has furnished to Newpark complete and correct copies of the Company's Articles of Incorporation and Bylaws as in effect on the date hereof.

3.1.3 The Company has heretofore made available to Newpark for its examination copies of the minute books, stock certificate books and corporate seal of the Company. Said minute books are accurate in all material respects and reflect all resolutions adopted and all material actions expressly authorized or ratified by the stockholders and directors of the Company. The stock certificate books reflect all issuances, transfers and cancellations of capital stock of the Company.

3.2 Capitalization.

3.2.1 The authorized capital stock of the Company consists of 1,000,000 shares of capital stock, \$1.00 par value per share, of which 2,500 shares, i.e., the Company Shares, are issued and outstanding as of the date hereof. All such issued and outstanding shares

are validly issued, fully paid and nonassessable. The Disclosure Letter includes the address and social security number of Stockholder.

3.2.2 There are no options, warrants, subscriptions or other rights outstanding for the purchase of, and all securities convertible into, capital stock of the Company. No shares of the Company are held as treasury stock.

3.3 Authority. The Company has the full corporate power and authority to execute and deliver the Merger Agreements, to perform the obligations and covenants set forth therein and to consummate the Merger and the other transactions contemplated thereby. The execution and delivery of the Merger Agreements by the Company and the consummation of the transactions contemplated thereby have been duly authorized by the Board of Directors of the Company and by Stockholder in his capacity as the sole stockholder of the Company, and no further corporate action is necessary on the part of the Company to make the Merger Agreements binding upon the Company in accordance with their terms. This Agreement has been duly executed and delivered by the Company and Stockholder and constitutes the valid and binding agreement of each of them, enforceable against them in accordance with its terms, and, when the Agreement of Merger has been duly executed and delivered, it will constitute the valid and binding Agreement of the Company, enforceable against the Company in accordance with its terms, in each case subject to the "Bankruptcy Exception" (as defined in Section 15).

3.4 Equity Interests. The Company does not have a material equity interest in any other "Person" (as defined in Section 15).

3.5 No Violation. The execution, delivery and performance of this Agreement by the Company and Stockholder are not contrary to the Articles of Incorporation or Bylaws of the Company and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other material contract or agreement to which the Company, Stockholder or both are a party or by which either or both of them are bound.

3.6 Financial Statements. The unaudited balance sheets of the Company as of December 31, 1994, December 31, 1995 and December 31, 1996, and the related unaudited statements of income, stockholders' equity and cash flows for the years ended December 31, 1994, December 31, 1995 and December 31, 1996, and the unaudited balance sheet of the Company as of April 30, 1997, and the related statements of income, stockholders' equity and cash flows for the four month period ended on said date, in each case certified by the principal financial officer of the Company, subject to year-end audit adjustments, copies of which have heretofore been delivered to Newpark (collectively the "Company Financial Statements"), were prepared in accordance with the books and records of the Company in accordance with generally accepted accounting principles (except for the absence of footnotes from the April 30, 1997, financial statements) consistently applied throughout the periods involved (except as otherwise noted therein) and present fairly the financial position, results of operations and cash flows of the Company for and as of the end of each of such periods.

3.7 Properties. The Company has good title to the assets and properties shown in the Company Financial Statements or acquired since the date of the latest balance sheet included therein, except as since sold or otherwise disposed of in the ordinary course of business. Such title is free and clear of all liens, charges, security interests, encumbrances, leases, covenants, conditions and restrictions other than "Permitted Liens" (as defined in Section 15). The plants, structures, leasehold improvements, machinery, equipment, furniture and other tangible assets owned or leased by the Company are in good operating condition and repair, subject only to ordinary wear and tear, taking into account the respective ages of the assets involved, and constitute all the fixed tangible assets necessary for the operation of the business of the Company in accordance with its current methods of operation in all material respects.

3.8 Contracts.

3.8.1 The Disclosure Letter includes a listing of all oral or written (a) contracts, commitments, sales orders or purchase orders, whether or not entered into in the ordinary course of business, which involve future payments, performance of services or delivery of goods and/or materials, to or by the Company of an amount or value in excess of \$25,000; (b) bonus, incentive compensation, pension, profit sharing, stock option, group insurance, medical reimbursement or employee welfare or benefit plans of any nature whatsoever; (c) collective bargaining agreements or other contracts or commitments to or with labor unions or other employee groups; (d) leases, contracts or commitments affecting ownership of, title to, use of or any material interest in real estate; (e) employment contracts and other contracts, agreements, or commitments to or with individual employees, consultants or agents extending for a period of more than six months from the date hereof or providing for earlier termination only upon payment of a penalty or the equivalent thereof; (f) equipment leases providing (in any one lease or group of related leases) for payments in excess of \$10,000 per year; (g) contracts under which the performance of any obligation of the Company is guaranteed by Stockholder or other third party, including performance bonding arrangements; (h) contracts or commitments providing for payments based in any manner upon the revenues, purchases or profits of the Company; (i) bank credit, factoring and loan agreements, indentures, promissory notes and other documents representing indebtedness for borrowed money; (j) patent licensing agreements and all other agreements with respect to patents, patent applications, trademarks, service marks, trade names, technical assistance, special processes, know-how, copyright or other like items; and (k) other contracts and agreements to which the Company is a party and which have not been fully performed, involving consideration having a value in excess of \$25,000 or a remaining period for performance in excess of nine months (all such items being collectively referred to herein as "Material Contracts"). The Company has furnished to Newpark true and complete copies of all such Material Contracts.

3.8.2 All Material Contracts are valid and binding obligations of the Company and, to the "best of the knowledge of the Company" (as defined in Section 15), the other parties thereto in accordance with their respective terms, subject to the Bankruptcy Exception; there have been no amendments to or modifications to any Material Contract (except as set forth in the copies furnished to Newpark); no event has occurred which is, or, following any grace period or required notice, would become a material default by the Company under the terms of any Material Contract; except to the extent specifically reserved against on the latest

balance sheet included in the Company Financial Statements, the Company is not a party to any Material Contract on which the Company or Stockholder anticipates expenses materially in excess of revenues or which is otherwise onerous or materially adverse; and the Company has not expressly waived any material rights under any Material Contract.

3.9 Outstanding Indebtedness. The Disclosure Letter includes a true and complete schedule of all notes payable and other indebtedness for borrowed money owed by the Company, including a description of the material terms thereof and a description of all properties or assets pledged, mortgaged or otherwise hypothecated (voluntarily or involuntarily) as security therefor.

3.10 Absence of Undisclosed Liabilities. Except as disclosed in the Disclosure Letter and except for liabilities and obligations reflected on the latest balance sheet included in the Company Financial Statements or arising in the ordinary course of business since the date of such balance sheet, none of which latter items, individually or in the aggregate, have a Materially Adverse Effect: (a) the Company does not have, and none of its properties are subject to, any debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, which are of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles; and (b) to the best of the knowledge of the Company, the Company does not have, and none of its properties are subject to, any material debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, whether or not of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles. The Company is not in default with respect to any material term or condition of any indebtedness.

3.11 No Litigation. Except as disclosed in the Disclosure Letter, there are no actions, suits or proceedings (whether or not purportedly on behalf of the Company) pending or, to the knowledge of the Company, threatened against or affecting the Company, at law or in equity or before or by any "Government Body" (as defined in Section 15) or before any arbitrator of any kind. To the best of the knowledge of the Company, the Company is not in default with respect to any judgment, order, writ, injunction, decree, award of any Government Body.

3.12 Environmental Matters.

3.12.1 Neither the Company nor, to the best of the knowledge of the Company, any previous owner, lessee, tenant, occupant or user of any real property owned or leased on or prior to the date hereof by the Company (such real property and any and all buildings and other improvements thereon being herein referred to as the "Property") used, generated, manufactured, treated, handled, refined, processed, released, discharged, stored or disposed of any "Hazardous Materials" (as defined in Section 15) on, under, in or about the Property, or transported any Hazardous Materials to or from the Property in violation of any "Hazardous Materials Laws" (as defined in Section 15) in a manner or to an extent that resulted or is reasonably likely to result in a Material Adverse Effect. To the best of the knowledge of the Company, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect existed on, under, in or about any Property

previously owned or leased by the Company on or prior to the date that fee or leasehold title to such Property was transferred to a third party by the Company. To the best of the knowledge of the Company, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect exist on, under, in or about any Property that is currently owned or leased by the Company.

3.12.2 While any Property was owned or leased by the Company, it did not violate to an extent that would have a Material Adverse Effect any applicable federal, state and local laws, ordinances or regulations, now or previously in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, under, in or about such Property (including without limitation the Hazardous Materials Laws).

3.12.3 As of the date hereof, to the best of the knowledge of the Company, there are no (1) enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, contemplated or threatened pursuant to any Hazardous Materials Laws against the Company or any Property presently owned or leased by the Company, (2) claims made or threatened by any Person or Government Body relating to the Property against the Company or any Property presently owned or leased by the Company or relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials or (3) any occurrence or condition known to the Company or Stockholder on any Property that is currently owned or leased by the Company that can reasonably be expected to subject the Company or such Property to any material restrictions on occupancy, transferability or use of any Property under any Hazardous Materials Laws. The Disclosure Letter includes a list of all complaints, notices of violation and claims relating to Hazardous Materials Laws which, to the knowledge of the Company, have been received by or asserted against the Company.

3.13 Taxes.

3.13.1 The Company has filed all income, franchise and other "Tax Returns" (as defined in Section 15) required to be filed by it by the date hereof. All "Taxes" (as defined in Section 15) imposed by the United States, the State of Texas and by any other state, municipality, subdivision, or other taxing authority, which are due and payable by the Company have been paid in full or are adequately provided for by reserves reflected on the latest balance sheet included in the Company Financial Statements. The Company is an S Corporation under Subchapter S of the Code for federal income Tax purposes. To the knowledge of the Company, Stockholder has paid all income Taxes required to be paid by him with respect to all items of income, net of all deductions, allocable to him for federal income tax purposes by reason of the Company's status as an S Corporation, for each taxable year ended on or before December 31, 1996.

3.13.2 All contributions due from the Company pursuant to any unemployment insurance or workers compensation laws and all sales or use Taxes which are due or payable by the Company have been paid in full. The Company has withheld and paid to, or will cause to be paid to, the appropriate taxing authorities all amounts required to be withheld from the wages of its employees under state law and the applicable provisions of the Code.

3.13.3 The Company has furnished to Newpark true and complete copies of the federal income Tax Returns and comparable state Tax Returns of the Company covering the years ended December 31, 1994, December 31, 1995 and December 31, 1996, constituting complete and accurate representations in all material respects of the Tax liabilities of the Company for the relevant periods stated therein and accurately setting forth all relevant material items, including the Tax bases of all assets, where required to be set forth in such Tax Returns.

3.14 Permits and Licenses. The Company has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects as conducted on the date hereof, and the Company is in compliance in all material respects with all applicable federal, state and local laws, rules, regulations and orders relating to its business, except where failure to have any such license, franchise, permit or authorization or failure to comply with any such laws, rules, regulations and orders would not have a Material Adverse Effect. The execution and performance of this Agreement and the consummation of the transactions contemplated hereby will not cause the termination or suspension of any license, franchise, permit or governmental authorization or violate any provision of or constitute a default under any law, rule or regulation, order, writ, injunction or decree of any Government Body applicable to Stockholder or the Company, where such violation or default would have a Material Adverse Effect.

3.15 No Labor Problems. The Company has not been charged with any unresolved unfair labor practices and there are no material controversies pending or threatened between the Company and any of its employees. The Company has complied in all material respects with all laws relating to wages, hours, collective bargaining and similar employment matters the noncompliance with which would have a Material Adverse Effect, and the Company has paid all social security and similar Taxes that are due and payable and is not liable for any arrears or wages or any Taxes or material penalties for failure to comply with any of the foregoing.

3.16 Employee Benefit Plans.

3.16.1 Definition of Benefit Plans. For purposes of this Section 3.15, the term "Benefit Plan" means any plan, program, arrangement, practice or contract which provides benefits or compensation to or on behalf of employees or former employees of the Company or any "ERISA Affiliate" (as hereinafter defined), whether formal or informal, whether or not written, including but not limited to the following:

(a) Arrangements - any bonus, incentive compensation, stock option, deferred compensation, commission, severance, golden parachute or other compensation plan, rabbi trust, program, contract, arrangement or practice;

(b) ERISA Plans - any "employee benefit plan" (as defined in Section 3(3) of ERISA), including, but not limited to, any "multi-employer plan" (as defined in Section 3(37) and Section 4001(a)(3) of ERISA), defined benefit pension plan, profit sharing plan, money purchase pension plan, 401(k) plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, or any plan, fund, program, arrangement or practice providing for medical

(including post-retirement medical), hospitalization, accident, sickness, disability, or life insurance benefits; and

(c) Other Employee Fringe Benefits - any stock purchase, vacation, scholarship, day care, prepaid legal services, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

3.16.2 ERISA Affiliate. For purposes of this Section 3.15, the term "ERISA Affiliate" means each trade or business (whether or not incorporated) which together with the Company is treated as single employer under Section 414(b), (c), (m) or (o) of the Code.

3.16.3 Identification of Benefit Plans. The Company does not maintain, and has not at any time established or maintained, nor has at any time been obligated to make contributions to or under or otherwise participate in any Benefit Plan.

3.16.4 MEPPA Liability/Post-Retirement Medical Benefits/ Defined Benefit Plans/Supplemental Retirement Plans. Neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under any multi-employer plan. Neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under (i) any plan which provides post-retirement medical or health benefits, (ii) any organization described in Sections 501(c)(9) or 501(c)(20) of the Code, (iii) any defined benefit pension plan subject to Title IV of ERISA or (iv) any plan which provides retirement benefits in excess of the limitations of Section 415 of the Code.

3.16.5 Liabilities. The execution and performance of the transactions contemplated by this Agreement will not create, accelerate or increase any obligation to make any payment which, as an "excess parachute payment" under Section 280G of the Code, would not be deductible.

3.17 Insurance. The Company has furnished to Newpark a complete list of all insurance policies that the Company maintains, indicating risks insured against, carrier, policy number, amount of coverage, premiums and expiration date.

3.18 Interest in Competitors, Suppliers, etc. Except as set forth in the Disclosure Letter, neither Stockholder nor any officer or director of the Company or any Family Member of any such Person owns, directly or indirectly, individually or collectively, any interest in any corporation, partnership, proprietorship, firm or association which (a) is a competitor, customer or supplier of the Company, or (b) has an existing contractual relationship with the Company, including but not limited to lessors of real or personal property leased to the Company and entities against whom rights or options are exercisable by the Company. The Company owns, free and clear and without payment of any royalty or fee, all interests in the assets, profits or business of the Company that have previously been held by any Affiliate of the Company, including Stockholder and his Family Members.

3.19 Indebtedness with Insiders. Except for accrued salaries for one payroll period, vacation pay and business expense reimbursements, the Company is not indebted to any of the stockholders, directors or officers of the Company or any Affiliate of any such Person. None of such Persons is indebted to the Company.

3.20 Consents. No authorizations, approvals or consents of any Government Body are required for consummation of the transactions contemplated by this Agreement or the subsequent operation of the business of the Company, except for the filing of the Agreement of Merger as required by the BCA.

3.21 Patents, Trademarks and Other Intangibles. The Disclosure Letter includes a list of all material patents, patent applications, trade names, trademark registrations and applications therefor, copyrights, licenses, franchises and other assets of like kind ("Intangible Assets") and all interests in Intangible Assets which are owned in whole or in part by or registered in the name of the Company. The Company owns or has the right to use all Intangible Assets now used in the conduct of its business. Such Intangible Assets include all of the proprietary products and formulations developed by the Company or used by it in its business. The Company is not obligated to pay any royalty or other fee to any licensor or other third party with respect to any Intangible Assets. Neither the Company nor Stockholder has knowledge of any claim received by the Company alleging any conflict between any aspect of the business of the Company and any Intangible Assets claimed to be owned by others which, if determined adversely to the Company, would have a Material Adverse Effect. Neither Stockholder nor any other officer or director of the Company, and no Person that is an Affiliate of any such Person has any interest in any Intangibles Assets which are presently used by the Company or which infringe upon, conflict with or relate to improvements or modifications of any Intangible Assets presently used by the Company.

3.22 Purchases and Sales. Since December 31, 1996, the Company has not placed any orders for materials, merchandise or supplies in exceptional or unusual quantities based upon past operating practices and has not entered into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

3.23 Brokerage and Finder's Fees. Neither the Company nor Stockholder (or any Affiliate of Stockholder) has incurred any liability to any broker, finder or agent for any brokerage fees, finder's fees or commissions for which the Company could be liable with respect to the transactions contemplated by this Agreement.

