

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K / A-1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 - For the fiscal year ended December 31, 1998

OR

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

Commission file number 1-640

NL INDUSTRIES, INC.

-----  
(Exact name of registrant as specified in its charter)

New Jersey

13-5267260

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(IRS Employer  
Identification No.)

16825 Northchase Drive, Suite 1200, Houston, Texas

77060-2544

-----  
(Address of principal executive offices)

-----  
(Zip Code)

Registrant's telephone number, including area code: (281) 423-3300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
----- Common stock (\$.125 par value)	----- New York Stock Exchange Pacific Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

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, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 22, 1999, 51,826,139 shares of common stock were outstanding. The aggregate market value of the 11,475,208 shares of voting stock held by nonaffiliates as of such date approximated \$107 million.

Documents incorporated by reference:

The information required by Part III is incorporated by reference from the Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

The undersigned Registrant hereby amends the following items, financial statements, exhibits or other portions of its Annual Report on Form 10-K for the year ended December 31, 1998 as set forth below and in the pages attached hereto:

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES,  
AND REPORTS ON FORM 8-K.

Exhibit No. 99.1, Annual Report of NL Industries, Inc. Retirement Savings Plan on Form 11-K for the year ended December 31, 1998 (filed as an amendment to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998).

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

NL INDUSTRIES, INC.

-----  
(Registrant)

Dated: June 4, 1999

By: /s/ Robert D. Hardy

-----  
Robert D. Hardy  
Vice President and Controller

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d) of the  
Securities Exchange Act of 1934

Annual report pursuant to Section 15(d) of the Securities Exchange Act of  
1934 - for the year ended December 31, 1998

or

Transition report pursuant to Section 15(d) of the Securities Exchange  
Act of 1934 - for the transition period from to

Commission file number 1-640

A. Full title of the plan and the address of the plan, if different from  
that of the issuer named below:

NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the  
address of its principal executive office:

NL INDUSTRIES, INC.  
16825 Northchase Drive, Suite 1200  
Houston, Texas 77060-2544

NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

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SIGNATURE

Pursuant to the requirements of the Securities Act of 1934, the Administrator has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

By: NL INDUSTRIES, INC.  
PENSION AND EMPLOYEE  
BENEFITS COMMITTEE,  
Administrator of  
NL Industries, Inc.  
Retirement Savings Plan

By: /s/ Robert D. Hardy  
-----  
Robert D. Hardy  
PEBCO Committee Chairman

June 4, 1999

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

FINANCIAL STATEMENTS, FUND INFORMATION AND SUPPLEMENTAL SCHEDULES  
WITH REPORT OF INDEPENDENT ACCOUNTANTS

December 31, 1998

NL INDUSTRIES INC.  
RETIREMENT SAVINGS PLAN

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- December 31, 1998

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All other schedules are omitted because they are not applicable or not required.

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#### REPORT OF INDEPENDENT ACCOUNTANTS

To the Pension and Employee Benefits Committee of  
NL Industries, Inc.:

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the NL Industries, Inc. Retirement Savings Plan (the "Plan") at December 31, 1997 and 1998, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules, as listed on the accompanying index, are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The fund information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. These supplemental schedules and fund information are the responsibility of the Plan's management. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Houston, Texas  
June 4, 1999

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION

December 31, 1997

	Fund Information						
	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
Investments at fair value:							
Common stock .....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other securities .....	1,752,287	1,709,815	358,685	2,339,828	412,430	1,471,539	581,012
Employer contributions receivable ..	124,285	73,966	63,591	109,733	23,007	99,692	49,464
Cash .....	--	--	--	--	--	--	--
Net assets available for benefits	\$1,876,572	\$1,783,781	\$ 422,276	\$2,449,561	\$ 435,437	\$1,571,231	\$ 630,476

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
WITH FUND INFORMATION (CONTINUED)

December 31, 1997 (Continued)

