UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996 Commission File No. 1-2960

Newpark Resources, Inc.
(Exact name of registrant as specified in its charter)

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

3850 N. Causeway, Suite 1770 Metairie, Louisiana	70002
(Address of principal executive offices)	(Zip Code)

(504) 838-8222
(RegistrantOs telephone number)

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

Yes ___X___ No ______

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

Common Stock, $0.01 par value: 14,503,881 shares at November 8, 1996

NEWPARK RESOURCES, INC.
INDEX TO FORM 10-Q
FOR THE THREE AND NINE MONTH PERIODS ENDED
SEPTEMBER 30, 1996

Part I
Item I - Financial Statements

Newpark Resources, Inc.
Consolidated Balance Sheets
As of September 30, 1996 and December 31, 1995

(Unaudited) (In thousands, except share data)	September 30, 1996	December 31, 1995
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,564	$ 1,018
Accounts and notes receivable, less allowance of $887 in 1996 and $768 in 1995	33,001	39,208
Inventories	8,167	11,996
Other current assets	4,312	4,088
Total current assets	47,044	56,310
Property, plant and equipment, at cost, net of accumulated depreciation	107,461	85,461
Cost in excess of net assets of purchased businesses, net of accumulated amortization	89,033	4,340
Other assets	23,764	6,636
	$ 267,302	$ 152,747
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 517	$ 169
Current maturities of long-term debt	9,305	7,742
Accounts payable	10,403	11,664
Accrued liabilities	12,289	3,462
Current taxes payable	1,000	1,165
Total current liabilities	33,514	24,202
Long-term debt	29,307	46,724
Other non-current liabilities	3,122	285
Deferred taxes payable	7,062	4,018
Commitments and contingencies (See Note 9)	0	0
Shareholders' equity:		
Preferred Stock, $.01 par value, 1,000,000 shares authorized, no shares outstanding	0	0
Common Stock, $.01 par value, 20,000,000 shares authorized, 14,448,630 shares outstanding in 1996 and 10,634,177 in 1995	143	105
Paid-in capital	250,314	144,553
Retained earnings (deficit)	(56,160)	(67,140)
Total shareholders' equity	194,297	77,518
	$ 267,302	$ 152,747

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
Consolidated Statements of Income
For the Three and Nine Month Periods Ended September 30,
(Unaudited)

	Three Months Ended September 30,		Nine Months End September 30,	
(In thousands, except per share data)	1996	1995	1996	1995
Revenues	$ 28,551	$ 24,793	$ 81,497	$ 69,456
Operating costs and expenses:				
Cost of services provided	15,924	16,163	50,016	46,345
Operating costs	2,654	2,307	7,160	6,901
	18,578	18,470	57,176	53,246
General and administrative expenses	719	749	2,168	2,066
Non-recurring expense	2,432	436	2,432	436
Provision for uncollectible accounts and notes receivable	0	45	6	115
Operating income	6,822	5,093	19,715	13,593
Interest income	(19)	(31)	(79)	(152)
Interest expense	910	905	2,814	2,794
Income from operations before provision for income taxes	5,931	4,219	16,980	10,951
Provision for income taxes	2,149	1,519	5,998	2,555
Net income	$ 3,782	$ 2,700	$ 10,982	$ 8,396
Weighted average common and common equivalent shares outstanding:				
Primary	13,360	10,321	11,891	10,299
Fully Diluted	13,366	10,301	11,946	10,243
Net income per common share and common equivalent share:				
Primary	$ 0.28	$ 0.26	$ 0.92	$ 0.82
Fully Diluted	$ 0.28	$ 0.26	$ 0.92	$ 0.82

See accompanying Notes to Consolidated Financial Statements.

Newpark Resources, Inc.
Consolidated Statements of Cash Flows
For the Nine Month Periods Ended September 30,
(Unaudited)

(In thousands)	1996	1995
Cash flows from operating activities:		
Net income	$ 10,982	$ 8,396
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,329	7,306
Non-recurring expense	2,432	0
Provision for doubtful accounts	6	115
Provision for deferred income taxes	3,165	2,555
Loss on sales of assets	60	85
Change in assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease (increase) in accounts and notes receivable	6,221	(10,925)
Decrease (increase) in inventories	845	(3,136)
Decrease (increase) in other assets	416	(1,276)
(Decrease) increase in accounts payable	(2,946)	2,163
Decrease in accrued liabilities and other	(6,260)	(179)
Net cash provided by operating activities	25,250	5,104
Cash flows from investing activities:		
Capital expenditures	(37,479)	(17,876)
Disbursements for loans outstanding	0	(221)
Purchase of Campbell Wells assets	(70,500)	0
Proceeds from disposal of property, plant and equipment	1,556	487
Purchase of patents	(5,700)	0
Purchase of international partners' joint venture interest	(1,170)	0
Payments received on notes receivable	0	120
Net cash used in investing activities	(113,293)	(17,490)
Cash flows from financing activities:		
Net borrowings on lines of credit	8,603	16,638
Principal payments on notes payable, capital lease obligations and long-term debt	(22,448)	(19,564)
Proceeds from issuance of stock	103,500	0
Offering cost on stock issuance	(5,434)	0
Proceeds from issuance of debt	2,175	14,296
Proceeds from conversion of stock options	2,193	792
Net cash provided by financing activities	88,589	12,162
Net decrease in cash and cash equivalents	546	(224)
Cash and cash equivalents at beginning of year	1,018	1,404
Cash and cash equivalents at end of the period	$ 1,564	$ 1,180

During the nine month period ended September 30, 1996, the Company's noncash transactions included the acquisition of certain patents in exchange for $5,840,000 of the Company's common stock and $1,200,000 in cash. In connection with the purchase of these patents the Company recorded a deferred tax liablity of $900,000. Transfers from inventory to fixed assets of $3,040,000 were also made during this period. The company sold $13,251,000 of property, plant and equipment in exchange for $7,036,000 of long term notes receivable and the assumption of $7,544,000 in debt obligations.

Included in accounts payable and accrued liabilities at September 30, 1996 were equipment purchases of $1,498,000. Also included are notes payable for equipment purchases in the amount $2,208,000 at September 30, 1996. A total of $13,831,000 of accrued liabilities were recorded in conjunction with the purchase of the Campbell Wells assets.

Interest of $3,334,000 and $2,998,000 and income taxes of $2,998,000 and $51,400 were paid during the nine months ending September 30, 1996 and 1995, respectively.

