UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2014**
or

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to __________

COMMISSION FILE NUMBER 1-33926

TRECORA RESOURCES
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of organization)	**75-1256622** (I.R.S. employer incorporation or identification no.)
1650 Hwy 6 South, Suite 190 **Sugar Land, Texas** (Address of principal executive offices)	**77478** (Zip code)

Registrant's telephone number, including area code: **(409) 385-8300**

Arabian American Development Company
Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.
Yes_X__No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes_X__No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ____ **Accelerated filer __X__**

Non-accelerated filer _____ **Smaller reporting company ____**

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes___ No_X_

Number of shares of the Registrant's Common Stock (par value $0.10 per share), outstanding at August 5, 2014: 24,164,700.

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Item Number and Description

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

TRECORA RESOURCES AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	JUNE 30, 2014 (unaudited)	DECEMBER 31, 2013
ASSETS	*(thousands of dollars)*	
Current Assets		
Cash and cash equivalents	$ 6,379	$ 7,608
Trade receivables, net	28,176	22,069
Advance to AMAK	-	536
Inventories	11,702	12,063
Prepaid expenses and other assets	2,269	2,075
Contractual based intangible assets, net	-	104
Taxes receivable	-	571
Deferred income taxes	1,113	1,324
Total current assets	49,639	46,350
Plant, pipeline and equipment, net	43,222	41,925
Investment in AMAK	53,751	54,095
Mineral properties in the United States	588	588
Other assets	586	709
TOTAL ASSETS	$ 147,786	$ 143,667
LIABILITIES		
Current Liabilities		
Accounts payable	$ 7,006	$ 7,362
Accrued interest	80	102
Current portion of derivative instruments	215	292
Accrued liabilities	4,338	3,060
Accrued liabilities in Saudi Arabia	140	140
Current portion of post-retirement benefit	282	278
Current portion of long-term debt	1,400	1,400
Current portion of other liabilities	1,425	1,654
Total current liabilities	14,886	14,288
Long-term debt, net of current portion	8,139	11,839
Post-retirement benefit, net of current portion	649	649
Derivative instruments, net of current portion	251	319
Other liabilities, net of current portion	775	1,369
Deferred income taxes	11,141	11,984
Total liabilities	35,841	40,448
EQUITY		
Common stock-authorized 40 million shares of $.10 par value; issued and outstanding 23.9 million and 23.8 million shares in 2014 and 2013, respectively	2,386	2,383
Additional paid-in capital	47,125	46,064
Accumulated other comprehensive loss	(303)	(366)
Retained earnings	62,448	54,849
Total Trecora Resources Stockholders' Equity	111,656	102,930
Noncontrolling Interest	289	289
Total equity	111,945	103,219
TOTAL LIABILITIES AND EQUITY	$ 147,786	$ 143,667

See notes to consolidated financial statements.

TRECORA RESOURCES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2014	2013	2014	2013
	(thousands of dollars)			
REVENUES				
Petrochemical Product Sales	$ 72,842	$ 54,762	$ 135,234	$ 106,382
Processing Fees	1,711	1,213	3,419	2,338
	74,553	55,975	138,653	108,720
OPERATING COSTS AND EXPENSES				
Cost of Sales and Processing (including depreciation of $868, $838, $1,733, and $1,663, respectively)	62,853	47,408	118,239	93,474
GROSS PROFIT	11,700	8,567	20,414	15,246
GENERAL AND ADMINISTRATIVE EXPENSES				
General and Administrative	4,154	3,452	8,343	6,957
Depreciation	136	131	275	260
	4,290	3,583	8,618	7,217
OPERATING INCOME	7,410	4,984	11,796	8,029
OTHER INCOME (EXPENSE)				
Interest Income	9	--	18	1
Interest Expense	11	(123)	(99)	(238)
Losses on Cash Flow Hedge Reclassified from OCI	(63)	(80)	(130)	(158)
Equity in earnings (loss) of AMAK	6	4,732	(344)	7,696
Miscellaneous Expense	(4)	(69)	(49)	(89)
	(41)	4,460	(604)	7,212
INCOME BEFORE INCOME TAXES	7,369	9,444	11,192	15,241
INCOME TAXES	2,369	3,135	3,593	4,146
NET INCOME	5,000	6,309	7,599	11,095
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	--	--	--	--
NET INCOME ATTRIBUTABLE TO TRECORA RESOURCES	$ 5,000	$ 6,309	$ 7,599	$ 11,095
Basic Earnings per Common Share				
Net Income Attributable to Trecora Resources (dollars)	$ 0.21	$ 0.26	$ 0.32	$ 0.46
Basic Weighted Average Number of Common Shares Outstanding	24,165	24,110	24,158	24,108
Diluted Earnings per Common Share				
Net Income Attributable to Trecora Resources (dollars)	$ 0.20	$ 0.26	$ 0.31	$ 0.45
Diluted Weighted Average Number of Common Shares Outstanding	24,813	24,652	24,866	24,655

See notes to consolidated financial statements.

TRECORA RESOURCES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2014	2013	2014	2013
	(thousands of dollars)			
NET INCOME	$ 5,000	$ 6,309	$ 7,599	$ 11,095
OTHER COMPREHENSIVE GAIN, NET OF TAX				
Unrealized holding gains arising during period	82	152	193	285
Less: reclassification adjustment for losses included in net income	63	80	130	158
OTHER COMPREHENSIVE GAIN, NET OF TAX	19	72	63	127
COMPREHENSIVE INCOME	$ 5,019	$ 6,381	$ 7,662	$ 11,222

See notes to consolidated financial statements.

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TRECORA RESOURCES AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

	TRECORA RESOURCES STOCKHOLDERS							
	COMMON STOCK		ADDITIONAL PAID-IN	ACCUMULATED OTHER COMPREHENSIVE	RETAINED		NON-CONTROLLING	TOTAL
	SHARES	AMOUNT	CAPITAL	LOSS	EARNINGS	TOTAL	INTEREST	EQUITY
	(thousands)			*(thousands of dollars)*				
JANUARY 1, 2014	23,832	$ 2,383	$ 46,064	$ (366)	$ 54,849	$ 102,930	$ 289	$ 103,219
Stock options								
Issued to Directors	-	-	218	-	-	218	-	218
Issued to Employees	-	-	701	-	-	701	-	701
Warrants	-	-	54	-	-	54	-	54
Common stock								
Issued to Employees	32	3	88	-	-	91	-	91
Unrealized Gain on Interest Rate Swap (net of income tax expense of $34)	-	-	-	63	-	63	-	63
Net Income	-	-	-	-	7,599	7,599	-	7,599
JUNE 30, 2014	23,864	$ 2,386	$ 47,125	$ (303)	$ 62,448	$ 111,656	$ 289	$ 111,945

See notes to consolidated financial statements.