3.24 Absence of Certain Changes. Since December 31, 1996, except for matters of a general economic nature which do not affect the Company uniquely, the Company has not:

3.24.1 suffered any Material Adverse Effect;

3.24.2 borrowed or agreed to borrow any funds in excess of \$25,000 in the aggregate or incurred or become subject to any obligation or liability (absolute or contingent) in

excess of \$25,000 in the aggregate, except obligations and liabilities incurred in the ordinary course of business;

3.24.3 mortgaged, pledged, hypothecated or otherwise encumbered any of its properties or assets except for Permitted Liens;

3.24.4 made or agreed to make any distribution of any funds or assets of any kind whatsoever to any past or present stockholder of the Company or any Affiliate of any such Person, whether by way of dividend, redemption or purchase of capital stock, or any other type of distribution on or with respect to its capital stock, whether or not similar to the foregoing, except dividends in an amount equal to 39% of the income, net of deductions, that is allocable to him as a result of the Company's status as an S Corporation for 1996 and for the period from January 1, 1997 to and including the day before the date hereof (the "Short Period Income Taxes");

3.24.5 made any payment of principal or interest on any indebtedness owed to any past or present stockholder of the Company or any Affiliate of any such Person;

3.24.6 sold or agreed to sell any of its assets, properties or rights having an aggregate value in excess of \$10,000 or canceled or agreed to cancel any debts or claims exceeding \$10,000 in the aggregate, except for fair value in the ordinary course of business;

3.24.7 entered or agreed to enter into any agreement or arrangement granting any preferential right to purchase a material part of its assets, properties or rights;

3.24.8 increased the rate of compensation of or paid or accrued bonuses to or for any of its officers, employees, consultants or agents, except for normal merit or cost of living increases;

3.24.9 suffered any damage, destruction or loss in excess of an aggregate of \$100,000, whether or not covered by insurance, adversely affecting any of its properties;

3.24.10 assigned or agreed to assign any of its Intangible Assets;

3.24.11 suffered any adverse amendment or termination of any Material Contract (or any contract that would have been a Material Contract if not amended or terminated) to which it is a party;

3.24.12 paid any commissions or similar fees to brokers or finders for arranging the transactions contemplated by this Agreement or any similar proposed transaction with any other party; or

3.24.13 entered into any other material transaction other than in the ordinary course of business.

3.25 No Material Misstatements or Omissions. No representation or warranty by the Company or Stockholder in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to Newport or SBM pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated therein or necessary in order to make the statements or facts contained herein or therein, in the light of the circumstances under which they were made, not misleading.

3.26 Investment Representations. Either Stockholder is an "accredited investor", as that term is defined in Rule 501 of the Rules and Regulations or Stockholder, either alone or with his qualified "purchaser representative" (as defined in Rule 501 of the Rules and Regulations), has such knowledge and experience in financial and business matters that he is capable of evaluating the risks and merits of an investment in Newport Common Stock. Stockholder is acquiring his Newport Shares in the Merger for investment and not with a view to the sale thereof other than in compliance with the requirements of the Securities Act and applicable Blue Sky laws. At the request of Newport, Stockholder will furnish to Newport evidence reasonably satisfactory to Newport that the foregoing representations are true. Stockholder acknowledges that Newport has made available to him the opportunity to ask questions and receive answers concerning the terms and conditions of the Plan and to obtain any additional information that Newport is required to furnish under Regulation D of the Rules and Regulations.

3.27 No Joinder. Stockholder has the requisite power to enter into this Agreement and perform his obligations hereunder (including without limitation to sell and deliver his Company Shares), and no other Person's joinder as a party hereto is necessary therefor pursuant to any community property laws or otherwise, and there is no restriction on the power of Stockholder to sell and deliver his Company Shares pursuant to any trust, estate planning or other similar document or any prenuptial or post-nuptial agreement or arrangement.

3.28 No Litigation. There are no actions pending or, to the knowledge of the Company, threatened in any court or arbitration forum or by or before any Government Body involving the Company or Stockholder relating to or affecting any of the transactions contemplated by this Agreement.

3.29 Title to Shares. Stockholder is the holder of record and owns beneficially all of the Company Shares, free and clear of all liens, security interests, encumbrances and restrictions, other than restrictions contemplated by this Agreement. Stockholder is not a party to any voting trust, proxy or other agreement with respect to the voting of any of his Company Shares.

4. Representations and Warranties of Newport. Newport hereby represents and warrants the following (the truth and accuracy of each of which shall constitute a condition precedent to the Company's and Stockholder's obligations to consummate the Plan):

4.1 Organization and Good Standing.

4.1.1 Newpark is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Newpark has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

4.1.2 SBM is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas. SBM has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

4.1.3 Newpark has furnished to Stockholder complete and correct copies of Newpark's Certificate of Incorporation and Bylaws as in effect on the date hereof and SBM's Articles of Incorporation and Bylaws as in effect on the date hereof.

4.2 Capital Stock. The authorized capital stock of Newpark consists of 80,000,000 shares of Common Stock, \$.01 par value, of which 31,367,874 shares were issued and outstanding on June 30, 1997, and 1,000,000 shares of Preferred Stock, \$.01 par value, of which no shares are issued and outstanding. The authorized capital stock of SBM consists of 1,000,000 shares of Class A voting common stock, of which 1,000 shares are issued and outstanding and held by Newpark on the date hereof.

4.3 Newpark Subsidiaries. Each subsidiary of Newpark that is a "significant subsidiary," as defined in Rule 1-02(w) of Regulation S-X of the Rules and Regulations (each a "Newpark Subsidiary" and collectively the "Newpark Subsidiaries), is duly organized and in good standing under the laws of the jurisdiction in which it was incorporated or organized, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. Each Newpark Subsidiary is duly qualified and in good standing as a foreign corporation or other entity in each jurisdiction where the character or location of the assets owned by it or the nature of the business transacted by it require such qualification, except where failure to be so qualified would not have a Material Adverse Effect.

4.4 Authority. The execution and delivery of this Agreement by Newpark and the consummation of the transactions contemplated hereby have been duly authorized by the Boards of Directors of Newpark and SBM and by Newpark in its capacity as the sole stockholder of SBM. This Agreement has been duly executed and delivered to the Company and Stockholder and no vote of the stockholders of Newpark or further corporate action is necessary on the part of Newpark or SBM to make this Agreement valid and binding upon Newpark and SBM in accordance with its terms, subject to the Bankruptcy Exception. The execution, delivery and performance of this Agreement by Newpark and SBM (a) are not contrary to the Certificate

of Incorporation or Bylaws of Newpark, (b) are not contrary to the Articles of Incorporation or Bylaws of SBM and (c) will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other contract or agreement to which Newpark or SBM is a party or by which Newpark or SBM is bound.

4.5 Newpark Reports. Newpark has delivered to Stockholder copies of Newpark's Annual Reports on Form 10-K for the years ended December 31, 1994, 1995 and 1996 (as amended), Newpark's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, and Newpark's definitive Proxy Statement dated April 4, 1997, for its Annual Meeting of Stockholders held on May 14, 1997. All of said documents and all periodic reports filed by Newpark with the Commission after the date hereof are called the "Newpark Reports" herein. The Newpark Reports have been or will be duly and timely filed with the Commission and are or will be when filed in compliance with the Rules and Regulations. As of their respective dates, none of the Newpark Reports contained or will contain any untrue statement of a material fact or omitted or will 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.

4.6 Newpark Financial Statements. The financial statements contained in the Newpark Reports (the "Newpark Financial Statements") filed on or before the date hereof have been prepared in accordance with the books and records of Newpark and its subsidiaries and in accordance with generally accepted accounting principles consistently applied during the periods indicated, all as more particularly set forth in such financial statements and the Notes thereto. Each of the balance sheets included in the Newpark Financial Statements presents fairly as of its date the consolidated financial condition and assets and liabilities of Newpark and its subsidiaries. Except as and to the extent reflected or reserved against in such balance sheets (including the Notes thereto), Newpark (including its subsidiaries) did not have, as of the dates of such balance sheets, any material liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto prepared in accordance with generally accepted accounting principles. The consolidated statements of earnings and stockholders' equity and consolidated statements of changes in financial position included in the Newpark Financial Statements present fairly the results of operations and changes in financial position of Newpark and its subsidiaries for the periods indicated.

4.7 Absence of Certain Changes. Since March 31, 1997, there has not been any material adverse change in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole.

4.8 Issuance and Listing of Stock. Newpark has reserved for issuance the Newpark Shares, and the Newpark Shares, when issued in accordance with this Agreement, will be validly issued, fully paid and nonassessable.

4.9 Consents. No authorizations, approvals or consents of any governmental department, commission, bureau, agency or other public body or authority are required for consummation by Newpark of the transactions contemplated by this Agreement, except for the

filing of the Agreement of Merger as required by the BCA and such qualifications as may be required under state securities or Blue Sky laws relating to the Newport Shares.

4.10 No Material Misstatements or Omissions. No representation or warranty by Newport or SBM in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to the Company or Stockholder pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements or facts contained herein or therein, in the light of the circumstances under which they were made, not misleading.

5. Conditions to Each Party's Obligations. The respective obligations of each party to consummate the Plan under this Agreement shall be subject to the satisfaction on or before the date hereof of each of the following conditions except to the extent the parties may waive any of such conditions in writing:

5.1 Government Body Consents. All consents, authorizations, orders and approvals of (or filings or registrations with) any Government Body required in connection with the execution, delivery and performance of this Agreement, including the Merger and the issuance of the Newport Shares, or the operation of the business of the Company following the Merger shall have been obtained or made, except where the failure to have obtained or made any such consent, authorization, order, approval, filing or registration would not have a Material Adverse Effect following the Closing.

5.2 Injunction. There shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction to the effect that the Plan may not be consummated as herein provided, no proceeding or lawsuit shall have been commenced by any Government Body for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Government Body indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement.

5.3 Listing of Newport Shares. The Newport Shares shall have been listed on the New York Stock Exchange, subject to official notice of issuance.

6. Conditions Precedent to Obligations of Newport and SBM. The obligations of Newport and SBM to consummate the Plan and issue the Newport Shares are subject to the satisfaction of each of the additional following conditions at or prior to the date hereof, unless waived in writing by Newport:

6.1 Accuracy of Warranties and Representations. The representations and warranties of the Company and Stockholder herein shall be true and correct in all material respects, and the Company and Stockholder shall perform or shall have performed in all material respects all covenants required by this Agreement to be performed by them at or prior to the Closing.

6.2 No Material Adverse Change. There shall have been no changes after December 31, 1996, in the results of operations, assets, liabilities, financial condition or affairs of the Company which in their total effect have a Materially Adverse Effect on the Company.

6.3 Material Contracts. The Company shall have received consents to assignment of all Material Contracts or written waivers of the provisions of any Material Contracts requiring the consents of third parties as set forth in the Disclosure Letter, except where the failure to have obtained any such consent or written waiver would not have a Material Adverse Effect following the Closing.

6.4 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for Newpark, and there shall have been furnished to such counsel by the Company certified copies of such corporate records of the Company and copies of such other documents as such counsel may reasonably have requested for such purpose.

6.5 Opinion of the Company's and Stockholder's Counsel. Newpark shall have received an opinion of Farnsworth & vonBerg, counsel to the Company and Stockholder, dated the date of the Closing, substantially in the form attached hereto as Exhibit 6.5.

6.6 Merger of Chem-Energy Management, Inc.. Chem-Energy Management, Inc., a Texas corporation, shall have been merged with and into the Company.

7. Conditions Precedent to Obligation of the Company and Stockholder. The obligations of the Company and Stockholder to consummate the Plan are subject to the satisfaction of each of the following additional conditions at or prior to the date hereof, unless waived in writing by the Company and Stockholder:

7.1 Accuracy of Warranties and Representations. The representations and warranties of Newpark contained in this Agreement shall be true and correct in all material respects, and Newpark shall perform or shall have performed in all material respects all of the covenants required by this Agreement to be performed by it on or before the Closing.

7.2 Authorization of Plan. All corporate action necessary by Newpark to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby shall have been duly and validly taken.

7.3 No Material Adverse Change. There shall have been no changes since March 31, 1997, in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole, which, in their total effect, have a Material Adverse Effect on Newpark and its subsidiaries.

7.4 Opinion of Newpark's Counsel. The Company and Stockholder shall have received an opinion of Ervin, Cohen & Jessup LLP, dated the date of the Closing, substantially in the form attached hereto as Exhibit 7.4.

7.5 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for the Company and Stockholder, and there shall have been furnished to such counsel by Newport certified copies of such corporate records of Newport (including Board of Directors resolutions approving the Merger Agreements) and copies of such other documents as such counsel may reasonably have requested for such purpose.

8. Survival of Representations. All representations and warranties made by the Company or SBM under or in connection with this Agreement shall terminate at the Effective Time and shall be of no further force or effect thereafter. All representations, warranties and indemnifications made by Stockholder or Newport under or in connection with this Agreement shall survive the consummation of the Merger until the later of (a) one year after the Closing or (b) the date when Newport's independent accountants issue an audit report on their audit of the financial statements containing combined operations of Newport and the Company for the period ending December 31, 1997. No party shall be entitled to recover against any other party for any misrepresentation or breach of warranty except to the extent that written notice of any such claim has been delivered to the party against whom recovery is sought within the applicable period setting forth in reasonable detail and specifying the nature of the claim being asserted. The provisions of this Section and Section 10.3.3 apply only to claims arising under this Agreement and do not affect any other claims that any party may have at any time against any other party, including but not limited to claims that may arise under Hazardous Material Laws.

9. Post-Closing Covenants.

9.1 Cooperation and Assistance. Upon request, each of the parties hereto shall cooperate with the other to the extent reasonably requested, at the requesting party's expense, in furnishing information, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving the Company, Stockholder, Newport or SBM which are based upon contracts, arrangements or acts of Stockholder or the Company or both which were in effect or occurred on or prior to the Closing.

9.2 Access to Records. Stockholder shall be entitled, after the Closing, upon reasonable notice and during the regular business hours of Newport, to have access to and to make copies of the business records of the Company which relate to periods prior to the Closing. Newport shall retain such business records for a period of five (5) years following the Closing, after which time Newport may destroy or otherwise dispose of such business records without Stockholder's consent.

9.3 Tax Matters.

9.3.1 Control of Tax Proceedings. Whenever any taxing authority proposes any adjustment, questions the treatment of any item, asserts a claim, makes an assessment, or otherwise disputes the amount of any Taxes for any period or portion thereof ending on or before the date hereof, which adjustment, question, claim, assessment or dispute could, if pursued successfully, result in or give rise to a claim against Stockholder under this

Agreement (a "Tax Claim"), Newport shall promptly inform Stockholder in writing of such Tax Claim. The provisions of Section 10 shall apply to the handling of any Tax Claim.

9.3.2 Current Tax Returns. Stockholder shall be responsible for the preparation of all Tax Returns of the Company for all taxable periods that end or ended on or before the date hereof and are not required to be filed (taking into account all extensions) on or before the date hereof. Newport will make available to Stockholder, without charge, the services of its personnel and the personnel of the Company to assist Stockholder in the preparation of such Tax Returns. Such Tax Returns shall be reasonably satisfactory to Newport in form and substance. Stockholder shall pay the Short Period Income Taxes.

9.3.3 Refunds and Credits. Subject to the provisions of Section 9.3.2, any refunds and credits (together in each case with any interest received or credited on or with respect to such refund or credit) of federal income Taxes attributable to any taxable period ending on or before the date hereof shall be for the account of Stockholder, and any refunds and credits (together in each case with any interest received or credited on or with respect to such refund or credit) of other Taxes attributable to any taxable period ending on or before the date hereof shall be for the account of the Company; provided, however, that, to the extent that any such refund of Taxes other than federal income Taxes exceeds the amount or such refund, credit or interest, if any, accrued on the books of the Company as of the date hereof, Stockholder shall receive credit in an amount equal to the amount of such excess against any liability he may have under Section 10.

9.3.4 Cooperation. Newport and Stockholder shall cooperate in good faith with each other in a timely manner in the preparation and filing of any Tax Returns of the Company and the handling of any Tax Claims and other Tax matters to which this Agreement relates, other than Tax Claims and Tax matters solely involving Newport and its Subsidiaries other than the Company. Each party shall execute and deliver such powers of attorney and make available such other documents and such personnel as are necessary to carry out the intent of this Section 9.3.4. Each party agrees to promptly notify the other parties of any such Tax Claim that does not result in Tax liability but can be reasonably expected to affect any Tax Returns of any of the other parties.

9.3.5 Retention of Records. Newport shall (i) retain records, documents, accounting data and other information (including computer data) necessary for the preparation and filing of all Tax Returns of the Company and the handling of any Tax Claims and other Tax matters to which this Agreement relates, and (ii) give to Stockholder reasonable access to such records, documents, accounting data and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the preparation and review of such Tax Returns and the handling of any Tax Claims and other Tax matters to which this Agreement relates, to the extent necessary in connection with any Taxes to which this Agreement relates or any obligation or liability of a party under this Agreement.

9.4 Stockholder Guarantees. Subject to consummation of the Merger, Newport agrees that it will cause the Company to discharge in accordance with its terms all indebtedness

of the Company as to which Stockholder has executed personal guarantees, as disclosed in the Disclosure Letter.

10. Indemnifications.

10.1 Indemnification by Stockholder. Subject to the provisions of Sections 8 and 10.3, Stockholder hereby agrees to indemnify, defend, protect and hold harmless Newpark against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from (i) any breach of any warranty or representation made by the Company and Stockholder under or in connection with this Agreement and (ii) the presence on, under, in or about the Property of any Hazardous Materials as of the Effective Time or the noncompliance by the Company with any Hazardous Materials Laws on or before the Effective Time, whether or not disclosed in the Disclosure Letter. Such indemnification shall be solely the responsibility of Stockholder, and he shall not have any right to recover any portion of his liability from the Company, whether by right of indemnification, contribution or otherwise.

10.2 Indemnification by Newpark. Subject to the provisions of Sections 8 and 10.3, Newpark hereby agrees to indemnify, defend, protect and hold harmless Stockholder against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any breach of any warranty or representation made by Newpark under or in connection with this Agreement. The rights to such indemnification shall accrue solely to Stockholder, and the Company shall have no interest therein.

10.3 Indemnification Procedures and Limitations. The following provisions shall apply to all indemnification and hold harmless provisions of this Agreement:

10.3.1 No party shall be required to indemnify another pursuant hereto unless the party seeking indemnification (the "Indemnitee") shall, with reasonable promptness, provide the other party (the "Indemnitor") with copies of any claims or other documents received and shall otherwise make available to the Indemnitor all material relevant information. The Indemnitor shall have the right to defend any such claim at its expense, with counsel of its choosing, and the Indemnitee shall have the right, at its expense, using counsel of its choosing, to join in the defense of any such claim. The Indemnitee's failure to give prompt notice or to provide copies of documents or to furnish relevant data shall not constitute a defense in whole or in part to any claim by the Indemnitee against the Indemnitor except to the extent that such failure by the Indemnitee shall result in a material prejudice to the Indemnitor.

