



Your Specialty Chemical Partner

Fourth Quarter and Full Year 2017 Financial Results

March 8, 2018



Safe Harbor

Statements in this presentation that are not historical facts are forward looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements are based upon Management's belief, as well as, assumptions made by and information currently available to Management. Because such statements are based upon expectations as to future economic performance and are not statements of fact, actual results may differ from those projected. These risks, as well as others, are discussed in greater detail in Trecora Resources' filings with the Securities and Exchange Commission, including Trecora Resources' Annual Report on Form 10-K for the year ended December 31, 2016, and the Company's subsequent Quarterly Reports on Form 10-Q. All forward-looking statements included in this presentation are based upon information available to the Company as of the date of this presentation. The Company undertakes no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.

Organizational Changes

- **Simon Upfill-Brown (CEO) assumes additional role as Chief Operating Officer (COO)**
- **Nick Carter named Executive Chairman through latest December 31, 2018**
- **Eliminated VP of Manufacturing role**
- **Transitioned Peter Loggenberg to Chief Sustainability Officer from President of TC**
- **Additional organizational changes at TC**
- **Focus on Operational Excellence**

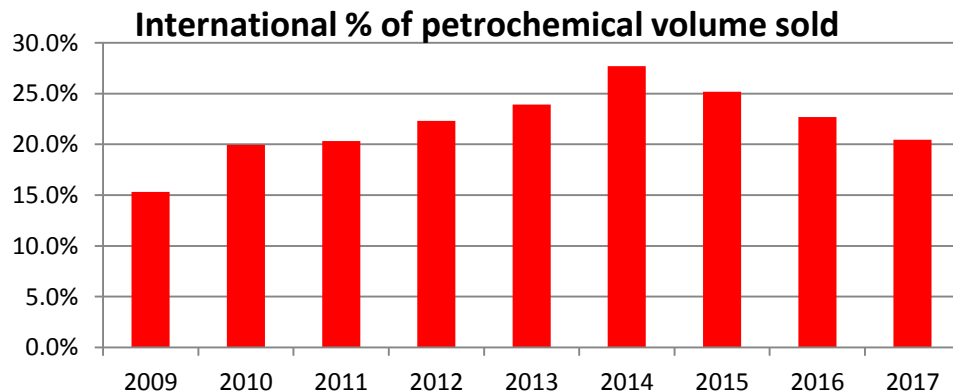
Fourth Quarter 2017 Overview

- **South Hampton Resources: Strong prime product volume growth**
 - Quarterly growth of 18.7% despite decline in Canadian Oil Sands demand and prior to full start-up of major new demand projects
 - Advanced Reformer start-up delayed to Q3 2018 due to fire
- **Trecora Chemical: Continued progress – Organizational changes implemented**
 - Q4 results impacted by challenging startup of hydrogenation unit
 - Customer demand for custom processing remains high
 - Organizational changes implemented in first quarter 2018 designed to sharpen focus on processing and operational execution
- **AMAK delivered \$0.9 million in equity in earnings in Q4 as production levels rise following year-long modernization efforts**
 - Initial reserve update completed
- **Continued progress on significant capital projects**
 - Company is well-positioned to benefit from the resurgence of the North American chemical industry

SHR Update

	Petrochemical Sales Volumes			
	4Q17	3Q17	2Q17	1Q17
	<i>(million gallons)</i>			
All Products	22.8	22.4	20.8	17.3
Prime Products	17.1	16.7	16.3	13.9
Byproducts	5.7	5.7	4.5	3.4
Deferred Sales	2.3	1.8	2.4	1.6

- Quarterly prime product volume increased 18.7% from Q4 2016; Full year prime product volume growth of 9.1%
- Second Canadian oil sands customer up and running; expect volumes mid-year 2018
- International sales impacted by reduced off-take by existing Canadian oil sands customer
- International sales volumes up 8% from 2016 excluding Canadian oil sands



SHR Advanced Reformer Project



- Remediation well underway following February 14 fire
- Insurance policy with \$1 million deductible and expedited claim processing expected to minimize cash flow impact
- Proactive steps being taken to minimize economic impact
- Business case solidly intact and confident in ability to safely commission the unit and begin production by early third quarter 2018