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TRECORA RESOURCES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	SIX MONTHS ENDED JUNE 30,	
	2014	**2013**
	(thousands of dollars)	
OPERATING ACTIVITIES		
Net Income Attributable to Trecora Resources	$ 7,599	$ 11,095
Adjustments to Reconcile Net Income Attributable to Trecora Resources To Net Cash Provided by Operating Activities:		
Depreciation	2,008	1,923
Amortization of Contractual Based Intangible Asset	104	125
Accretion of Notes Receivable Discounts	(18)	(2)
Unrealized Gain on Derivative Instruments	(48)	-
Stock-based Compensation	973	548
Deferred Income Taxes	(665)	1,148
Postretirement Obligation	4	5
Equity in (earnings) losses of AMAK	344	(3,700)
Gain from additional equity issuance by AMAK	-	(3,996)
Changes in Operating Assets and Liabilities:		
Increase in Trade Receivables	(6,107)	(5,279)
Decrease in Notes Receivable	141	20
Decrease in Taxes Receivable	571	1,182
(Increase) Decrease in Inventories	361	(2,476)
Increase in Prepaid Expenses	(196)	(547)
Increase in Accounts Payable and Accrued Liabilities	922	249
Increase (Decrease) in Accrued Interest	(22)	2
Increase in Other Liabilities	-	500
Net Cash Provided by Operating Activities	5,971	797
INVESTING ACTIVITIES		
Additions to Plant, Pipeline and Equipment	(4,127)	(3,142)
Addition to Investment in AMAK	-	(7,500)
Advance to AMAK, net	536	1,719
Net Cash Used in Investing Activities	(3,591)	(8,923)
FINANCING ACTIVITIES		
Issuance of Common Stock	91	44
Additions to Long-Term Debt	3,000	6,000
Repayment of Long-Term Debt	(6,700)	(2,700)
Net Cash Provided by (Used in) Financing Activities	(3,609)	3,344
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,229)	(4,782)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,608	9,508
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 6,379	$ 4,726
Supplemental disclosure of cash flow information:		
Cash payments for interest	$ 245	$ 388
Cash payments for taxes	$ 2,659	$ 1,390
Supplemental disclosure of non-cash items:		
Capital expansion amortized to depreciation expense	$ 823	$ 540
Unrealized gain on interest rate swap, net of tax expense	$ 63	$ 127

See notes to consolidated financial statements.

TRECORA RESOURCES AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these unaudited financial statements do not include all of the information and footnotes required by GAAP for complete financial statements and, therefore, should be read in conjunction with the financial statements and related notes contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013.

The unaudited condensed financial statements included in this document have been prepared on the same basis as the annual condensed financial statements and in management’s opinion reflect all adjustments, including normal recurring adjustments, necessary to present fairly the Company’s financial position, results of operations and cash flows for the interim periods presented. In the opinion of management, the disclosures included in these financial statements are adequate to make the information presented not misleading.

Unless the context requires otherwise, references to “we,” “us,” “our,” and the “Company” are intended to mean consolidated Trecora Resources and its subsidiaries.

Operating results for the three and six months ended June 30, 2014, are not necessarily indicative of results for the year ending December 31, 2014.

We operate in one segment and all revenue originates from United States’ sources and all long-lived assets owned are located in the United States.

The Company owns a 35% interest in Al Masane Al Kobra Mining Company (“AMAK”), a Saudi Arabian closed joint stock company which owns and is developing mining assets in Saudi Arabia. We account for our investment under the equity method of accounting. See Note 13.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers ("ASU 2014-09"). ASU 2014-09 supersedes the revenue recognition requirements of FASB Accounting Standards Codification ("ASC") Topic 605, Revenue Recognition and most industry-specific guidance throughout the Accounting Standards Codification, resulting in the creation of FASB ASC Topic 606, Revenue from Contracts with Customers. ASU 2014-09 requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. This ASU provides alternative methods of retrospective adoption and is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is not permitted. We are currently assessing the potential impact of adopting this ASU on its consolidated financial statements and related disclosures.

In June 2014 the FASB issued ASU No. 2014-12, Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The new standard requires that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant date fair value of the award. This update further clarifies that compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the periods for which the requisite service has already been rendered. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015 and can be applied either prospectively or retrospectively to all awards outstanding as of the beginning of the earliest annual period presented as an adjustment to opening retained earnings. Early adoption is permitted. We are currently assessing the potential impact of adopting this ASU on its consolidated financial statements and related disclosures.

3. TRADE RECEIVABLES

Trade receivables, net, at June 30, 2014, and December 31, 2013, consisted of the following:

	June 30, 2014	December 31, 2013
	(thousands of dollars)	
Trade receivables	$ 28,386	$ 22,279
Less allowance for doubtful accounts	(210)	(210)
Trade receivables, net	$ 28,176	$ 22,069

Trade receivables serving as collateral for the Company's line of credit with a domestic bank were $21.4 million and $17.7 million at June 30, 2014, and December 31, 2013, respectively (see Note 7).

4. INVENTORIES

Inventories include the following:

	June 30, 2014	December 31, 2013
	(thousands of dollars)	
Raw material	$ 3,059	$ 2,403
Petrochemical products	8,643	9,660
Total inventory	$ 11,702	$ 12,063

Inventories are recorded at the lower of cost, determined on the last-in, first-out method (LIFO), or market. At June 30, 2014, and December 31, 2013, current cost exceeded LIFO value by approximately $2.4 million and $1.5 million, respectively.

Inventories serving as collateral for the Company's line of credit with a domestic bank were $4.4 million and $4.9 million at June 30, 2014, and December 31, 2013, respectively (see Note 7).

Inventory included products in transit valued at approximately $5.8 million and $4.4 million at June 30, 2014, and December 31, 2013, respectively.

5. PLANT, PIPELINE AND EQUIPMENT

Plant, pipeline and equipment at June 30, 2014, and December 31, 2013, consisted of the following:

	June 30, 2014	December 31, 2013
	(thousands of dollars)	
Platinum catalyst	$ 1,612	$ 1,612
Land	1,577	1,577
Plant, pipeline and equipment	73,458	71,115
Construction in progress	2,606	824
Total plant, pipeline and equipment	79,253	75,128
Less accumulated depreciation and amortization	(36,031)	(33,203)
Net plant, pipeline and equipment	$ 43,222	$ 41,925

Plant, pipeline, and equipment serve as collateral for a $14.0 million term loan with a domestic bank (see Note 7).

Construction in progress during the first six months of 2014 included preparation for the D-Train expansion, construction of additional warehousing, installation of additional truck loading stations, and various other improvements facility-wide.

Amortization relating to the platinum catalyst which is included in cost of sales was $21,068, $3,184, $42,135 and $6,368 for the three and six months ended June 30, 2014, and 2013, respectively.

6. NET INCOME PER COMMON SHARE ATTRIBUTABLE TO TRECORA RESOURCES

The following table (in thousands, except per share amounts) sets forth the computation of basic and diluted net income per share attributable to Trecora Resources for the three and six months ended June 30, 2014, and 2013, respectively.

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	Three Months Ended June 30, 2014			Three Months Ended June 30, 2013		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic Net Income per Share:						
Net Income Attributable to Trecora Resources	$ 5,000	24,165	$ 0.21	$ 6,309	24,110	$ 0.26
Dilutive stock options outstanding		648			542	
Diluted Net Income per Share:						
Net Income Attributable to Trecora Resources	$ 5,000	24,813	$ 0.20	$ 6,309	24,652	$ 0.26

	Six Months Ended June 30, 2014			Six Months Ended June 30, 2013		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic Net Income per Share:						
Net Income Attributable to Trecora Resources	$ 7,599	24,158	$ 0.32	$ 11,095	24,108	$ 0.46
Dilutive stock options outstanding		708			547	
Diluted Net Income per Share:						
Net Income Attributable to Trecora Resources	$ 7,599	24,866	$ 0.31	$ 11,095	24,655	$ 0.45

At June 30, 2014, and 2013, 662,068 and 449,189 potential common stock shares were issuable upon the exercise of options.

The earnings per share calculations for the periods ended June 30, 2014, and 2013, include 300,000 shares of the Company that are held in the treasury of TOCCO.