See accompanying Notes to Consolidated Financial Statements.

NEWPARK RESOURCES, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 In the opinion of management the accompanying unaudited consolidated financial statements reflect all adjustments necessary to present fairly the financial position of Newpark Resources, Inc. ("Newpark" or the "Company") as of September 30, 1996, and the results of operations for the three and nine month periods ended September 30, 1996 and 1995 and cash flows for the nine month periods ended September 30, 1996 and 1995. All such adjustments are of a normal recurring nature. These interim financial statements should be read in conjunction with the December 31, 1995 audited financial statements and related notes filed on Form 10-K at December 31, 1995.

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

Note 3 The results of operations for the three and nine month periods ended September 30, 1996 are not necessarily indicative of the results to be expected for the entire year.

Note 4 Primary and fully diluted income per common share is calculated by dividing net income by the average shares of common stock of the Company ("Common Stock") and Common Stock equivalents outstanding during the period. When dilutive, stock options are included as share equivalents using the treasury stock method.

Note 5 Included in accounts and notes receivable at September 30, 1996 and December 31, 1995 (in thousands) are:

	1996	1995
Trade receivables	$22,827	$27,714
Unbilled revenues	7,230	8,600
Gross trade receivables	30,057	36,314
Allowance for doubtful accounts	(887)	(768)
Net trade receivables	29,170	35,546
Notes and other receivables	3,831	3,662
Total	$33,001	$39,208

Note 6 Inventories at September 30, 1996 and December 31, 1995 consisted principally of raw materials.

Note 7 Interest of $57,000 and $149,000 was capitalized during the three months ended September 30, 1996 and 1995, respectively. For the nine months ended September 30, 1996 and 1995, interest of $442,000 and $276,000 was capitalized, respectively.

Note 8 The Company maintains a $60.0 million bank credit facility with $25.0 million in the form of a revolving line of credit commitment and $35.0 million in a term note. The line of credit is secured by a pledge of accounts receivable and certain inventory. It bears interest at either a specified prime rate (8.25% at September 30, 1996) or the LIBOR rate (5.625% at September 30, 1996) plus a spread which is determined quarterly based upon the ratio of the CompanyOs funded debt to cash flow. The line of credit requires monthly interest payments and matures on December 31, 1998. At September 30, 1996, $1.8 million of letters of credit were issued and outstanding, leaving a net of $16.4 million available for cash advances under the line of credit, against which $4.3 million had been borrowed. The outstanding balance on the term note at September 30, 1996 was $29.2 million. The term loan was used to refinance existing debt and requires monthly interest installments and seventeen equal quarterly principal payments which commenced March 31, 1996. The term loan bears interest at the Company's option of either a specified prime rate or LIBOR rate, plus a spread which is determined quarterly based upon the ratio of the Company's funded debt to cash flow. The credit facility requires that the Company maintain certain specified financial ratios and comply with other usual and customary requirements. The Company was in compliance with the agreement at September 30, 1996.

In November 1996, an amendment to the credit facility was approved by the banks, which eliminated the monthly borrowing base determination, reduced certain of the restrictive and compliance covenants contained in the facility, and reduced the frequency of financial reporting. If this amendment had been in effect at September 30, 1996, the availability would have increased from $16.4 million to $23.3 million.

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

During 1992, the State of Texas assessed additional sales taxes for the years 1988-1991. The Company has filed a petition for redetermination with the Comptroller of Public Accounts. The Company believes that the ultimate resolution of this matter will not have a material adverse effect on the consolidated financial statements.

In the normal course of business, in conjunction with its insurance programs, the Company has established letters of credit in favor of certain insurance companies in the amount of $1.8 million at September 30, 1996.

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

Note 10 On August 12, 1996, the Company acquired from Campbell Wells, Ltd. ("Campbell") substantially all of the non-landfarm assets and certain leases associated with five transfer stations located along the Gulf Coast and three receiving docks at the landfarm facilities operated by Campbell for a cash consideration of $70.5 million. Campbell continues to operate the landfarms. In addition, on May 22, 1996, the Company was granted a NORM direct injection disposal license at its Big Hill facility. As a result of these transactions, the Company has restructured certain of its operations in order to achieve certain operational efficiencies. This restructuring included a reduction in staffing and the closure or modification of several facilities. During the quarter ended September 30, 1996, a charge of $2.4 million was made against earnings for these costs.

The following table sets forth summary pro forma financial information for the Company for the nine months ended September 30, 1996 and 1995. The summary pro forma information provides financial information giving effect to the offering of shares used to fund the acquisition, the acquisition and the repayment of indebtedness from proceeds provided by the offering for the periods presented. The pro forma information is provided for informational purposes only and is not necessarily indicative of actual results that would have been achieved had the offering and the acquisition been consummated at the beginning of the periods presented, or of future results. Management expects to achieve net cost reductions which are not reflected in the pro forma results. These cost reductions are related to the consolidation of certain duplicate administrative and personnel costs.

	Nine Month Periods Ended Sept. 30, (In thousands, except per share data) 1996	1995
Revenues	$98,276	$83,224
Net income	$12,939	$11,042
Primary	$ .88	$ .80
Fully diluted	$ .88	$ .80

Note 11 On August 12, 1996, the Company completed a public offering of common stock to fund the Campbell acquisition, to provide the additional working capital needed as a result of the transaction and to fund future expansion of the Company. A total of 3,450,000 shares were sold in the offering providing proceeds (net of expenses) of $96.7 million.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

On August 12, 1996 the Company purchased from Campbell Wells, Ltd. ("Campbell") its marine-related nonhazardous oilfield waste ("NOW") collection operations for a purchase price of $70.5 million. The Campbell acquisition was financed through a public offering of common stock which also provided the additional working capital needed as a result of the transaction, and improved the Company's capital structure to facilitate future expansion in the markets served by the Company.

Results of Operations

The following table presents revenue by product line for the three and nine month periods ended September 30, 1996 and 1995. The product line data has been reclassified from prior periodsO presentations in order to more effectively distinguish the Company's proprietary offsite waste processing and mat rental services from its other service offerings. These services, which are protected by patents and company-developed proprietary knowledge, serve to differentiate the Company's products and services from those of its competitors and provide a competitive advantage.

