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# Arabian American Provides an Update to Al Masane Al Kobra Mine and Additional Lease Site Activities

## Discussions and Preparations for Financing to Accelerate Monetization of Mineral Assets at the Current Mine and Conditional Lease Sites

SUGAR LAND, Texas, April 26, 2011 /PRNewswire/ -- Arabian American Development Co. (Nasdaq: ARSD) today provided an update on the progress of the Al Masane Al Kobra (AMAK) mine construction activities, as well as, the surrounding lease areas for which AMAK has conditional lease approvals. Arabian American is the original developer and now a 41% investor in the AMAK mine project which is currently under construction in the Najran Province area of southwest Saudi Arabia.

The AMAK Board of Directors is currently in discussions to raise additional capital from third-party investors. In conjunction with these discussions, AMAK shareholders, at a special shareholders' meeting, unanimously approved to increase the number of shares in the AMAK joint stock company from 45 million to 50 million, an increase of 11 percent. Shareholders also approved a proposal to increase the number of board seats from eight to nine.

Nick Carter, President and Chief Executive Officer of Arabian American and an AMAK board member, commented, "The AMAK Board is diligently moving forward to expand and monetize the mineral assets. These discussions reflect the expectations we announced earlier in the year to recruit third party resources to expedite operations for both the current mining operations and the conditional lease area activities. All of the shareholders are very sensitive to the dilutive effect of issuing additional shares; however, we believe the total effect will be positive if the right price is attached to the shares. Any dilution will be shared by all shareholders pro rata."

Mr. Carter continued, "The AMAK mine start date is expected to be late 2011 to first quarter 2012 due to delays in equipment delivery and slower than anticipated underground work. An infusion of additional capital will be prudent to cover working capital expenses and will be incorporated in the structure to bring in the third party as mentioned above. AMAK has been thinly capitalized from the start, especially since Arabian American's contribution was in the form of mining assets, so an insertion of cash will only help to strengthen the operation going forward. We are pleased to be working with our Saudi partners in planning for a well funded, stable operation as we approach the start up phase of the venture."

Mr. Carter concluded, "We will provide further updates on the current mine construction and the conditional lease area activities as soon as any material agreements have been finalized."

## **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 late 2011 or early 2012 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, 2010, and the Company's subsequent Quarterly Reports on Form 10-Q.

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