7. LIABILITIES AND LONG-TERM DEBT

In September 2007 we entered into a $10.0 million term loan agreement with a domestic bank to finance the expansion of the petrochemical facility. An amendment was entered into in November 2008 which increased the term loan to $14.0 million due to the increased cost of the expansion. This note is collateralized by plant, pipeline and equipment. The agreement expires October 31, 2018. At June 30, 2014, there was a short-term amount of $1.4 million and a long-term amount of $4.7 million outstanding. At December 31, 2013, there was a short-term amount of $1.4 million and a long-term amount of $5.4 million outstanding. The interest rate on the loan varies according to several options. At June 30, 2014, and December 31, 2013, the rate was 2.25%. However, as discussed in Note 9, effective August 2008, the Company entered into a pay-fixed, receive-variable interest rate swap with the lending bank which has the effect of converting the interest rate on $10.0 million of the loan to a fixed rate. Principal payments of $350,000 are paid quarterly with interest paid monthly.

In May 2006 we entered into a $12.0 million revolving loan agreement with a domestic bank secured by accounts receivable and inventory. The loan was originally due to expire on October 31, 2008, but was amended to extend the termination date to June 30, 2018, and ultimately increase the availability of the line to $18.0 million based upon our accounts receivable and inventory. At June 30, 2014, and December 31, 2013, there was a long-term amount outstanding of $3.5 million and $6.5 million, respectively. The credit agreement contains a sub-limit of $3.0 million available to be used in support of the hedging program. The interest rate on the loan varies according to several options. At June 30, 2014, and December 31, 2013, the rate was 2.25%. The borrowing base is determined by a formula in the loan agreement. If the amount outstanding exceeds the borrowing base, a principal payment is due to reduce the amount outstanding to the calculated borrowing base. Interest is paid monthly. Loan covenants that must be maintained quarterly include EBITDA, capital expenditures, dividends payable to parent, and leverage ratio. Interest on the loan is paid monthly and a commitment fee of 0.25% is due quarterly on the unused portion of the loan. At June 30, 2014, approximately $14.5 million was available to be drawn, and the Company was in compliance with all covenants.

On July 10, 2014, we entered into a credit agreement with a domestic bank for a $25.0 million multiple advance term loan facility to finance the construction of the capital expansion project known as "D-Train" in 2014 through 2015. D-Train will be located at South Hampton's petrochemical facility in Silsbee, Texas and will increase penhex capacity from 6,700 barrels per day to approximately 11,000 barrels per day. The loan will be secured by a Deed of Trust, Security Agreement and UCC Financing Statement for Fixture Filing, an Assignment of Rights Under Construction Contracts, Permits, Plans and Contracts. Borrowing availability under the loan began on July 10, 2014 and ends on December 31, 2015. The loan converts from a multiple advance loan to a "mini-perm" loan once we have fulfilled certain obligations such as certification that construction was completed in a good and workmanlike manner, receipt of applicable permits and releases from governmental authorities, and receipt of releases of liens from the contractor and each subcontractor and supplier; provided that the conversion date may not occur after December 31, 2015. On the date the loan converts into mini-perm loan, the loan will amortize based on a fifteen year commercial style amortization method and installments of principal and interest shall be due on the first business day of each January, April, July and October until the maturity date when all outstanding principal and interest is due and payable. The interest rate on the loan varies according to several options. At June 30, 2014, no amounts were outstanding.

8. FAIR VALUE MEASUREMENTS

The following items are measured at fair value on a recurring basis subject to disclosure requirements of ASC Topic 820 at June 30, 2014, and December 31, 2013:

Assets and Liabilities Measured at Fair Value on a Recurring Basis

	June 30, 2014	Fair Value Measurements Using Level 1	Level 2	Level 3
	(thousands of dollars)			
Liabilities:				
Interest rate swap	$ 466	$ -	$ 466	$ -

	December 31, 2013	Fair Value Measurements Using Level 1	Level 2	Level 3
	(thousands of dollars)			
Liabilities:				
Interest rate swap	$ 563	$ -	$ 563	$ -
Commodity financial instruments	48	48		

The carrying value of cash and cash equivalents, accounts receivable, notes receivable, taxes receivable, advance to AMAK, accounts payable, accrued interest, accrued liabilities, accrued liabilities in Saudi Arabia and other liabilities approximate the fair value due to the immediate or short-term maturity of these financial instruments. The fair value of variable rate long term debt and notes payable reflect recent market transactions and approximate carrying value. We used observable inputs that would qualify as Level 2 inputs to make our assessment of the approximate fair value of accounts receivable, notes receivable, taxes receivable, advance to AMAK, accounts payable, accrued interest, accrued liabilities, accrued liabilities in Saudi Arabia, other liabilities and variable rate long term debt and notes payable. We used observable inputs that would qualify as Level 1 inputs to make our assessment of the approximate fair value of cash and cash equivalents. The fair value of the derivative instruments are described below.

Commodity Financial Instruments

We periodically enter into financial instruments to hedge the cost of natural gasoline (the primary feedstock) and natural gas (used as fuel to operate the plant).

We assess the fair value of the financial swaps on feedstock using quoted prices in active markets for identical assets or liabilities (Level 1 of fair value hierarchy). At June 30, 2014, no commodity financial instruments were outstanding. At December 31, 2013, we had derivative contracts with settlement dates through February 2014. For additional information see Note 9.

Interest Rate Swap

In March 2008 we entered into an interest rate swap agreement with Bank of America related to the $10.0 million term loan secured by plant, pipeline and equipment. The interest rate swap was designed to minimize the effect of changes in the London InterBank Offered Rate ("LIBOR") rate. We have designated the interest rate swap as a cash flow hedge under ASC Topic 815, Derivatives and Hedging.

South Hampton assesses the fair value of the interest rate swap using a present value model that includes quoted LIBOR rates and the nonperformance risk of the Company and Bank of America based on the Credit Default Swap Market (Level 2 of fair value hierarchy).

We have consistently applied valuation techniques in all periods presented and believe we have obtained the most accurate information available for the types of derivative contracts it holds. See discussion of our derivative instruments in Note 9.

9. DERIVATIVE INSTRUMENTS

Commodity Financial Contracts

Hydrocarbon based manufacturers, such as the Company, are significantly impacted by changes in feedstock and natural gas prices. Not considering derivative transactions, feedstock and natural gas used for the six months ended June 30, 2014, and 2013, represented approximately 81.8% and 79.7% of our operating expenses, respectively.

We endeavor to acquire feedstock and natural gas at the lowest possible cost. Our primary feedstock (natural gasoline) is traded over the counter and not on organized futures exchanges. Financially settled instruments (fixed price swaps) are the principal vehicle used to give some predictability to feed prices. We do not purchase or hold any derivative financial instruments for trading or speculative purposes and are limited by our risk management policy to hedging a maximum of 40% of monthly feedstock requirements.

Generally, financial contracts are not designated as hedges. As of June 30, 2014, South Hampton had no outstanding committed financial contracts.

The following tables detail (in thousands) the impact the agreements had on the financial statements:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Unrealized loss	$ -	$ -	$ (48)	$ -
Realized gain	-	-	87	-
Net gain	$ -	$ -	$ 39	$ -

	June 30, 2014	December 31, 2013
Fair value of financial contracts – liability	$ -	$ 48

The realized and unrealized gains/(losses) are recorded in Cost of Sales and Processing for the periods ended June 30, 2014, and 2013. As a percentage of Cost of Sales and Processing, realized and unrealized gains/(losses) accounted for 0% and 0% for the three months and 0% and 0% for the six months ended June 30, 2014, and 2013, respectively.