Trecora Chemical Update

- **Quarterly Revenue** – flat year over year; Year to date Revenue – up nearly 14.5%
 - Q4 results impacted by difficult startup of hydrogenation unit
- **Wax**
 - Q4 sales volumes down 9.1% year over year
 - Full year 2017 sales volumes up 17.2% year over year and average pricing up 10%
 - Production challenges impacted quarterly volume, but overall pricing improved as we upgraded the sales mix
 - Full year results also impacted by inventory reduction; increased cash flow from inventory reduction of 8.2 million pounds
- **Custom Processing**
 - Q4 custom processing revenues increased 22.5% year over year due to the hydrogenation unit
 - Year to date revenues up 8.9% and up 31% adjusted for non-use fee in 2016
- **B Plant**
 - B Plant revenues of \$2.8 million for full year 2017
 - Expect \$4-\$6 M/year in EBITDA run-rate by end of 2018
- **Hydrogenation/Distillation Units**
 - Expect additional \$6-\$8 M/year in EBITDA run rate at end of 2018
- **Organizational Changes Implemented in Q1 2018**
 - Changes intended to sharpen focus on custom processing and operational execution

Trecora Chemical Update

Changes Focused on Improved Operations: Implemented in Q1 2018

➤ People

- Identified and addressed areas where Plant Manager was spread too thin
 - Hired experienced Custom Processing Manager
- Changed Shift Leads and added a second Supervisor to each shift
- Added experienced operators capable of executing our plans including Console Op, Outside Op and Loaders
- Increased pay scales to be competitive and promote retention

➤ Equipment Reliability

- Implemented process to address recurring areas of failure
- Increased count of critical shelf spares to minimize down-time
- Significant tracing/insulation upgrades in wax areas
- Enhanced training of maintenance and Ops staff

➤ Culture

- Evolving from facility growth and R&D to execution and production
- Operations lead responsible for team and accountable for production

AMAK Mine Developments

➤ Operations

- 20,000 dmt sold in 4Q17 (vs 8000 dmt during 3Q)
 - Equally split between copper concentrate and zinc concentrate
 - Metal content at target; MgO still high in Zn, Zn still high in Cu
- Cu recoveries satisfactory, zinc recoveries low (water quality, MgO in ore)
- Mechanical availability and throughput rates continue to improve
- All ore and water issues resolved by mid 2018
- Equity in earnings of \$0.9 million in 4Q17

➤ Exploration

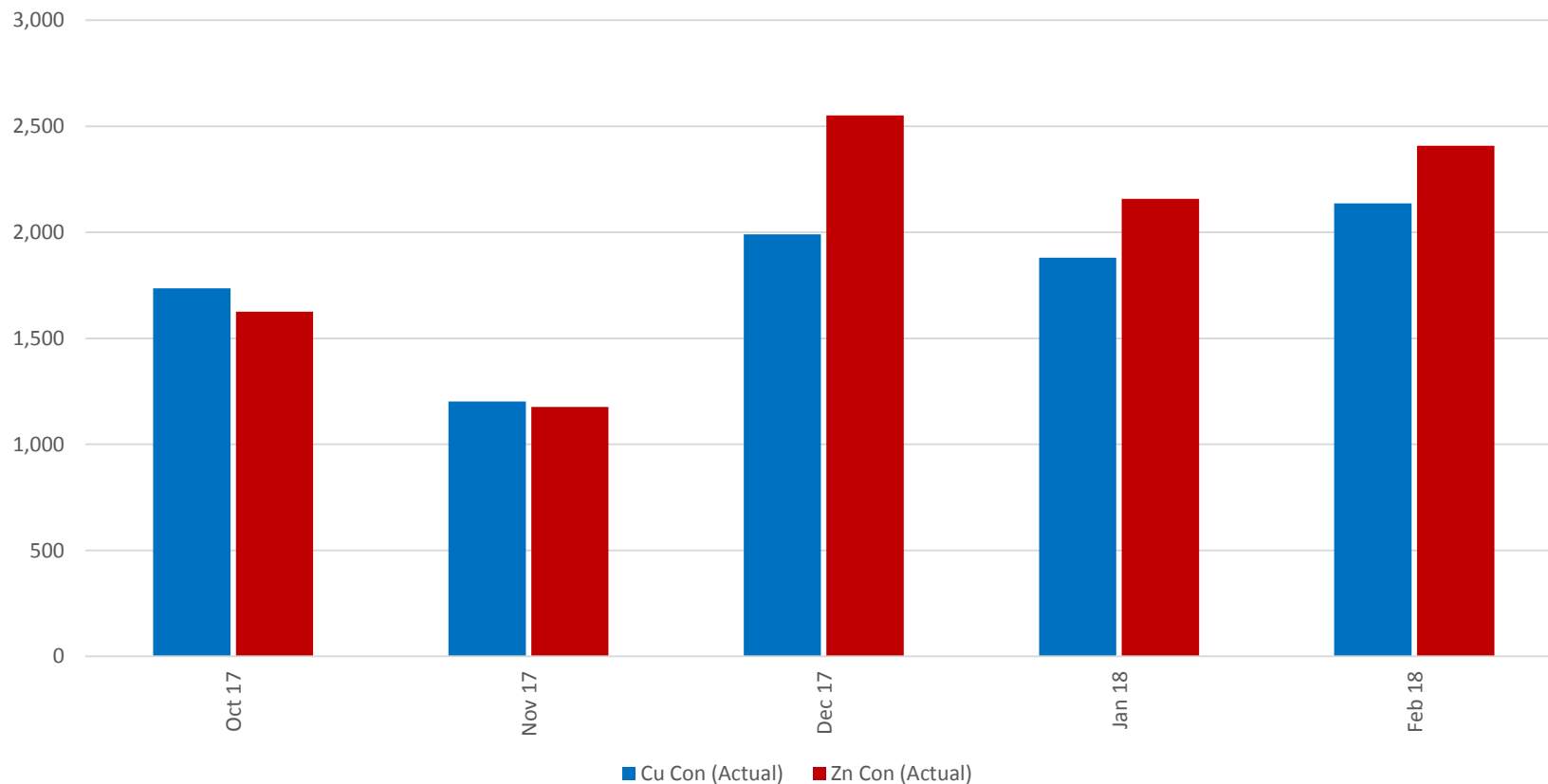
- Drilling continues in Guyan and surrounding areas with a similar geological profile
- Guyan gold production schedule:
 - Engineering Drawings and EPC Company selection 1Q18
 - Procurement and Construction Starts 3Q18
 - Commission Guyan Gold Project in 1H19
- Drilling continues for Al Masane copper and zinc – Moyeath being opened up
 - Reserves update in the 10-K. Eight years for Life of Mine

