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Arabian American Development Elects Robert E. Kennedy to Its Board of Directors

Accomplished Engineer and Chemist, With 36 Years Experience in Industrial Chemical Industry to Join Company's Board and Audit Committee

DALLAS, Jan. 17 /PRNewswire-FirstCall/ -- Arabian American Development Co. (OTC Bulletin Board: ARSD) today announced that Robert E. Kennedy will join the Company's Board of Directors, effective January 13, 2007 and will sit on the Board's Audit Committee.

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, which he founded in 2002. He has previously served as President and Chief Executive Officer of Resinate Corporation, a developer and licensor of software technology, which provides technical and commercial decision/support tools and solutions to the plastics industry. Mr. Kennedy joined Resinate Corp. in late 2000 after helping Chevron Chemical complete the merger with Phillips Chemical. After earning his Chemical Engineering degree from the University of Iowa, Mr. Kennedy joined a division of R.J. Reynolds, Inc. in Cedar Rapids, Iowa. He was drafted by the U.S. Army and spent two years working as a Chemical Engineering Specialist in a Biologics Research group at the Walter Reed Army Institute of Research in Washington, D.C., and simultaneously pursued his MBA from American University.

In 1970 Mr. Kennedy joined the Chemical Marketing department of Gulf Oil in Houston, Texas. He worked in several positions of increasing responsibility from Sales, Product Management, Strategic Planning, International Business and Business Center Management. Mr. Kennedy became Petrochemicals Marketing Manager for Gulf Oil Products Company in 1983 with commercial responsibility for their Olefins and Aromatics products. With the merger of Gulf and Chevron in 1985, Mr. Kennedy was appointed as Manager of Supply, Distribution and Pipeline Operations for the Olefins Division of Chevron Chemical Company. Two years later he was promoted to Marketing/Commercial Manager of Chevron's Fertilizer Division in San Ramon, Calif. In 1989 he became General Manager of Specialty Chemicals for Chevron. He was selected to form an International Business Development group in 1990, and their first international project was an Aromatics complex in Saudi Arabia, which came on-stream in late 1999. In mid 1991 Mr. Kennedy was transferred back to Houston as Global Marketing Manager for their Aromatics & Derivatives Division. He was promoted to General Manager of Olefins in late 1995, where he was responsible for all commercial and technical aspects of the business including sales/marketing, raw materials supply, pipe/logistics and research and development as well as directing the activities at their two largest plants at Cedar Bayou and Port Arthur, Texas. From 1999 to 2000 he worked as Chevron Chemical's General Manager for Supply, Logistics and Procurement. In this position, Mr. Kennedy had

responsibility for all supply chain activities including global procurement, logistics, chemical pipeline operations and terminals, the rail and marine centers and customer services and distribution.

"Robert's extensive experience and proven relationships with leaders throughout the industries we serve will prove invaluable to our board of directors as we continue to execute our growth strategy," commented Nick Carter. "He brings sales, marketing, and management experience from aromatics, pipeline management, specialty petrochemical and other related industries to our board and his unique viewpoint will help senior management to hone its marketing approach and better meet the needs of our customer base."

Mr. Kennedy commented, "Arabian American Development, through its subsidiary South Hampton Resources, is a proven leader in the petrochemical industry and the Company has significant incremental opportunities for revenue growth through organic expansion as well as acquisitions, and I am excited to be a part of this emerging opportunity."

About Arabian American Development Co.

Arabian American owns and operates a petrochemical facility, South Hampton Resources, Inc., 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 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.

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