Interest Rate Swap

On March 21, 2008, we entered into a pay-fixed, receive-variable interest rate swap agreement with Bank of America related to $10.0 million of our $14 million term loan secured by plant, pipeline and equipment. The effective date of the interest rate swap agreement is August 15, 2008, and terminates on December 15, 2017. The notional amount of the interest rate swap was $3.75 million at June 30, 2014. South Hampton receives credit for payments of variable interest made on the term loan's variable rates, which are based upon LIBOR, and pays Bank of America an interest rate of 5.83% less the credit on the interest rate swap. We have designated the transaction as a cash flow hedge. Beginning on August 15, 2008, the derivative instrument was reported at fair value with any changes in fair value reported within other comprehensive income (loss) in the Company's Statement of Comprehensive Income. We entered into the interest rate swap to minimize the effect of changes in the LIBOR rate. The following tables detail (in thousands) the impact the agreement had on the financial statements:

	June 30,	
	2014	2013
Other Comprehensive Loss		
Cumulative loss	$ (466)	$ (696)
Deferred tax benefit	163	243
Net cumulative loss	$ (303)	$ (453)
Interest expense reclassified from other comprehensive loss	$ 130	$ 158

	June 30, 2014	December 31, 2013
Fair value of interest rate swap - liability	$ 466	$ 563

The cumulative loss from the changes in the swap contract's fair value that is included in other comprehensive loss will be reclassified into income when interest is paid. The net amount of pre-tax loss in other comprehensive income (loss) as of June 30, 2014, predicted to be reclassified into earnings within the next 12 months is approximately $215,000. See further discussion of the fair value of the derivative instruments in Note 8.

10. STOCK-BASED COMPENSATION

On February 21, 2014, we awarded 10 year options to various employees for 500,000 shares. These options have an exercise price equal to the closing price of the stock on February 21, 2014, which was $12.26 and vest in 25% increments over a 4 year period. Compensation expense recognized during the three months and six months ended June 30, 2014, was approximately $277,000 and $400,000, respectively. The fair value of the options granted was calculated using the Black-Scholes option valuation model with the following assumptions:

Expected volatility	84%
Expected dividends	None
Expected term (in years)	6.25
Risk free interest rate	1.95%

A summary of the status of our stock option awards and warrants is presented below:

	Number of Stock Options & Warrants	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Life
Outstanding at January 1, 2014	1,326,360	$ 4.75	
Granted	500,000	12.26	
Exercised	(31,820)	2.86	
Expired	--	--	
Cancelled	--	--	
Forfeited	(20,000)	$ 2.82	
Outstanding at June 30, 2014	1,774,540	$ 6.92	7.1
Exercisable at June 30, 2014	662,068	$ 4.53	5.9

The fair value of the previously issued options granted below was calculated using the Black Scholes option valuation model with the assumptions as disclosed in prior quarterly and annual filings.

Directors' compensation of approximately $76,000 and $94,000 during the three months and $170,000 and $189,000 during the six months ended June 30, 2014, and 2013, respectively, were recognized related to options to purchase shares vesting through 2017.

Excluding the options granted in 2014 as disclosed above, employee compensation of approximately $150,000 and $119,000 during the three months and $300,000 and $238,000 during the six months ended June 30, 2014, and 2013, respectively, was recognized related to options with a 4 year vesting period awarded to officers and key employees. These options vest through 2017.

Post-retirement compensation of approximately $24,000 was recognized during the three months and $49,000 during the six months ended June 30, 2014, and 2013, related to options awarded to Mr. Hatem El Khalidi in July 2009. On May 9, 2010, the Board of Directors determined that Mr. El Khalidi forfeited these options and other retirement benefits when he made various demands against the Company and other AMAK Saudi shareholders which would benefit him personally and were not in the best interests of the Company and its shareholders. The Company is litigating its right to withdraw the options and benefits and as such, these options and benefits continue to be shown as outstanding. See further discussion in Note 15.

Investor relations expense of approximately $21,000 and $42,000 during the three months and $54,000 and $71,000 during the six months ended June 30, 2014, and 2013, respectively, was recognized related to warrants issued for the purchase of 100,000 shares of common stock to Genesis Select Corporation ("Genesis"). These warrants vest through 2017 contingent upon continuous investor relations service under the consulting agreement with Genesis.

See the Company's Annual Report on Form 10-K for the year ended December 31, 2013, for additional information.

11. INCOME TAXES

We file an income tax return in the U.S. federal jurisdiction and a margin tax return in Texas. Tax returns for the years 2010 through 2013 remain open for examination in various tax jurisdictions in which we operate. As of June 30, 2014, and December 31, 2013, we recognized no material adjustments in connection with uncertain tax positions.

12. POST-RETIREMENT OBLIGATIONS

In January 2008 an amended retirement agreement, replacing the February 2007 agreement, was entered into with Mr. El Khalidi. The amended agreement provides $6,000 per month in benefits to Mr. El Khalidi upon his retirement for the remainder of his life. Additionally, upon his death $4,000 per month will be paid to his surviving spouse for the remainder of her life. A health insurance benefit will also be provided. An additional $382,000 was accrued in January 2008 for the increase in benefits. A liability of approximately $900,000 based upon an annuity single premium value contract plus accrued interest was outstanding at June 30, 2014, and was included in post-retirement benefits. As of June 30, 2014, no payments have been made pursuant to this agreement.

In June 2009 the Company's Board of Directors awarded Mr. El Khalidi a retirement bonus in the amount of $31,500 for 42 years of service. While there is no written policy regarding retirement bonus compensation, the Company has historically awarded all employees (regardless of job position) a retirement bonus equal to $750 for each year of service. Since Mr. El Khalidi was employed by the Company for 42 years, the Board of Directors voted to award him a $31,500 retirement bonus, consistent with that provided to all other retired employees. This amount remained outstanding at June 30, 2014, and was included in post-retirement benefits.

On May 9, 2010, the Board of Directors terminated the retirement agreement, options, retirement bonus, and any outstanding directors' fees due Mr. El Khalidi; however, due to the outstanding litigation discussed in Note 15, all amounts which have not met termination dates remain recorded until a resolution is achieved.

13. INVESTMENT IN AL MASANE AL KOBRA MINING COMPANY ("AMAK")

As of June 30, 2014, and December 31, 2013, the Company had a non-controlling equity interest (35%) of approximately $53.8 million and $54.1 million, respectively. This investment is accounted for under the equity method. There were no events or changes in circumstances that may have an adverse effect on the fair value of our investment in AMAK at June 30, 2014.

AMAK's financial statements were prepared in the functional currency of AMAK which is the Saudi Riyal (SR). In June 1986 the SR was officially pegged to the U. S. Dollar (USD) at a fixed exchange rate of 1 USD to 3.75 SR.

The summarized results of operation and financial position for AMAK are as follows:

Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(Thousands of Dollars)			
Sales	$ 30,431	$ 15,333	$ 30,698	$ 46,495
Gross Profit	4,045	8,128	4,684	18,034
General, administrative and other expenses	4,982	7,029	7,570	9,815
Net Income (loss)	$ (937)	$ 1,099	$ (2,886)	$ 8,219

Financial Position

	June 30, 2014	December 31, 2013
	(Thousands of Dollars)	
Current assets	$ 26,558	$ 32,923
Noncurrent assets	263,961	264,997
Total assets	$ 290,519	$ 297,920
Current liabilities	$ 16,109	$ 22,497
Long term liabilities	77,700	75,826
Shareholders' equity	196,710	199,597
	$ 290,519	$ 297,920

The equity in the income or loss of AMAK reflected on the consolidated statement of income for the three and six months ended June 30, 2014, and 2013, is comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
	(Thousands of Dollars)			
Company’s share of income (loss) reported by AMAK	$ (331)	$ 399	$ (1,018)	$ 3,026
Amortization of difference between Company’s investment in AMAK and Company’s share of net assets of AMAK	337	337	674	674
Gain from additional equity issuance by AMAK	-	3,996	-	3,996
Equity in income (loss) of AMAK	$ 6	$ 4,732	$ (344)	$ 7,696

At December 31, 2013, we had an outstanding advance to AMAK of approximately $0.5 million for interim funding on a short term basis. The entire balance owed was paid in the second quarter of 2014; therefore, at June 30, 2014, there was no amount outstanding.