	Fund Information (Continued)				
	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investments at fair value:					
Common stock .....	\$ --	\$ --	\$ --	\$ --	\$ --
Other securities .....	559,444	5,280,559	4,553,826	18,770,319	572,120
Employer contributions receivable .....	44,877	226,750	233,642	425,833	431
Cash .....	--	--	--	--	--
Net assets available for benefits .....	\$604,321	\$5,507,309	\$4,787,468	\$19,196,152	\$572,551

Fund Information (Continued)  
Common Stock Funds

	Common Stock Funds			Total
	NL	Dresser/Tremont	Cash Fund	
Investments at fair value:				
Common stock .....	\$2,922,905	\$641,313	\$ --	\$ 3,564,218
Other securities .....	--	--	--	38,361,864
Employer contributions receivable .....	119,072	--	--	1,594,343
Cash .....	--	--	67,673	67,673
Net assets available for benefits .....	\$3,041,977	\$641,313	\$67,673	\$43,588,098

NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
WITH FUND INFORMATION (CONTINUED)

December 31, 1998

	Fund Information						
	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
Investments at fair value:							
Common stock .....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other securities .....	1,278,402	615,177	267,444	1,027,619	271,136	462,080	249,476
Employer contributions receivable .	45,031	24,465	19,677	59,013	12,399	36,780	18,763
	-----	-----	-----	-----	-----	-----	-----
Net assets available for benefits	\$1,323,433	\$639,642	\$287,121	\$1,086,632	\$283,535	\$498,860	\$268,239
	=====	=====	=====	=====	=====	=====	=====

NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
WITH FUND INFORMATION (CONTINUED)

December 31, 1998 (Continued)

	Fund Information (Continued)				
	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investments at fair value:					
Common stock .....	\$ --	\$ --	\$ --	\$ --	\$ --
Other securities .....	440,463	2,918,680	3,053,911	12,532,499	290,054
Employer contributions receivable .....	29,425	71,740	136,427	99,793	--
	-----	-----	-----	-----	-----
Net assets available for benefits .....	\$469,888	\$2,990,420	\$3,190,338	\$12,632,292	\$290,054
	=====	=====	=====	=====	=====

Fund Information (Continued)

-----  
Common Stock Funds

	NL	Halliburton/ Tremont	Total
Investments at fair value:			
Common stock .....	\$1,984,132	\$363,730	\$ 2,347,862
Other securities .....	--	--	23,406,941
Employer contributions receivable .....	45,019	--	598,532
Net assets available for benefits .....	\$2,029,151	\$363,730	\$26,353,335

See accompanying notes to financial statements.

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION

Year ended December 31, 1997

	Fund Information						
	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
Investment income:							
Dividend income:							
Dresser Industries .....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Other .....	16,432	194,010	--	236,781	16,123	--	74,407
Interest income .....	--	--	--	--	--	--	--
Total investment income .....	16,432	194,010	--	236,781	16,123	--	74,407
Net appreciation (depreciation) in the fair value of investments ...	233,438	(31,852)	22,165	(8,813)	7,213	271,995	(20,570)
Contributions:							
Participants .....	169,064	89,722	70,688	91,659	42,494	119,406	58,203
Employer .....	124,450	74,021	63,646	109,788	23,171	99,802	49,627
Total contributions .....	293,514	163,743	134,334	201,447	65,665	219,208	107,830
Total income and contributions .	543,384	325,901	156,499	429,415	89,001	491,203	161,667
Net interfund transfers .....	260,066	974,423	(120,241)	1,296,437	132,763	740,130	27,597
Distributions .....	32,191	27,708	42,858	34,903	13,034	27,932	61,713
Net change in net assets available for benefits .....	771,259	1,272,616	(6,600)	1,690,949	208,730	1,203,401	127,551
Net assets available for benefits:							
Beginning of year .....	1,105,313	511,165	428,876	758,612	226,707	367,830	502,925
End of year .....	\$1,876,572	\$ 1,783,781	\$ 422,276	\$2,449,561	\$ 435,437	\$1,571,231	\$630,476

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1997 (Continued)

