

February 3, 2011



## **Arabian American Subsidiary Signs Two, New Multi-Year Contracts Valued at over \$29 Million**

**Contracts Continue to Expand Diversity in Both Product Mix and Geography While Increasing Capacity Utilization Ahead of Schedule with Full Capacity Expected by the End of 2013**

DALLAS , Feb. 3, 2011 /PRNewswire/ -- Arabian American Development Co. (Nasdaq: ARSD) announced today that its subsidiary, South Hampton Resources (SHR), has signed two, new contracts. A five-year contract with a North America based company and a three-year contract with an international-based organization were signed for a total value of more than \$29 million over the length of the contracts. This continues to diversify and globally expand the Company's customer base.

The new, five-year agreement is to supply an existing North American customer, which is currently being supplied for other manufacturing processes, a blended product mix which will further utilize the recently completed Isomerization unit. Total value over a five-year period is estimated at \$20 million, and volume is expected to be approximately 7.1 million pounds or 1.35 million gallons. Total volume over a five-year period is estimated at 35.5 million pounds or 6.75 million gallons and will be incremental to existing business with this customer.

The three-year agreement formalizes a contract with an existing International customer to supply 100% of its petrochemical product needs for its manufacturing process. The formal contract expands volume from previous quantities as the producer had been dual sourcing its requirements prior to signing the agreement. Total dollar value is estimated at \$9 million over a three-year period based upon current market value. Volume is estimated at approximately 3.31 million pounds or 636,000 gallons annually. Total volume over a three-year period is estimated at approximately 10 million pounds or 1.91 million gallons.

Mark Williamson, Vice President of Marketing for SHR, the Company's Specialty Petrochemicals business, commented, "The expansion of the South Hampton Resources facility continues to allow us to take advantage of pent-up demand for our overall product suite on a worldwide basis. These two contracts will combine to fill 5% of our current pentane capacity and when combined with the large, previously announced contract that starts in the fourth quarter of 2011, will increase pentane volume by over 20% and total sales volume by 10%. In addition, these contracts continue to reflect our competitive pricing, superior product quality, fast and flexible customer service and market leadership."

### **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 41% investor in a Saudi Arabian joint stock company involving a mining project which is currently under construction in the Najran Province area of southwest Saudi Arabia. The mine is scheduled to be in production in 2011 and will produce economic quantities of zinc, copper, 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, 2009, and the Company's subsequent Quarterly Reports on Form 10-Q.

Company Contact: Nick Carter, President and Chief Executive Officer

(409) 385-8300

[ncarter@southhamptonr.com](mailto:ncarter@southhamptonr.com)

Investor Contact: Cameron Donahue

Hayden IR

(651) 653-1854

[Cameron@haydenir.com](mailto:Cameron@haydenir.com)

SOURCE Arabian American Development Co.