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Arabian American Development Announces Plans to Build Renewable Hydrocarbon Processing Demonstration Plant

South Hampton Resources Subsidiary Collaborates with Gevo, Inc. to Develop Renewable Hydrocarbon Materials Using Toll Processing Services

SUGAR LAND, Texas, July 26, 2011 /PRNewswire/ -- Arabian American Development Co. (Nasdaq: ARSD) today announced that it has signed a contract with Gevo, Inc. (Nasdaq: GEVO) to build a hydrocarbon processing demonstration plant at its South Hampton Resources, Inc. subsidiary in Silsbee, Texas and provide Gevo with toll-processing services necessary to process up to 10,000 gallons of Gevo's isobutanol per month into a variety of renewable hydrocarbon materials.

These materials include jet fuel, isooctane for gasoline, isooctene and paraxylene for polyethylene terephthalate (PET). This will allow Gevo to supply early adopters with product so they can test material, make samples and start their selling cycle. The contract is for two years with one-year extensions thereafter. The demonstration plant is slated for completion before the end of 2011. South Hampton Resources will complete the final design and engineering package for the demonstration plant from preliminary plans supplied by Gevo and will incur incidental costs related to site preparation and tie-ins.

Nick Carter, President and CEO commented, "This contract is the successful culmination of one of several toll-processing opportunities on which we have been working. Gevo is developing exciting new technology and we're pleased to be part of this value chain. We believe this is a sustainable partnership as Gevo expects to demonstrate the viability of renewable hydrocarbons in a variety of market applications. That would pave the way for a larger market development plant, which, in turn, expands opportunities and should drive additional demand for our toll-processing services. In addition, the new processing facility will continue to expand our capabilities into the renewable energy market. Our largest contributor to date in this field is our C5 product that is being utilized as the working fluid in closed loop geothermal generators with a top US geothermal company."

Mr. Carter continued, "We are happy for the opportunity to work with Gevo on demonstrating the viability of their technology, and to be able to contribute our processing expertise with their cutting edge advances in the field of bio-products. This is one more positive step in our continued search for toll processing opportunities which fit our capabilities and location and contribute to the long term performance of our Company."

About Arabian American Development Company (ARSD)

ARSD owns and operates a petrochemical facility located in southeast Texas just north of Beaumont which specializes in high purity petrochemical solvents and other solvent type manufacturing. The Company is also the original developer and now a 37% owner of Al-Masane Al-Kobra Mining Company (AMAK), a Saudi Arabian joint stock company which is in the final stages of development in Najran Province of southwestern Saudi Arabia. The mine is scheduled to be in production in early 2012 and will produce economic quantities of copper, zinc, gold, and silver.

Safe Harbor

Statements in this release 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 Arabian American's filings with the Securities and Exchange Commission, including Arabian American's Annual Report on Form 10-K for the year ended December 31, 2010, and the Company's subsequent Quarterly Reports on Form 10-Q.

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