	Fund Information (Continued)				
	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investment income:					
Dividend income:					
Dresser Industries .....	\$ --	\$ --	\$ --	\$ --	\$ --
Other .....	57,617	446,830	332,407	--	67,211
Interest income .....	--	--	--	1,295,411	--
Total investment income .....	57,617	446,830	332,407	1,295,411	67,211
Net appreciation (depreciation) in the fair value of investments .....	21,707	515,983	625,862	--	(28,063)
Contributions:					
Participants .....	45,653	191,718	191,096	321,954	--
Employer .....	45,039	229,886	236,587	426,045	--
Total contributions .....	90,692	421,604	427,683	747,999	--
Total income and contributions .....	170,016	1,384,417	1,385,952	2,043,410	39,148
Net interfund transfers .....	(215,293)	(216,751)	342,202	(3,048,845)	(64,341)
Distributions .....	10,782	302,681	105,763	2,792,244	3,841
Net change in net assets available for benefits .....	(56,059)	864,985	1,622,391	(3,797,679)	(29,034)
Net assets available for benefits:					
Beginning of year .....	660,380	4,642,324	3,165,077	22,993,831	601,585
End of year .....	\$ 604,321	\$ 5,507,309	\$ 4,787,468	\$ 19,196,152	\$ 572,551

Fund Information (Continued)  
Common Stock Funds

	NL	Dresser/ Tremont	Cash Fund	Total
Investment income:				
Dividend income:				
Dresser Industries .....	\$ --	\$ 8,817	\$ --	\$ 8,817
Other .....	--	--	3,213	1,445,031
Interest income .....	--	--	--	1,295,411
Total investment income .....	--	8,817	3,213	2,749,259
Net appreciation				

(depreciation) in the fair value of investments .....	626,051	176,448	--	2,411,564
Contributions:				
Participants .....	91,379	--	--	1,483,036
Employer .....	119,073	--	--	1,601,135
Total contributions .....	210,452	--	--	3,084,171
Total income and contributions .....	836,503	185,265	3,213	8,244,994
Net interfund transfers .....	(164,438)	(2,561)	58,852	--
Distributions .....	65,308	32,776	--	3,553,734
Net change in net assets available for benefits .....	606,757	149,928	62,065	4,691,260
Net assets available for benefits:				
Beginning of year .....	2,435,220	491,385	5,608	38,896,838
End of year .....	\$ 3,041,977	\$ 641,313	\$67,673	\$43,588,098

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1998

	Fund Information						
	MFS Emerging Growth Fund	Templeton World Fund	AIM International Equity Fund	AIM Value Fund	MFS Government Securities Fund	ML Equity Index Trust	ML Global Allocation Fund, Inc.
Investment income:							
Dividend income:							
NL Industries, Inc. ....	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Halliburton Company .....	--	--	--	--	--	--	--
Dresser Industries .....	--	--	--	--	--	--	--
Tremont Corporation .....	--	--	--	--	--	--	--
Other .....	11,692	132,397	5,780	62,572	21,304	--	28,954
Interest income .....	--	--	--	--	--	--	--
Total investment income .....	11,692	132,397	5,780	62,572	21,304	--	28,954
Net appreciation (depreciation) in the fair value of investments ...	354,126	(85,801)	46,443	420,196	7,294	333,231	(11,565)
Contributions:							
Participants .....	65,968	29,445	40,487	78,531	13,359	38,208	22,453
Employer .....	45,032	24,465	19,677	59,013	12,398	36,780	18,762
Total contributions .....	111,000	53,910	60,164	137,544	25,757	74,988	41,215
Total income and contributions .	476,818	100,506	112,387	620,312	54,355	408,219	58,604

Net interfund transfers .....	(59,634)	(957,929)	(34,577)	(1,125,860)	(64,127)	(142,787)	(173,518)
Distributions .....	46,915	8,701	29,944	129,760	3,206	46,079	21,963
Net change in net assets available for benefits .....	370,269	(866,124)	47,866	(635,308)	(12,978)	219,353	(136,877)
Assets transferred to another plan .....	(923,408)	(278,015)	(183,021)	(727,621)	(138,924)	(1,291,724)	(225,360)
Net assets available for benefits:							
Beginning of year .....	1,876,572	1,783,781	422,276	2,449,561	435,437	1,571,231	630,476
End of year .....	\$ 1,323,433	\$ 639,642	\$ 287,121	\$ 1,086,632	\$ 283,535	\$ 498,860	\$ 268,239