	Three Month Periods Ended Sept. 30, (Dollars in thousands)			
	1996		1995	
Revenues by product line:				
Offsite waste processing	$11,555	40.5%	$ 7,229	29.2%
Mat rental services	7,004	24.5	7,531	30.4
General oilfield services	3,618	12.7	3,647	14.7
Wood product sales	3,621	12.7	3,039	12.2
Onsite environmental management	2,413	8.4	2,947	11.9
Other	340	1.2	400	1.6
Total revenues	$28,551	100.0%	$24,793	100.0%

	Nine Month Periods Ended Sept. 30, (Dollars in thousands)			
	1996		1995	
Revenues by product line:				
Offsite waste processing	$28,946	35.5%	$22,144	31.9%
Mat rental services	20,612	25.3	21,527	31.0
General oilfield services	12,916	15.8	10,585	15.2
Wood product sales	11,223	13.8	8,449	12.2
Onsite environmental management	6,440	7.9	5,551	8.0
Other	1,360	1.7	1,200	1.7
Total revenues	$81,497	100.0%	$69,456	100.0%

Three Month Period Ended September 30, 1996 Compared to Three Month Period ended September 30, 1995

Revenues

Total revenues increased to $28.6 million in the 1996 period from $24.8 million in the 1995 period, an increase of $3.8 million or 15.3%. Two major factors were responsible for the change. Offsite waste processing revenue increased $4.3 million as a result of improved NOW and NORM disposal volume, and revenues from wood product sales increased $.6 million due to production capacity added in 1995. Partially offsetting these revenue increases was a $.5 million decrease in mat rental revenues caused by decreased volumes, and a $.5 million decrease in onsite environmental management. Both of these decreases are attributed to a shift of drilling in the South Louisiana land market towards the Austin Chalk formation, an uplands area which uses less of the Company's mat rental services for temporary site access. The popularity of drilling in the Austin Chalk formation has moved a majority of the rigs in that market outside of the Company's primary service area.

NOW disposal and related services revenue increased $3.8 million to $9.4 million in the recent quarter compared to $5.6 million in the 1995 period. The revenue increase related to increased volumes which are primarily attributable to the Campbell acquisition, and an improvement in average pricing to $8.72 per barrel in 1996 as compared to $8.01 in the comparable 1995 period. NOW disposal volumes increased to 1,036,000 barrels compared to 690,000 barrels in the year-ago quarter.

During the 1996 quarter, the Company processed and disposed of 25,900 barrels of NORM, earning revenue of $2.2 million, compared to 11,917 barrels and revenue of $1.6 million in the 1995 quarter. The average disposal charge paid by the customer of $85.00 in the 1996 quarter as compared to $136.70 in the 1995 quarter, reflects the fundamental change in the nature of the business resulting from the new disposal license, which was issued on May 21, 1996, and under which operations commenced at the Big Hill facility on June 1, 1996. The new license facilitates the direct injection disposal of NORM waste, at significantly lower cost per barrel. As a result of this, the Company reduced its listed charges for disposal and introduced volume pricing. The lower revenue per barrel in the quarter is the effect of these lower prices and discounts.

Operating Income

Operating income increased by $1.7 million or 34% to total $6.8 million in the 1996 period compared to $5.1 million in the prior period, representing an improvement in operating margin to 23.9% in the 1996 period compared to 20.5% in the 1995 period. The primary component of the increase was derived from offsite waste processing operations.

General and administrative expenses remained relatively unchanged decreasing as a proportion of revenue to 2.5% in the 1996 period from 3.0% in the 1995 period, and decreasing in absolute amount by $30,000.

During the 1996 quarter, the Company recorded a non-recurring restructure charge in the amount of $2.4 million. A total of approximately $1.8 million was related to the restructuring of certain of the Company's NOW processing operations and staffing changes to facilitate the integration of its operations with those recently acquired from Campbell. The Company recognized an additional $.6 million of non-recurring costs associated with the termination of processing operations at its original NORM facility at Port Arthur, Texas and the partial closure of the site.

The non-recurring expense of $.4 million reflected in the 1995 quarter was related to a proposed acquisition which was terminated in August, 1995. The majority of these expenses were legal, accounting and investment advisory fees.

Interest Expense

Interest expense was substantially unchanged at approximately $.9 million for both periods, although average outstanding borrowings increased approximately 9.7% from the prior period. This resulted from decreased net interest cost under the current credit agreement, which became effective as of June 29, 1995.

Provision for Income Taxes

For the 1996 and 1995 periods, the Company recorded income tax provisions of $2.1 million and $1.5 million respectively, equal to 36% of pre-tax income in both periods.

Nine Month Period Ended September 30, 1996 Compared to Nine Month Period ended September 30, 1995

Revenues

Total revenues increased to $81.5 million for the nine months ended September 30, 1996 compared to $69.5 million for the same period of 1995, an increase of $12 million or 17.3%. The major components of the increase by product line were: (i) increased offsite waste processing revenue of $6.8 million derived primarily from increased NOW and NORM disposal volume; (ii) an increase of $2.3 million in general oilfield service revenues derived from an increase in the level of drilling location site preparation work in the uplands region of the Gulf Coast and other onsite work; (iii) increased wood product sales of $2.8 million as a result of increased mill capacity added in 1995; and, (iv) $.9 million increase in onsite environmental management revenue due to increased site remediation operations. Partially offsetting these revenue increases was a $.9

million decrease in mat rental revenues caused by lower drilling activity in the Company's traditional land market area.

NOW disposal and related revenue increased $4.4 million to $22.1 million for the nine months ended September 30, 1996 compared to $17.7 million for the first nine months of 1995. The revenue increase related to increased volumes which are primarily attributable to the Campbell acquisition and from remediation services provided for a major oil company customer. The volume of NOW waste barrels disposed of in 1996 increased to 2,393,000 barrels compared to 2,054,000 barrels in 1995 and average revenue per barrel increased to $8.67 per barrel in 1996 from $8.32 per barrel in 1995.

NORM processing volume increased to 118,600 barrels, generating $6.9 million in revenue for the nine months ended September 30, 1996 from 31,000 barrels, and revenue of $4.5 million in the same period of 1995. While the volume of NORM contaminated waste processing increased, the average revenue per barrel of waste processed dropped to $58.00 per barrel from $145.00 per barrel. The change in average prices reflects the lower level of radium contamination in waste received from site remediation projects, which represent the largest portion of volumes for the first six months of the 1996 period, and price reductions, made possible by cost reductions facilitated by the direct injection disposal license granted to the Company on May 22, 1996.

