

Q2 2011 Financial Results



Disclaimer

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Q2 2011 Financial Results Call

Agenda

Financial and Operational Highlights

Financial Statements

Operational Update

AMAK (Mining) Update

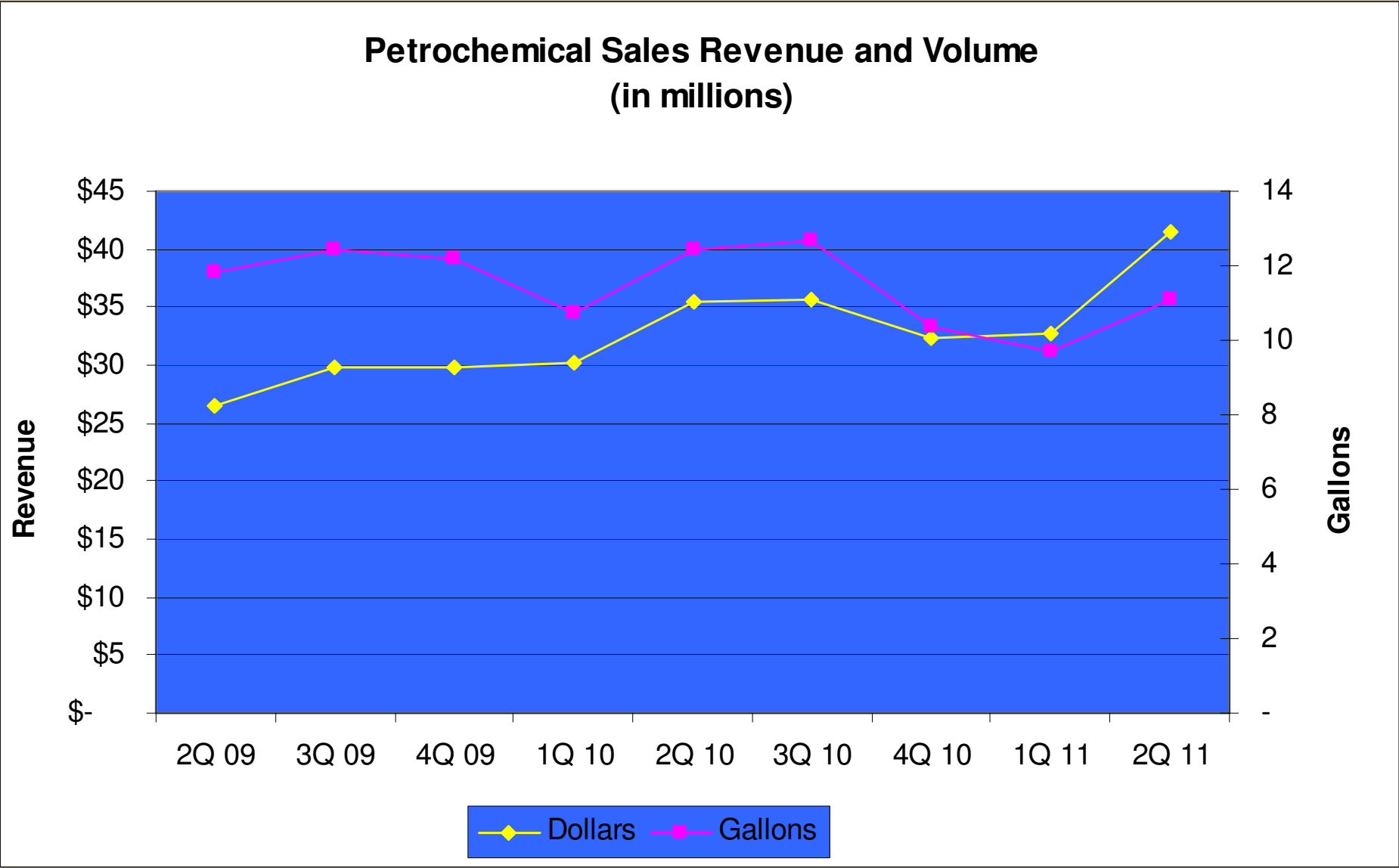
Closing Remarks/Q & A

Financial Highlights

- Q2 2011 revenue up 17% to \$42.7 million from \$36.5 million in Q2 2010
- Sequential increase of 26.6% compared to \$33.8 million in Q1 2011
 - Increase in average selling prices of 31.9%
 - Total sales volume decreased 10.9% primarily due to reduced byproduct sales
- Toll processing revenue flat at \$1.2 million
 - Reflects the stability of the toll processing market
- EBITDA was \$1.4 million in Q2 2011 compared to \$1.0 million in Q2 2010
- Cash and cash equivalents were \$6.7 million



Consolidated Revenue Summary



Consolidated Feed Cost Summary

Processed feedstock cost per gallon



ARSD Income Statement

(unaudited- in thousands)