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
WITH FUND INFORMATION (CONTINUED)

Year ended December 31, 1998 (Continued)

Fund Information (Continued)

	ML Federal Securities Trust	ML Capital Fund, Inc.	ML Basic Value Fund	ML Retirement Preservation Trust	ML Global Holdings, Inc.
Investment income:					
Dividend income:					
NL Industries, Inc. ....	\$ --	\$ --	\$ --	\$ --	\$ --
Halliburton Company .....	--	--	--	--	--
Dresser Industries .....	--	--	--	--	--
Tremont Corporation .....	--	--	--	--	--
Other .....	29,733	176,522	229,209	--	41,011
Interest income .....	--	--	--	1,002,946	--
Total investment income .....	29,733	176,522	229,209	1,002,946	41,011
Net appreciation (depreciation) in the fair value of investments .....	1,923	188,576	316,966	--	45,144
Contributions:					
Participants .....	25,955	87,075	133,404	100,027	--
Employer .....	29,422	71,739	136,427	99,794	--
Total contributions .....	55,377	158,814	269,831	199,821	--
Total income and contributions .....	87,033	523,912	816,006	1,202,767	86,155
Net interfund transfers .....	(47,098)	(401,387)	341,380	4,321,992	(148,928)
Distributions .....	7,325	343,832	234,611	3,836,816	46,539

Net change in net assets available for benefits .....	32,610	(221,307)	922,775	1,687,943	(109,312)
Assets transferred to another plan .....	(167,043)	(2,295,582)	(2,519,905)	(8,251,803)	(173,185)
Net assets available for benefits:					
Beginning of year .....	604,321	5,507,309	4,787,468	19,196,152	572,551
	-----	-----	-----	-----	-----
End of year .....	\$ 469,888	\$ 2,990,420	\$ 3,190,338	\$ 12,632,292	\$ 290,054
	=====	=====	=====	=====	=====

Fund Information (Continued)  
Common Stock Funds

	NL	Halliburton/ Tremont	Cash Fund	Total
	-----	-----	-----	-----
Investment income:				
Dividend income:				
NL Industries, Inc. ....	\$ 13,803	\$ --	\$ --	\$ 13,803
Halliburton Company .....	--	1,239	--	1,239
Dresser Industries .....	--	6,057	--	6,057
Tremont Corporation .....	--	453	--	453
Other .....	--	--	--	739,174
Interest income .....	--	--	(8,895)	994,051
	-----	-----	-----	-----
Total investment income .....	13,803	7,749	(8,895)	1,754,777
	-----	-----	-----	-----
Net appreciation (depreciation) in the fair value of investments .....	672,669	(146,054)	--	2,143,148
	-----	-----	-----	-----
Contributions:				
Participants .....	74,125	--	(44,594)	664,443
Employer .....	45,020	--	1,370	599,899
	-----	-----	-----	-----
Total contributions .....	119,145	--	(43,224)	1,264,342
	-----	-----	-----	-----
Total income and contributions .....	805,617	(138,305)	(52,119)	5,162,267
	-----	-----	-----	-----
Net interfund transfers .....	(1,373,683)	(133,844)	--	--
	-----	-----	-----	-----
Distributions .....	35,384	5,434	15,554	4,812,063
	-----	-----	-----	-----
Net change in net assets available for benefits .....	(603,450)	(277,583)	(67,673)	350,204
Assets transferred to another plan .....	(409,376)	--	--	(17,584,967)
Net assets available for benefits:				
Beginning of year .....	3,041,977	641,313	67,673	43,588,098
	-----	-----	-----	-----
End of year .....	\$ 2,029,151	\$ 363,730	\$ --	\$ 26,353,335
	=====	=====	=====	=====

NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the NL Industries, Inc. Retirement Savings Plan (the "Plan") have been prepared in accordance with generally accepted accounting principles. The following is a summary of the significant accounting policies followed by the Plan.