Operating Income

Operating income for the nine months ended September 30, 1996 rose to $19.7 million from $13.6 million for the same period in 1995, representing an increase of 45%. Operating margin improved to 24.2% in 1996 as compared to 19.6% in 1995. The improved operations can primarily be attributed to the growth in waste processing operations.

General and administrative expenses increased by $102,000 for the nine months ended September 30, 1996 as compared to 1995, but decreased as a percentage of revenue to 2.7% compared to 3.0%.

During the nine months ended September 30, 1996, the Company recorded a nonrecurring restructure charge in the amount of $2.4 million. A total of approximately $1.8 million was related to the restructuring of certain of the Company's NOW processing operations and staffing changes to facilitate the integration of its operations with those recently acquired from Campbell. The Company recognized an additional $.6 million of non-recurring costs associated with the termination of processing operations at its original NORM facility at Port Arthur, Texas and the partial closure of the site.

Non-recurring expenses of $.4 million recorded in 1995 were related to a proposed acquisition which was terminated in August, 1995. The majority of these expenses were legal, accounting and investment advisory fees.

Interest Expense

Interest expense was approximately $2.8 million for 1996 and 1995, despite average outstanding borrowings increasing by approximately 5.1%. This resulted from decreased net interest cost under the current credit agreement, which became effective as of June 29, 1995, and interest capitalization related to construction in progress in the current period.

Provision for Income Taxes

During the nine months ended September 30, 1996 the tax provision of $6.0 million represented an effective tax rate of 35.3% as compared to $2.6 million equal to 23.3% in 1995. The 1995 tax provision reflects the benefit realized from federal tax carryforwards which were fully utilized in 1995.

Liquidity and Capital Resources

The Company's working capital position decreased by $18.6 million during the nine months ended September 30, 1996. Key working capital data is provided below:

	Sept. 30, 1996	December 31, 1995
Working Capital (000's)	$13,530	$32,108
Current Ratio	1.4	2.3

Since December 31, 1995 the Company's working capital and current ratio have declined significantly. The primary reasons for this change include reduced levels of inventory and accounts receivable, and the increase in accrued liabilities provided for obligations assumed in conjunction with the recent Campbell acquisition and other investment transactions.

On August 12, 1996, the Company completed the sale of 3,450,000 shares of its common stock, providing net proceeds of $98.1 million. A total of $70.5 million was used to complete the acquisition of the marine-related nonhazardous oilfield waste NOW collection operations of Campbell Wells, Ltd. The remaining proceeds were used to repay $19.0 million of borrowings under the Company's credit facility and provide working capital of $8.6 million. The Company has no plans to sell additional equity securities at this time.

During 1996, the Company's operating activities generated $25.2 million of cash flow. Net proceeds of the recent equity offering in excess of the Campbell asset purchase amount, coupled with the $25.2 million generated by operations and net new borrowings (since the offering) of $4.3 million were used to fund the Company's investing activities. The majority of the funds used in investing activities were utilized for the purchase of board road mats and the expansion of waste disposal facilities, which is reflected in the increase in property, plant and equipment. In addition, the Company purchased its joint venture partners' interest in international mat operations and purchased additional patent rights for use in the Company's proprietary business operations, which is reflected in the increase of other assets.

During the nine months ended September 30, 1996 the Company entered into two non-cash acquisitions of additional patent and other rights for use in the Company's proprietary business operations. The acquisition of these items is reflected in the increase in other assets and the increase in shareholders' equity coupled with the increase in deferred taxes payable.

The Company also sold the facility and certain equipment to the operator of the Company's former marine service business. These assets were being leased by the operator and were subject to debt obligations, which were assumed by the purchaser at closing. In addition to the extinguishment of these debt obligations, Newpark received $1.2 million in cash in the transaction.

On June 29, 1995, Newpark entered into a new credit agreement with a group of three banks, providing a total of up to $50 million of term financing consisting of a $25 million term loan to be amortized over five years and a $25 million revolving line of credit. At NewparkOs option, these borrowings bear interest at either a specified prime rate or LIBOR rate, plus a spread which is determined quarterly based upon the ratio of Newpark's funded debt to cash flow. The credit agreement requires that Newpark maintain certain specified financial ratios and comply with other usual and customary requirements. Newpark was in compliance with all of the convenants in the credit agreement at September 30, 1996.

The term loan was used to refinance existing debt and is being amortized over a five year term. In March 1996, the term loan was increased to $35 million, and the $10 million increase was used initially to reduce borrowings on the revolving line of credit portion of the facility. In June 1996, the Company increased its borrowing through the credit agreement in the form of a 60-day term loan in the amount of $2.0 million which was repaid out of proceeds from the offering. The funds were used to acquire board road mats.

The revolving line of credit matures December 31, 1998. At September 30, 1996 availability of borrowings under the line of credit was tied to the level of Newpark's accounts receivable and certain inventory. At September 30, 1996, $1.8 million of letters of credit were issued and outstanding under the line and an additional $4.3 million had been borrowed and was outstanding thereunder.

In November 1996, an amendment to the credit facility was approved which will: (i) eliminate the requirement of periodic borrowing base calculations; (ii) eliminate monthly financial reporting requirements; (iii) relax certain restrictions on guarantees and outside indebtedness; and, (iv) increase availability of borrowings under the facility. This amendment has the affect of increasing the availability to the full $25 million. If this amendment had been in affect at September 30, 1996 it would have increased the availability (net of letters of credit) from $16.4 million to $23.3 million.

Potential sources of additional funds, if required by the Company, would include additional borrowings. The Company presently has no commitments for credit facilities beyond its existing bank lines of credit by which it could obtain additional funds for current operations; however, it regularly evaluates potential borrowing arrangements which may be utilized to fund future expansion plans.

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

PART II

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.23 Guaranty dated August 29, 1996 by the registrant in favor of Heller Financial Leasing, Inc., filed herewith.

27. Financial Data Schedule

(b) Reports on Form 8-K

During the quarter ended September 30, 1996, the registrant filed a current report on Form 8-K dated August 12, 1996 to report on Items 2 and 7.

SIGNATURES

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

Date: November 12, 1996

NEWPARK RESOURCES, INC.

By:/s/Matthew W. Hardey
Matthew W. Hardey, Vice President
and Chief Financial Officer

GUARANTY

GUARANTY dated as of this 29th day of August, 1996, by NEWPARK RESOURCES, INC., a Delaware corporation ("Guarantor"), for the benefit of HELLER FINANCIAL LEASING, INC., a Delaware corporation ("Heller").