See our Annual Report on Form 10-K for the year ended December 31, 2013, for additional information.

14. RELATED PARTY TRANSACTIONS

Ghazi Sultan, a former Company director, was paid $35,000 during both three month periods and $69,000 during both six month periods ended June 30, 2014, and 2013, respectively for serving as the Company’s Saudi branch representative.

Consulting fees of approximately $0 and $35,000 were incurred during the three month periods and $21,000 and $55,000 during the six month periods ended June 30, 2014, and 2013, respectively from IHS Global FZ LLC of which Company Director Gary K Adams holds the position of Chief Advisor – Chemicals.

15. COMMITMENTS AND CONTINGENCIES

Guarantees **–**

South Hampton, in 1977, guaranteed a $160,000 note payable of a limited partnership in which it has a 19% interest. Included in Accrued Liabilities at June 30, 2014, and 2013, is $66,570 related to this guaranty.

On October 24, 2010, we executed a limited Guarantee in favor of the Saudi Industrial Development Fund (“SIDF”) whereby we agreed to guaranty up to 41% of the SIDF loan to AMAK in the principal amount of 330.0 million Saudi Riyals (US$88.0 million) (the “Loan”). The term of the loan is through June 2019. As a condition of the Loan, SIDF required all shareholders of AMAK to execute personal or corporate Guarantees; as a result, our guarantee is for approximately 135.33 million Saudi Riyals (US$36.1 million). The loan was necessary to continue construction of the AMAK facilities and provide working capital needs. We received no consideration in connection with extending the guarantee and did so to maintain and enhance the value of its investment. The total amount outstanding to the SIDF at June 30, 2014, was 269.8 million Saudi Riyals (US$71.9 million).

***Litigation* -**

On May 9, 2010, after numerous attempts to resolve certain issues with Mr. Hatem El Khalidi, the Board of Directors terminated the retirement agreement, options, retirement bonuses, and all outstanding directors' fees due to Mr. El Khalidi, former CEO, President and Director of the Company. In June 2010 Mr. El Khalidi filed suit against the Company in the labor courts of Saudi Arabia alleging additional compensation owed to him for holidays and overtime. The Company believes that the claims are unsubstantiated and continues to vigorously defend the case.

In March 2011 Mr. El Khalidi filed suit against the Company in Texas alleging breach of contract and other claims. On July 24, 2013, the 88th Judicial District Court of Hardin County, Texas dismissed all claims and counterclaims for want of prosecution in this matter. On May 22, 2014, the Ninth Court of Appeals affirmed the dismissal for want of prosecution. Mr. El-Khalidi recently filed a motion for extension of time to file petition for review with the Texas Supreme Court on July 18, 2014 presumably evidencing his intent to further appeal the dismissal. In addition, on May 1, 2014, Mr. El-Khalidi refiled his lawsuit against the Company for breach of contract and defamation in the 356th Judicial District Court of Hardin County, Texas. The case was transferred to the 88th Judicial District Court of Hardin County, Texas where it is currently pending. The Company believes that the claims are unsubstantiated and plans to vigorously defend the case. Liabilities of approximately $1.1 million remain recorded, and the stock options at issue will continue to accrue in accordance with their own terms until all matters are resolved.

On September 14, 2010, South Hampton received notice of a lawsuit filed in the 58th Judicial District Court of Jefferson County, Texas which was subsequently transferred to the 11th Judicial District Court of Harris County, Texas. The suit alleges that the plaintiff became ill from exposure to asbestos. There are approximately 44 defendants named in the suit. South Hampton has placed its insurers on notice of the claim and plans to vigorously defend the case.

No accrual has been recorded for the last claim. We are involved in various claims and lawsuits incidental to our business.

Environmental Remediation -

In 2008 we learned of a claim by the U.S. Bureau of Land Management ("BLM") against World Hydrocarbons, Inc. for contamination of real property owned by the BLM north of and immediately adjacent to the processing mill situated on property owned by Pioche Ely Valley Mines, Inc. ("PEVM"). The BLM's claim alleged that mine tailings from the processing mill containing lead and arsenic migrated onto BLM property during the first half of the twentieth century. World Hydrocarbons, Inc. responded to the BLM by stating that it does not own the mill and that PEVM is the owner and responsible party. PEVM subsequently retained an environmental consultant and a local contractor to assist with the cleanup. In June and July 2013 the contractor excavated and transported tailings from BLM property and other surrounding properties to an impoundment area located on PEVM property. PEVM completed the cleanup during the first quarter of 2014, and the contractor demobilized from the site. PEVM received a no-further-action letter (NFA) from BLM in July 2014. The environmental consultant submitted a report to the Nevada Division of Environmental Protection on the entire removal project including a neighbor's adjoining property, and PEVM received an NFA in October 2013. We agreed to advance approximately $250,000 to PEVM for payment of the contractor and in return, PEVM will transfer interest in selected patented mining claims of equivalent value to the Company. An accrual for $350,000 was recorded by PEVM in 2010 and $171,000 remained outstanding at June 30, 2014.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FORWARD LOOKING AND CAUTIONARY STATEMENTS

Except for the historical information and discussion contained herein, statements contained in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including the following: a downturn in the economic environment; the Company’s failure to meet growth and productivity objectives; fluctuations in revenues and purchases; impact of local legal, economic, political and health conditions; adverse effects from environmental matters, tax matters and the Company’s pension plans; ineffective internal controls; the Company’s use of accounting estimates; competitive conditions; the Company’s ability to attract and retain key personnel and its reliance on critical skills; impact of relationships with critical suppliers; currency fluctuations; impact of changes in market liquidity conditions and customer credit risk on receivables; the Company’s ability to successfully manage acquisitions and alliances; general economic conditions domestically and internationally; insufficient cash flows from operating activities; difficulties in obtaining financing; outstanding debt and other financial and legal obligations; industry cycles; specialty petrochemical product and mineral prices; feedstock availability; technological developments; regulatory changes; foreign government instability; foreign legal and political concepts; and foreign currency fluctuations, as well as other risks detailed in the Company's filings with the U.S. Securities and Exchange Commission, including this release, all of which are difficult to predict and many of which are beyond the Company's control.

Overview

The following discussion and analysis of our financial results, as well as the accompanying unaudited consolidated financial statements and related notes to consolidated financial statements to which they refer, are the responsibility of our management. Our accounting and financial reporting fairly reflect our business model involving the manufacturing and marketing of petrochemical products. Our business model involves the manufacture and sale of tangible products. Our consistent approach to providing high purity products and quality services to our customers has helped to sustain our current position as a preferred supplier of various petrochemical products.

The discussion and analysis of financial condition and the results of operations which appears below should be read in conjunction with the Management’s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements which appear in our Annual Report on Form 10-K for the year ended December 31, 2013.

We believe we are well-positioned to participate in new investments to grow the Company. While petrochemical prices are volatile on a short-term basis and depend on the demand of our customers’ products, our investment decisions are based on our long-term business outlook using a disciplined approach in selecting and pursuing the most attractive investment opportunities.