INVESTMENTS

Investments are recorded at fair value based upon the quoted market price reported on the last trading day of the period for those securities listed on a national securities exchange. Listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and ask prices. Short-term investments are stated at fair value.

Purchases and sales of investments are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. The Plan presents in the statements of changes in net assets available for plan benefits the net appreciation (depreciation) in the fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

CONTRIBUTIONS

Contributions from employees are recorded in the period the employer makes payroll deductions from Plan participants. Employer contributions, if any, are accrued at the end of each year and are received in the subsequent year.

INVESTMENT INCOME

Income from investments is recorded as earned on an accrual basis. Dividend income is recorded at the ex-dividend date.

TERMINATION OF PLAN

Although it has not expressed any intent to do so, NL Industries, Inc. has the right under the Plan to discontinue contributions and to terminate the Plan at any time subject to penalties set forth in the Employee Retirement Income Security Act of 1974 ("ERISA"). In the event of such a discontinuance or termination of the Plan, the net assets of the Plan would be allocated to the Plan participants as prescribed by the Plan document, ERISA, and the Internal Revenue Code.

MANAGEMENT'S ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements, the changes in net assets available for benefits during the reporting period and, when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

NOTE 2 - PLAN DESCRIPTION:

The Plan's principal objective is to provide eligible employees of NL Industries, Inc. and its U.S. subsidiaries (the "Company") with a convenient way to save on a regular and long-term basis. The majority of the Company's U.S. employees are eligible to voluntarily participate in the Plan after six months of employment. At December 31, 1998, there were 68 active participants (participants currently employed by the Company) and 635 total participants. Active participants may make basic contributions of between 0% and 8% of their eligible compensation. Basic contributions may consist of a combination of pre-tax and after-tax earnings. Generally, pre-tax contributions are excluded from the employee's taxable income until they are distributed. Eligible employees that have elected to make the maximum basic contribution of 8% may also make a supplemental pre-tax or after-tax contribution of between 1% and 4% of their eligible compensation.

The specialty chemical business of Rheox, Inc., a wholly-owned subsidiary of the Company, was sold to Elementis plc in January 1998 and \$18 million of the Plan's assets were distributed to Elementis America Inc. Rheox Inc. Retirement Savings Plan.

In accordance with the Tax Reform Act of 1986, participants are limited in the amount of salary reduction contributions which they may make to the Plan under Section 402(g) of the Internal Revenue Code (\$10,000 annual maximum for 1998). Highly compensated participants may be required to adjust the amount of their contributions in order to permit the Plan to satisfy the nondiscrimination requirements of Sections 401(k) and 401(m) of the Internal Revenue Code.

The Company contributes a discretionary amount of matching contributions, determined annually, based upon the attainment of certain operating income target levels approved by the Management, Development and Compensation Committee of the Board of Directors of the Company. The employer match applies only to the employee's basic contributions.

On March 31, 1996, the defined benefit plan for salaried employees of NL Industries, Inc. was amended and the pension benefits frozen for the majority of the Company's U.S. employees. Effective April 1, 1996, every employee who is eligible to participate in the Plan will receive an annual contribution to their investment account of 3% of their eligible compensation, subject to IRS limitations on eligible compensation, which currently is \$160,000. The Company will make this contribution for each eligible employee regardless of whether the

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employee elects to otherwise participate in the Plan. This contribution is in addition to the Company's discretionary matching contribution described above.

Employer contributions are fully vested upon death, retirement, or disability, as provided in the Plan. A participant with less than three years of service is 0% vested in employer contributions, 50% vested following three years of service, 75% vested following four years of service and fully vested in all employer contributions following five years of service. Forfeitures of employer contributions may occur if a participant terminates employment prior to the full vesting period or if a participant or beneficiary, to whom a distribution is payable, cannot be located within five years of the date on which such distribution became payable. Forfeitures were \$4,068 in 1997 and \$18,015 in 1998. Amounts forfeited are used in the following order: (i) to restore the accounts of reemployed participants, (ii) to restore the accounts of participants or beneficiaries who apply for forfeited benefits, and (iii) to reduce employer contributions.