RECITALS:

WHEREAS, Newpark Shipbuilding and Repair, Inc., a Texas corporation ("Borrower"), has entered into a certain Credit Agreement of even date herewith (as the same may hereafter be amended, supplemented or otherwise modified from time to time, the "Credit Agreement") with Heller; and

WHEREAS, Borrower has received, and may hereafter receive, loans and other financial accommodations from Heller under the Credit Agreement, as a result of which it has incurred, and expects simultaneously with the delivery of this Agreement to, and will hereafter, incur, "Obligations" (as that term is defined in the Credit Agreement) to Heller; and

WHEREAS, Newpark Shipholding Texas, L.P., a wholly owned Subsidiary of Guarantor ("Shipholding"), has entered into a certain Agreement for Purchase and Sale of Assets dated as of August 29, 1996, pursuant to which Shipholding will sell to Borrower, and Borrower will purchase from Shipholding, certain real and personal property; and

WHEREAS, Borrower intends to use the proceeds of the loans extended by Heller to Borrower under the Credit Agreement to finance a portion of the purchase price of certain assets, including, without limitation, certain of the assets acquired from Shipholding; and

WHEREAS, Borrower will not be able to purchase the assets from Shipholding but for the extension of the loans by Heller to Borrower; and

WHEREAS, Guarantor acknowledges that, as the owner, directly and indirectly, of all of the equity interests in Shipholding, it will receive substantial direct and indirect benefits by reason of the making of loans to Borrower as provided in the Credit Agreement; and

WHEREAS, one of the conditions precedent to the obligation of Heller to extend loans to Borrower is the execution by Guarantor of this Guaranty and the performance by Guarantor of its obligations hereunder;

NOW, THEREFORE, in consideration of the premises and in order to induce Heller to make the loans under the Credit Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor hereby agrees with Heller, as follows:

1. Incorporation of Recitals; Defined Terms. The foregoing recitals are incorporated herein by this reference. Terms that are capitalized but which are not defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Guaranty of Payment. Guarantor hereby unconditionally and irrevocably guaranties to Heller the punctual payment when due, whether at stated maturity or by acceleration or otherwise, of eighty and sixty-five one hundredths percent (80.65%) of the principal balance of the Loans outstanding from time to time under the Credit Agreement; provided, however, in no event shall Guarantor's aggregate liability pursuant to the foregoing exceed Ten Million and No/100ths Dollars ($10,000,000). Guarantor agrees that this Guaranty is a present and continuing guaranty of payment and not of collectibility, and that Heller shall not be required to prosecute collection, enforcement or other remedies against Borrower, any other guarantor of the Obligations or any other Person, or to enforce or resort to any of

the Collateral or other rights or remedies pertaining thereto, before calling on Guarantor for payment. Guarantor agrees that if, for any reason, Borrower or any other guarantor of the Obligations shall fail or be unable to pay, punctually and fully, any of the outstanding principal of the Loans, Guarantor shall pay the outstanding principal of the Loans, or any portion thereof demanded by Heller (in each case subject to the limitation set forth above) to Heller immediately upon demand. In the event payment of any amount due and payable under this Guaranty is not made by Guarantor immediately after demand therefor, Guarantor agrees to pay to Heller interest on such amount owed by Guarantor hereunder at the default rate of interest set forth in the Credit Agreement. Guarantor agrees that one or more successive actions may be brought against Guarantor, as often as Heller deems advisable, until all of the Obligations are paid and performed in full.

3. Continuing Guaranty. Guarantor agrees that the obligations of Guarantor pursuant to Section 2 above and any other provision of any of the Loan Documents to which Guarantor is a party shall be primary obligations, shall not be subject to any counterclaim, set-off, abatement, deferment or defense (other than payment or performance) based upon any claim that Guarantor may have against Heller, Borrower, any other guarantor of the Obligations or any other Person, and shall remain in full force and effect without regard to, and shall not be released, discharged or affected in any way by any circumstance or condition (whether or not Guarantor shall have any knowledge thereof), including without limitation:

(a) any lack of validity or enforceability of any of the Loan Documents;

(b) any termination, amendment, modification or other change in any of the Loan Documents;

(c) any furnishing, exchange, substitution or release of any Collateral, or any failure to perfect any Lien in any of the Collateral;

(d) any failure, omission or delay on the part of Borrower, Guarantor, any other guarantor of the Obligations, or Heller to conform or comply with any term of any of the Loan Documents or any failure of Heller to give notice of any Default or Event of Default;

(e) any waiver, compromise, release, settlement or extension of time of payment or performance or observance of any of the obligations or agreements contained in any of the Loan Documents;

(f) any action or inaction by Heller under or in respect of any of the Loan Documents, any failure, lack of diligence, omission or delay on the part of Heller to enforce, assert or exercise any right, power or remedy conferred on it in any of the Loan Documents, or any other action or inaction on the part of Heller;

(g) any dissolution of Borrower, Guarantor or any guarantor or any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshalling of assets and liabilities or similar events or proceedings with respect to Borrower, Guarantor or any other guarantor of the Obligations, as applicable, or any of their respective property or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding;

(h) any merger or consolidation of Borrower, Guarantor or any other guarantor of the Obligations into or with any Person, or any sale, lease or transfer of any of the assets of Borrower, Guarantor or any other guarantor of the Obligations to any other Person;

(i) any change in the ownership of the capital stock or other equity securities of Guarantor, Borrower or any other guarantor of the Obligations or any change in the relationship between Borrower, Guarantor or any other guarantor of the Obligations, or any termination of any such relationship;

(j) any release or discharge by operation of law of Borrower, Guarantor or any other guarantor of the Obligations from any obligation or agreement contained in any of the Loan Documents; or

(k) any other occurrence, circumstance, happening or event, whether similar or dissimilar to the foregoing and whether foreseen or unforeseen, which otherwise might constitute a legal or equitable defense or discharge of the liabilities of a guarantor or surety or which otherwise might limit recourse against Borrower or Guarantor.

