

March 28, 2007



Arabian American Development Announces Record Revenue for Fiscal 2006

Planned Plant Expansion to Increase Capacity; Enable Growth to Continue

DALLAS, March 28 /PRNewswire-FirstCall/ -- Arabian American Development Co. (OTC Bulletin Board: ARSD) today announced record financial results for the fourth quarter and full-year period ended December 31, 2006.

Fiscal 2006/First Quarter 2007 Highlights:

- * Revenues increase 4.1% for the quarter; 22.6% to the year
- * Operating Income increased \$2.6 million in the fourth quarter
- * 4th Quarter EPS of \$.09 vs. loss of \$.05 in year ago period
- * The company recently gained approval from the Saudi Department of Petroleum and Mineral Resources to transfer the mining lease to the joint stock corporation.
- * The Company's Board of Directors approved a \$12 million expansion of the Company's Penhex Unit, with up to \$2 million to be financed by the Company and the balance through a line of credit from Bank of America
- * Robert E. Kennedy joined the Company's Board of Directors, effective January 13, 2007 and will sit on the Board's Audit and Compensation Committees. Mr. Kennedy brings more than 36 years experience in the industrial chemical and petrochemical industry, including leadership positions with Chevron Chemical, Resinate Corp. and his consulting firm, R.E. Kennedy and Associates LP.

Financial Results

Revenues for the fourth quarter of fiscal 2006 were \$22.6 million, an increase of 4.1 percent compared to the \$21.7 million for the fourth quarter last year. Refined product sales (predominantly C5 and C6 Hydrocarbons and related products) represented \$21.2 million, or 94.1 percent of total revenues for the fourth quarter of 2006 and \$20.7 million, or 95.4 percent of total revenues for the fourth quarter of 2005. The Company generated \$1.3 million in toll processing fees during the fourth quarter of 2006 compared with \$1.0 million for the prior-year's fourth quarter.

Gross profit for the fourth quarter was \$3.8 million, or 17 percent gross profit margin compared with gross profit of \$729,000, or 3.4 percent gross profit margin for the fourth quarter last year. General and administrative expenses increased 28.5 percent to \$1.6 million compared to \$1.2 million last year.

The Company reported \$1.9 million in operating income compared to a loss from operations of \$763,000 last year. The Company reported \$718,000 in other income for the quarter, which included \$743,000 in miscellaneous expense related to insurance compensation for hurricane damage, compared to other expenses of \$8,300 in the prior-year's fourth quarter,

primarily related to \$133,000 in interest expense.

Inclusive of \$577,000 in income tax expense, the Company reported net income of \$2.0 million, or \$.09 per basic and fully diluted share (based on 23.2 million shares) compared to a net loss from of \$1.1 million, or \$(.05) per basic and fully diluted share last year (based on 22.7 million shares). Last year's fourth quarter included \$304,000 in income tax expense.

"We continued to demonstrate steady revenue growth throughout 2006 despite reaching near full capacity at our Penhex plant, constraining our ability to meet demand," commented Nick Carter, the Company's President. "Our expansion initiative will alleviate this issue, enabling us to maintain our growth rate and expand our market leadership position. Once we reach full capacity following the expansion, we will be able to double both our revenue and EBITDA opportunity. In the fourth quarter, we experienced typical seasonality in December, with sales dropping 30 percent compared to the other two months in the quarter. As in the past, we expect sales to return to normal levels in January."

For the full-year period, revenues were \$98.5 million, an increase of 22.6 percent compared to the \$80.4 million last year. Gross profit margin was 18.9 percent for fiscal 2006, negatively impacted by an unrealized loss of \$690,000, compared to 20.8 percent for fiscal 2005, which were positively impacted by an unrealized gain of \$75,000.

Total operating expenses for the year were \$87.3 million, an increase of 26.7 percent compared to the \$68.9 million for the prior-year period. Other income for the year was \$644,000 compared to other expenses of \$568,000 last year. Net income from continuing operations was \$7.9 million, or \$.35 per basic and fully diluted share (based on 22.8 million shares) compared to income from continuing operations of \$9.8 million, or \$.43 per basic and fully diluted share (based on 22.7 million shares) for the year ago period. In fiscal 2005, the Company divested its Coin mining assets and reported those operations as discontinued operations. Inclusive of discontinued operations, the comprehensive net income was \$16.6 million or \$.73 per share.

Mr. Carter continued, "We continue to make progress on our mining initiative and believe we are quickly approaching the final approval needed for the formation of the Joint Stock Corporation. Accordingly, we expect to begin construction on the mining facility in the second half of this year. Preliminary work is being done at the site while we are waiting on the approvals for the business structure. As the mineral spot prices that form the majority of our reserves continue to increase and we move closer towards revenue generation, we believe this segment of our business will gain a closer valuation to the proven underlying mineral assets. We remain excited about this opportunity."

The Company completed the year with \$2.9 million in cash compared to \$1.7 million as of December 31, 2005. The Company had \$8.1 million in working capital as of December 31, 2006. The Company ended the year with a current ratio of 2.1 to 1. Both working capital and current ratio were calculated excluding the \$11 million non interest-bearing/non-recourse current note payable to the Saudi Government. The company expects this note to be transferred to the joint stock corporation with the mining lease in the second quarter of 2007. Shareholder's equity increased 22.5 percent during the year to \$44.7 million compared to \$36.3 million as of December 31, 2005.