➤ Precious Metal Circuit/SART

- Expect additional gold and silver doré sales this quarter or early next quarter

AMAK – Production Performance

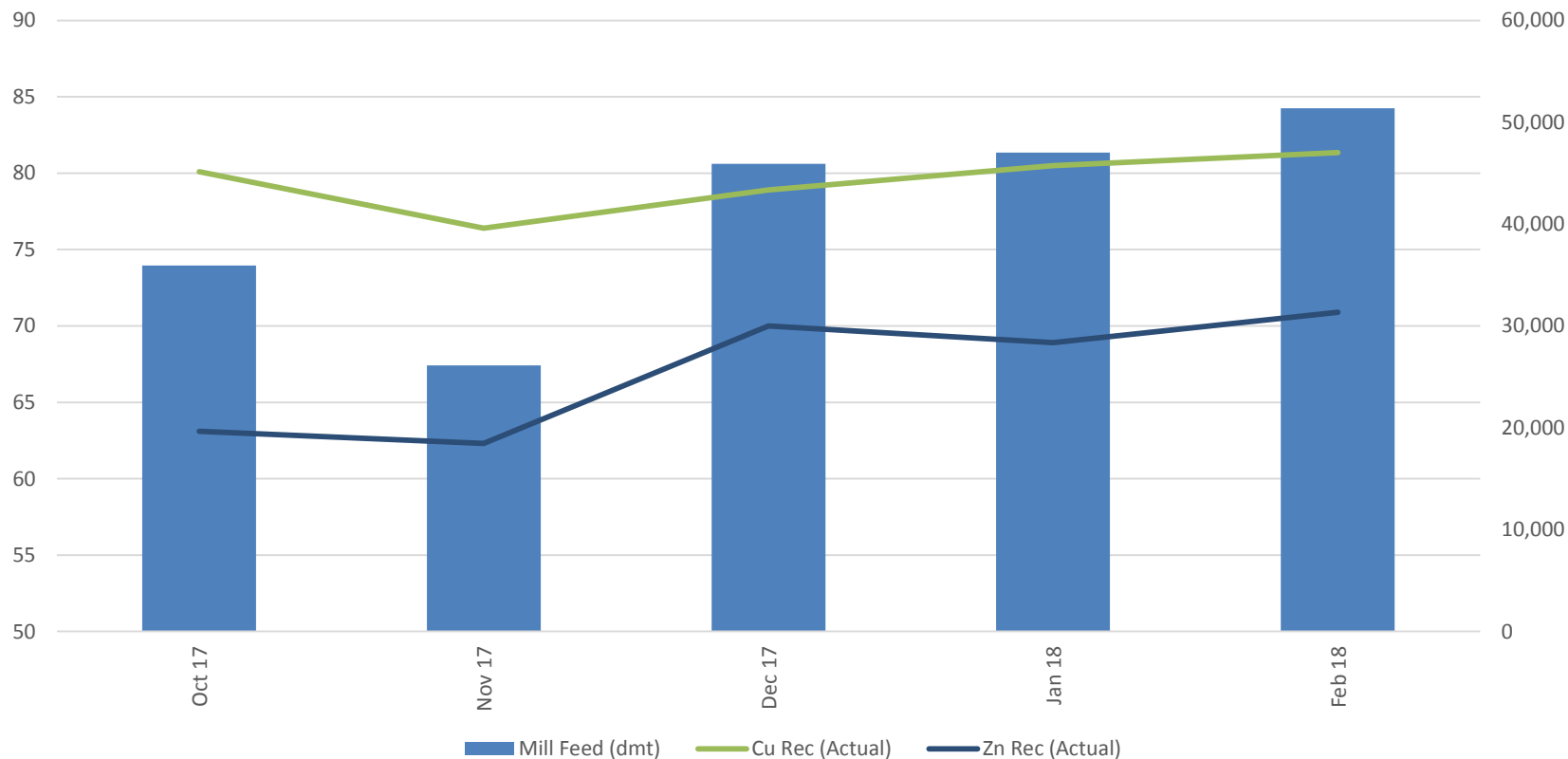
Cu and Zn Concentrate Produced (dmt)