Review of Second Quarter and Year-to-Date 2014 Results

We reported second quarter 2014 earnings of $5.0 million down $1.3 million from the second quarter of 2013. Basic earnings per share of $0.21 were reported for second quarter 2014, down $0.05 from 2013. Second quarter 2013 earnings included a gain from the additional equity issuance by AMAK of approximately $4.0 million and equity in earnings of about $0.7 million whereas there was no gain in second quarter 2014 and only minimal equity in earnings. Sales volume of our petrochemical products increased 32.0%, and sales revenue from our petrochemical products increased 33.0% as compared to the second quarter of 2013. Second quarter 2014 represented a record quarter in terms of both sales volume and revenue.

We reported year-to-date 2014 earnings of approximately $7.6 million down $3.5 million from the first half of 2013. Basic earnings per share of $0.32 were reported for the first half of 2014, down $0.14 from the first half of 2013. As reported above, there was a gain from the additional equity issuance by AMAK of approximately $4.0 million in the first half of 2013. Sales volume of our petrochemical products increased 30.0% from the first half of 2013, and sales revenue from petrochemical products increased 27.1%.

Liquidity and Capital Resources

Working Capital

Our approximate working capital days are summarized as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Days sales outstanding in accounts receivable	36.8	34.1	35.1
Days sales outstanding in inventory	15.3	18.6	20.5
Days sales outstanding in accounts payable	9.1	11.4	9.9
Days of working capital	42.9	41.4	45.7

Our days sales outstanding in accounts receivable increased as of the end of the second quarter of 2014 due to an increase in deferred sales. Deferred sales increased by approximately $1.4 million over the second quarter of 2013. Deferred sales are not recognized until the customer accepts delivery of the product and title has transferred. The majority of these sales are to foreign customers with longer payment terms due to increased shipping times. Our days sales outstanding in inventory decreased as of the end of the second quarter of 2014 due to increased demand for our products.

Sources and Uses of Cash

Cash and cash equivalents decreased $1.2 million during the six months ended June 30, 2014, as compared to a decrease of $4.8 million for the six months ended June 30, 2013.

The change in cash and cash equivalents is summarized as follows:

	2014	2013
Net cash provided by (used in)	*(thousands of dollars)*	
Operating activities	$ 5,971	$ 797
Investing activities	(3,591)	(8,923)
Financing activities	(3,609)	3,344
Decrease in cash and equivalents	$ (1,229)	$ (4,782)
Cash and cash equivalents	$ 6,379	$ 4,726

Operating Activities

Cash provided by operating activities totaled $6.0 million for the first half of 2014 which was $5.2 million higher than the first half of 2013. For the first half of 2014 net income decreased by approximately $3.5 million as compared to the corresponding period of 2013. Major non-cash items affecting income included a decrease in the gain from additional equity issuance by AMAK of $4.0 million, a decrease in the equity in earnings from AMAK of $4.0 million, an increase in the share-based compensation of approximately $0.4 million, and a decrease in deferred income taxes of approximately $1.8 million.

Significant factors leading to an increase in cash provided by operating activities included:

- Inventory decreased approximately $0.4 million (due to increased demand for our products) as compared to an increase of approximately $2.5 million (due to an increase in the amount of deferred sales at the end of the second quarter and an intentional build in preparation for hurricane season) in 2013 and

- Accounts payable and accrued liabilities increased approximately $0.9 million (due to an increase in transportation, fuel gas, and property tax accruals and additional purchases relating to the D Train expansion) as compared to an increase of approximately $0.2 million in 2013.

These sources of cash were partially offset by the following decreases in cash provided by operations:

- Trade receivables increased approximately $6.1 million (due to a 5.3% increase of volume sold and a 6.6% increase in average selling price as compared to the fourth quarter of 2013 and an increase in foreign sales with longer payment terms) as compared to an increase of approximately $5.3 million in 2013 (due to a 13.5% increase of volume sold compared to the fourth quarter of 2012 and an increase in foreign sales with longer payment terms),

- Income tax receivable decreased approximately $0.6 million (due to the receivable being used for estimated taxes) as compared to a decrease of $1.2 million in 2013 (due to the receivable being used for the 2013 estimated tax payment).

Investing Activities

Cash used by investing activities during the first half of 2014 was approximately $3.6 million, representing a decrease of approximately $5.3 million over the corresponding period of 2013. During the first half of 2014 we began preparing for the expansion of our penhex unit (D-Train) and made various other facility improvements. During the first half of 2013 we purchased an additional $7.5 million of stock in AMAK, and expended $3.1 million for equipment for debottlenecking South Hampton's penhex unit, expansion of the sales loading rack facility, and various other improvements. These uses of cash were partially offset by the return of approximately $1.7 million from AMAK which was previously advanced.

Financing Activities

Cash used by financing activities during the first half of 2014 was approximately $3.6 million versus cash provided of $3.3 million during the corresponding period of 2013. During 2014 we drew $3.0 million on our line of credit and made principal payments on our line of credit of $6.7 million and $0.7 million on our term debt. During 2013 we drew $6.0 million on our line of credit for working capital purposes and to fund the capital contribution to AMAK and made principal payments of $0.7 million on our term debt and $2.0 million on our line of credit.

Anticipated Cash Needs

We believe that the Company is capable of supporting its operating requirements and capital expenditures through internally generated funds supplemented with debt.

Results of Operations

Comparison of Three Months Ended June 30, 2014 and 2013

	2014	2013	Change	%Change
		(in thousands)		
Petrochemical Product Sales	$ 72,842	$ 54,762	$ 18,080	33.0%
Processing	1,711	1,213	498	41.1%
Gross Revenue	$ 74,553	$ 55,975	$ 18,578	33.2%
Volume of Sales (gallons)				
Petrochemical Products	20,745	15,711	5,034	32.0%
Cost of Sales	$ 62,853	$ 47,408	$ 15,445	32.6%
Total Operating Expense**	12,890	11,499	1,391	12.1%
Natural Gas Expense**	1,573	1,535	38	2.5%
Operating Labor Costs**	2,973	2,627	346	13.2%
Transportation Costs**	5,837	4,916	921	18.7%
General & Administrative Expense	4,154	3,452	702	20.3%
Depreciation*	1,004	969	35	3.6%
Equity in Earnings of AMAK	6	735	(729)	(99.2%)
Gain on Equity Issuance AMAK	-	3,996	(3,996)	(100.0%)
Capital Expenditures	2,407	1,650	757	45.9%

*Includes $868 and $838 for 2014 and 2013, respectively, which is included in operating expense
** Included in cost of sales

Gross Revenue

Gross Revenue increased during the second quarter of 2014 from 2013 by 33.2% due to an increase in volume of 32.0% and an increase in processing fees of 41.1%.

Petrochemical Product Sales

Petrochemical product sales increased 33.0% during the second quarter of 2014 from 2013 due to an increase in volume of 32.0% as noted above. Our primary competitor experienced production interruptions which increased demand from customers who typically purchase product elsewhere. In addition, one customer continued to require shipments above contracted volumes during the quarter. As a note, deferred sales volume increased 15.0% during the second quarter of 2014 from 2013 which delays recognition until the subsequent quarter.

Processing

Processing revenues increased 41.1% during the second quarter of 2014 from 2013 as we continue to see the benefit of the increase in fees charged under new contracts.

Cost of Sales

Cost of Sales increased 32.6% during the second quarter of 2014 from 2013 due to higher volumes processed to support the demand mentioned above. Volume processed increased 28.0%, and average feedstock price per gallon increased 6.1% during the second quarter of 2014 from 2013. We use natural gasoline as feedstock which is the heavier liquid remaining after butane and propane are removed from liquids produced by natural gas wells. The material is a commodity product in the oil/petrochemical markets and generally is readily available.