4. Waivers. Guarantor unconditionally waives, to the extent permitted by law, (i) notice of any of the matters referred to in Section 3 above, (ii) all notices which may be required by statute, rule of law or otherwise, now or hereafter in effect, to preserve intact any rights against Guarantor, including, without limitation, any demand, presentment and protest, proof of notice of non-payment under any of the Loan Documents and notice of any Default or any Event of Default or any failure on the part of Borrower, Guarantor or any other guarantor of the Obligations to perform or comply with any covenant, agreement, term or condition of any of the Loan Documents, (iii) any right to the enforcement, assertion or exercise against Borrower, Guarantor or any other guarantor of the Obligations of any right or remedy conferred under any of the Loan Documents, (iv) any requirement of diligence on the part of any Person, (v) any requirement to exhaust any remedies or to mitigate the damages resulting from any default under any of the Loan Documents, and (vi) any notice of any sale, transfer or other disposition of any right, title or interest of Heller under any of the Loan Documents.

5. Representations and Warranties. Guarantor represents and warrants to Heller as follows:

(a) Organization and Qualification. Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite corporate power and authority to own its property and to carry on its business as now conducted and as proposed to be conducted, and is in good standing and authorized to do business in each jurisdiction in which the nature of its business requires it to be so qualified, except in jurisdictions in which the failure to be so authorized and in good standing could not reasonably be expected to have a Material Adverse Effect.

(b) Power and Authority. Guarantor has the corporate power and authority to enter into, execute, deliver and carry out the terms of this Guaranty and the other Loan Documents to which it is a party and to incur the obligations provided for herein and therein, all of which have been duly authorized by all proper and necessary action and are not prohibited by the organizational instruments of Guarantor.

(c) Binding Obligation. This Guaranty and the other Loan Documents to which Guarantor is a party, have been duly executed and delivered by, and constitute the valid and legally binding obligations of, Guarantor, enforceable against Guarantor in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditor's rights.

(d) No Conflict. The execution, delivery and performance by Guarantor of this Guaranty and each of the other Loan Documents to which it is a party and the consummation by Guarantor of the transactions contemplated hereby and thereby do not and will not: (1) violate any provision of law applicable to Guarantor, the certificate of incorporation or bylaws of Guarantor, or any order, judgment or decree of any court or other agency of government binding on Guarantor; (2) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of Guarantor; (3) result in or require the creation or imposition of any material Lien upon any of the properties or assets of Guarantor; or (4) require any approval or consent of any Person under any Contractual Obligation of Guarantor which has not been obtained, except, with respect to each of clauses (1) and (2), such violations, conflicts, breaches and defaults which could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(e) Governmental Consents. The execution, delivery and performance by Guarantor of this Guaranty and each of the other Loan Documents to which it is a party, and the consummation by Guarantor of the transactions contemplated hereby and thereby do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body except filings required in connection with the perfection of security interests granted pursuant to the Loan Documents, and other filings, authorizations, consents and approvals, all of which have been made or obtained or the absence of which would not have a Material Adverse Effect.

(f) Litigation; Adverse Facts. There are no judgments outstanding against Guarantor or affecting any of its property nor is there any action, charge, claim, demand, suit, proceeding, petition, governmental investigation or arbitration now pending or, to the best knowledge of Guarantor after due inquiry, threatened against or affecting Guarantor and/or any of its property which, if adversely determined, would result in a Material Adverse Effect or which relate to and affect the consummation of the transactions contemplated by the Loan Documents to which Guarantor is a party. Guarantor has not received any opinion or memorandum or legal advice from legal counsel to the effect that it is exposed to any liability or disadvantage which could reasonably be expected to result in any Material Adverse Effect.

(g) Payment of Taxes. All material tax returns and reports required to be filed by Guarantor have been timely filed, and all taxes, assessments, fees and other governmental charges upon Guarantor and upon its properties, assets, income and franchises which are shown on such returns as due and payable have been paid when due and payable, except where being contested in good faith by appropriate proceedings diligently prosecuted for which reserves have been established in accordance with GAAP.

(h) Burdensome Obligations; Solvency. After giving effect to the transactions contemplated by this Guaranty and the other Loan Documents to which Guarantor is a party, Guarantor (i) will not be a party to or be bound by any franchise, agreement, deed, lease or other instrument, or be subject to any restriction, which is so unusual or burdensome, so as to cause, in the foreseeable future, a Material Adverse Effect, (ii) does not intend to incur, and does not believe that it will incur, debts beyond its ability to pay such debts as they become due, (iii) owns and will own assets, the fair saleable value of which are (I) greater than the total amount of its liabilities (including contingent liabilities) and (II) greater than the amount that will be required to pay the probable liabilities of its then existing debts as they become absolute and matured considering all financing alternatives and potential asset sales reasonably available to it , and (iv) has and will have capital that is not unreasonably small in relation to its business as presently conducted and as proposed to be conducted. Guarantor does not presently anticipate that future expenditures needed to meet the provisions of federal or state statutes, orders, rules or regulations will be so burdensome so as to have a Material Adverse Effect.

6. Subordination. Guarantor agrees that any and all present and future debts and obligations of Borrower to Guarantor hereby are subordinated to the claims of Heller.

7. Reinstatement. The obligations of Guarantor pursuant to this Guaranty shall continue to be effective or automatically be reinstated, as the case may be, if at any time payment of any of the Obligations is rescinded or otherwise must be restored or returned by Heller upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Guarantor, Borrower or any other guarantor of the Obligations or otherwise, all as though such payment had not been made.

8. Successors and Assigns. This Guaranty shall inure to the benefit of Heller, its successors and assigns. This Guaranty shall be binding on Guarantor, its successors and assigns, and shall continue in full force and effect until all of the Obligations are paid and performed in full.

9. No Waiver of Rights. No delay or failure on the part of Heller to exercise any right, power or privilege under this Guaranty or any of the other Loan Documents shall operate as a waiver thereof, and no single or partial exercise of any right, power or privilege shall preclude any other or further exercise thereof or the exercise of any other power or right, or be deemed to establish a custom or course of dealing or performance between the parties hereto. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law. No notice to or demand on Guarantor in any case shall entitle Guarantor to any other or further notice or demand in the same, similar or other circumstance.

10. Modification. The terms of this Guaranty may be waived, discharged, or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. No amendment, modification, waiver or other change of any of the terms of this Guaranty shall be effective without the prior written consent of Heller.

11. Costs and Expenses. Guarantor agrees to pay on demand all reasonable costs and expenses incurred by or on behalf of Heller (including, without limitation, attorneys' fees and expenses) in enforcing the obligations of Guarantor under this Guaranty.