AMAK – Production Performance

Process Plant Performance

Cu and Zn Recoveries (%) and Mill Throughput (dmt)



Financial Summary – 4th Quarter 2017

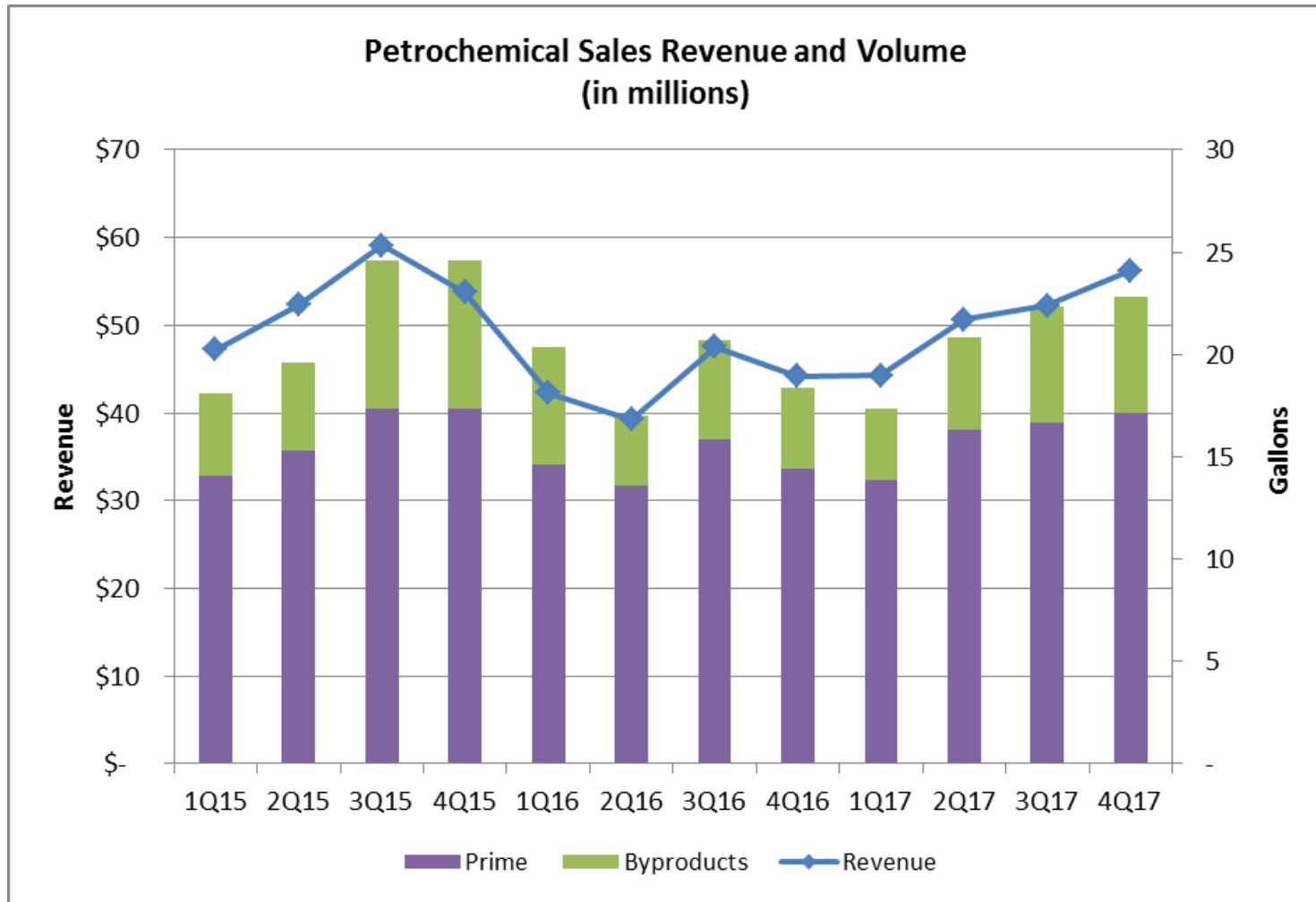
	<u>Q4 2017</u>	<u>Q3 2017</u>	<u>Q2 2017</u>	<u>Q1 2017</u>	<u>2017</u>	<u>2016</u>
Diluted EPS	\$ 0.56	\$ 0.07	\$ 0.03	\$ 0.06	\$ 0.72	\$ 0.78
Adjusted EPS*	\$ 0.12	\$ 0.09	\$ 0.12	\$ 0.09	\$ 0.44	\$ 0.44
Adjusted EBITDA*	\$ 8.5	\$ 7.5	\$ 8.4	\$ 7.4	\$ 31.7	\$ 31.0
Adj EBITDA Margin*	12.8%	12.2%	13.5%	13.3%	12.9%	14.6%
Cap Ex**	\$ 12.3	\$ 11.5	\$ 13.9	\$ 13.9	\$ 51.6	\$ 40.5
Debt	\$ 99.6	\$ 89.7	\$ 89.8	\$ 84.8	\$ 99.6	\$ 84.0