10.3.2 Except as hereinafter provided, neither party shall settle or compromise any such claim unless it shall first obtain the written consent of the other, which shall not be unreasonably withheld. The foregoing notwithstanding, if suit shall have been instituted against the Indemnitee and the Indemnitor shall have failed, after the lapse of a reasonable time after written notice to it of such suit, to take action to defend the same, the Indemnitee shall have the right to defend the claim (without limiting the right of the Indemnitor to participate in the defense) and to charge the Indemnitor with the reasonable cost of any such defense, including reasonable attorneys' fees, and the Indemnitee shall have the right, after notifying but without

consulting the Indemnitor, to settle or compromise such claim on any terms reasonably approved by the Indemnitee.

10.3.3 Neither Newpark nor Stockholder shall have any liability for breach of warranty or representation hereunder except to the extent that the amount of all valid claims for breach of warranty or representation against it or him hereunder exceeds an aggregate of \$10,000. In no event shall the liability of Stockholder for any breach of warranty or representation hereunder exceed the lesser of (i) \$1,000,000 or (ii) the value of the Newpark Shares for which his Company Shares are exchanged in the Merger, for which purpose they shall be valued at their Closing Value. To the fullest extent permitted by law, Stockholder shall satisfy his liability hereunder by delivering to Newpark some or all of such Newpark Shares, valued at their Closing Value, and Newpark shall satisfy its liability by issuing additional Newpark Shares valued at their Closing Value. Nothing contained herein shall relieve Stockholder or Newpark of any liability he or it may have for any intentional breach of representation or warranty or for breach of any covenants or agreements made herein by such party.

10.3.4 In determining the amount of any damage, loss, liability, cost or expense suffered by Newpark which gives rise to liability of Stockholder hereunder, there shall be taken into account the amount of any Tax benefits actually realized by Newpark and its subsidiaries attributable to such damage, loss, liability, cost or expense or derived therefrom in the same or any past or subsequent taxable period, also taking into account the Tax treatment of the receipt by Newpark of any payment from Stockholder.

10.4 Dispute Resolution; Arbitration. The parties desire to finally resolve any and all issues and disputes arising out of or related to this Agreement or its alleged breach as promptly as practicable and, in any event, within the survival period specified in Section 8. Newpark and Stockholder shall first attempt diligently to resolve any such issue or dispute. They may, if they desire, attempt to mediate the dispute and shall, if they choose, do so in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"), either as written or as modified by mutual agreement. A written agreement to undertake mediation may be made at any time. If arbitration proceedings have been instituted, they shall be stayed until the mediation process is terminated. Any dispute arising out of or related to this Agreement or its alleged breach that cannot be resolved by mutual agreement (including mutually agreed mediation) shall be resolved exclusively by final and binding arbitration, conducted as expeditiously as possible in the City of Houston, Texas, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator or arbitrators shall be final, conclusive and binding on all parties. The arbitrators shall prepare an award in writing which reflects the final decision of the arbitrators and a copy of such award shall be delivered to each party to the arbitration. Judicial confirmation of the decision of the arbitrators shall be sought only in the Judicial District Court of Harris County, Houston Division.

11. Destruction of Assets. All risk of loss with respect to the assets and business of the Company shall be borne by the Company until the Closing to the extent set forth in this Section 11. If on the date hereof any assets of the Company shall have suffered loss or damage on account of fire, flood, accident, act of war, civil commotion, or any other cause or event beyond the reasonable power and control of the Company (whether or not similar to the

foregoing) to an extent which materially affects the value to Newpark of the Company Shares, Newpark shall have the right at its election to complete the Merger (in which event, as Newpark's sole and exclusive remedy with respect to the consequences of such loss or damage, all claims of the Company with respect to such loss or damage and all insurance proceeds arising therefrom shall be for the account of the Company), or, if it does not so elect, it shall have the right, which shall be in lieu of any other right or remedy whatsoever, to terminate this Agreement. In the latter event, all parties shall be released from liability hereunder.

12. Termination. In addition to any party's right to terminate this Agreement if any condition precedent to its obligations is not satisfied at or before the Closing, either Newpark or the Company and Stockholder may forthwith terminate this Agreement: (a) subject to clause (b) below, without liability to the other of them if a bona fide action or proceeding (by and at the sole instance of a party or parties not an Affiliate or Affiliates of Newpark or the Company) shall be pending against either party on the date hereof wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) without prejudice to other rights and remedies which either party may have, if a material default shall be made by the other of them in the observance or in the due and timely performance of its covenants and agreements herein contained, or if there shall have been a material breach of the warranties and representations herein contained.

13. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Section 13 by giving notice of such change to the other party in the manner which is provided in this Section 13.

The Company:	Smithey, Inc. 718 North Drennan Houston, Texas 77003 Facsimile No.: (713) 229-8589
Stockholder:	Mr. C. M. Smithey 2310 Colonial Court Missouri City, Texas 77459
Copy to:	Mary Frances vonBerg, Esq. Farnsworth & vonBerg 333 North Sam Houston Parkway, Suite 300 Houston, Texas 77060 Facsimile No.: (281) 931-6032

Newpark: c/o Newpark Resources, Inc.
3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

Copy to: Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

14. Assignment. Rights hereunder shall not be assignable and duties hereunder shall not be delegable by the Company, Stockholder, Newpark or SBM without the prior written consent of the other; consent may be withheld for any reason or without reason; provided, however, Newpark may, in its sole discretion, assign any or all of its rights under this Agreement to any of its Affiliates; provided, further, however, that no such assignment shall relieve Newpark of any obligation or liability hereunder. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any Person other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

15. Certain Definitions. As used herein, the following terms (whether used in the singular or the plural) have the following meanings:

"Affiliate" or "affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person and, without limiting the generality of the foregoing, includes (a) any director or officer of such Person or of any Affiliate of such Person, (b) any such director's or officer's Family Members, (c) any group, acting in concert, of one or more of such directors, officers or Family Members, and (d) any Person controlled by any such director, officer, Family Member or group which beneficially owns or holds 25% or more of any class of equity securities or profits interest. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

"Bankruptcy Exception" means the limitation on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, whether enforcement is sought in equity or at law.

"Closing Value" means the average of the closing prices of Newpark's Common Stock on the New York Stock Exchange, as reported in The Wall Street Journal, for the five trading days immediately preceding the third trading day prior to the date of this Agreement.

"Commission" means the U.S. Securities and Exchange Commission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Family Member" means, in the case of a Person who is an individual, any parent, spouse or lineal descendant (including legally adopted descendants) of such Person, or the spouse of any such descendant.

"Government Body" means any domestic or foreign federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Material Laws" means any and all federal, state and local laws in effect at or before the date hereof that relate to or impose liability or standards of conduct concerning the environment, as now or hereafter in effect and as have been or hereafter may be amended or reauthorized, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. (S) 9601, et seq.), the Hazardous Materials Transportation Act (42 U.S.C. (S) 1802, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. (S) 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S) 1251, et seq.), the Toxic Substances Control Act (14 U.S.C. (S) 2601, et seq.), the Clean Air Act (42 U.S.C., (S) 7901 et seq.), the National Environmental Policy Act (42 U.S.C. (S) 4231, et seq.), the Refuse Act (33 U.S.C. (S) 407, et seq.), the Safe Drinking Water Act (42 U.S.C. (S) 300(f), et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing.

"Hazardous Materials," means any flammable explosives, radioactive materials, asbestos, compounds known as polychlorinated biphenyls, chemicals now known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under the Hazardous Materials Laws.

"Knowledge of the Company" (and similar terms such as "to the best of the knowledge of the Company") means the actual knowledge of Stockholder or any other executive officer of the Company.

"Material Adverse Effect" means a material adverse effect on the financial condition, results of operations, business or prospects of the entity referred to (i.e., the Company or Newpark) and its subsidiaries (i.e., the Newpark Subsidiaries), taken as a whole.

"Permitted Lien(s)" means (a) all liens and encumbrances disclosed in the Disclosure Letter, (b) landlords', mechanics', carriers', workers' and similar statutory liens arising in the ordinary course of business for sums not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements, (c) deed restrictions and similar exceptions to clear title not incurred in connection with indebtedness that do not materially impair the existing use or materially detract from the value of the assets or property

subject thereto, and (d) liens for current taxes not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements.

"Person" or "person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a Government Body.

"Rules and Regulations" means the rules and regulations adopted by the Commission under the Securities Act and the Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax" (including with correlative meaning, the terms "Taxes" and "Taxable") means any income, gross receipts, ad valorem, premium, excise, value-added, sales, use, transfer, franchise, license, severance, stamp, occupation, service, lease, withholding, employment, payroll, premium, property or windfall profits tax, alternative or add-on-minimum tax, or other tax, fee or assessment, together with any interest and any penalty, addition to tax or additional amount imposed by any governmental authority responsible for the imposition of any such tax.

"Tax Return" means any return, report, statement, information statement and the like required to be filed with any authority with respect to Taxes.

16. Disclaimer Concerning Tax Consequences. Although the parties intend that the Plan will be a tax-free reorganization, no party makes any express or implied warranty to any other party as to the Tax consequences of the Plan, and all such warranties are hereby expressly disclaimed.

17. Applicable Law; Jurisdiction. The provisions of this Agreement and all rights and obligations hereunder and under all documents, instruments and agreements executed under or in connection with this Agreement shall be governed and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within said State.

18. Remedies Not Exclusive. Except as provided in Section 11, (a) no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, (b) each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or otherwise and (c) the election of any one or more remedies by either party hereto shall not constitute a waiver of the right to pursue other available remedies.

19. Accountants' and Attorneys' Fees. Newpark, the Company and Stockholder shall each pay their own accountants' and attorneys' fees related to the consummation of the Plan. In any litigation or arbitration relating to this Agreement, including litigation or arbitration with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

20. Payment of Expenses. Whether or not the Merger is consummated, Newpark will pay and be responsible for all costs and expenses incurred by Newpark in connection with this Agreement and the transactions contemplated hereby, and the Company will pay and be responsible for all costs and expenses incurred by the Company and Stockholder in connection with this Agreement and the transactions contemplated hereby.

21. Successors and Assigns. All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives and permitted successors and assigns.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Headings; Severability. Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

24. Amendments. No provision or term of this Agreement or any agreement contemplated herein between the parties hereto may be supplemented, amended, modified, waived or terminated except in a writing duly executed by the party to be charged.

25. Waivers. At any time prior to the Closing, the parties hereto, may, to the extent legally permitted: (i) extend the time for the performance of any of the obligations or other acts or any other party; (ii) waive any inaccuracies in the representations or warranties of any other party contained in this Agreement or in any document or certificate delivered pursuant hereto; (iii) waive compliance or performance by any other party with any of the covenants, agreements or obligations of such party contained herein; and (iv) waive the satisfaction of any condition that is precedent to the performance by the party so waiving of any of its obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by one party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

26. Entire Agreement. The Disclosure Letter and all schedules, exhibits and financial statements provided for herein are a part of this Agreement. This Agreement and the other agreements and documents provided for in this Agreement comprise the entire agreement of the parties and supersede all earlier understandings of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

THE COMPANY:

NEWPARK:

SMITHEY, INC.

NEWPARK RESOURCES, INC.

By:/s/ C. M. Smithey

By:/s/ Matthew W. Hardey

C. M. Smithey, President

Matthew W. Hardey, Chief Financial
Officer

STOCKHOLDER:

SBM:

SAMPEY BILBO MESCHI DRILLING FLUIDS
MANAGEMENT, INC.

/s/ C. M. Smithey

C. M. SMITHEY

By:/s/ Matthew W. Hardey

Matthew W. Hardey, Vice President

NONCOMPETITION AGREEMENT

This Noncompetition Agreement (the "Agreement") is made and entered into as of July 24, 1997, by and between C. M. SMITHEY ("Covenantor") and NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), ancillary to and as required by the Agreement and Plan of Reorganization (the "Merger Agreement") of even date herewith by and among Newpark, SAMPEY BILBO MESCHI DRILLING FLUIDS MANAGEMENT, INC., a Texas corporation which is a wholly-owned subsidiary of Newpark ("SBM"), SMITHEY, INC., a Texas corporation (the "Company") and Covenantor, pursuant to which the Company is merging into SBM. Unless otherwise provided herein all terms used in this Agreement that are defined in the Merger Agreement shall have the same meanings herein as in the Merger Agreement.

In consideration of the foregoing, and in order to satisfy a condition precedent to the obligations of Newpark and SBM under the Merger Agreement, Covenantor and Newpark hereby agree and covenant as follows:

1. Certain Definitions. The following terms used herein shall have the following meanings:

Affiliate or affiliate - a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to (a) vote 50% or more of the voting interests in such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Business - Any one or more of the following activities: selling, providing, installing, recycling, renting, marketing, or dealing in or with or otherwise soliciting orders for any of the Products and Services or any products, services, materials, supplies or support activities that compete with or may be used to replace any Products and Services.

Competitor - Any Person that, directly or indirectly, engages in any aspect of the Business within any portion of the Territory.

Person or person - Any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

Products and Services - All products, services, materials, supplies and support activities which, as of the date hereof or within twelve months prior to the date hereof, are or have been provided, sold, installed, recycled, rented, marketed or dealt in or with by the Company, and all competitive products, services, materials, supplies and support activities.

The Territory - All or any part of the following: the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico.

2. Noncompetition. Covenantor hereby agrees that he will not, during the term of this Agreement, directly or indirectly, or through one or more Affiliates, do any one or more of the following: (a) engage in any aspect of the Business, whether as an employee, agent, independent contractor or otherwise ; (b) own any interest in any Competitor; (c) operate, join, control or otherwise participate in any Competitor; (d) lend credit or money for the purpose of assisting another to establish or operate any Competitor; (e) request or advise any present or future customer or supplier of the Company to withdraw, curtail or cancel its business with any of them; or (f) induce or influence (or attempt to induce or influence) any person who is engaged (as an employee, agent, independent contractor or otherwise) by the Company or any subsidiary to terminate his or her employment or engagement or to perform any services for a Competitor; provided, that nothing herein shall prohibit Covenantor from holding an equity interest of less than 2% of the outstanding capital stock of any Competitor whose equity securities are traded on a national stock exchange or are quoted on Nasdaq.

3. Confidentiality. Covenantor shall keep secret and retain in confidence, and shall not use for the benefit of Covenantor or others, any confidential information concerning the business of the Company or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of the Company and its affiliates relating to the business of the Company learned by Covenantor as a result of prior and current business relationships with the Company or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Covenantor, (b) was available to Covenantor on a non-confidential basis prior to its disclosure to the Covenantor by the Company or (c) becomes available to Covenantor on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to Covenantor.

4. Term. The term of this Agreement commences on the date hereof and shall continue until July 31, 2000. Covenantor hereby acknowledges the receipt and sufficiency of full consideration for this Agreement.

5. Injunctive Relief. Covenantor hereby stipulates and agrees that any breach by him of this Agreement cannot be reasonably or adequately compensated by damages in an action at law and that, in the event of such breach, Newark shall be entitled to injunctive relief, which may include but shall not be limited to restraining Covenantor from engaging in any activity that would constitute a breach of this Agreement.

6. Severability. Covenantor acknowledges that he has carefully read and considered the provisions of Paragraphs 1 through 4 of this Agreement and, having done so, agrees that the restrictions set forth therein (including but not limited to the time periods of restriction and the geographical areas of restriction) are fair and reasonable and are reasonably required to protect the interests of Newark and its stockholders. If, notwithstanding the foregoing, any of the provisions of Paragraphs 1 through 4 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable, as though the invalid or unenforceable parts had not been included therein. If any provision of Paragraphs 1 through

4 hereof relating to time periods or areas of restriction or both shall be declared by a court of competent jurisdiction to exceed the maximum time periods or areas (or both) that such court deems reasonable and enforceable, said time periods or areas of restriction or both shall be deemed to become and thereafter shall be the maximum time periods and areas which such court deems reasonable and enforceable.

7. Entire Agreement. This Agreement constitutes the entire agreement of Covenantor and Newpark with respect to the subject matter hereof and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Any failure to insist on strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

8. Nature of Obligations. All covenants and obligations of Covenantor hereunder shall be binding on Covenantor, his assigns, successors and legal representatives and shall inure to the benefit of Newpark and all of its Affiliates that engage in any aspect of the Business in any part of the Territory.

9. Law Governing. The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within the State of Texas.

10. Attorneys' Fees. In any litigation relating to this Agreement, including litigation with respect to any supplement, modification or waiver of this Agreement or any of its provisions, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

11. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. Either party may change its address for the purpose of this Paragraph 11 by giving notice of such change to the other party in the manner which is provided in this Paragraph 11.

Covenantor: C. M. Smithey
2310 Colonial Court
Missouri City, Texas 77459

Newpark: Newpark Resources, Inc.
 3850 North Causeway, Suite 1770
 Metairie, LA 70002
 Attention: Secretary
 Facsimile No.: (504) 833-9506

12. Captions. The captions in this Agreement are included for convenience of reference only, do not constitute a part hereof and shall be disregarded in the interpretation or construction hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Covenantor:

/s/ C.M. Smithey

C. M. SMITHEY

NEWPARK RESOURCES, INC.

