

February 15, 2011



Arabian American Provides Update on Al Masane Al Kobra Mine Activities

AMAK Receives First Payment of US\$38 Million from Saudi Industrial Development Fund

Permanent Financing Payment Now Enables AMAK to Draw Additional \$44 Million Tranche from Saudi French Bank Bridge Loan

DALLAS, Feb. 15, 2011 /PRNewswire/ -- Arabian American Development Co. (Nasdaq: ARSD) announced today that the Al Masane Al Kobra (AMAK) mine, in which Arabian American is a 41% equity owner, has received the first US\$38 million (SR141 million) payment related to a permanent loan from the Saudi Industrial Development Fund (SIDF). This initial draw enabled AMAK to repay the initial bridge loan from a Saudi French Bank and allowed AMAK to arrange a further bridge loan from the Saudi French Bank in the amount of approximately US\$44 million (SR165 million) which is needed for the completion of the mine's construction and working capital. This bridge loan will be repaid via the second draw on the SIDF loan later in the year.

The Company also announced the following updates from a recent AMAK Board of Directors' meeting which was held in Saudi Arabia.

- AMAK has hired a Chief Financial Officer and an Environmental Manager. This completes the executive staff that already included a Chief Executive Officer, a Chief Operating Officer, and a Mining Engineer. The AMAK Board is now interviewing laboratory personnel and geologists in order to complete supervisory staff requirements in preparation for operations.
- The AMAK Board named one of its members, Mohammed Aballala, as the Managing Director in an effort to expedite the decision making process at the mine. With a number of issues still to be accomplished on the critical path to commencing operations and because of the globally dispersed nature of its members, the Board wanted to remove any unnecessary barriers to progress. Mr. Aballala has a long history of managing construction projects and is capable of guiding the staff to keep the project on schedule.
- Recently in conjunction with the 5th Global Competitiveness Forum in Riyadh, ARSD was listed as number fifty-four on the list of top 100 foreign investors in Saudi Arabia. AMAK signed on as a sponsor in the Najran Investment Forum to be held on March 13-15.

Mr. Carter commented, "The AMAK Board made significant strides both operationally and financially at this meeting to position the mine for operation as the mill is now approximately 98% complete. Mr. Aballala's demonstrated leadership skills will allow final details to be resolved in a timely manner. We look forward to the mine becoming operational by the third

quarter of 2011, as expected, with ore tests to be run in the second quarter of 2011. Full production should commence by the end of 2011. The actions taken by the Board will contribute to creating long-term value for shareholders."

Mr. Carter continued, "The proximity of the current AMAK location to the four new lease areas which we filed applications for recently, provides the potential for significant development and operating synergies and could contribute significantly to an expanded footprint in Saudi Arabia. Getting the current area into production and having expanded areas to work on for future development, give the Company a significant opportunity to be a player in the rapidly growing mining industry in Saudi Arabia. As AMAK has gained momentum and approaches the operational mode, we have been delighted to see the Saudi investment community take notice and include AMAK in these prestigious economic development events. When operational with full staffing, we will be a major employer in the region which is becoming a land of new opportunities in the Kingdom."

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.

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