* see GAAP reconciliation

** 2016 includes B Plant

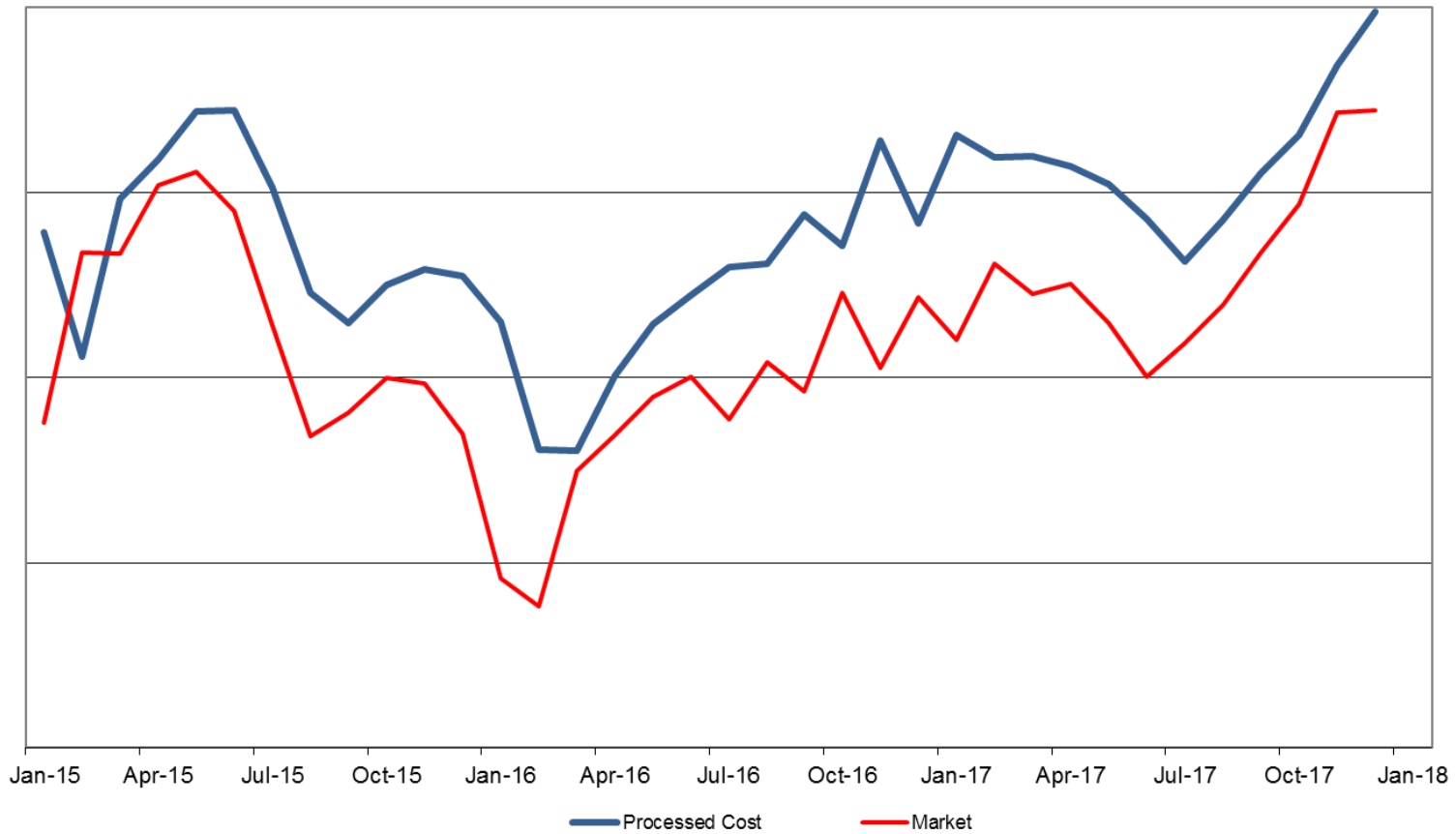
- Adjusted EBITDA was \$8.5 million as compared to \$5.7 million in the fourth quarter 2016 and \$7.5 million in the third quarter 2017.
- Adjusted EBITDA of \$31.7 million for the full year 2017 compared to \$31.0 million for the full year 2016
- Cap Ex of \$51.6 million for full year 2017
- Debt at December 31 of \$99.6 million including revolver balance of \$35.0 million