Merrill Lynch Trust Company ("Merrill Lynch" or "ML") serves as trustee for the Plan.

Employees may elect to have their own contributions invested in one or more funds, whose investment objectives are as follows:

Number of  
participants at  
December 31,  
-----

	1997 ----	1998 ----
MFS EMERGING GROWTH FUND - CLASS A SHARES - managed with the objective of providing long-term growth of capital by investing primarily in common stocks of small and medium-sized companies that are early in their life cycle but which have the potential to become major enterprises.	121	62
TEMPLETON WORLD FUND - CLASS I SHARES - managed with the objective of seeking long-term capital growth by investing in securities of companies or governments located throughout the world. The fund's portfolio is invested in securities of both U.S. and foreign issuers.	98	44
AIM INTERNATIONAL EQUITY FUND - CLASS A SHARES - managed with the objective of seeking long-term return of capital by investing in a diversified portfolio of international equity securities.	73	37

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	Number of participants at December 31, -----	
	1997 ----	1998 ----
AIM VALUE FUND - CLASS A SHARES - managed with the objective of achieving long-term growth of capital by investing primarily in equity securities judged to be undervalued relative to appraisals of the current or projected earnings of the companies issuing the securities, or relative to current market values of assets owned by the companies issuing the securities or relative to the equity market generally. Income is a secondary objective.	111	58
MFS GOVERNMENT SECURITIES FUND - CLASS A SHARES - managed with the objective of providing current income and preservation of principal by investing in Government Securities and by investing in obligations that are fully collateralized or otherwise fully secured by Government Securities.	49	27
MERRILL LYNCH EQUITY INDEX TRUST - managed with the objective of approximating the total return of the Standard & Poor's 500 Composite Stock Index. This index is a means to measure the performance of a broad base of large U.S. corporations.	87	46
MERRILL LYNCH GLOBAL ALLOCATION FUND, INC. - CLASS A SHARES - managed with the objective of seeking a high total investment return, consistent with the prudent risk, through a fully-managed investment policy utilizing United States and foreign equity, debt and money market securities the combination of which will be varied from time to time both with respect to types of securities and markets in response to changing market and economic trends.	78	38
MERRILL LYNCH FEDERAL SECURITIES TRUST - CLASS D SHARES - managed with the objective of seeking a high current return through investments in U.S. government and government agency securities.	97	72
MERRILL LYNCH CAPITAL FUND, INC. - CLASS A SHARES - managed with the objective of seeking the highest total investment return consistent with prudent risk, investing in equity, debt and convertible securities.	200	98
MERRILL LYNCH BASIC VALUE FUND, INC. - CLASS A SHARES -	184	94

managed with the objective of seeking capital appreciation and, secondarily, income.

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	Number of participants at December 31,	
	1997	1998
MERRILL LYNCH RETIREMENT PRESERVATION TRUST - managed with the objective of providing preservation of capital, liquidity and current income through investments primarily in Guaranteed Investment Contracts.	350	300
NL STOCK FUND - invested in NL common stock.	478	377

In addition to the funds listed above, the Halliburton/Tremont Stock Fund holds investments in Halliburton for 44 participants and Tremont Corporation common stock for 35 participants. Investments in the Merrill Lynch Global Holdings Fund, with 22 participants, were frozen in 1996. Contributions or transfers into the Halliburton/Tremont Stock Fund and the Merrill Lynch Global Holdings Fund are no longer allowed.

Prior to the investment in securities of a type consistent with the objectives of any fund, cash may be temporarily invested in securities with maturities of less than one year issued or guaranteed by the U.S. government or any agency or instrumentality thereof or deposited in a bank savings account.

Interfund transfers may be made daily, except that only one transfer per participant per quarter may affect amounts in the NL Stock Fund. Only one transfer is permitted out of the Halliburton/Tremont Stock Fund which must be a transfer of the total value of the participant's account in that fund.