12. Joinder. Guarantor agrees that any action to enforce this Guaranty may be brought against Guarantor without any reimbursement or joinder of Borrower or any other guarantor of the Obligations in such action.

13. Covenants.

(a) Financial Statements. Guarantor will maintain, and cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of financial statements in conformity with GAAP. Guarantor will deliver to Heller the financial statements and other reports described below.

(I) For so long as Guarantor is a reporting company under the Securities Exchange Act of 1934, as amended, Guarantor shall deliver to Heller, all financial statements, reports and proxy statements sent or made available to its security holders and copies of all regular and periodic reports and all registration statements and prospectuses, if any, filed by Guarantor with any securities exchange or with the Securities Exchange Commission.

(II) If Guarantor is not such a reporting company:

(A) Interim Financials. As soon as available and in any event within sixty (60) days after the end of each quarter and, if requested by Heller, within thirty-five (35) days after the end of each month, Guarantor will deliver the consolidated and consolidating balance sheet of Guarantor (showing intercompany eliminations), as at the end of such period and the related consolidated and consolidating statements of income (showing intercompany eliminations), stockholders' equity and cash flow for such period and for the period from the beginning of the then current fiscal year to the end of such period.

(B) Year-End Financials. As soon as available and in any event within ninety (90) days after the end of each Fiscal Year, Guarantor will deliver: (1) the consolidated balance sheet of Guarantor as at the end of such year and the related consolidated statements of income, stockholders' equity and cash flow for such fiscal year; (2) a schedule of the outstanding Indebtedness for borrowed money of Guarantor and its Subsidiaries describing in reasonable detail each such debt issue or loan outstanding and the principal amount and amount of accrued and unpaid interest with respect to each such debt issue or loan; (3) a report with respect to the financial statements from Grant Thornton or a Big Six Accounting Firm selected by Guarantor, or other firm of independent certified public accountants acceptable to Heller, which report shall be without Qualification and shall state that (a) such consolidated financial statements present fairly the consolidated financial position of Guarantor and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years and (b) that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards; and (4) copies of the consolidating financial statements of Guarantor and its Subsidiaries, including (a) consolidating balance sheets of Guarantor and its Subsidiaries as at the end of such Fiscal Year showing intercompany eliminations and (b) related consolidating statements of earnings of Guarantor and its Subsidiaries showing intercompany eliminations. As used in this subsection 13(a)(II)(B), "Qualification" means, with respect to any certificate covering financial statements, a qualification to such certificate (such as a "subject to" or "except for" statement or emphasis paragraph therein) (a) resulting from a limitation on the scope of examination of such financial statements or the underlying data, (b) as to the capability of the Person whose financial statements are certified to continue operations as a going concern, or (c) which could be eliminated by changes in financial statements or notes thereto covered by such certificate (such as by the creation of or increase in a reserve or a decrease in the carrying value of assets) and which if so eliminated by the making of any such change and after giving effect thereto would occasion a Default or an Event of Default; provided that, without limitation, neither of the following shall constitute a Qualification: (x) a consistency exception relating to a change in accounting principles with which the independent public accountants for the Person whose financial statements are being certified have concurred, or (y) a qualification relating to the outcome or disposition of threatened litigation, pending litigation being contested in good faith, pending or threatened claims or other contingencies, the impact of which litigation, claims or contingencies cannot be determined with sufficient certainty to permit quantification in such financial statements.

(b) Restriction of Fundamental Changes. Guarantor will not: (a) enter into any transaction of merger or consolidation unless (i) Guarantor is the surviving entity or (ii) the surviving entity (x) assumes all of the obligations of Guarantor hereunder pursuant to an assumption agreement reasonably satisfactory to Heller and (y) has creditworthiness and financial position equivalent to or better than Guarantor's as of June 30, 1996; or (b) liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) unless (i) there is in connection with such event a successor entity to Guarantor and (ii) such successor (x) assumes all of the obligations of Guarantor hereunder pursuant to an assumption agreement reasonably satisfactory to Heller and (y) has creditworthiness and financial position equivalent to or better than Guarantor's as of June 30, 1996;

or (c) convey, sell, transfer or otherwise dispose of, in one transaction or a series of transactions, (i) all or a material portion of the business or assets of Guarantor and its Subsidiaries, taken as a whole or, or (ii) the capital stock of or other equity interests in any of its Subsidiaries which represent all or a material portion of the business or assets of Guarantor and its Subsidiaries, taken as a whole, unless (x) the purchaser or transferee assumes all of the obligations of Guarantor hereunder pursuant to an assumption agreement reasonably satisfactory to Heller and (y) has creditworthiness and financial position equivalent to or better than Guarantor's as of June 30, 1996. The term "material portion" as used in the foregoing clauses (c)(i) and (ii) means any portion which would materially impair Heller's ability to collect under this Guaranty or could reasonably be expected to result in a Material Adverse Effect.

14. Severability. If any provision of this Guaranty is deemed to be invalid by reason of the operation of any law, or by reason of the interpretation placed thereon by any court or other governmental authority, this Guaranty shall be construed as not containing such provision and the invalidity of such provision shall not affect the validity of any other provision hereof, and any and all other provisions hereof which otherwise are lawful and valid shall remain in full force and effect.

15. Notices.

Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given shall be in writing addressed to the respective party as set forth below and may be personally served, telecopied, telexed or sent by overnight courier service or United States mail and shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy or telex, on the date of transmission if transmitted on a Business Day before 4:00 p.m. (Chicago time) or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two days after delivery to such courier properly addressed; or (d) if by U.S. Mail, four Business Days after depositing in the United States mail, with postage prepaid and properly addressed.

Notices shall be addressed as follows:

If to Guarantor:	Newpark Resources, Inc. 3850 North Causeway Blvd., Suite 1770 Metairie, LA 70002-1752 Attn: Matthew Hardey Telecopy: (504) 833-9506
With a copy to:	Ervin Cohen & Jessup 9401 Wilshire Boulevard Beverly Hills, California 90212 Attn: Bertram K. Massing, Esq. Telecopy: (310) 859-2325
If to Heller:	Heller Financial Leasing, Inc. 900 Circle 75 Parkway, N.W. Suite 1800 Atlanta, Georgia 30339 Attn: Credit Manager Commercial Equipment Finance Division Telecopy: (770) 980-6090
With a copy to:	Heller Financial Leasing, Inc. 900 Circle 75 Parkway, N.W. Suite 1800 Atlanta, Georgia 30339 Attn: Elizabeth A. Edelman, Esq. Telecopy: (770) 980-6215

or to such other address as the party addressed shall have previously designated by written notice to the serving party, given in accordance with this Section 15. A notice not given as provided above shall, if it is in writing, be deemed given if and when actually received by the party to whom given.