Petrochemical Revenue & Volume Summary

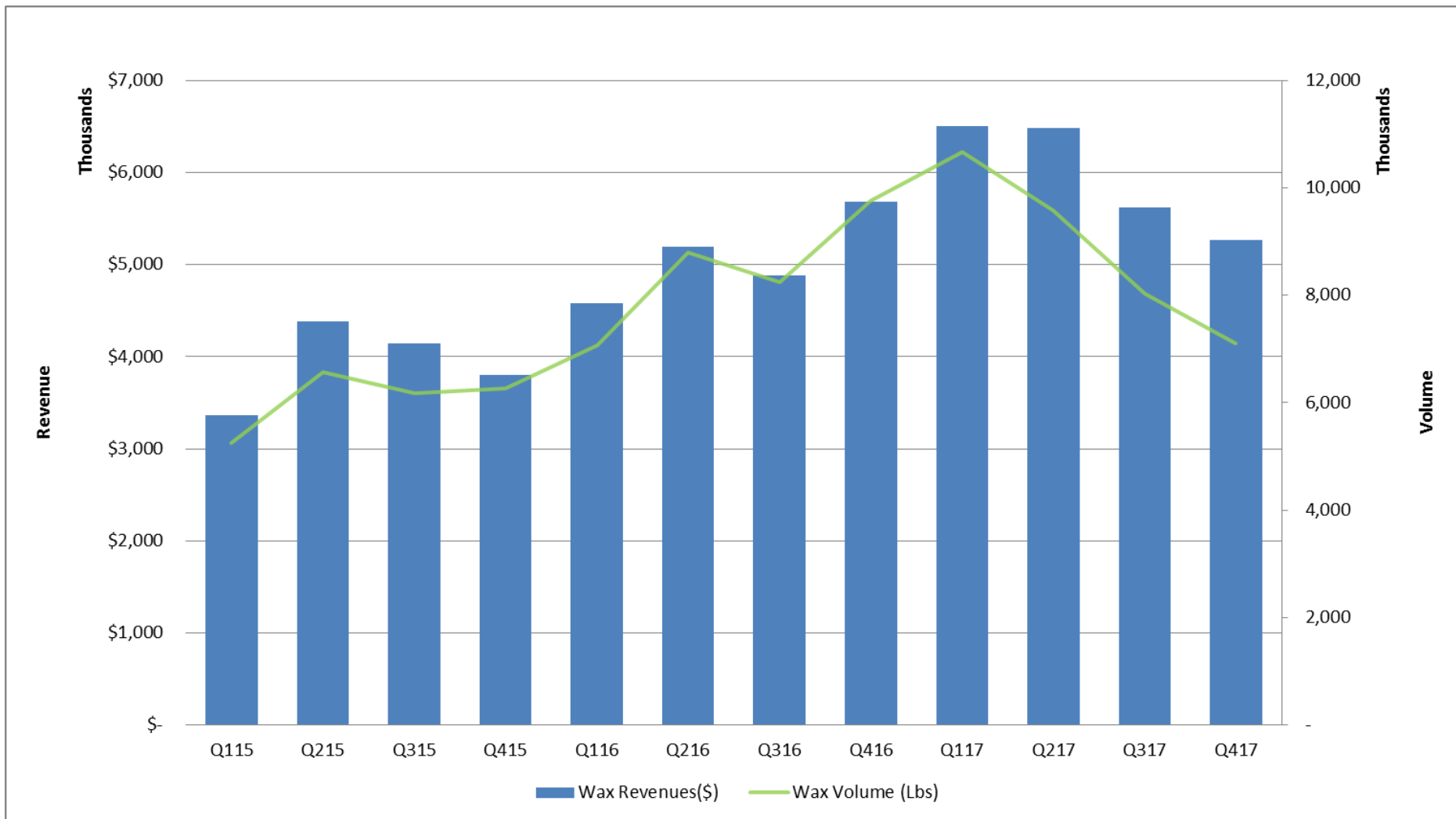


Petrochemical Feed Cost Summary