By /s/ Matthew W. Hardey

Matthew W. Hardey
Chief Financial Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of July 24, 1997, by and between NEWPARK DRILLING FLUIDS, INC., a Texas corporation formerly known as Sampey Bilbo Meschi Drilling Fluids Management, Inc. ("Employer"), and C. M. SMITHEY ("Employee"), with reference to the following facts:

A. Employer is a wholly-owned subsidiary of NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark").

B. Employee has been employed by Smithey, Inc., a Texas corporation (the "Company"), as its President.

C. On the date of this Agreement, the Company has been merged with and into Employer, with Employer continuing as the surviving corporation. Employer desires to assure itself of the continued services of Employee for a term expiring no sooner than July 31, 2000, and the parties are entering into this Agreement for that purpose and in order to set forth the terms of the employment of Employee.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree as follows:

1. Term of Employment. Employer hereby employs Employee, and Employee hereby accepts employment with Employer, for a period commencing on the date hereof and, except as otherwise provided herein, expiring July 31, 2000, provided, however, that, each time neither party terminates this Agreement by written notice given at least sixty (60) days prior to the expiration of the employment term as last renewed or extended, it shall be automatically renewed for an additional twelve month period. As used herein, the phrase "employment term" refers to the entire period that Employee shall be employed hereunder, whether for the initial period provided above, or whether this Agreement is terminated earlier or extended automatically as provided herein or by mutual agreement between Employer and Employee. This Agreement supersedes all agreements and understandings between Employer and Employee and Employee and the Company relating to compensation of Employee existing on the date hereof, including but not limited to salary, commission, bonus and other arrangements, and all such existing agreements and understandings are hereby terminated.

2. Duties of Employee.

2.1 Employee shall serve as Vice President of Employer and shall do and perform all services, acts and things necessary or advisable in that capacity in connection with the conduct of the business of Employer, subject to the instructions of and policies and limitations set by its Board of Directors.

2.2 Employee shall devote such productive time, ability and attention to the business of Employer during the employment term as is reasonably required for the performance of his duties hereunder. Employee may devote time and effort to personal activities to the extent that such activities do not materially interfere with the performance of his duties hereunder. If

Employer advises Employee that, in its good faith judgment, such activities are materially interfering with the performance of Employee's duties hereunder, Employee will promptly take steps to appropriately limit such activities. Subject to the foregoing, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of the Board of Directors of Employer.

2.3 Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices as an officer, director or member of any committee of the Board of Directors of Employer or of any direct or indirect subsidiary of Employer.

3. Compensation of Employee.

3.1 As compensation for his services hereunder, Employee shall receive a base salary at the annual rate of \$85,000, payable in equal installments on Employer's regular payroll dates for executive employees. Employer's Board of Directors will review Employee's base salary annually, and, with the approval of Newpark's Board of Directors or Compensation Committee, may (but shall be under no obligation to) increase such base salary.

3.2 For each full or partial fiscal year of Employer during the employment term, Employer shall pay to Employee, in addition to his base salary, a bonus in an amount equal to 20% of his then current base salary.

4. Benefits. Employee shall be entitled to participate in and receive benefits under all bonus plans, profit-sharing plans, pension plans, group medical plans and other plans for payment of additional compensation or benefits to employees of Employer which Employer at any time maintains for executive employees. To the extent permitted by law, and provided that such participation does not result in duplicate payments to Employee, Employee shall also participate in such benefits plans as Newpark makes available to its executive employees and the executive employees of its subsidiaries.

5. Business Expenses. Employee is authorized to incur reasonable expenses for promoting and conducting the business of Employer, including expenditures for entertainment and travel. Employer shall reimburse Employee monthly for all such business expenses upon presentation of reasonable documentation establishing the amount, date, place and essential character of the expenditures.

6. Disability.

6.1 If Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement with reasonable accommodation for a period of six consecutive months or for nine months in any twelve-month period, Employer shall have the option to terminate this Agreement effective immediately by giving written notice of termination to Employee within a reasonable time following the end of such period of disability. If Employee becomes temporarily disabled by reason of sickness, physical or mental disability, or any other cause so that he is unable to

perform efficiently his duties hereunder with reasonable accommodation, he shall be entitled to compensation as provided for herein until the total period of such temporary disability shall equal an aggregate of three consecutive months or an aggregate of six months during any period of twelve consecutive months. As to any subsequent periods of disability during said twelve month period, Employee shall not be entitled to compensation.

6.2 In the event of the termination of this Agreement pursuant to the provisions of Paragraph 6.1 above, Employee shall be entitled to salary and discretionary bonus earned by him prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; but he shall not be entitled to compensation after the date of termination.

7. Termination of Employment.

7.1 This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the term of this Agreement as follows:

7.1.1 By Employer as a result of disability of Employee as provided in Paragraph 6.1 above, or the death of Employee;

7.1.2 upon the mutual agreement of the parties;

7.1.3 by Employer in the event of: (i) conviction of Employee of a major felony (whether or not committed in the course of his employment) from which no appeal has been made, or, if an appeal has been made, upon a final determination adverse to Employee; or (ii) gross misconduct by Employee causing material harm to Employer, but only if (x) Employee shall not have discontinued such gross misconduct within ten days after receiving written notice from Employer that it will consider the continuation of such gross misconduct cause for termination of this Agreement, or (y) the gross misconduct is of such a nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such gross misconduct;

7.1.4 by Employer if Employer shall fail to cure a material or default by it under any of the terms of this Agreement within thirty days after written notice of such breach or default is given by Employee;

7.1.5 by Employer if Employee shall fail to cure a material breach or default by him under this Agreement within thirty days after written notice of such breach or default is given by Employer; and

7.2 This Agreement shall not be terminated by any merger or consolidation where Employer is not the consolidated or surviving corporation or by any transfer of all or substantially all of the assets of Employer. In the event of any such merger or consolidation or transfer of assets, the surviving or resulting corporation or the transferee of the assets of Employer shall be bound by and shall have the benefit of the provisions of this Agreement; and Employer shall take all actions necessary to ensure that such corporation or transferee is bound by the provisions of this Agreement.

7.3 Upon termination of this Agreement for any reason whatsoever, Employee shall return to Employer all automobiles, equipment, books, records, customer lists, catalogs, invoices, correspondence and other property which was acquired from or otherwise belongs to Employer, including any property or documentation developed by Employee in the course of his employment.

8. Proprietary Information and Non-Competition.

8.1 Employee recognizes and acknowledges that the performance of his services hereunder will necessarily result in disclosure to him of certain trade secrets and confidential information, including source of supply information, sales information, customer lists, customer information and pricing, all of which are special and unique assets and trade secrets of Employer's business. For the purpose of this Agreement, such information shall be referred to and is acknowledged as "proprietary information of the Employer." In view of the foregoing, in addition to and not in limitation of the provisions of the Noncompetition Agreement executed concurrently herewith by Newpark and Employee, Employee agrees that:

8.1.1 During and after the employment term, Employee will not disclose or use any proprietary information of Employer, except for the purpose of carrying out his duties hereunder, unless such use or disclosure is specifically consented to in writing by Employer.

8.1.2 For the period of one year after the employment term, Employee will not in any way, directly or indirectly, for himself or on behalf of any other person or entity, associate in business as an employer, employee or otherwise, with any employee, officer or agent of Employer until such person has terminated employment with Employer for a period of one year.

8.1.3 During the employment term and thereafter, Employee will not, directly or indirectly, for himself or on behalf of any other person or entity, induce or attempt to induce any of Employer's personnel to terminate their relationship with Employer, nor will Employee induce or attempt to induce any of Employer's personnel to do anything contrary to the best interests of Employer.

8.2 Employee agrees that in the event of any breach by Employee of any covenant in this Paragraph 8, Employer shall be entitled, in addition to other remedies, to immediate injunctive relief if necessary to avoid irreparable harm and injury.

9. General Provisions.

9.1 Any notices to be given hereunder by either party to the other shall be in writing and may be effected either by personal delivery, by facsimile, by overnight express delivery or by mail, registered or certified, return receipt requested, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing opposite their respective signatures below and shall be deemed effective 24 hours after being deposited in the U.S. mails, postage prepaid and property addressed. Each party may change its address by written notice in accordance with this Paragraph.

9.2 This Agreement supersedes and any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee and contains all of the covenants and agreements between the parties with respect to such employment. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

9.3 Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed, if possible, to be modified or altered to conform thereto or, if not possible, to be omitted from this Agreement. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

9.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and the Judicial District Court of Harris County, Texas, Houston Division, shall be the only proper forum for disputes hereunder.

9.5 The rights and obligations of Employer under this Agreement shall enure to the benefit of and shall be binding on the successors and assigns of Employer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

NEWPARK DRILLING FLUIDS, INC. ("Employer")

Address:

15810 Park Ten Place, Suite 300
Houston, Texas 77084

By /s/ Matthew W. Hardey

Matthew W. Hardey, Vice President

/s/ C. M. Smithey

Address:

2310 Colonial Court
Missouri City, Texas 77459

C. M. Smithey ("Employee")

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION ("Agreement") is made and entered into as of July 24, 1997, by and among (a) NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), (b) NEWPARK DRILLING FLUIDS, INC., a Texas corporation formerly known as Sampey Bilbo Meschi Drilling Fluids Management, Inc. and a wholly-owned subsidiary of Newpark ("Fluids"), (c) ADVANCED CHEMICAL TECHNOLOGIES, INC., a Texas corporation (the "Company"), and (d) JOHN V. FILECIA and S. KIM TILLERY (each a "Stockholder" and, together, the "Stockholders"), with reference to the following facts:

A. The Stockholders own beneficially and of record 100% of the outstanding capital stock (the "Company Shares") of the Company.

B. The Company provides drilling fluids and related products and services to the oil and gas industry.

C. The parties intend that this Agreement shall constitute a plan of reorganization (the "Plan") of the type described in Section 368(a)(1)(A) and Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code") and that the Plan will qualify for "pooling of interests" accounting treatment under generally accepted accounting principles. The Plan comprises (a) the merger (the "Merger") of the Company into Fluids, with Fluids continuing as the surviving corporation, pursuant to this Agreement and the Agreement of Merger in the form attached hereto as Exhibit "A" (the "Agreement of Merger"), on the terms contained herein and in accordance with the applicable provisions of the Texas Business Corporation Act (the "BCA"), and (b) the conversion of all the outstanding shares of capital stock of the Company into 60,000 newly issued shares of voting Common Stock of Newpark (the "Newpark Shares"). The consummation of the Plan in accordance with the terms of this Agreement and the Agreement of Merger is sometimes referred to herein as the "Closing."

D. Newpark and the Stockholders believe that it is in their best interests to adopt the Plan and consummate the Plan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

1. Plan of Reorganization.

1.1 Adoption of Plan. Newpark, Fluids, the Company and the Stockholders hereby adopt the plan of reorganization herein set forth.

1.2 Merger of the Company into Fluids. Subject to the provisions of this Agreement and the BCA, at the "Effective Time" (as defined in paragraph 1.3), the Company shall be merged with and into Fluids, and the separate corporate existence of the Company shall cease. Fluids shall be the surviving corporation in the Merger (hereinafter sometimes called the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Texas. The Merger shall have the effects set forth in Article 5.06 of the BCA.

1.3 Effective Time. If all of the conditions precedent to the parties' obligations to consummate the Merger under this Agreement are satisfied or waived and this Agreement has not been terminated, the parties shall cause the Agreement of Merger to be duly executed and filed with the Secretary of State of Texas. The Merger shall become effective as of the time the Agreement of Merger is accepted for filing and officially filed. The date and time when the Merger becomes effective is referred to herein as the "Effective Time". This Agreement and the Agreement of Merger are hereinafter collectively referred to as the "Merger Agreements".

1.4 Conversion of Shares. As of the Effective Time, by virtue of the Merger and without any action on the part of any holder thereof:

1.4.1 The shares of Common Stock of Fluids which are issued and outstanding immediately prior to the Effective Time shall not be changed or converted as a result of the Merger, but shall remain outstanding as shares of the Surviving Corporation.

1.4.2 All of the outstanding shares of capital stock of the Company issued and outstanding immediately prior to the Effective Time (i.e., the Company Shares) shall be converted (in the aggregate) into the right to receive 60,000 shares of Newpark Common Stock (i.e., the Newpark Shares). Each Stockholder will receive the number of Newpark Shares determined by dividing 60,000 by the total number of Company Shares outstanding and multiplying the resulting quotient by the number of Company Shares held by such Stockholder. No fractional shares shall be issued; if fractional shares otherwise would issue, the Stockholders shall instruct Newpark at least five business days before the Closing as to the rounding of such shares.

1.5 Surrender of Shares.

1.5.1 The Stockholders, as the holders of all of the Company Shares, upon the surrender to Newpark of the certificate or certificates which, immediately prior to the Effective Time, represented the Company Shares, shall be entitled to receive in exchange therefor certificates representing the number of shares of Newpark Common Stock into which the shares of capital stock of the Company theretofore represented by the certificate or certificates so surrendered shall have been converted pursuant to the provisions of paragraph 1.4.2.

1.5.2 Until surrendered and exchanged as herein provided, each outstanding certificate which, prior to the Effective Time, represented capital stock of the Company shall represent for all purposes only the right to receive the consideration provided in paragraph 1.4.2. Certificates representing the Newpark Shares shall be delivered to the Stockholders as soon as practicable following the Effective Time.

1.6 Securities Act Legend on Newpark Shares. Each Stockholder hereby agrees that he will not offer to sell, transfer or otherwise dispose of any of the Newpark Shares issued to him in the Merger, except in accordance with the applicable provisions of the "Securities Act" and the "Rules and Regulations" (as such terms are defined in Section 15). Certificates representing the Newpark Shares initially will bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER SAID ACT OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE IN THE OPINION OF COUNSEL FOR THE ISSUER."

1.7 Pooling of Interests Restriction. Each Stockholder hereby agrees that he will not offer to sell, transfer or otherwise dispose of any of the Newport Shares issued to him pursuant to the Merger until such time as financial results covering at least 30 days of combined operations of Newport, Fluids and the Company have been published within the meaning of Section 201.01 of the Commission's Codification of Financial Reporting Policies.

2. Noncompetition Agreements. At the Closing, as a necessary incident of the Plan, Newport and the Stockholders will execute and deliver noncompetition agreements substantially as set forth in Exhibit 2 attached to this Agreement, all of which together are referred to herein as the "Noncompetition Agreements."

3. Representations and Warranties of the Company and the Stockholders.

A. Except as otherwise specifically set forth in a letter ("the Disclosure Letter") delivered by the Company and the Stockholders to Newport prior to the execution hereof, the Company and the Stockholders hereby jointly and severally warrant and represent the following (the truth and accuracy of each of which shall constitute a condition precedent to Newport's obligations to consummate the Plan and issue the Newport Shares):

3.1 Organization and Good Standing of the Company.

3.1.1 The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. The Company is duly qualified and in good standing as a foreign corporation in each jurisdiction where the character or location of the assets owned by the Company or the nature of the business transacted by the Company require such qualification, except where failure to be so qualified would not have a "Material Adverse Effect" (as defined in Section 15). The Disclosure Letter includes a list of the jurisdictions in which the Company is qualified to do business.

3.1.2 The Company has have furnished to Newport complete and correct copies of the Company's Articles of Incorporation and Bylaws as in effect on the date hereof.

3.1.3 The Company has heretofore made available to Newport for its examination copies of the minute books, stock certificate books and corporate seal of the Company. Said minute books are accurate in all material respects and reflect all resolutions adopted and all material actions expressly authorized or ratified by the stockholders and directors of the Company. The stock certificate books reflect all issuances, transfers and cancellations of capital stock of the Company.

3.2 Capitalization.

3.2.1 The authorized capital stock of the Company consists of 100,000 shares of common stock, \$1.00 par value per share, of which 6,163 shares, i.e., the Company Shares, are issued and outstanding as of the date hereof. All such issued and outstanding shares are validly issued, fully paid and nonassessable. The Disclosure Letter includes the names, addresses and social security numbers of, and the number of the Company Shares owned by, each of the Stockholders.

3.2.2 There are no options, warrants, subscriptions or other rights outstanding for the purchase of, and all securities convertible into, capital stock of the Company. No shares of the Company are held as treasury stock.

3.3 Authority. The Company has the full corporate power and authority to execute and deliver the Merger Agreements, to perform the obligations and covenants set forth therein and to consummate the Merger and the other transactions contemplated thereby. The execution and delivery of the Merger Agreements by the Company and the consummation of the transactions contemplated thereby have been duly authorized by the Board of Directors of the Company and by the Stockholders in their capacity as the stockholders of the Company, and no further corporate action is necessary on the part of the Company to make the Merger Agreements binding upon the Company in accordance with their terms. This Agreement has been duly executed and delivered by the Company and the Stockholders and constitutes the valid and binding agreement of each of them, enforceable against them in accordance with its terms, and, when the Agreement of Merger has been duly executed and delivered, it will constitute the valid and binding Agreement of the Company, enforceable against the Company in accordance with its terms, in each case subject to the "Bankruptcy Exception" (as defined in Section 15).

3.4 Equity Interests. The Company does not have a material equity interest in any other "Person" (as defined in Section 15).

3.5 No Violation. The execution, delivery and performance of this Agreement by the Company and the Stockholders are not contrary to the Articles of Incorporation or Bylaws of the Company and will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other material contract or agreement to which the Company, the Stockholders or any of them are a party or by which any of them are bound.

3.6 Financial Statements. The unaudited balance sheets of the Company as of December 31, 1994, December 31, 1995 and December 31, 1996, and the related unaudited statements of income, stockholders' equity and cash flows for the years ended December 31, 1994, December 31, 1995 and December 31, 1996, and the unaudited balance sheet of the Company as of April 30, 1997, and the related statements of income, stockholders' equity and cash flows for the four month period ended on said date, in each case certified by the principal financial officer of the Company, subject to year-end audit adjustments, copies of which have heretofore been delivered to Newpark (collectively the "Company Financial Statements"), were prepared in accordance with the books and records of the Company in accordance with generally accepted

accounting principles (except for the absence of footnotes from the April 30, 1997, financial statements) consistently applied throughout the periods involved (except as otherwise noted therein) and present fairly the financial position, results of operations and cash flows of the Company for and as of the end of each of such periods.