Total Operating Expense

Total Operating Expense increased 12.1% during the second quarter of 2014 from 2013. Natural gas, labor and transportation are the largest individual expenses in this category.

The cost of natural gas purchased increased 2.5% during the second quarter of 2014 as compared to the second quarter of 2013 primarily due to an increase in the average per unit cost. The average price per MMBTU for the second quarter of 2014 was $4.58 whereas, for the second quarter of 2013 the per-unit cost was $4.32. In addition, volume consumed increased slightly to approximately 347,000 MMBTU from about 345,000 MMBTU during the same period in 2013.

Labor costs were higher by 13.2% during the second quarter of 2014 as compared to the second quarter of 2013 because of higher profit sharing distributions during second quarter of 2014 based upon higher operating income.

Transportation costs were higher by 18.7% during the second quarter of 2014 as compared to the second quarter of 2013 due to the increase in the number of rail shipments. We experienced a 24.8% increase in the number of rail shipments in the second quarter of 2014 as compared to the second quarter of 2013. These shipments were primarily in support of the one customer requiring volumes above contracted amounts. These costs are recovered through our selling price.

General and Administrative Expense

General and Administrative costs for the second quarter of 2014 from 2013 increased 20.3% due to increases in officer compensation (stock option grant), insurance premiums (health, property and liability increased), property taxes (increased basis), consulting fees (use of additional contractors), and accounting and auditing fees (additional costs associated with accounting for AMAK).

Depreciation

Depreciation increased 3.6% during the second quarter of 2014 from 2013 due to an increase in the amount of depreciable assets.

Equity in Earnings (Losses) of AMAK/Gain on Equity Issuance of AMAK

Equity in Earnings (Losses) of AMAK decreased $0.7 million during the second quarter of 2014 from 2013. See discussion in six months ended June 30, 2014, section below.

Our equity in AMAK's results of operations for the three months ended June 30, 2013, included a gain from the additional equity issuance by AMAK of $4.0 million. There was no gain in 2014.

Capital Expenditures

Capital Expenditures increased 45.9% during the second quarter of 2014 from 2013 primarily due to preparations for our D-Train expansion, expanding the sales loading rack and various other improvements.

Comparison of Six Months Ended June 30, 2014 and 2013

	2014	2013	Change	%Change
		(in thousands)		
Petrochemical Product Sales	$ 135,234	$ 106,382	$ 28,852	27.1%
Processing	3,419	2,338	1,081	46.2%
Gross Revenue	$ 138,653	$ 108,720	$ 29,933	27.5%
Volume of sales (thousand gallons)				
Petrochemical products	39,570	30,432	9,138	30.0%
Cost of Sales	$ 118,239	$ 93,474	$ 24,765	26.5%
Total Operating Expense**	24,951	21,732	3,219	14.8%
Natural Gas Expense**	3,400	2,777	623	22.4%
Operating Labor Costs**	5,722	5,138	584	11.4%
Transportation Costs**	10,645	8,957	1,688	18.8%
General & Administrative Expense	8,343	6,957	1,386	19.9%
Depreciation*	2,008	1,923	85	4.4%
Equity in Earnings (Losses) of AMAK	(344)	3,699	(4,043)	(109.3%)
Gain on Equity Issuance AMAK	-	3,996	(3,996)	(100.0%)
Capital Expenditures	4,127	3,142	985	31.3%

*Includes $1,733 and $1,663 for 2014 and 2013, respectively, which is included in operating expense

** Included in cost of sales

Gross Revenue

Gross Revenue increased 27.5% during the first half of 2014 from 2013 primarily due to an increase in total sales volume of 30.0% and an increase in processing fees of 46.2%.

Petrochemical Product Sales

Petrochemical product sales increased 27.1% during the first half of 2014 from the first half of 2013 due to an increase in total sales volume of 30.0% as noted above. As stated under the quarterly discussion, our volume increased primarily due a competitor's production issues and one customer taking volumes above contracted amounts.

Processing

Processing revenues increased during the first half of 2014 from 2013 by 46.2% due to an increase in tolling fees charged under new contracts.

Cost of Sales

Cost of Sales increased 26.5% during the first half of 2014 from 2013 due to an increase in volume processed of 24.2% in support of the growth in demand.

Total Operating Expense

Total Operating Expense increased 14.8% during the first half of 2014 from 2013. Natural gas, labor and transportation are the largest individual expenses in this category. The cost of natural gas purchased increased 22.4% during the first half of 2014 from 2013 due to higher per-unit costs and 1.1 % higher volumes. The average price per MMBTU for the first half of 2014 was $4.78; whereas, for the first half of 2013 the per-unit cost was $3.94. Volume purchased increased to approximately 705,000 MMBTU during the six months ended June 30, 2014, from about 697,000 MMBTU during the six months ended June 30, 2013.

Labor costs were higher by 11.4% during the first half of 2014 from 2013 because of higher profit sharing distributions during the first half of 2014 based upon higher operating income.

Transportation costs were higher by 18.8% during the first half of 2014 from 2013 mainly due to the increase in rail shipments. We experienced a 29.4% increase in the number of rail shipments in the first half of 2014 as compared to the first half of 2013. These costs are recovered through our selling price. Higher transportation costs accounted for 52.4% of the increase in operating expense during the first six months of 2014.

General and Administrative Expense

General and Administrative costs increased 19.9% during the first half of 2014 from 2013 due to increases in officer compensation (stock option grant), insurance premiums (health, property and liability increased), property taxes (increased basis), consulting fees (use of additional contractors), accounting and auditing fees (additional costs associated with accounting for AMAK).

Depreciation

Depreciation increased 4.4% during the first half of 2014 from 2013 due to an increase in the amount of depreciable assets.

Equity in Earnings (Losses) of AMAK/Gain on Equity Issuance of AMAK

Equity in Earnings (Losses) of AMAK decreased 109.3% during the first half of 2014 from 2013 due to reasons detailed below. Our equity in AMAK's results of operations for the six months ended June 30, 2013, also included a gain from the additional equity issuance by AMAK of $4.0 million. There was no gain in 2014.

The mining sector as a whole has been depressed due to low metal prices and demand. However, the performance of AMAK to date has been below our expectation, and steps are being taken to improve performance and solidify its position over the long term. The project is self-supporting and cash flow is adequate to meet current needs.

For the six months ended June 30, 2014, shipments were 12.9% short of budgeted volumes as indicated in the table below. There were no shipments in the first quarter of 2014 due to logistics delays and the rebuilding of warehouse stocks. Sales on shipments in the second quarter of 2014, while up in number (4), were limited by volume shipped. AMAK volumes (dmt) for the six months ended June 30, 2014, were as follows:

	Actual	Budgeted	Variance
Ore tons processed	328,394	341,020	(12,626)
Concentrate to the port			
Copper	14,997	14,699	298
Zinc	15,830	16,215	(385)
	30,827	30,914	(87)
Shipments			
Copper	11,856	14,699	(2,843)
Zinc	15,057	16,216	(1,159)
	26,913	30,915	(4,002)

In addition, AMAK faced operational issues including mechanical issues and water shortage which caused the plant run time to decrease to 64% versus the 80+% which has been the norm over the first 18 months of operation. The water issues have been largely resolved with the addition of more wells, purchases of supplemental water via truck from nearby sources, and the addition of a dam and holding area in a nearby drainage area. The mechanical problems, while a continued concern due to the remote location and lack of expertise within the country, are being addressed with the identification and stocking of critical spares and a change of management staff.