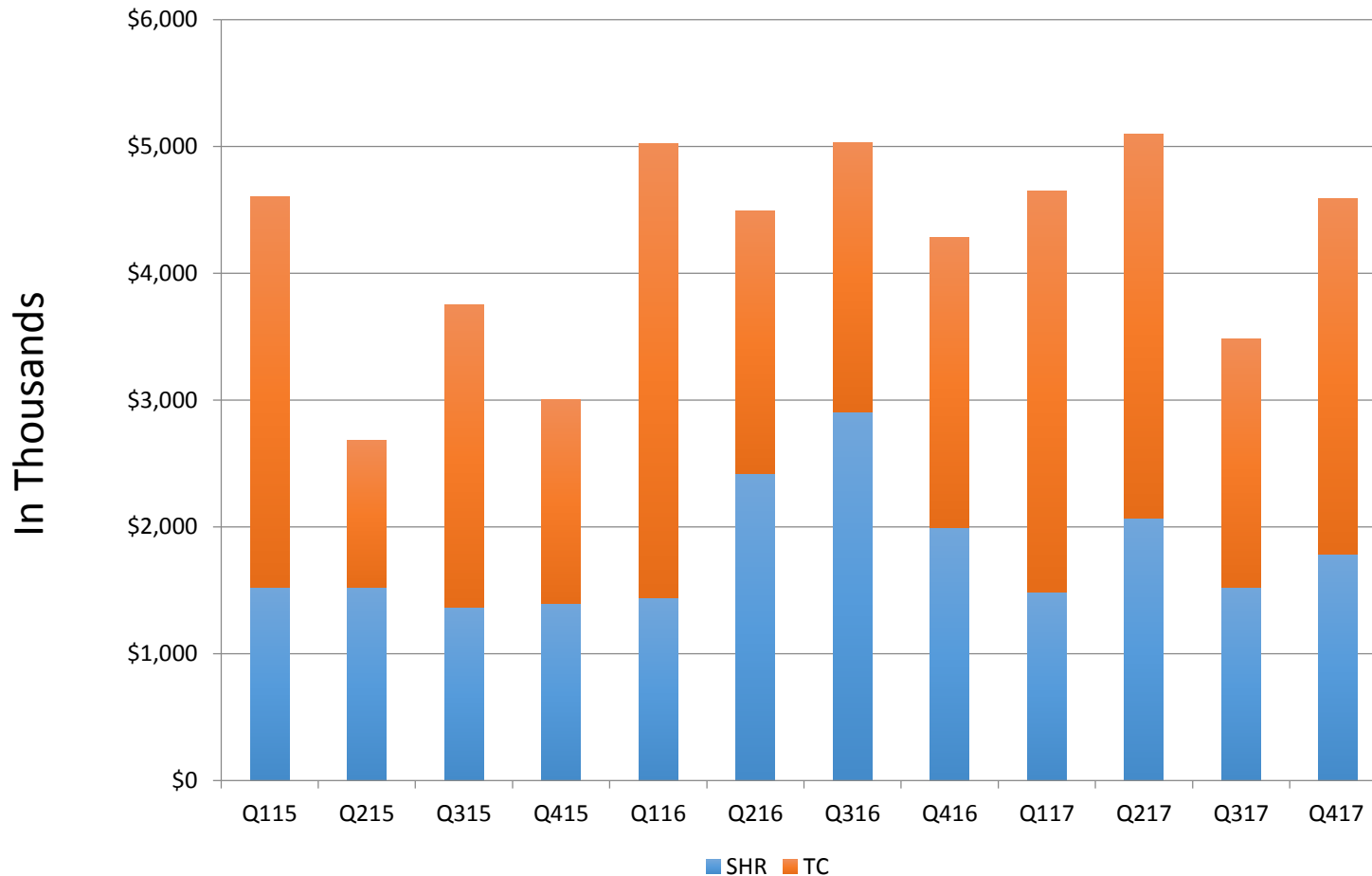
Processed Feedstock Cost versus Market Price
(per gallon)