3.7 Properties. The Company has good title to the assets and properties shown in the Company Financial Statements or acquired since the date of the latest balance sheet included therein, except as since sold or otherwise disposed of in the ordinary course of business. Such title is free and clear of all liens, charges, security interests, encumbrances, leases, covenants, conditions and restrictions other than "Permitted Liens," as defined in Section 15. The plants, structures, leasehold improvements, machinery, equipment, furniture and other tangible assets owned or leased by the Company are in good operating condition and repair, subject only to ordinary wear and tear, taking into account the respective ages of the assets involved, and constitute all the fixed tangible assets necessary for the operation of the business of the Company in accordance with its current methods of operation in all material respects.

3.8 Contracts.

3.8.1 The Disclosure Letter includes a listing of all oral or written (a) contracts, commitments, sales orders or purchase orders, whether or not entered into in the ordinary course of business, which involve future payments, performance of services or delivery of goods and/or materials, to or by the Company of an amount or value in excess of \$25,000; (b) bonus, incentive compensation, pension, profit sharing, stock option, group insurance, medical reimbursement or employee welfare or benefit plans of any nature whatsoever; (c) collective bargaining agreements or other contracts or commitments to or with labor unions or other employee groups; (d) leases, contracts or commitments affecting ownership of, title to, use of or any material interest in real estate; (e) employment contracts and other contracts, agreements, or commitments to or with individual employees, consultants or agents extending for a period of more than six months from the date hereof or providing for earlier termination only upon payment of a penalty or the equivalent thereof; (f) equipment leases providing (in any one lease or group of related leases) for payments in excess of \$10,000 per year; (g) contracts under which the performance of any obligation of the Company is guaranteed by a Stockholder or other third party, including performance bonding arrangements; (h) contracts or commitments providing for payments based in any manner upon the revenues, purchases or profits of the Company; (i) bank credit, factoring and loan agreements, indentures, promissory notes and other documents representing indebtedness for borrowed money; (j) patent licensing agreements and all other agreements with respect to patents, patent applications, trademarks, service marks, trade names, technical assistance, special processes, know-how, copyright or other like items; and (k) other contracts and agreements to which the Company is a party and which have not been fully performed, involving consideration having a value in excess of \$25,000 or a remaining period for performance in excess of nine months (all such items being collectively referred to herein as "Material Contracts"). The Company has furnished to Newpark true and complete copies of all such Material Contracts.

3.8.2 All Material Contracts are valid and binding obligations of the Company and, to the "best of the knowledge of the Company" (as defined in Section 15), the

other parties thereto in accordance with their respective terms, subject to the Bankruptcy Exception; there have been no amendments to or modifications to any Material Contract (except as set forth in the copies furnished to Newpark); no event has occurred which is, or, following any grace period or required notice, would become a material default by the Company under the terms of any Material Contract; except to the extent specifically reserved against on the latest balance sheet included in the Company Financial Statements, the Company is not a party to any Material Contract on which the Company or either or both of the Stockholders anticipate expenses materially in excess of revenues or which is otherwise onerous or materially adverse; and the Company has not expressly waived any material rights under any Material Contract.

3.9 Outstanding Indebtedness. The Disclosure Letter includes a true and complete schedule of all notes payable and other indebtedness for borrowed money owed by the Company, including a description of the material terms thereof and a description of all properties or assets pledged, mortgaged or otherwise hypothecated (voluntarily or involuntarily) as security therefor.

3.10 Absence of Undisclosed Liabilities. Except as disclosed in the Disclosure Letter and except for liabilities and obligations reflected on the latest balance sheet included in the Company Financial Statements or arising in the ordinary course of business since the date of such balance sheet, none of which latter items, individually or in the aggregate, have a Materially Adverse Effect: (a) the Company does not have, and none of its properties are subject to, any debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, which are of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles; and (b) to the best of the knowledge of the Company, the Company does not have, and none of its properties are subject to, any material debts, liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, whether or not of a type which are required to be shown or reflected on financial statements prepared in a manner consistent with generally accepted accounting principles. The Company is not in default with respect to any material term or condition of any indebtedness.

3.11 No Litigation. Except as disclosed in the Disclosure Letter, there are no actions, suits or proceedings (whether or not purportedly on behalf of the Company) pending or, to the knowledge of the Company, threatened against or affecting the Company, at law or in equity or before or by any "Government Body" (as defined in Section 15) or before any arbitrator of any kind. To the best of the knowledge of the Company, the Company is not in default with respect to any judgment, order, writ, injunction, decree, award of any Government Body.

3.12 Environmental Matters.

3.12.1 Neither the Company nor, to the best of the knowledge of the Company, any previous owner, lessee, tenant, occupant or user of any real property owned or leased on or prior to the date hereof by the Company (such real property and any and all buildings and other improvements thereon being herein referred to as the "Property") used, generated, manufactured, treated, handled, refined, processed, released, discharged, stored or disposed of any "Hazardous Materials" (as defined in Section 15) on, under, in or about the

Property, or transported any Hazardous Materials to or from the Property in violation of any "Hazardous Materials Laws" (as defined in Section 15) in a manner or to an extent that resulted or is reasonably likely to result in a Material Adverse Effect. To the best of the knowledge of the Company, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect existed on, under, in or about any Property previously owned or leased by the Company on or prior to the date that fee or leasehold title to such Property was transferred to a third party by the Company. To the best of the knowledge of the Company, no underground tanks or underground deposits or Hazardous Materials the existence of which would have a Material Adverse Effect exist on, under, in or about any Property that is currently owned or leased by the Company.

3.12.2 While any Property was owned or leased by the Company, it did not violate to an extent that would have a Material Adverse Effect any applicable federal, state and local laws, ordinances or regulations, now or previously in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, under, in or about such Property (including without limitation the Hazardous Materials Laws).

3.12.3 As of the date hereof, to the best of the knowledge of the Company, there are no (1) enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, contemplated or threatened pursuant to any Hazardous Materials Laws against the Company or any Property presently owned or leased by the Company, (2) claims made or threatened by any Person or Government Body relating to the Property against the Company or any Property presently owned or leased by the Company or relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials or (3) any occurrence or condition known to the Company or Stockholders on any Property that is currently owned or leased by the Company that can reasonably be expected to subject the Company or such Property to any material restrictions on occupancy, transferability or use of any Property under any Hazardous Materials Laws. The Disclosure Letter includes a list of all complaints, notices of violation and claims relating to Hazardous Materials Laws which, to the knowledge of the Company, have been received by or asserted against the Company.

3.13 Taxes.

3.13.1 The Company has filed all income, franchise and other "Tax Returns" (as defined in Section 15) required to be filed by it by the date hereof. All "Taxes" (as defined in Section 15) imposed by the United States, the State of Texas and by any other state, municipality, subdivision, or other taxing authority, which are due and payable by the Company have been paid in full or are adequately provided for by reserves reflected on the latest balance sheet included in the Company Financial Statements.

3.13.2 All contributions due from the Company pursuant to any unemployment insurance or workers compensation laws and all sales or use Taxes which are due or payable by the Company have been paid in full. The Company has withheld and paid to, or will cause to be paid to, the appropriate taxing authorities all amounts required to be withheld from the wages of its employees under state law and the applicable provisions of the Code.

3.13.3 The Company has furnished to Newpark true and complete copies of the federal income Tax Returns and comparable state Tax Returns of the Company covering the years ended December 31, 1994, December 31, 1995 and December 31, 1996, constituting complete and accurate representations in all material respects of the Tax liabilities of the Company for the relevant periods stated therein and accurately setting forth all relevant material items, including the Tax bases of all assets, where required to be set forth in such Tax Returns.

3.14 Permits and Licenses. The Company has all licenses, franchises, permits and other governmental authorizations that are legally required to enable it to conduct its business in all material respects as conducted on the date hereof, and the Company is in compliance in all material respects with all applicable federal, state and local laws, rules, regulations and orders relating to its business, except where failure to have any such license, franchise, permit or authorization or failure to comply with any such laws, rules, regulations and orders would not have a Material Adverse Effect. The execution and performance of this Agreement and the consummation of the transactions contemplated hereby will not cause the termination or suspension of any license, franchise, permit or governmental authorization or violate any provision of or constitute a default under any law, rule or regulation, order, writ, injunction or decree of any Government Body applicable to the Stockholders or the Company, where such violation or default would have a Material Adverse Effect.

3.15 No Labor Problems. The Company has not been charged with any unresolved unfair labor practices and there are no material controversies pending or threatened between the Company and any of its employees. The Company has complied in all material respects with all laws relating to wages, hours, collective bargaining and similar employment matters the noncompliance with which would have a Material Adverse Effect, and the Company has paid all social security and similar Taxes that are due and payable and is not liable for any arrears or wages or any Taxes or material penalties for failure to comply with any of the foregoing.

3.16 Employee Benefit Plans.

3.16.1 Definition of Benefit Plans. For purposes of this Section 3.15, the term "Benefit Plan" means any plan, program, arrangement, practice or contract which provides benefits or compensation to or on behalf of employees or former employees of the Company or any "ERISA Affiliate" (as hereinafter defined), whether formal or informal, whether or not written, including but not limited to the following:

(a) Arrangements - any bonus, incentive compensation, stock option, deferred compensation, commission, severance, golden parachute or other compensation plan, rabbi trust, program, contract, arrangement or practice;

(b) ERISA Plans - any "employee benefit plan" (as defined in Section 3(3) of ERISA), including, but not limited to, any "multi-employer plan" (as defined in Section 3(37) and Section 4001(a)(3) of ERISA), defined benefit pension plan, profit sharing plan, money purchase pension plan, 401(k) plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, or any plan, fund, program, arrangement or practice providing for medical

(including post-retirement medical), hospitalization, accident, sickness, disability, or life insurance benefits; and

(c) Other Employee Fringe Benefits - any stock purchase, vacation, scholarship, day care, prepaid legal services, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

3.16.2 ERISA Affiliate. For purposes of this Section 3.15, the term "ERISA Affiliate" means each trade or business (whether or not incorporated) which together with the Company is treated as single employer under Section 414(b), (c), (m) or (o) of the Code.

3.16.3 Identification of Benefit Plans. The Company does not maintain, and has not at any time established or maintained, nor has at any time been obligated to make contributions to or under or otherwise participate in any Benefit Plan.

3.16.4 MEPPA Liability/Post-Retirement Medical Benefits/ Defined Benefit Plans/Supplemental Retirement Plans. Neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under any multi-employer plan. Neither the Company nor any ERISA Affiliate maintains, or has at any time established or maintained, or has at any time been obligated to make contributions to or under (i) any plan which provides post-retirement medical or health benefits, (ii) any organization described in Sections 501(c)(9) or 501(c)(20) of the Code, (iii) any defined benefit pension plan subject to Title IV of ERISA or (iv) any plan which provides retirement benefits in excess of the limitations of Section 415 of the Code.

3.16.5 Liabilities. The execution and performance of the transactions contemplated by this Agreement will not create, accelerate or increase any obligation to make any payment which, as an "excess parachute payment" under Section 280G of the Code, would not be deductible.

3.17 Insurance. The Company has furnished to Newpark a complete list of all insurance policies that the Company maintains, indicating risks insured against, carrier, policy number, amount of coverage, premiums and expiration date.

3.18 Interest in Competitors, Suppliers, etc. Except as set forth in the Disclosure Letter, none of the Stockholders and no officer or director of the Company or any Family Member of any such Person owns, directly or indirectly, individually or collectively, any interest in any corporation, partnership, proprietorship, firm or association which (a) is a competitor, customer or supplier of the Company, or (b) has an existing contractual relationship with the Company, including but not limited to lessors of real or personal property leased to the Company and entities against whom rights or options are exercisable by the Company. The Company owns, free and clear and without payment of any royalty or fee, all interests in the assets, profits or business of the Company that have previously been held by any Affiliate of the Company, including the Stockholders and their Family Members.

3.19 Indebtedness with Insiders. Except for accrued salaries for one payroll period, vacation pay and business expense reimbursements, the Company is not indebted to any of the stockholders, directors or officers of the Company or any Affiliate of any such Person. None of such Persons is indebted to the Company.

3.20 Consents. No authorizations, approvals or consents of any Government Body are required for consummation of the transactions contemplated by this Agreement or the subsequent operation of the business of the Company, except for the filing of the Agreement of Merger as required by the BCA.

3.21 Patents, Trademarks and Other Intangibles. The Disclosure Letter includes a list of all material patents, patent applications, trade names, trademark registrations and applications therefor, copyrights, licenses, franchises and other assets of like kind ("Intangible Assets") and all interests in Intangible Assets which are owned in whole or in part by or registered in the name of the Company. The Company owns or has the right to use all Intangible Assets now used in the conduct of its business. Such Intangible Assets include all of the proprietary products and formulations developed by the Company or used by it in its business. The Company is not obligated to pay any royalty or other fee to any licensor or other third party with respect to any Intangible Assets. Neither the Company nor any of the Stockholders has knowledge of any claim received by the Company alleging any conflict between any aspect of the business of the Company and any Intangible Assets claimed to be owned by others which, if determined adversely to the Company, would have a Material Adverse Effect. None of the Stockholders, no other officer or director of the Company, and no Person that is an Affiliate of any such Person has any interest in any Intangibles Assets which are presently used by the Company or which infringe upon, conflict with or relate to improvements or modifications of any Intangible Assets presently used by the Company.

3.22 Purchases and Sales. Since December 31, 1996, the Company has not placed any orders for materials, merchandise or supplies in exceptional or unusual quantities based upon past operating practices and has not entered into contracts with customers under conditions relating to price, terms of payment, time of performance or like matters materially different from the conditions regularly and usually specified in contracts for similar engagements from customers similarly situated.

3.23 Brokerage and Finder's Fees. Neither the Company nor the Stockholders (or any Affiliate of the Stockholders) has incurred any liability to any broker, finder or agent for any brokerage fees, finder's fees or commissions for which the Company could be liable with respect to the transactions contemplated by this Agreement.

3.24 Absence of Certain Changes. Since December 31, 1996, except for matters of a general economic nature which do not affect the Company uniquely, the Company has not:

3.24.1 suffered any Material Adverse Effect;

3.24.2 borrowed or agreed to borrow any funds in excess of \$25,000 in the aggregate or incurred or become subject to any obligation or liability (absolute or contingent) in

excess of \$25,000 in the aggregate, except obligations and liabilities incurred in the ordinary course of business;

3.24.3 mortgaged, pledged, hypothecated or otherwise encumbered any of its properties or assets except for Permitted Liens;

3.24.4 made or agreed to make any distribution of any funds or assets of any kind whatsoever to any past or present stockholder of the Company or any Affiliate of any such Person, whether by way of dividend, redemption or purchase of capital stock, or any other type of distribution on or with respect to its capital stock, whether or not similar to the foregoing;

3.24.5 made any payment of principal or interest on any indebtedness owed to any past or present stockholder of the Company or any Affiliate of any such Person;

3.24.6 sold or agreed to sell any of its assets, properties or rights having an aggregate value in excess of \$10,000 or canceled or agreed to cancel any debts or claims exceeding \$10,000 in the aggregate, except for fair value in the ordinary course of business;

3.24.7 entered or agreed to enter into any agreement or arrangement granting any preferential right to purchase a material part of its assets, properties or rights;

3.24.8 increased the rate of compensation of or paid or accrued bonuses to or for any of its officers, employees, consultants or agents, except for normal merit or cost of living increases;

3.24.9 suffered any damage, destruction or loss in excess of an aggregate of \$100,000, whether or not covered by insurance, adversely affecting any of its properties;

3.24.10 assigned or agreed to assign any of its Intangible Assets;

3.24.11 suffered any adverse amendment or termination of any Material Contract (or any contract that would have been a Material Contract if not amended or terminated) to which it is a party;

3.24.12 paid any commissions or similar fees to brokers or finders for arranging the transactions contemplated by this Agreement or any similar proposed transaction with any other party; or

3.24.13 entered into any other material transaction other than in the ordinary course of business.

3.25 No Material Misstatements or Omissions. No representation or warranty by the Company or the Stockholders in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to Newport or Fluids pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated

therein or necessary in order to make the statements or facts contained herein or therein, in the light of the circumstances under which they were made, not misleading.

B. Except as otherwise set forth in the Disclosure Letter, each Stockholder represents and warrants with respect to himself, severally but not jointly, the following (the truth and accuracy of each of which shall constitute a condition precedent to Newpark's obligations to consummate the Merger and issue the Newpark Shares):

3.26 Investment Representations. Either such Stockholder is an "accredited investor", as that term is defined in Rule 501 of the Rules and Regulations or such Stockholder, either alone or with such Stockholder's qualified "purchaser representative" (as defined in Rule 501 of the Rules and Regulations), has such knowledge and experience in financial and business matters that he is capable of evaluating the risks and merits of an investment in Newpark Common Stock. Such Stockholder is acquiring his Newpark Shares in the Merger for investment and not with a view to the sale thereof other than in compliance with the requirements of the Securities Act and applicable Blue Sky laws. At the request of Newpark, each Stockholder will furnish to Newpark evidence reasonably satisfactory to Newpark that the foregoing representations are true. Such Stockholder acknowledges that Newpark has made available to him the opportunity to ask questions and receive answers concerning the terms and conditions of the Plan and to obtain any additional information that Newpark is required to furnish under Regulation D of the Rules and Regulations.

3.27 No Joinder. Such Stockholder has the requisite power to enter into this Agreement and perform his obligations hereunder (including without limitation to sell and deliver his Company Shares), and no other Person's joinder as a party hereto is necessary therefor pursuant to any community property laws or otherwise, and there is no restriction on the power of the Stockholder to sell and deliver his Company Shares pursuant to any trust, estate planning or other similar document or any prenuptial or post-nuptial agreement or arrangement.