Distributions to employees may occur during active service or upon termination and under prescribed circumstances. Distributions may be in the form of lump sums, installments, annuities, or combinations thereof, or distributions of employer securities.

The Company bears the responsibility of all administrative expenses of the Plan.

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NOTE 3 - INVESTMENTS:

The historical cost and fair value of each of the investments at December 31, 1997 and 1998 were as follows:

Fund description	1997		1998	
	Historical cost	Fair value	HISTORICAL COST	FAIR VALUE
MFS Emerging Growth Fund - Class A Shares	\$ 1,534,538	\$ 1,752,287	\$ 970,670	\$ 1,278,402
Templeton World Fund - Class I Shares ...	1,740,237	1,709,815	651,335	615,177
AIM International Equity Fund - Class A Shares .....	332,296	358,685	238,380	267,444



AIM Value Fund - Class A Shares .....	2,314,305	2,339,828	856,310	1,027,619
MFS Government Securities Fund - Class A Shares .....	400,192	412,430	259,186	271,136
Merrill Lynch Equity Index Trust .....	1,179,269	1,471,539	321,945	462,080
Merrill Lynch Global Allocation Fund, Inc. - Class A Shares .....	605,829	581,012	287,551	249,476
Merrill Lynch Federal Securities Trust - Class D Shares .....	552,463	559,444	435,316	440,463
Merrill Lynch Capital Fund, Inc. - Class A Shares .....	4,381,559	5,280,559	2,490,537	2,918,680
Merrill Lynch Basic Value Fund, Inc. - Class A Shares .....	3,490,890	4,553,826	2,396,955	3,053,911
Merrill Lynch Retirement Preservation Trust .....	18,770,319	18,770,319	12,532,499	12,532,499
Merrill Lynch Global Holdings, Inc. - Class A Shares .....	555,820	572,120	274,766	290,054
NL Stock Fund .....	2,768,830	2,922,905	1,915,419	1,984,132
Halliburton/Tremont Stock Fund:				
Halliburton Common Stock .....	130,237	510,016	111,251	292,779
Tremont Common Stock .....	20,693	131,297	18,061	70,951
	-----	-----	-----	-----
	\$38,777,477	\$41,926,082	\$23,760,181	\$25,754,803
	=====	=====	=====	=====

At June 4, 1999, the market value of the shares of NL, Halliburton and Tremont stock held at December 31, 1998 was \$1,599,599, \$424,962 and \$38,943, respectively.

#### CONCENTRATION OF CREDIT RISK

The Plan's assets are invested principally in common stock of NL, Halliburton and Tremont, and with investment funds managed by (i) Merrill Lynch, ii) Massachusetts Financial Services ("MFS"), iii) AIM Advisors, Inc., and iv) Templeton Global Advisors Limited. At December 31, 1998, 77% of the Plan's investments were managed by Merrill Lynch.

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#### NOTE 4 - RELATED PARTY TRANSACTIONS:

The NL Stock Fund and the Halliburton/Tremont Stock Fund invest in the common stock of NL and Tremont, both of which entities are considered related parties. The activity of these securities for the years ended December 31, 1997 and 1998 was as follows:

	Purchases	Sales and distributions, at cost	Realized gain
	-----	-----	-----
Year ended December 31, 1997:			
NL common stock .....	\$407,357	\$ 429,237	\$ 70,581
Tremont common stock .....	--	1,908	7,101
YEAR ENDED DECEMBER 31, 1998:			
NL COMMON STOCK .....	302,532	1,155,944	758,178
TREMONT COMMON STOCK .....	453	3,085	18,782

NOTE 5 - TAX STATUS:

The Plan, as amended, is designed to constitute a qualified trust under Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"); as such the Plan is exempt from federal income tax, and amounts contributed by the Company will not be taxed to the participant until the participant receives a distribution from the Plan.

The Plan has received a favorable determination as of March 5, 1998, indicating it is a "Qualified Plan" under the requirements of Sections 401(a) and 401(k) of the Code and is qualified for favorable tax treatment.