Trecora Chemical: Wax Volume and Revenue



SHR and TC Custom Processing Revenue



Closing Remarks

- **Solid quarter and year as customer demand remains high and capital projects progress**
 - Q4 Prime product volume growth of 18.7% year over year; FY 2017 PP growth of 9.5%
 - Q4 revenue was flat at TC year over year but increased 14.5% for full year 2017 versus 2016
 - AMAK Mine operations delivered equity in earnings of \$0.9 million in 4Q17
- **Industry opportunities**
 - Expanding petrochemical production capacity
 - Stronger demand from polyethylene manufacturers
 - Custom processing demand remains high
 - New PE plant starting up; second oil sands mine to start-up in early 2018
- **Catalysts to drive growth in 2018**
 - People and process changes at TC designed to sharpen focus on production and day-to-day execution
 - Advanced Reformer unit at SHR delayed, but expected to be commissioned in early Q3 – will increase byproduct value
 - Continued progress on hydrogenation and distillation at TC will contribute to revenue growth
 - Encouraging AMAK performance improvements – opportunity for monetization of investment in Mine

Q&A

Thank You

Please visit our websites:

www.trecora.com

www.southhamptonr.com

www.TrecChem.com

www.amak.com.sa

Appendix

RECONCILIATION OF SELECTED GAAP MEASURES TO NON-GAAP MEASURES⁽¹⁾

	Three months ended					Twelve months ended	
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	12/31/2017 ⁽²⁾	12/31/2016
NET INCOME	\$ 13,972	\$ 1,718	\$ 832	\$ 1,487	\$ (847)	\$ 18,009	\$ 19,428
Bargain purchase gain	-	-	-	-	-	-	(11,549)
Equity in (earnings) losses of AMAK/Gain on equity issuance	(900)	897	3,298	966	3,740	4,261	(1,689)
Taxes at statutory rate	189	(314)	(1,154)	(338)	(1,309)	(895)	4,633
Tax effected equity in AMAK	(711)	583	2,144	628	2,431	3,366	(8,605)
Tax rate change benefit	(\$10,307)					(\$10,307)	
Diluted weighted average number of shares	25,202	25,157	25,034	25,054	25,039	25,129	24,982
Estimated effect on diluted EPS	\$0.44	(\$0.02)	(\$0.09)	(\$0.03)	(\$0.10)	\$0.28	\$0.34
Diluted EPS	\$0.56	\$0.07	\$0.03	\$0.06	(\$0.03)	\$0.72	\$0.78
Adjusted EPS	\$0.12	\$0.09	\$0.12	\$0.09	\$0.07	\$0.44	\$0.44
	Three months ended					Twelve months ended	
	12/31/2017	9/30/2017	6/30/2017	3/31/2017	12/31/2016	12/31/2017	12/31/2016
NET INCOME (LOSS)	\$ 13,972	\$ 1,718	\$ 832	\$ 1,487	\$ (847)	\$ 18,009	\$ 19,428
Interest	822	795	678	636	182	2,931	1,985
Taxes	(9,129)	577	332	1,061	(603)	(7,159)	10,504
Depreciation and amortization	217	246	205	204	205	872	761
Depreciation and amortization in cost of sales	2,778	2,564	2,363	2,384	2,396	10,089	9,016
EBITDA	8,660	5,900	4,410	5,772	1,333	24,742	41,694
Share based compensation	702	716	656	633	670	2,707	2,552
Bargain purchase gain	-	-	-	-	-	-	(11,549)
Gain from additional equity issuance by AMAK	-	-	-	-	-	-	(3,168)
Equity in losses of AMAK	(900)	897	3,298	966	3,740	4,261	1,479
Adjusted EBITDA	\$ 8,462	\$ 7,513	\$ 8,364	\$ 7,371	\$ 5,743	\$ 31,710	\$ 31,008
Revenue	65,978	61,508	62,115	55,542	54,203	245,143	212,399
Adjusted EBITDA Margin (adjusted EBITDA/revenue)	12.8%	12.2%	13.5%	13.3%	10.6%	12.9%	14.6%

(1) This presentation includes non-GAAP measures. Our non-GAAP measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

(2) Statutory tax rate of 35% used for 1Q17, 2Q17, 3Q17, FY16 and 21% used for 4Q17, FY2017