3.28 No Litigation. There are no actions pending or, to the knowledge of the Company, threatened in any court or arbitration forum or by or before any Government Body involving the Company or such Stockholder relating to or affecting any of the transactions contemplated by this Agreement.

3.29 Title to Shares. Such Stockholder is the holder of record and owns beneficially that number of Company Shares set forth opposite his name in the Disclosure Letter and owns such Company Shares free and clear of all liens, security interests, encumbrances and restrictions, other than restrictions contemplated by this Agreement. Such Stockholder is not a party to any voting trust, proxy or other agreement with respect to the voting of any of his Company Shares.

4. Representations and Warranties of Newpark. Newpark hereby represents and warrants the following (the truth and accuracy of each of which shall constitute a condition precedent to the Company's and the Stockholders' obligations to consummate the Plan):

4.1 Organization and Good Standing.

4.1.1 Newpark is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Newpark has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

4.1.2 Fluids is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas. Fluids has corporate power and authority to carry on its business as presently conducted and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it or both require qualification and failure to be so qualified would have a Material Adverse Effect.

4.1.3 Newpark has furnished to the Stockholders complete and correct copies of Newpark's Certificate of Incorporation and Bylaws as in effect on the date hereof and Fluids' Articles of Incorporation and Bylaws as in effect on the date hereof.

4.2 Capital Stock. The authorized capital stock of Newpark consists of 80,000,000 shares of Common Stock, \$.01 par value, of which 31,367,874 shares were issued and outstanding on June 30, 1997, and 1,000,000 shares of Preferred Stock, \$.01 par value, of which no shares are issued and outstanding. The authorized capital stock of Fluids consists of 1,000,000 shares of Class A voting common stock, of which 1,000 shares are issued and outstanding and held by Newpark on the date hereof.

4.3 Newpark Subsidiaries. Each subsidiary of Newpark that is a "significant subsidiary," as defined in Rule 1-02(w) of Regulation S-X of the Rules and Regulations (each a "Newpark Subsidiary" and collectively the "Newpark Subsidiaries), is duly organized and in good standing under the laws of the jurisdiction in which it was incorporated or organized, has full corporate power and authority to carry on its business as now conducted by it and is entitled to own or lease and operate its properties and assets now owned or leased and operated by it. Each Newpark Subsidiary is duly qualified and in good standing as a foreign corporation or other entity in each jurisdiction where the character or location of the assets owned by it or the nature of the business transacted by it require such qualification, except where failure to be so qualified would not have a Material Adverse Effect.

4.4 Authority. The execution and delivery of this Agreement by Newpark and the consummation of the transactions contemplated hereby have been duly authorized by the Boards of Directors of Newpark and Fluids and by Newpark in its capacity as the sole stockholder of Fluids. This Agreement has been duly executed and delivered to the Company and the Stockholders, and no vote of the stockholders of Newpark or further corporate action is necessary on the part of Newpark or Fluids to make this Agreement valid and binding upon Newpark and Fluids in accordance with its terms, subject to the Bankruptcy Exception. The execution, delivery and performance of this Agreement by Newpark and Fluids (a) are not contrary to the Certificate

of Incorporation or Bylaws of Newpark, (b) are not contrary to the Articles of Incorporation of Bylaws of Fluids and (c) will not result in a violation or breach of any term or provision or constitute a default or give any party a right to accelerate the due date of any indebtedness under any indenture, mortgage, deed of trust or other contract or agreement to which Newpark or Fluids is a party or by which Newpark is bound.

4.5 Newpark Reports. Newpark has delivered to the Stockholders copies of Newpark's Annual Reports on Form 10-K for the years ended December 31, 1994, 1995 and 1996 (as amended), Newpark's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, and Newpark's definitive Proxy Statement dated April 4, 1997, for its Annual Meeting of Stockholders held on May 14, 1997. All of said documents and all periodic reports filed by Newpark with the Commission after the date hereof are called the "Newpark Reports" herein. The Newpark Reports have been or will be duly and timely filed with the Commission and are or will be when filed in compliance with the Rules and Regulations. As of their respective dates, none of the Newpark Reports contained or will contain any untrue statement of a material fact or omitted or will 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.

4.6 Newpark Financial Statements. The financial statements contained in the Newpark Reports (the "Newpark Financial Statements") filed on or before the date hereof have been prepared in accordance with the books and records of Newpark and its subsidiaries and in accordance with generally accepted accounting principles consistently applied during the periods indicated, all as more particularly set forth in such financial statements and the Notes thereto. Each of the balance sheets included in the Newpark Financial Statements presents fairly as of its date the consolidated financial condition and assets and liabilities of Newpark and its subsidiaries. Except as and to the extent reflected or reserved against in such balance sheets (including the Notes thereto), Newpark (including its subsidiaries) did not have, as of the dates of such balance sheets, any material liabilities or obligations (absolute or contingent) of a nature customarily reflected in a balance sheet or the notes thereto prepared in accordance with generally accepted accounting principles. The consolidated statements of earnings and stockholders' equity and consolidated statements of changes in financial position included in the Newpark Financial Statements present fairly the results of operations and changes in financial position of Newpark and its subsidiaries for the periods indicated.

4.7 Absence of Certain Changes. Since March 31, 1997, there has not been any material adverse change in the results of operations, financial condition, liquidity, assets, properties or business of Newpark and its subsidiaries, taken as a whole.

4.8 Issuance and Listing of Stock. Newpark has reserved for issuance the Newpark Shares, and the Newpark Shares, when issued in accordance with this Agreement, will be validly issued, fully paid and nonassessable.

4.9 Consents. No authorizations, approvals or consents of any governmental department, commission, bureau, agency or other public body or authority are required for consummation by Newpark of the transactions contemplated by this Agreement, except for the

filing of the Agreement of Merger as required by the BCA and such qualifications as may be required under state securities or Blue Sky laws relating to the Newpark Shares.

4.10 No Material Misstatements or Omissions. No representation or warranty by Newpark or Fluids in this Agreement, and no document, statement, certificate, exhibit or schedule furnished or to be furnished to the Company or the Stockholders pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact required to be stated therein or necessary to make the statements or facts contained herein or therein, in the light of the circumstances under which they were made, not misleading.

5. Conditions to Each Party's Obligations.

The respective obligations of each party to consummate the Plan under this Agreement shall be subject to the satisfaction on or before the date hereof of each of the following conditions except to the extent the parties may waive any of such conditions in writing:

5.1 Government Body Consents. All consents, authorizations, orders and approvals of (or filings or registrations with) any Government Body required in connection with the execution, delivery and performance of this Agreement, including Merger and the issuance of the Newpark Shares, or the operation of the business of the Company following the Merger shall have been obtained or made, except where the failure to have obtained or made any such consent, authorization, order, approval, filing or registration would not have a Material Adverse Effect following the Closing.

5.2 Injunction. There shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a court or governmental agency of competent jurisdiction to the effect that the Plan may not be consummated as herein provided, no proceeding or lawsuit shall have been commenced by any Government Body for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Government Body indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated by this Agreement.

5.3 Listing of Newpark Shares. The Newpark Shares shall have been listed on the New York Stock Exchange, subject to official notice of issuance.

6. Conditions Precedent to Obligations of Newpark and SBM. The obligations of Newpark and SBM to consummate the Plan and issue the Newpark Shares are subject to the satisfaction of each of the additional following conditions at or prior to the date hereof, unless waived in writing by Newpark:

6.1 Accuracy of Warranties and Representations. The representations and warranties of the Company and the Stockholders herein shall be true and correct in all material respects, and the Company and the Stockholders shall perform or shall have performed in all material respects all covenants required by this Agreement to be performed by them at or prior to the Closing.

6.2 No Material Adverse Change. There shall have been no changes after December 31, 1996, in the results of operations, assets, liabilities, financial condition or affairs of the Company which in their total effect have a Materially Adverse Effect on the Company.

6.3 Material Contracts. The Company shall have received consents to assignment of all Material Contracts or written waivers of the provisions of any Material Contracts requiring the consents of third parties as set forth in the Disclosure Letter, except where the failure to have obtained any such consent or written waiver would not have a Material Adverse Effect following the Closing.

6.4 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for Newport, and there shall have been furnished to such counsel by the Company certified copies of such corporate records of the Company and copies of such other documents as such counsel may reasonably have requested for such purpose.

6.5 Opinion of the Company's and the Stockholders' Counsel. Newport shall have received an opinion of Farnsworth & vonBerg, counsel to the Company and the Stockholders, dated the date of the Closing, substantially in the form attached hereto as Exhibit 6.5.

6.6 Director Resignations. All of the directors of the Company shall have resigned.

7. Conditions Precedent to Obligation of the Company and the Stockholders. The obligations of the Company and the Stockholders to consummate the Merger are subject to the satisfaction of each of the following additional conditions at or prior to the date hereof, unless waived in writing by the Company and the Stockholders:

7.1 Accuracy of Warranties and Representations. The representations and warranties of Newport contained in this Agreement shall be true and correct in all material respects, and Newport shall perform or shall have performed in all material respects all of the covenants required by this Agreement to be performed by it on or before the Closing.

7.2 Authorization of Plan. All corporate action necessary by Newport to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby shall have been duly and validly taken.

7.3 No Material Adverse Change. There shall have been no changes since March 31, 1997, in the results of operations, financial condition, liquidity, assets, properties or business of Newport and its subsidiaries, taken as a whole, which, in their total effect, have a Material Adverse Effect on Newport and its subsidiaries.

7.4 Opinion of Newport's Counsel. The Company and the Stockholders shall have received an opinion of Ervin, Cohen & Jessup LLP, counsel to Newport, dated the date of the Closing, substantially in the form attached hereto as Exhibit 7.4.

7.5 Other Legal Matters. All legal matters in connection with this Agreement and the transactions contemplated hereby shall have been approved by counsel for the Company and the Stockholders, and there shall have been furnished to such counsel by Newport certified copies of such corporate records of Newport (including Board of Directors resolutions approving the Merger Agreements) and copies of such other documents as such counsel may reasonably have requested for such purpose.

8. Survival of Representations. All representations and warranties made by the Company or Fluids under or in connection with this Agreement shall terminate at the Effective Time and shall be of no further force or effect thereafter. All representations, warranties and indemnifications made by Stockholders or Newport under or in connection with this Agreement shall survive the consummation of the Merger until the later of (a) one year after the Closing or (b) the date when Newport's independent accountants issue an audit report on their audit of the financial statements containing combined operations of Newport and the Company for the period ending December 31, 1997. No party shall be entitled to recover against any other party for any misrepresentation or breach of warranty except to the extent that written notice of any such claim has been delivered to the party against whom recovery is sought within the applicable period setting forth in reasonable detail and specifying the nature of the claim being asserted. The provisions of this Section and Section 10.3.3 apply only to claims arising under this Agreement and do not affect any other claims that any party may have at any time against any other party, including but not limited to claims that may arise under Hazardous Material Laws.

9. Post-Closing Covenants.

9.1 Cooperation and Assistance. Upon request, each of the parties hereto shall cooperate with the other to the extent reasonably requested, at the requesting party's expense, in furnishing information, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving the Company, the Stockholders, Newport or Fluids which are based upon contracts, arrangements or acts of the Stockholders or the Company or both which were in effect or occurred on or prior to the Closing.

9.2 Access to Records. The Stockholders shall be entitled, after the Closing, upon reasonable notice and during the regular business hours of Newport, to have access to and to make copies of the business records of the Company which relate to periods prior to the Closing. Newport shall retain such business records for a period of five (5) years following the Closing Date, after which time Newport may destroy or otherwise dispose of such business records without the Stockholders' consent.

9.3 Tax Matters.

9.3.1 Control of Tax Proceedings. Whenever any taxing authority proposes any adjustment, questions the treatment of any item, asserts a claim, makes an assessment, or otherwise disputes the amount of any Taxes for any period or portion thereof ending on or before the date hereof, which adjustment, question, claim, assessment or dispute could, if pursued successfully, result in or give rise to a claim against the Stockholders under this

Agreement (a "Tax Claim"), Newport shall promptly inform the Stockholders in writing of such Tax Claim. The provisions of Section 10 shall apply to the handling of any Tax Claim.

9.3.2 Current Tax Returns. The Stockholders shall be responsible for the preparation of all Tax Returns of the Company for all taxable periods that end or ended on or before the date hereof and are not required to be filed (taking into account all extensions) on or before the date hereof. Newport will make available to the Stockholders, without charge, the services of its personnel and the personnel of the Company to assist the Stockholders in the preparation of such Tax Returns. Such Tax Returns shall be reasonably satisfactory to Newport in form and substance. Provided such Tax Returns are delivered to Newport, in form and substance reasonably satisfactory to Newport, at least five business days before the due dates thereof (taking into account any and all extensions), Newport will cause the Company to timely file such Tax Returns and to pay the amounts of any Taxes shown as due thereon.

9.3.3 Refunds and Credits. Any refunds of Taxes and credits against Taxes (together in each case with any interest received or credited on or with respect to such refund or credit) attributable to any taxable period or portion thereof ending on or before the date hereof shall be for the account of the Company; provided, however, that, to the extent that any such refund, credit or interest thereon exceeds the amount of such refund, credit or interest, if any, accrued on the books of the Company as of the Effective Time, the Stockholders shall receive credit in an amount equal to the amount of such excess against any liability they may have under Section 10.

9.3.4 Cooperation. Newport and the Stockholders shall cooperate in good faith with each other in a timely manner in the preparation and filing of any Tax Returns of the Company and the handling of any Tax Claims and other Tax matters to which this Agreement relates, other than Tax Claims and Tax matters solely involving Newport and its Subsidiaries other than the Company. Each party shall execute and deliver such powers of attorney and make available such other documents and such personnel as are necessary to carry out the intent of this Section 9.3.4. Each party agrees to promptly notify the other parties of any such Tax Claim that does not result in Tax liability but can be reasonably expected to affect any Tax Returns of any of the other parties.

9.3.5 Retention of Records. Newport shall (i) retain records, documents, accounting data and other information (including computer data) necessary for the preparation and filing of all Tax Returns of the Company and the handling of any Tax Claims and other Tax matters to which this Agreement relates, and (ii) give to the Stockholders reasonable access to such records, documents, accounting data and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the preparation and review of such Tax Returns and the handling of any Tax Claims and other Tax matters to which this Agreement relates, to the extent necessary in connection with any Taxes to which this Agreement relates or any obligation or liability of a party under this Agreement.

9.4 Stockholder Guarantees. Subject to consummation of the Merger, Newport agrees that it will cause the Company to discharge in accordance with its terms all indebtedness

of the Company as to which the Stockholders have executed personal guarantees, as disclosed in the Disclosure Letter.

10. Indemnifications.

10.1 Indemnification by the Stockholders. Subject to the provisions of Sections 8 and 10.3, the Stockholders, jointly and severally, hereby agree to indemnify, defend, protect and hold harmless Newpark against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from (i) any breach of any warranty or representation made by the Company or the Stockholders under or in connection with this Agreement, (ii) the presence on, under, in or about the Property of any Hazardous Materials as of the Effective Time or the noncompliance by the Company with any Hazardous Materials Laws on or before the Effective Time, whether or not disclosed in the Disclosure Letter and (iii) the creation, maintenance or termination of any Benefit Plan, whether or not disclosed in the Disclosure Letter. Such indemnification shall be solely the responsibility of the Stockholders, and they shall not have any right to recover any portion of their liability from the Company, whether by right of indemnification, contribution or otherwise.

10.2 Indemnification by Newpark. Subject to the provisions of Sections 8 and 10.3, Newpark hereby agrees to indemnify, defend, protect and hold harmless Stockholders against all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) resulting from any breach of any warranty or representation made by Newpark under or in connection with this Agreement. The rights to such indemnification shall accrue solely to Stockholders, and the Company shall have no interest therein.

10.3 Indemnification Procedures and Limitations. The following provisions shall apply to all indemnification and hold harmless provisions of this Agreement:

10.3.1 No party shall be required to indemnify another pursuant hereto unless the party seeking indemnification (the "Indemnitee") shall, with reasonable promptness, provide the other party (the "Indemnitor") with copies of any claims or other documents received and shall otherwise make available to the Indemnitor all material relevant information. The Indemnitor shall have the right to defend any such claim at its expense, with counsel of its choosing, and the Indemnitee shall have the right, at its expense, using counsel of its choosing, to join in the defense of any such claim. The Indemnitee's failure to give prompt notice or to provide copies of documents or to furnish relevant data shall not constitute a defense in whole or in part to any claim by the Indemnitee against the Indemnitor except to the extent that such failure by the Indemnitee shall result in a material prejudice to the Indemnitor.

10.3.2 Except as hereinafter provided, neither party shall settle or compromise any such claim unless it shall first obtain the written consent of the other, which shall not be unreasonably withheld. The foregoing notwithstanding, if suit shall have been instituted against the Indemnitee and the Indemnitor shall have failed, after the lapse of a reasonable time after written notice to it of such suit, to take action to defend the same, the Indemnitee shall have the right to defend the claim (without limiting the right of the Indemnitor to participate in the defense) and to charge the Indemnitor with the reasonable cost of any such defense, including

reasonable attorneys' fees, and the Indemnitee shall have the right, after notifying but without consulting the Indemnitor, to settle or compromise such claim on any terms reasonably approved by the Indemnitee.