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SUPPLEMENTAL SCHEDULES

NL INDUSTRIES, INC. RETIREMENT SAVINGS PLAN

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

December 31, 1998

Employer Identification No. 13-5267260

Plan No. 003

	Cost	Fair value
	-----	-----
MFS Emerging Growth Fund - Class A Shares	\$ 970,670	\$ 1,278,402
Templeton World Fund - Class I Shares	651,335	615,177
AIM International Equity Fund - Class A Shares	238,380	267,444
AIM Value Fund - Class A Shares	856,310	1,027,619
MFS Government Securities Fund - Class A Shares	259,186	271,136
* Merrill Lynch Equity Index Trust	321,945	462,080
* Merrill Lynch Global Allocation Fund, Inc.- Class A Shares	287,551	249,476
* Merrill Lynch Federal Securities Trust - Class D Shares	435,316	440,463
* Merrill Lynch Capital Fund, Inc. - Class A shares	2,490,537	2,918,680
* Merrill Lynch Basic Value Fund, Inc. - Class A shares	2,396,955	3,053,911
* Merrill Lynch Retirement Preservation Trust	12,532,499	12,532,499
* Merrill Lynch Global Holdings, Inc. - Class A shares	274,766	290,054

* NL Stock Fund - Common Stock	1,915,419	1,984,132
Tremont/Halliburton Stock Fund - Common Stock:		
* Tremont Corporation	18,061	70,951
Halliburton Company	111,251	292,779
	-----	-----
	\$23,760,181	\$25,754,803
	=====	=====

Note: Cost is determined based on historical cost. Gains and losses on sales of investments are calculated based on average cost.

\* Investment in a "Party-in-interest" entity, as defined by ERISA.

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NL INDUSTRIES, INC.  
RETIREMENT SAVINGS PLAN  
ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS  
Year ended December 31, 1998  
Employer Identification No. 13-5267260  
Plan No. 003

Description of Asset	Number of Transactions	Purchase price	Selling price	Cost of asset	Fair value of asset on transaction date	Net gain (loss)
-----	-----	-----	-----	-----	-----	-----
Merrill Lynch Retirement Preservation Trust:						
Purchases .....	168	\$7,031,489	\$ --	\$ 7,031,489	\$ 7,031,489	\$ --
Sales .....	99	--	13,223,361	13,223,361	13,223,361	--
Merrill Lynch Equity Index Trust:						
Purchases .....	74	1,113,369	--	1,113,369	1,113,369	--
Sales .....	36	--	2,456,058	1,970,686	2,456,058	485,372
AIM Value Fund:						
Purchases .....	71	629,078	--	629,078	629,078	--
Sales .....	36	--	2,361,483	2,087,073	2,361,483	274,410
Merrill Lynch Capital Fund Class A:						
Purchases .....	56	987,802	--	987,802	987,802	--
Sales .....	56	--	3,471,845	2,814,879	3,471,845	656,966
Merrill Lynch Basic Value Fund Class A:						
Purchases .....	77	1,484,877	--	1,484,877	1,484,877	--
Sales .....	50	--	3,227,446	2,514,930	3,227,446	712,516

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EXHIBIT I

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the:

- (i) Registration Statement No. 2-98713 on Form S-8 and related Prospectus with respect to the 1985 Long Term Performance Incentive Plan of NL Industries, Inc.;
- (ii) Registration Statement No. 33-25913 on Form S-8 and related Prospectus with respect to the Savings Plan for Employees of NL Industries, Inc.;
- (iii) Registration Statement No. 33-48145 on Form S-8 and related Prospectus with respect to the 1992 Non-Employee Director Stock Option Plan of NL Industries, Inc.; and
- (iv) Registration Statement No. 333-65817 on Form S-8 and related Prospectus with respect to the NL Industries, Inc. 1998 Long-Term Incentive Plan.

of our report which is dated June 4, 1999, on our audits of the statements of net assets available for benefits of the NL Industries, Inc. Retirement Savings Plan as of December 31, 1997 and 1998 and the related statements of changes in net assets available for benefits for the years then ended, which report is included in this Annual Report on Form 11-K.

PricewaterhouseCoopers LLP

Houston, Texas  
June 28, 1999