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Arabian American and AMAK Announce \$88 Million in Financing for Saudi Mine Development

Term Sheet Allows Six Months for Conditions Precedent to be Met

DALLAS, June 1 /PRNewswire-FirstCall/ -- Arabian American Development Co. (Nasdaq: ARSD) today announced that the Al Masane Al Kobra Mining Company (AMAK) has received a letter of commitment and term sheet for a 330 Million Saudi Riyal (\$88.0 million USD) loan facility from the Saudi Industrial Development Fund (SIDF).

The loan will be used for completion of the site development including underground work, the purchase of machinery, equipment, and vehicles, working capital and contingency funds for the construction of the mine in the Al-Masane area of Saudi Arabia.

The SIDF has asked for personal guarantees from the shareholders, which includes a corporate guarantee from Arabian American as a condition of closing. Funding of draws on the loan must be completed by the end of 2011, and the seven year, semi-annual amortization would begin approximately two years later. A further condition states that AMAK must negotiate with the Ministry of Finance to extend the \$11 million dollar note which was transferred from Arabian American to a long term arrangement. The remaining conditions are typical to construction loans of this nature.

Nick Carter, President and Chief Executive Officer, commented, "This financing agreement provides sufficient capital to fund the construction of the mine project, enabling it to move forward with the contractor for the completion of the underground work, such as shafts, utilities, and turnarounds necessary to make the mine operational in the first half of 2011.

Since there is not a lot of experience with private mining operations in the Kingdom, the SIDF performed an extremely diligent review of all aspects of the project. The commitment of these funds validates the value we have always known is present in the project. We are excited to see the project take this next step forward.

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 in the Al-Masane area of Saudi Arabia which is currently under construction. The mine is scheduled to be in production in late 2010 or early 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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SOURCE Arabian American Development Co.