10.3.3 Except as herein provided, neither Newpark nor the Stockholders shall have any liability for breach of warranty or representation hereunder except to the extent that the amount of all valid claims for breach of warranty or representation against it or them hereunder exceeds an aggregate of \$10,000. Except as herein provided, the liability of any of the Stockholders for any breach of warranty or representation hereunder shall not exceed the lesser of (i) \$1,000,000 or (ii) value of the Newpark Shares for which his Company Shares are exchanged in the Merger, for which purpose they shall be valued at their Closing Value. To the fullest extent permitted by law, Stockholders shall satisfy their liability hereunder by delivering to Newpark some or all of such Newpark Shares, valued at their Closing Value, and Newpark shall satisfy its liability by issuing additional Newpark Shares valued at their Closing Value. Notwithstanding the foregoing, the limitations contained in the first two sentences of this Section shall not apply to the indemnification obligations of the Stockholders under clause (iii) of Section 10.1 and nothing contained herein shall relieve any of the Stockholders or Newpark of any liability he or it may have for any intentional breach of representation or warranty or for breach of any covenants or agreements made herein by such party.

10.3.4 In determining the amount of any damage, loss, liability, cost or expense suffered by Newpark which gives rise to liability of Stockholders hereunder, there shall be taken into account the amount of any Tax benefits actually realized by Newpark and its subsidiaries attributable to such damage, loss, liability, cost or expense or derived therefrom in the same or any past or subsequent taxable period, also taking into account the Tax treatment of the receipt by Newpark of any payment from Stockholders.

10.4 Dispute Resolution; Arbitration. The parties desire to finally resolve any and all issues and disputes arising out of or related to this Agreement or its alleged breach as promptly as practicable and, in any event, within the survival period specified in Section 8. Newpark and the Stockholders shall first attempt diligently to resolve any such issue or dispute. They may, if they desire, attempt to mediate the dispute and shall, if they choose, do so in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA"), either as written or as modified by mutual agreement. A written agreement to undertake mediation may be made at any time. If arbitration proceedings have been instituted, they shall be stayed until the mediation process is terminated. Any dispute arising out of or related to this Agreement or its alleged breach that cannot be resolved by mutual agreement (including mutually agreed mediation) shall be resolved exclusively by final and binding arbitration, conducted as expeditiously as possible in the City of Houston, Texas, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator or arbitrators shall be final, conclusive and binding on all parties. The arbitrators shall prepare an award in writing which reflects the final decision of the arbitrators and a copy of such award shall be delivered to each party to the arbitration. Judicial confirmation of the decision of the arbitrators shall be sought only in the Judicial District Court of Harris County, Houston Division.

11. Destruction of Assets. All risk of loss with respect to the assets and business of the Company shall be borne by the Company until the Closing to the extent set forth in this Section 11. If on the date hereof any assets of the Company shall have suffered loss or damage on account of fire, flood, accident, act of war, civil commotion, or any other cause or event beyond the reasonable power and control of the Company (whether or not similar to the foregoing) to an extent which materially affects the value to Newpark of the Company Shares, Newpark shall have the right at its election to complete the Merger (in which event, as Newpark's sole and exclusive remedy with respect to the consequences of such loss or damage, all claims of the Company with respect to such loss or damage and all insurance proceeds arising therefrom shall be for the account of the Company), or, if it does not so elect, it shall have the right, which shall be in lieu of any other right or remedy whatsoever, to terminate this Agreement. In the latter event, all parties shall be released from liability hereunder.

12. Termination. In addition to any party's right to terminate this Agreement if any condition precedent to its obligations is not satisfied at or before the Closing, either Newpark or the Company and the Stockholders may forthwith terminate this Agreement: (a) subject to clause (b) below, without liability to the other of them if a bona fide action or proceeding (by and at the sole instance of a party or parties not an Affiliate or Affiliates of Newpark or the Company) shall be pending against either party on the date hereof wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or (b) without prejudice to other rights and remedies which either party may have, if a material default shall be made by the other of them in the observance or in the due and timely performance of its covenants and agreements herein contained, or if there shall have been a material breach of the warranties and representations herein contained.

13. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. The parties may change their respective addresses for the purpose of this Section 13 by giving notice of such change to the other party in the manner which is provided in this Section 13.

The Company: Advanced Chemical Technologies, Inc.
650 North Sam Houston Parkway East, Suite 200
Houston, Texas 77060-5916
Facsimile No.: (713) 847-2556

The Stockholders: Mr. John V. Filecia
3822 Lakewood
Montgomery, Texas 77356

Mr. S. Kim Tillery
1000 Robley Drive, Suite 134
Lafayette, LA 70506y

Copy to: Mary Frances vonBerg, Esq.
Farnsworth & vonBerg
333 North Sam Houston Parkway, Suite 300
Houston, Texas 77060
Facsimile No.: (281) 931-6032

Newpark: c/o Newpark Resources, Inc.
3850 North Causeway, Suite 1770
Metairie, LA 70002
Attention: Secretary
Facsimile No.: (504) 833-9506

Copy to: Bertram K. Massing, Esq.
Ervin, Cohen & Jessup LLP
9401 Wilshire Boulevard, 9th Floor
Beverly Hills, CA 90212
Facsimile No.: (310) 859-2325

14. Assignment. Rights hereunder shall not be assignable and duties hereunder shall not be delegable by the Company, Stockholders, Newpark or Fluids without the prior written consent of the other; consent may be withheld for any reason or without reason; provided, however, Newpark may, in its sole discretion, assign any or all of its rights under this Agreement to any of its Affiliates; provided, further, however, that no such assignment shall relieve Newpark of any obligation or liability hereunder. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any Person other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

15. Certain Definitions. As used herein, the following terms (whether used in the singular or the plural) have the following meanings:

"Affiliate" or "affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person and, without limiting the generality of the foregoing, includes (a) any director or officer of such Person or of any Affiliate of such Person, (b) any such director's or officer's Family Members, (c) any group, acting in concert, of one or more of such directors, officers or Family Members, and (d) any Person controlled by any such director, officer, Family Member or group which beneficially owns or holds 25% or more of any class of equity securities or profits interest. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise.

"Bankruptcy Exception" means the limitation on enforceability imposed by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of the rights of creditors or by equitable principles, whether enforcement is sought in equity or at law.

"Closing Value" means the average of the closing prices of Newpark's Common Stock on the New York Stock Exchange, as reported in The Wall Street Journal, for the five trading days immediately preceding the third trading day prior to the date of this Agreement.

"Commission" means the U.S. Securities and Exchange Commission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Family Member" means, in the case of a Person who is an individual, any parent, spouse or lineal descendant (including legally adopted descendants) of such Person, or the spouse of any such descendant.

"Government Body" means any domestic or foreign federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or other body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Material Laws" means any and all federal, state and local laws in effect at or before the date hereof that relate to or impose liability or standards of conduct concerning the environment, as now or hereafter in effect and as have been or hereafter may be amended or reauthorized, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. (S) 9601, et seq.), the Hazardous Materials Transportation Act (42 U.S.C. (S) 1802, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. (S) 6901, et seq.), the Federal Water Pollution Control Act (33 U.S.C. (S) 1251, et seq.), the Toxic Substances Control Act (15 U.S.C. (S) 2601, et seq.), the Clean Air Act (42 U.S.C., (S) 7901 et seq.), the National Environmental Policy Act (42 U.S.C. (S) 4231, et seq.), the Refuse Act (33 U.S.C. (S) 407, et seq.), the Safe Drinking Water Act (42 U.S.C. (S) 300(f), et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing.

"Hazardous Materials," means any flammable explosives, radioactive materials, asbestos, compounds known as polychlorinated biphenyls, chemicals now known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under the Hazardous Materials Laws.

"Knowledge of the Company" (and similar terms such as "to the best of the knowledge of the Company") means the actual knowledge of the Stockholders or any other executive officer of the Company.

"Material Adverse Effect" means a material adverse effect on the financial condition, results of operations, business or prospects of the entity referred to (i.e., the Company or Newpark) and its subsidiaries (i.e., the Newpark Subsidiaries), taken as a whole.

"Permitted Lien(s)" means (a) all liens and encumbrances disclosed in the Disclosure Letter, (b) landlords', mechanics', carriers', workers' and similar statutory liens arising in the ordinary course of business for sums not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements, (c) deed restrictions and similar exceptions to clear title not incurred in connection with indebtedness that do not materially impair the existing use or materially detract from the value of the assets or property subject thereto, and (d) liens for current taxes not delinquent, for which adequate reserves or other appropriate provisions have been made in the Company Financial Statements.

"Person" or "person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a Government Body.

"Rules and Regulations" means the rules and regulations adopted by the Commission under the Securities Act and the Exchange Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Tax" (including with correlative meaning, the terms "Taxes" and "Taxable") means any income, gross receipts, ad valorem, premium, excise, value-added, sales, use, transfer, franchise, license, severance, stamp, occupation, service, lease, withholding, employment, payroll, premium, property or windfall profits tax, alternative or add-on-minimum tax, or other tax, fee or assessment, together with any interest and any penalty, addition to tax or additional amount imposed by any governmental authority responsible for the imposition of any such tax.

"Tax Return" means any return, report, statement, information statement and the like required to be filed with any authority with respect to Taxes.

16. Disclaimer Concerning Tax Consequences. Although the parties intend that the Plan will be a tax-free reorganization, no party makes any express or implied warranty to any other party as to the Tax consequences of the Plan, and all such warranties are hereby expressly disclaimed.

17. Applicable Law; Jurisdiction. The provisions of this Agreement and all rights and obligations hereunder and under all documents, instruments and agreements executed under or in connection with this Agreement shall be governed and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within said State.

18. Remedies Not Exclusive. Except as provided in Section 11, (a) no remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy, (b) each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, or otherwise and (c) the election of any one or more remedies by either party hereto shall not constitute a waiver of the right to pursue other available remedies.

19. Accountants' and Attorneys' Fees. Newpark, the Company and the Stockholders shall each pay their own accountants' and attorneys' fees related to the consummation of the Plan. In any litigation or arbitration relating to this Agreement, including litigation or arbitration with respect to any instrument, document or agreement made under or in connection with this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

20. Payment of Expenses. Whether or not the Plan is consummated, Newpark will pay and be responsible for all costs and expenses incurred by Newpark in connection with this Agreement and the transactions contemplated hereby, and the Company will pay and be responsible for all costs and expenses incurred by the Company and the Stockholders in connection with this Agreement and the transactions contemplated hereby.

21. Successors and Assigns. All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives and permitted successors and assigns.

22. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Headings; Severability. Captions and section headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. The provisions of this Agreement are severable, and, if any one or more provisions may be determined to be judicially unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding and enforceable upon the parties hereto.

24. Amendments. No provision or term of this Agreement or any agreement contemplated herein between the parties hereto may be supplemented, amended, modified, waived or terminated except in a writing duly executed by the party to be charged.

25. Waivers. At any time prior to the Closing, the parties hereto, may, to the extent legally permitted: (i) extend the time for the performance of any of the obligations or other acts or any other party; (ii) waive any inaccuracies in the representations or warranties of any other party contained in this Agreement or in any document or certificate delivered pursuant hereto; (iii) waive compliance or performance by any other party with any of the covenants, agreements or obligations of such party contained herein; and (iv) waive the satisfaction of any condition that is precedent to the performance by the party so waiving of any of its obligations hereunder. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by one party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

26. Entire Agreement. The Disclosure Letter and all schedules, exhibits and financial statements provided for herein are a part of this Agreement. This Agreement and the other agreements and documents provided for in this Agreement comprise the entire agreement of the parties and supersede all earlier understandings of the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

THE COMPANY:

Advanced Chemical Technologies, Inc.

NEWPARK:

Newpark Resources, Inc.

By: /s/ John V. Filecia

By: /s/ Matthew W. Hardey

John V. Filecia, Chairman of the
Board and President

Matthew W. Hardey, Chief
Financial Officer

THE STOCKHOLDERS:

/s/ John V. Filecia

John V. Filecia

FLUIDS

Newpark Drilling Fluids, Inc.

/s/ S. Kim Tillery

S. Kim Tillery

By: /s/ Matthew W. Hardey

Matthew W. Hardey, Vice President

NONCOMPETITION AGREEMENT

This Noncompetition Agreement (the "Agreement") is made and entered into as of July 24, 1997, by and between _____ ("Covenantor") and NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark"), ancillary to and as required by the Agreement and Plan of Reorganization (the "Merger Agreement"), dated July 24, 1997, by and among Newpark, NEWPARK DRILLING FLUIDS, INC., a Texas corporation and a wholly-owned subsidiary of Newpark ("Fluids"), ADVANCED CHEMICAL TECHNOLOGIES, INC., a Texas corporation (the "Company") and the "Stockholders" so identified in the Merger Agreement (including Covenantor), pursuant to which the Company is merging into Fluids. Unless otherwise provided herein all terms used in this Agreement that are defined in the Merger Agreement shall have the same meanings herein as in the Merger Agreement.

In consideration of the foregoing, and in order to satisfy a condition precedent to the consummation of the obligations of Newpark and Fluids under the Merger Agreement, Covenantor and Newpark hereby agree and covenant as follows:

1. Certain Definitions. The following terms used herein shall have the following meanings:

Affiliate or affiliate - a Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, directly or indirectly, of the power to (a) vote 50% or more of the voting interests in such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Business - Any one or more of the following activities: selling, providing, installing, recycling, renting, marketing, or dealing in or with or otherwise soliciting orders for any of the Products and Services or any products, services, materials, supplies or support activities that compete with or may be used to replace any Products and Services.

Competitor - Any Person that, directly or indirectly, engages in any aspect of the Business within any portion of the Territory.

Person or person - Any individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

Products and Services - All products, services, materials, supplies and support activities which, as of the date hereof or within twelve months prior to the date hereof, are or have been provided, sold, installed, recycled, rented, marketed or dealt in or with by the Company, and all competitive products, services, materials, supplies and support activities.

The Territory - All or any part of the following: the States of Louisiana, Texas, Mississippi and Alabama and the Gulf of Mexico.

2. Noncompetition. Covenantor hereby agrees that he will not, during the term of this Agreement, directly or indirectly, or through one or more Affiliates, do any one or more of the following: (a) engage in any aspect of the Business, whether as an employee, agent, independent contractor or otherwise ; (b) own any interest in any Competitor; (c) operate, join, control or otherwise participate in any Competitor; (d) lend credit or money for the purpose of assisting another to establish or operate any Competitor; (e) request or advise any present or future customer or supplier of the Company to withdraw, curtail or cancel its business with any of them; or (f) induce or influence (or attempt to induce or influence) any person who is engaged (as an employee, agent, independent contractor or otherwise) by the Company or any subsidiary to terminate his or her employment or engagement or to perform any services for a Competitor; provided, that nothing herein shall prohibit Covenantor from holding an equity interest of less than 2% of the outstanding capital stock of any Competitor whose equity securities are traded on a national stock exchange or are quoted on Nasdaq.

3. Confidentiality. Covenantor shall keep secret and retain in confidence, and shall not use for the benefit of Covenantor or others, any confidential information concerning the business of the Company or its affiliates ("Confidential Information") including, without limitation, "know-how," trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, technical processes and designs and design projects of the Company and its affiliates relating to the business of the Company learned by Covenantor as a result of prior and current business relationships with the Company or its predecessors. Confidential Information shall not include information which (a) is or becomes generally available to the public other than as a result of a disclosure by Covenantor, (b) was available to Covenantor on a non-confidential basis prior to its disclosure to the Covenantor by the Company or (c) becomes available to Covenantor on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to Covenantor.

4. Term. The term of this Agreement commences on the date hereof and shall continue until July 31, 2000. Covenantor hereby acknowledges the receipt and sufficiency of full consideration for this Agreement.

5. Injunctive Relief. Covenantor hereby stipulates and agrees that any breach by him of this Agreement cannot be reasonably or adequately compensated by damages in an action at law and that, in the event of such breach, Newport shall be entitled to injunctive relief, which may include but shall not be limited to restraining Covenantor from engaging in any activity that would constitute a breach of this Agreement.

6. Severability. Covenantor acknowledges that he has carefully read and considered the provisions of Paragraphs 1 through 4 of this Agreement and, having done so, agrees that the restrictions set forth therein (including but not limited to the time periods of restriction and the geographical areas of restriction) are fair and reasonable and are reasonably required to protect the interests of Newport and its stockholders. If, notwithstanding the foregoing, any of the provisions of Paragraphs 1 through 4 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable, as though the invalid or unenforceable parts had not been included therein. If any provision of Paragraphs 1 through 4

hereof relating to time periods or areas of restriction or both shall be declared by a court of competent jurisdiction to exceed the maximum time periods or areas (or both) that such court deems reasonable and enforceable, said time periods or areas of restriction or both shall be deemed to become and thereafter shall be the maximum time periods and areas which such court deems reasonable and enforceable.

7. Entire Agreement. This Agreement constitutes the entire agreement of Covenantor and Newpark with respect to the subject matter hereof and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions of the parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. Any failure to insist on strict compliance with any of the terms and conditions of this Agreement shall not be deemed a waiver of any such terms or conditions.

8. Nature of Obligations. All covenants and obligations of Covenantor hereunder shall be binding on Covenantor, his assigns, successors and legal representatives and shall inure to the benefit of Newpark and all of its Affiliates that engage in any aspect of the Business in any part of the Territory.

9. Law Governing. The provisions of this Agreement and all rights and obligations hereunder shall be governed by and construed in accordance with the internal laws of the State of Texas applicable to contracts made and to be wholly performed within the State of Texas.

10. Attorneys' Fees. In any litigation relating to this Agreement, including litigation with respect to any supplement, modification or waiver of this Agreement or any of its provisions, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

11. Notices. Any and all notices, demands, requests or other communications hereunder shall be in writing and shall be deemed duly given when personally delivered to or transmitted by overnight express delivery or by facsimile to and received by the party to whom such notice is intended, or in lieu of such personal delivery or overnight express delivery or facsimile transmission, 48 hours after deposit in the United States mail, first-class, certified or registered, postage prepaid, return receipt requested, addressed to the applicable party at the address provided below. Either party may change its address for the purpose of this Paragraph 11 by giving notice of such change to the other party in the manner which is provided in this Paragraph 11.