Teleconference

Management will conduct a conference call and live web cast at 4:30 p.m. Eastern Time, on Wednesday, March 28, 2007 to discuss these results. Anyone interested in participating should call 800-936-9754 if calling within the United States or 973-935-2048 if calling internationally. There will be a playback available until April 4, 2007. To listen to the playback, please call 877-519-4471 if calling within the United States or 973-341-3080 if calling internationally. Please use pin number 8601186 for the replay. This call is being web cast by ViaVid Broadcasting and can be accessed at ViaVid's website at <http://www.viavid.net> . The web cast can be accessed until April 28, 2007.

About Arabian American Development Co.

Arabian American owns and operates a petrochemical facility located in southeast Texas just north of Beaumont, Texas, specializing in high purity petrochemical solvents and other solvent type manufacturing. Arabian American also has a mining project in Saudi Arabia which is under development and is expected to produce economic quantities of zinc, copper, gold, and silver when it is put into production. There are currently about 20 employees at the mine site.

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, 2005 and the Company's subsequent Quarterly Report Form 10-Q.

Tables to follow

Arabian American Development Company Consolidated Statement of Operations (UNAUDITED)

	Three Months ended December 31,		Twelve Months ended December 31,	
	2006	2005	2006	2005
REVENUES				
Refined Product Sales	\$21,219,694	\$20,660,127	\$93,854,726	\$76,268,360
Processing Fees	1,342,332	1,005,187	4,647,431	4,105,227
	22,562,026	21,665,314	98,502,157	80,373,587
OPERATING COSTS & EXPENSES				
Cost of Refined Product Sales/Process.	18,729,796	20,936,225	79,888,772	63,626,497
General and Administrative	1,563,379	1,216,581	6,033,393	4,468,253
Depreciation	397,549	275,035	1,339,061	756,596
	20,690,724	22,427,841	87,261,226	68,851,346

OPERATING INCOME (LOSS)	1,871,302	(762,527)	11,240,931	11,522,241
OTHER INCOME (EXPENSE)				
Interest Income	58,899	38,471	230,817	80,489
Interest Expense	(71,478)	(133,924)	(704,282)	(792,976)
Minority Interest in Loss (Pioche)	10,744	1,489	17,535	8,437
Bad Debt Expense (Pioche)	(23,570)	(2,547)	(37,876)	(17,151)
Miscellaneous Income (Expense)	742,965	88,203	1,137,619	153,424
	717,560	(8,308)	643,813	(567,777)
INCOME (LOSS) BEFORE INCOME TAXES	2,588,862	(770,835)	11,884,744	10,954,464
Income Tax Expense	(577,149)	(304,187)	(4,009,416)	(1,133,787)
NET INCOME (LOSS) from continuing operations	2,011,713	(1,075,022)	7,875,328	9,820,677
Discontinued operations				
Income from Coin operations	0	0	0	989,856
Gain on disposal of Coin	0	0	0	5,825,668
Income from discontinued operations	0	0	0	6,815,524
NET INCOME	\$2,011,713	\$(1,075,022)	\$7,875,328	\$16,636,201
Basic net income per share				
Continuing operations	\$0.088	\$(0.047)	\$0.345	\$0.432
Discontinued operations	---	---	---	0.300
Net Income	\$0.088	\$(0.047)	\$0.345	\$0.732
Basic weighted average shares outstanding	22,871,994	22,731,994	22,804,567	22,731,994
Diluted net income per share				
Continuing operations	\$0.087	\$(0.047)	\$0.342	\$0.432
Discontinued operations	---	---	---	0.300
Net income	\$0.087	\$(0.047)	\$0.342	\$0.732
Diluted weighted average shares outstanding	23,190,085	22,731,994	23,030,283	22,731,994

ARABIAN AMERICAN DEVELOPMENT COMPANY
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

	December 31,	
ASSETS	2006	2005
CURRENT ASSETS:		
Cash and cash equivalents	\$2,939,022	\$1,738,558

Natural gas derivatives	---	74,752
Trade receivables	8,893,182	12,972,657
Income tax receivable	41,228	---
Prepaid derivative settlement	1,500,000	---
Inventories	3,576,317	1,164,674
Total current assets	16,949,749	15,950,641
REFINERY PLANT, PIPELINE AND EQUIPMENT - AT COST	21,643,903	17,905,048
LESS ACCUMULATED DEPRECIATION	(11,017,503)	(9,678,443)
REFINERY PLANT, PIPELINE AND EQUIPMENT, NET	10,626,400	8,226,605
AL MASANE PROJECT	37,137,022	36,804,098
OTHER INTERESTS IN SAUDI ARABIA	2,431,248	2,431,248
MINERAL PROPERTIES IN THE UNITED STATES	1,084,711	1,084,711
OTHER ASSETS	2,821,036	2,476,865
TOTAL ASSETS	\$71,050,166	\$66,974,168
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$2,989,203	\$1,787,353
Accrued interest	59,857	58,749
Financial Contracts	765,672	---
Accrued liabilities	1,210,054	1,282,993
Accrued liabilities in Saudi Arabia	1,645,257	2,407,282
Notes payable	11,012,500	11,025,833
Current portion of long-term debt	488,828	1,425,932
Total current liabilities	18,171,371	17,988,142
LONG-TERM DEBT	5,108,309	9,838,662
DEFERRED REVENUE	2,205,454	1,732,556
DEFERRED INCOME TAXES	---	297,000
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	817,558	834,662
STOCKHOLDERS' EQUITY:		
Common stock	2,257,199	2,243,199
Additional paid-in capital	37,087,206	36,512,206
Accumulated deficit	5,403,069	(2,472,259)
Total stockholders' equity	44,747,474	36,283,146
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$71,050,166	\$66,974,168

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