	<u>THREE MONTHS ENDED</u>		<u>SIX MONTHS ENDED</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenue	\$ 42,738	\$ 36,542	\$ 76,494	\$ 68,537
COGS	39,490	32,825	69,954	61,094
COGS%	92%	90%	91%	89%
Gross Profit	3,248	3,717	6,540	7,443
GM%	8%	10%	9%	11%
G&A	2,588	3,070	5,095	5,698
Depreciation and Amortization	120	109	232	220
Total Operating Expenses	2,708	3,179	5,327	5,918
EBITDA	1,361	949	2,843	2,613
EBITDA%	3%	3%	4%	4%
Operating Income	540	538	1,213	1,525
Op Inc%	1%	1%	2%	2%
Interest Income (expense), net	(264)	(258)	(535)	(582)
Misc Income (expense)	2	(3)	26	(6)
Equity in loss - AMAK		(263)		(263)
Income before Income Taxes	278	14	704	674
Income tax expense	119	12	288	268
Net Income	\$ 159	\$ 2	\$ 416	\$ 406

EBITDA Calculation

Net Income	159	2	416	406
Add: Depreciation	120	109	232	220
Depreciation in COGS	699	568	1,372	1,137
Interest expense	264	258	535	582
Taxes	119	12	288	268
EBITDA	1,361	949	2,843	2,613
EBITDA Margin	3%	3%	4%	4%



ARSD Balance Sheet at 6/30/11

(unaudited - in thousands)

Assets		Liabilities	
Cash & Equivalents	\$ 6,748	A/P	\$ 5,579
A/R	16,933	Derivative Instruments	376
Inventories	6,162	Accrued Liabilities	1,910
Deferred Income Taxes	509	CP-LTD	1,683
Other	1,714	Other	699
	<u> </u>		<u> </u>
Current Assets	\$ 32,066	Current Liabilities	\$ 10,247
PPE, net	34,087	LTD	22,954
Investment in AMAK	30,884	Deferred Income Taxes	5,544
Other long-term assets	1,079	Other	1,634
		Owners' Equity	\$ 57,737
Total Assets	<u>\$ 98,116</u>	Total Liabilities and OE	<u>\$ 98,116</u>
Cap table at 06/30/11			
Shares outstanding			23,690
Exercisable Options (WAEP \$2.33)			190
Total			<u>23,880</u>



Petrochemical Update

- Isohexane
- Heptane product launch update
- Significant contract for C5 product due to start Q4 2011
 - 3 years – formula priced – potentially utilize 15-20% of capacity
- International sales
- 4,000 bpd average Q3 to date – currently at 4,900 bpd
- Signed contract to build a renewable hydrocarbon processing demonstration plant in collaboration with Gevo

Investment in AMAK - Mining Initiative



Mine Update

- Production scheduled for early 2012
- Additional capital will cover most of working capital/start up requirements
- General manager hired with 40 years practical experience to propel AMAK to finish line
- COO and CFO on staff - Remainder of hiring is underway (engineers, geologists, technicians, etc.)
- Surface facility complete, underground development is underway

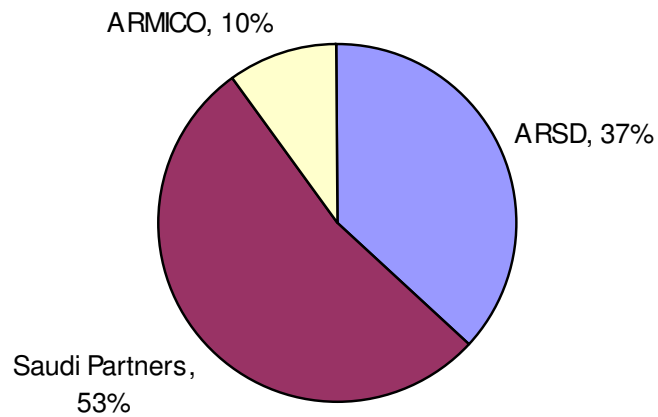
New Investment Partner

Arab Mining Company (ARMICO)

- Announced July 6, 2011
- Established in 1975
- Located in Amman, Jordan
- Shareholders include governments of
 - UAE
 - Saudi Arabia
 - Iraq
 - Kuwait
 - 11 other Arab nations
- Acquired 5.0 million shares for \$37.3 million USD
- Paid 28 SR/share for 10% stake (3.75 SR = \$1 USD)
- Appointed Mr. Sultan Al-Shawli, Saudi Deputy Minister for Petroleum and Minerals, to AMAK Board

Valuation

Ownership Percentages



- AMAK valued at \$373 million USD based upon recent investment
- ARSD's share equals \$138 million USD
- On ARSD's Balance Sheet for \$31 million USD

Closing Remarks

- Summer time production cycle late arriving
- Feedstock prices continue to be volatile
- Adjusting prices, managing expenses, seeking new opportunities across product lines, geographies
- AMAK moving forward
- Questions?



Thank you

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