Covenantor:

Newpark: Newpark Resources, Inc.
 3850 North Causeway, Suite 1770
 Metairie, LA 70002
 Attention: Secretary
 Facsimile No.: (504) 833-9506

12. Captions. The captions in this Agreement are included for convenience of reference only, do not constitute a part hereof and shall be disregarded in the interpretation or construction hereof.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

Covenantor:

NEWPARK RESOURCES, INC.

By /s/ Matthew W. Hardey

Matthew W. Hardey, Chief
Financial Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of July 24, 1997, by and between NEWPARK DRILLING FLUIDS, INC., a Texas corporation ("Employer"), and JOHN V. FILECIA ("Employee"), with reference to the following facts:

A. Employer is a wholly-owned subsidiary of NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark").

B. Employee has been employed by ADVANCED CHEMICAL TECHNOLOGIES, INC., a Texas corporation (the "Company") as its Chairman of the Board and President.

C. On the date of this Agreement, the Company has been merged with and into Employer, with Employer continuing as the surviving corporation. Employer desires to assure itself of the continued services of Employee for a term expiring no sooner than July 31, 2000, and the parties are entering into this Agreement for that purpose and in order to set forth the terms of the employment of Employee.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree as follows:

1. Term of Employment. Employer hereby employs Employee, and Employee hereby accepts employment with Employer, for a period commencing on the date hereof and, except as otherwise provided herein, expiring July 31, 2000, provided, however, that, each time neither party terminates this Agreement by written notice given at least sixty (60) days prior to the expiration of the employment term as last renewed or extended, it shall be automatically renewed for an additional twelve month period. As used herein, the phrase "employment term" refers to the entire period that Employee shall be employed hereunder, whether for the initial period provided above, or whether this Agreement is terminated earlier or extended automatically as provided herein or by mutual agreement between Employer and Employee. This Agreement supersedes all agreements and understandings between Employer and Employee and Employee and the Company relating to compensation of Employee existing on the date hereof, including but not limited to salary, commission, bonus and other arrangements, and all such existing agreements and understandings are hereby terminated.

2. Duties of Employee.

2.1 Employee shall serve as Vice President of Employer and shall do and perform all services, acts and things necessary or advisable in that capacity in connection with the conduct of the business of Employer, subject to the instructions of and policies and limitations set by its Board of Directors.

2.2 Employee shall devote such productive time, ability and attention to the business of Employer during the employment term as is reasonably required for the performance of his duties hereunder. Employee may devote time and effort to personal activities to the extent that such activities do not materially interfere with the performance of his duties hereunder. If Employer advises Employee that, in its good faith judgment, such activities are materially

interfering with the performance of Employee's duties hereunder, Employee will promptly take steps to appropriately limit such activities. Subject to the foregoing, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of the Board of Directors of Employer.

2.3 Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices as an officer, director or member of any committee of the Board of Directors of Employer or of any direct or indirect subsidiary of Employer.

3. Compensation of Employee.

3.1 As compensation for his services hereunder, Employee shall receive a salary at the annual rate of \$85,000, payable in equal installments on Employer's regular payroll dates for executive employees. Employer's Board of Directors will review Employee's salary annually, and, with the approval of Newpark's Board of Directors or Compensation Committee, may (but shall be under no obligation to) increase such salary.

3.2 For each full or partial fiscal year of Employer during the employment term, Employer shall pay to Employee, in addition to his salary, a bonus in such amount, if any, as may be determined by the Board of Directors or Compensation Committee of Newpark, in its sole discretion.

4. Benefits. Employee shall be entitled to participate in and receive benefits under all bonus plans, profit-sharing plans, pension plans, group medical plans and other plans for payment of additional compensation or benefits to employees of Employer which Employer at any time maintains for executive employees. To the extent permitted by law, and provided that such participation does not result in duplicate payments to Employee, Employee shall also participate in such benefits plans as Newpark makes available to its executive employees and the executive employees of its subsidiaries.

5. Business Expenses. Employee is authorized to incur reasonable expenses for promoting and conducting the business of Employer, including expenditures for entertainment and travel. Employer shall reimburse Employee monthly for all such business expenses upon presentation of reasonable documentation establishing the amount, date, place and essential character of the expenditures.

6. Disability.

6.1 If Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement with reasonable accommodation for a period of six consecutive months or for nine months in any twelve-month period, Employer shall have the option to terminate this Agreement effective immediately by giving written notice of termination to Employee within a reasonable time following the end of such period of disability. If Employee becomes temporarily disabled by reason of sickness, physical or mental disability, or any other cause so that he is unable to

perform efficiently his duties hereunder with reasonable accommodation, he shall be entitled to compensation as provided for herein until the total period of such temporary disability shall equal an aggregate of three consecutive months or an aggregate of six months during any period of twelve consecutive months. As to any subsequent periods of disability during said twelve month period, Employee shall not be entitled to compensation.

6.2 In the event of the termination of this Agreement pursuant to the provisions of Paragraph 6.1 above, Employee shall be entitled to salary and discretionary bonus earned by him prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; but he shall not be entitled to compensation after the date of termination.

7. Termination of Employment.

7.1 This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the term of this Agreement as follows:

7.1.1 By Employer as a result of disability of Employee as provided in Paragraph 6.1 above, or the death of Employee;

7.1.2 upon the mutual agreement of the parties;

7.1.3 by Employer in the event of: (i) conviction of Employee of a major felony (whether or not committed in the course of his employment) from which no appeal has been made, or, if an appeal has been made, upon a final determination adverse to Employee; or (ii) gross misconduct by Employee causing material harm to Employer, but only if (x) Employee shall not have discontinued such gross misconduct within ten days after receiving written notice from Employer that it will consider the continuation of such gross misconduct cause for termination of this Agreement, or (y) the gross misconduct is of such a nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such gross misconduct;

7.1.4 by Employer if Employer shall fail to cure a material or default by it under any of the terms of this Agreement within thirty days after written notice of such breach or default is given by Employer;

7.1.5 by Employer if Employer shall fail to cure a material breach or default by him under this Agreement within thirty days after written notice of such breach or default is given by Employer; and

7.2 This Agreement shall not be terminated by any merger or consolidation where Employer is not the consolidated or surviving corporation or by any transfer of all or substantially all of the assets of Employer. In the event of any such merger or consolidation or transfer of assets, the surviving or resulting corporation or the transferee of the assets of Employer shall be bound by and shall have the benefit of the provisions of this Agreement; and Employer shall take all actions necessary to ensure that such corporation or transferee is bound by the provisions of this Agreement.

7.3 Upon termination of this Agreement for any reason whatsoever, Employee shall return to Employer all automobiles, equipment, books, records, customer lists, catalogs, invoices, correspondence and other property which was acquired from or otherwise belongs to Employer, including any property or documentation developed by Employee in the course of his employment.

8. Proprietary Information and Non-Competition.

8.1 Employee recognizes and acknowledges that the performance of his services hereunder will necessarily result in disclosure to him of certain trade secrets and confidential information, including source of supply information, sales information, customer lists, customer information and pricing, all of which are special and unique assets and trade secrets of Employer's business. For the purpose of this Agreement, such information shall be referred to and is acknowledged as "proprietary information of the Employer." In view of the foregoing, in addition to and not in limitation of the provisions of the Noncompetition Agreement executed concurrently herewith by Newpark and Employee, Employee agrees that:

8.1.1 During and after the employment term, Employee will not disclose or use any proprietary information of Employer, except for the purpose of carrying out his duties hereunder, unless such use or disclosure is specifically consented to in writing by Employer.

8.1.2 For the period of one year after the employment term, Employee will not in any way, directly or indirectly, for himself or on behalf of any other person or entity, associate in business as an employer, employee or otherwise, with any employee, officer or agent of Employer until such person has terminated employment with Employer for a period of one year.

8.1.3 During the employment term and thereafter, Employee will not, directly or indirectly, for himself or on behalf of any other person or entity, induce or attempt to induce any of Employer's personnel to terminate their relationship with Employer, nor will Employee induce or attempt to induce any of Employer's personnel to do anything contrary to the best interests of Employer.

8.2 Employee agrees that in the event of any breach by Employee of any covenant in this Paragraph 8, Employer shall be entitled, in addition to other remedies, to immediate injunctive relief if necessary to avoid irreparable harm and injury.

9. General Provisions.

9.1 Any notices to be given hereunder by either party to the other shall be in writing and may be effected either by personal delivery, facsimile, overnight express delivery or mail, registered or certified, return receipt requested, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing opposite their respective signatures below and shall be deemed effective 24 hours after being deposited in the U.S. mails, postage prepaid and properly addressed. Each party may change its address by written notice in accordance with this Paragraph.

9.2 This Agreement supersedes and any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee and contains all of the covenants and agreements between the parties with respect to such employment. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

9.3 Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed, if possible, to be modified or altered to conform thereto or, if not possible, to be omitted from this Agreement. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

9.4 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and the Judicial District Court of Harris County, Texas, Houston Division, shall be the only proper forum for disputes hereunder.

9.5 The rights and obligations of Employer under this Agreement shall enure to the benefit of and shall be binding on the successors and assigns of Employer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

NEWPARK DRILLING FLUIDS, INC.

Address:

15810 Park Ten Place, Suite 300
Houston, Texas 77084

By: /s/ Matthew W. Hardey

Matthew W. Hardey, Vice President

/s/ John V. Filecia

Address:

3822 Lakewood
Montgomery, Texas 77356

John V. Filecia ("Employee")

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of July 24, 1997, by and between NEWPARK DRILLING FLUIDS, INC., a Texas corporation ("Employer"), and S. KIM TILLERY ("Employee"), with reference to the following facts:

A. Employer is a wholly-owned subsidiary of NEWPARK RESOURCES, INC., a Delaware corporation ("Newpark").

B. Employee has been employed by ADVANCED CHEMICAL TECHNOLOGIES, INC., a Texas corporation (the "Company") as its Vice President of Operations.

C. On the date of this Agreement, the Company has been merged with and into Employer, with Employer continuing as the surviving corporation. Employer desires to assure itself of the continued services of Employee for a term expiring no sooner than July 31, 2000, and the parties are entering into this Agreement for that purpose and in order to set forth the terms of the employment of Employee.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth herein, the parties agree as follows:

1. Term of Employment. Employer hereby employs Employee, and Employee hereby accepts employment with Employer, for a period commencing on the date hereof and, except as otherwise provided herein, expiring July 31, 2000, provided, however, that, each time neither party terminates this Agreement by written notice given at least sixty (60) days prior to the expiration of the employment term as last renewed or extended, it shall be automatically renewed for an additional twelve month period. As used herein, the phrase "employment term" refers to the entire period that Employee shall be employed hereunder, whether for the initial period provided above, or whether this Agreement is terminated earlier or extended automatically as provided herein or by mutual agreement between Employer and Employee. This Agreement supersedes all agreements and understandings between Employer and Employee and Employee and the Company relating to compensation of Employee existing on the date hereof, including but not limited to salary, commission, bonus and other arrangements, and all such existing agreements and understandings are hereby terminated.

2. Duties of Employee.

2.1 Employee shall serve as Vice President of Employer and shall do and perform all services, acts and things necessary or advisable in that capacity in connection with the conduct of the business of Employer, subject to the instructions of and policies and limitations set by its Board of Directors.

2.2 Employee shall devote such productive time, ability and attention to the business of Employer during the employment term as is reasonably required for the performance of his duties hereunder. Employee may devote time and effort to personal activities to the extent that such activities do not materially interfere with the performance of his duties hereunder. If Employer advises Employee that, in its good faith judgment, such activities are materially

interfering with the performance of Employee's duties hereunder, Employee will promptly take steps to appropriately limit such activities. Subject to the foregoing, Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of the Board of Directors of Employer.

2.3 Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices as an officer, director or member of any committee of the Board of Directors of Employer or of any direct or indirect subsidiary of Employer.

3. Compensation of Employee.

3.1 As compensation for his services hereunder, Employee shall receive a salary at the annual rate of \$70,000, payable in equal installments on Employer's regular payroll dates for executive employees. Employer's Board of Directors will review Employee's salary annually, and, with the approval of Newpark's Board of Directors or Compensation Committee, may (but shall be under no obligation to) increase such salary.

3.2 For each full or partial fiscal year of Employer during the employment term, Employer shall pay to Employee, in addition to his salary, a bonus in such amount, if any, as may be determined by the Board of Directors or Compensation Committee of Newpark, in its sole discretion.

4. Benefits. Employee shall be entitled to participate in and receive benefits under all bonus plans, profit-sharing plans, pension plans, group medical plans and other plans for payment of additional compensation or benefits to employees of Employer which Employer at any time maintains for executive employees. To the extent permitted by law, and provided that such participation does not result in duplicate payments to Employee, Employee shall also participate in such benefits plans as Newpark makes available to its executive employees and the executive employees of its subsidiaries.

5. Business Expenses. Employee is authorized to incur reasonable expenses for promoting and conducting the business of Employer, including expenditures for entertainment and travel. Employer shall reimburse Employee monthly for all such business expenses upon presentation of reasonable documentation establishing the amount, date, place and essential character of the expenditures.

6. Disability.

6.1 If Employee becomes disabled by reason of sickness, physical or mental disability or any other cause which materially impairs his ability to perform his duties under this Agreement with reasonable accommodation for a period of six consecutive months or for nine months in any twelve-month period, Employer shall have the option to terminate this Agreement effective immediately by giving written notice of termination to Employee within a reasonable time following the end of such period of disability. If Employee becomes temporarily disabled by reason of sickness, physical or mental disability, or any other cause so that he is unable to

perform efficiently his duties hereunder with reasonable accommodation, he shall be entitled to compensation as provided for herein until the total period of such temporary disability shall equal an aggregate of three consecutive months or an aggregate of six months during any period of twelve consecutive months. As to any subsequent periods of disability during said twelve month period, Employee shall not be entitled to compensation.

6.2 In the event of the termination of this Agreement pursuant to the provisions of Paragraph 6.1 above, Employee shall be entitled to salary and discretionary bonus earned by him prior to the date of termination as provided for in this Agreement computed pro rata up to and including that date; but he shall not be entitled to compensation after the date of termination.

7. Termination of Employment.

7.1 This Agreement and the employment of Employee hereunder may be terminated at any time prior to the expiration of the term of this Agreement as follows:

7.1.1 By Employer as a result of disability of Employee as provided in Paragraph 6.1 above, or the death of Employee;

7.1.2 upon the mutual agreement of the parties;

7.1.3 by Employer in the event of: (i) conviction of Employee of a major felony (whether or not committed in the course of his employment) from which no appeal has been made, or, if an appeal has been made, upon a final determination adverse to Employee; or (ii) gross misconduct by Employee causing material harm to Employer, but only if (x) Employee shall not have discontinued such gross misconduct within ten days after receiving written notice from Employer that it will consider the continuation of such gross misconduct cause for termination of this Agreement, or (y) the gross misconduct is of such a nature that Employer would be materially prejudiced thereby whether or not Employee discontinues such gross misconduct;

7.1.4 by Employer if Employee shall fail to cure a material or default by it under any of the terms of this Agreement within thirty days after written notice of such breach or default is given by Employer;

7.1.5 by Employer if Employee shall fail to cure a material breach or default by him under this Agreement within thirty days after written notice of such breach or default is given by Employer; and

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8.1.2 For the period of one year after the employment term, Employee will not in any way, directly or indirectly, for himself or on behalf of any other person or entity, associate in business as an employer, employee or otherwise, with any employee, officer or agent of Employer until such person has terminated employment with Employer for a period of one year.

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9.3 Any paragraph, sentence, phrase, or other provision of this Agreement which is in conflict with any applicable statute, rule, or other law shall be deemed, if possible, to be modified or altered to conform thereto or, if not possible, to be omitted from this Agreement. The invalidity of any portion hereof shall not affect the force or effect of the remaining portions hereof.

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9.5 The rights and obligations of Employer under this Agreement shall enure to the benefit of and shall be binding on the successors and assigns of Employer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

NEWPARK DRILLING FLUIDS, INC.

Address:

15810 Park Ten Place, Suite 300
Houston, Texas 77084

By: /s/ Matthew W. Hardey

Matthew W. Hardey, Vice President

/s/ S. Kim Tillery

Address:

S. Kim Tillery ("Employee")

1000 Robley Drive, Suite 134
Lafayette, LA 70506

[ERVIN, COHEN & JESSUP LLP LETTERHEAD APPEARS HERE]

August 18, 1997

0736-323

Newpark Resources, Inc.
3850 Causeway Boulevard
Suite 1770
Metairie, Louisiana 70002

Gentlemen:

You have advised us that Newpark Resources, Inc., a Delaware corporation ("Newpark"), is filing with the Securities and Exchange Commission a Registration Statement on Form S-3 (the "Registration Statement") covering resales of 260,465 shares of Newpark Common Stock by certain selling stockholders. You have asked us to provide our opinion concerning the legality of the securities to be sold pursuant to the Registration Statement.

Based upon our examination of the Registration Statement, the Certificate of Incorporation and Bylaws of Newpark, the proceedings of the Board of Directors of Newpark and such other documents as we considered advisable, we are of the opinion that the 260,465 shares of Newpark Common Stock to be sold pursuant to the Registration Statement have been duly authorized and are legally issued, fully paid and non-assessable shares of Newpark Common Stock.

We hereby consent to the use of this opinion in connection with the Registration Statement to be filed by Newpark with the Securities and Exchange Commission.

Very truly yours,

/s/ Ervin, Cohen & Jessup LLP

ERVIN, COHEN & JESSUP LLP

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Newpark Resources, Inc. on Form S-3 of our report dated May 14, 1997, appearing in Amendment No. 1 to the Annual Report on Form 10-K/A of Newpark Resources, Inc. for the year ended December 31, 1996.

DELOITTE & TOUCHE LLP
New Orleans, Louisiana

August 15, 1997