16. APPLICABLE LAW.

THIS GUARANTY SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

17. CONSENT TO JURISDICTION AND SERVICE OF PROCESS.

GUARANTOR HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF COOK, STATE OF ILLINOIS AND IRREVOCABLY AGREES THAT, SUBJECT TO HELLER'S ELECTION, ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE OTHER LOAN DOCUMENTS SHALL BE LITIGATED IN SUCH COURTS. GUARANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS GUARANTY, SUCH OTHER LOAN DOCUMENT OR SUCH OBLIGATION. GUARANTOR DESIGNATES AND APPOINTS CT CORPORATION SYSTEM AND SUCH OTHER PERSONS AS MAY HEREAFTER BE SELECTED BY GUARANTOR WHICH IRREVOCABLY AGREE IN WRITING TO SO SERVE AS ITS AGENT TO RECEIVE ON ITS BEHALF SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDINGS IN ANY SUCH COURT, SUCH SERVICE BEING HEREBY ACKNOWLEDGED BY GUARANTOR TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. A COPY OF ANY SUCH PROCESS SO SERVED SHALL BE MAILED BY REGISTERED MAIL TO GUARANTOR AT ITS ADDRESS PROVIDED IN SECTION 15 EXCEPT THAT UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW, ANY FAILURE TO MAIL SUCH COPY SHALL NOT AFFECT THE VALIDITY OF SERVICE OF PROCESS. IF ANY AGENT APPOINTED BY GUARANTOR REFUSES TO ACCEPT SERVICE, GUARANTOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF HELLER TO BRING PROCEEDINGS AGAINST GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

18. WAIVER OF JURY TRIAL.

GUARANTOR HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS GUARANTY, ANY OF THE LOAN DOCUMENTS, OR ANY DEALINGS BETWEEN GUARANTOR AND HELLER RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THE LOAN DOCUMENTS. GUARANTOR ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF HELLER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. GUARANTOR ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT HELLER HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THE OTHER LOAN DOCUMENTS TO WHICH THEY ARE A PARTY AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. GUARANTOR FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS GUARANTY, THE LOAN DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS. IN THE EVENT OF LITIGATION, THIS GUARANTY MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

19. WAIVER OF RIGHTS AGAINST BORROWER. UNTIL THE PAYMENT IN FULL OF THE OBLIGATIONS, NOTWITHSTANDING ANYTHING TO THE CONTRARY WHICH MAY BE CONTAINED HEREIN, GUARANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY AGREES THAT GUARANTOR (I) WILL NOT ASSERT AGAINST BORROWER ANY RIGHT OR CLAIM, AT LAW OR IN

EQUITY, TO INDEMNIFICATION, REIMBURSEMENT, CONTRIBUTION, RESTITUTION OR PAYMENT FOR OR WITH RESPECT TO ANY AND ALL AMOUNTS GUARANTOR MAY PAY OR BE OBLIGATED TO PAY TO HELLER, INCLUDING, WITHOUT LIMITATION, THE OBLIGATIONS, AND ANY AND ALL OTHER OBLIGATIONS WHICH GUARANTOR MAY PERFORM, SATISFY OR DISCHARGE, UNDER OR WITH RESPECT TO THIS GUARANTY, AND (II) WILL NOT ASSIGN OR OTHERWISE TRANSFER ANY SUCH RIGHT OR CLAIMS TO ANY OTHER PERSON. UNTIL THE PAYMENT IN FULL OF THE OBLIGATIONS, GUARANTOR FURTHER UNCONDITIONALLY AND IRREVOCABLY AGREES THAT GUARANTOR SHALL HAVE NO RIGHT OF SUBROGATION, AND WAIVES ANY RIGHT TO ENFORCE ANY REMEDY WHICH HELLER NOW HAVE OR HEREAFTER MAY HAVE AGAINST BORROWER AND WAIVES ANY DEFENSE BASED UPON AN ELECTION OF REMEDIES BY HELLER, WHICH DESTROYS OR OTHERWISE IMPAIRS ANY SUBROGATION RIGHTS OF GUARANTOR AND/OR THE RIGHT OF GUARANTOR TO PROCEED AGAINST BORROWER FOR REIMBURSEMENT.

20. Board Representation. Pursuant to that certain Shareholder Agreement of even date herewith (the "Shareholder Agreement") among First Wave, certain other shareholders of Borrower, Borrower and Guarantor, all of the shareholders of Borrower have agreed to vote their stock to nominate and elect one person designated by Guarantor to the board of directors of Borrower. In addition, pursuant to the Shareholder Agreement, the articles of incorporation and by-laws of Borrower are being amended to provide, among other things, that the unanimous consent of the board of directors is required for certain material actions. To secure the shareholders agreement to nominate and elect to the board of directors an individual designated by Guarantor, the shareholders have granted a proxy to Guarantor for such purpose. Guarantor covenants and agrees that it will not modify, amend or waive, or permit the modification, amendment or waiver of, the Shareholder Agreement or the articles of incorporation or by-laws of Borrower without the prior written consent of Heller.

Pursuant to subsection 8.1(T) of the Credit Agreement, an Event of Default shall occur at such time as a Resources Designated Director (as defined in the Shareholder Agreement) is not a member of the Board of Directors of Borrower. Notwithstanding such provision and provided no other Event of Default has occurred, solely for purposes of this Guaranty, Heller will not demand payment of Guarantor hereunder solely due to an Event of Default under said subsection 8.1(T) (a) for thirty (30) days after the occurrence of a vacancy if such vacancy occurs due to the death of the Resources Designated Director or such person's resignation as an officer of Resources, or otherwise solely as a result of events occurring with respect to Guarantor which are unrelated to Borrower or the business or operations thereof, or (b) for fifteen (15) days after the occurrence of a vacancy for any other reason. If such vacancy is filled within the applicable designated time period, the Event of Default under subsection 8.1(T) of the Credit Agreement shall be deemed cured.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

NEWPARK RESOURCES, INC., a
Delaware corporation

By: ___________________________

Title:_________________________

Witness:

____

Witness Address:

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DEC-31-1996
JUL-01-1996
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33,888
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8,167
47,044
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