During 2014 AMAK hired a new CEO (who is a US citizen), a new mining engineer (who is a Canadian citizen), and a new mill manager (who is an Australian citizen). Individuals previously in those positions did a creditable job in starting up the facility and getting it to the point of production. However, the AMAK Board felt that for AMAK to advance to a consistent and profitable operation, a different set of skills was needed. AMAK incurred expenses to transition the new and old personnel.

Finally, in an area in which AMAK has no control, average metal prices were softer for the period and affected AMAK's financial results. While copper prices may continue to be volatile, zinc prices are predicted to be stronger as time passes this year and next.

Improvements are expected over the last half of 2014. Our expectation for better performance is based upon the activation of the precious metal circuit scheduled for October 2014; improved recoveries and product quality based upon better process control and improvements being installed in the mill equipment; an ore blending program which has been initiated and will help the product quality and production levels: and beginning in November 2014 a favorably revised and amended contract with the Chinese company who supplies the labor and many of the chemicals for the mill operation.

Capital Expenditures

Capital Expenditures increased 31.3% during the first half of 2014 from 2013 primarily due to preparations for D-Train expansion, expanding the sales loading rack and various other improvements.

Contractual Obligations

The table below summarizes the following contractual obligations (in thousands) of the Company:

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Lease Obligations	$ 5,781	$ 1,821	$ 2,764	$ 738	$ 458
Long-Term Debt Obligations	9,539	1,400	2,800	5,339	-
Total	$ 15,320	$ 3,221	$ 5,564	$ 6,077	$ 458

Guarantee of Saudi Industrial Development Fund ("SIDF") Loan to AMAK

As discussed in Note 15 to the consolidated financial statements, as a condition of the Loan from the SIDF in the principal amount of 330.0 million SR (US$88.0 million) to AMAK, we were required to execute a Guarantee of up to 41% of the Loan. The decision to provide a limited corporate guarantee in favor of AMAK was difficult as we considered numerous facts and circumstances. One of the factors considered was that without the US$88.0 million from the SIDF, construction activity on the project would likely have ceased. Another factor considered was that prior to making a firm commitment regarding funding, the SIDF performed its own exhaustive due diligence of the project and obviously reached the conclusion that the project is viable and capable of servicing the debt. Yet another factor considered was our ability to reach agreement with various AMAK Saudi shareholders whereby they agreed to use best efforts to have their personal guarantees stand ahead of and pay required payments to SIDF before our corporate guarantee. Finally, we researched numerous loans made by the SIDF to others and were unable to find a single instance where the SIDF actually called a guarantee or foreclosed on a project. Based on the above, we determined that it was in the best interest of the Company and its shareholders to provide the limited corporate guarantee to facilitate completion of the mining project in a timely manner. We also determined that the stand-in-front agreement in conjunction with the actual value of plant and equipment on the ground should act in concert to minimize any exposure arising from the corporate guarantee. The total amount outstanding to the SIDF at June 30, 2014, was 269.8 million Saudi Riyals (US$71.9 million).

Critical Accounting Policies and Estimates

Our critical accounting policies are more fully described in Note 2 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2013. The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period reported. By their nature, these estimates, assumptions and judgments are subject to an inherent degree of uncertainty. We base our estimates, assumptions and judgments on historical experience, market trends and other factors that are believed to be reasonable under the circumstances. Estimates, assumptions and judgments are reviewed on an ongoing basis and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Actual results may differ from these estimates under different assumptions or conditions. Our critical accounting policies have been discussed with the Audit Committee of the Board of Directors. We believe there have been no material changes to our critical accounting policies and estimates compared to those discussed in our Annual Report on Form 10-K for the year ended December 31, 2013.

Recent and New Accounting Standards

See Note 2 to the Consolidated Financial Statements for a summary of recent accounting guidance.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Derivative Instrument Risk

Refer to Note 8 on page 9 of this Form 10-Q.

Interest Rate Risk

Refer to Note 8 on page 9 of this Form 10-Q.

Except as noted above, there have been no material changes in the Company's exposure to market risk from the disclosure included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Evaluation of disclosure controls and procedures. Our chief executive officer and chief financial officer, with the participation of management, have evaluated the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934) and determined that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in internal control. There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2014, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None other than the pending claims and lawsuits as discussed in Note 15 to the consolidated financial statements.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

ITEM 6. EXHIBITS.

The following documents are filed or incorporated by reference as exhibits to this Report. Exhibits marked with an asterisk (*) are management contracts or a compensatory plan, contract or arrangement.

Exhibit Number	Description
3(a)	- Certificate of Incorporation of the Company as amended through the Certificate of Amendment filed with the Delaware Secretary of State on May 22, 2014
3(b)	- Restated Bylaws of the Company dated August 1, 2014
10(a)*	- Retirement Awards Program dated January 15, 2008 between Arabian American Development Company and Hatem El Khalidi (incorporated by reference to Exhibit 10(h) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 (file No. 001-33926))

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Exhibit Number	Description
10(b)*	- Arabian American Development Company Stock and Incentive Plan adopted April 3, 2012 (incorporated by reference to Exhibit A to the Company's Form DEF 14A filed April 25, 2012 (file No. 001-33926))
10(c)	- Articles of Association of Al Masane Al Kobra Mining Company, dated July 10, 2006 (incorporated by reference to Exhibit 10(m) to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 (file No. 001-33926))
10(d)	- Bylaws of Al Masane Al Kobra Mining Company (incorporated by reference to Exhibit 10(n) to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 (file No. 001-33926))
10(e)	- Letter Agreement dated August 5, 2009, between Arabian American Development Company and the other Al Masane Al Kobra Company shareholders named therein (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on August 27, 2009 (file No. 001-33926))
10(f)	- Limited Guarantee dated October 24, 2010, between Arabian American Development Company and the Saudi Industrial Development Fund (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on October 27, 2010 (file No. 001-33926))
10(g)	- Fourteenth Amendment to Credit Agreement dated July 10, 2014, between South Hampton Resources, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 99.1 to the Company's Form 8-K filed on July 16, 2014 (file No. 001-33926))
31.1	- Certification of Chief Executive Officer pursuant to Rule 13A-14(A) of the Securities Exchange Act of 1934
31.2	- Certification of Chief Financial Officer pursuant to Rule 13A-14(A) of the Securities Exchange Act of 1934
32.1	- Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	- Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	- XBRL Instance Document
101.SCH	- XBRL Taxonomy Schema Document
101.CAL	- XBRL Taxonomy Calculation Linkbase Document
101.LAB	- XBRL Taxonomy Label Linkbase Document
101.PRE	- XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	- XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: August 6, 2014 TRECORA RESOURCES
(Registrant)

By: /s/Connie Cook
Connie Cook
Chief Financial Officer

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RESTATED AND AMENDED
CERTIFICATE OF INCORPORATION
OF
TRECORA RESOURCES
As of May 22, 2014
****

FIRST. The name of the corporation is

TRECORA RESOURCES

SECOND. Its principal office in the State of Delaware is located at No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name and address of its resident agent is The Corporation Trust Company, No. 100 West Tenth Street, Wilmington Delaware.

THIRD. The nature of the business, or objects or purposes to be transacted, promoted or carried on are:

To carry on the business of purchasing or otherwise acquiring, owning, holding, investing or dealing in, administering, managing, operating, and selling, mortgaging, pleading, hypothecating or otherwise disposing of, petroleum, oil, gas, or mineral lands, properties, rights, royalties, or leases, or fractional interests therein.

To buy, exchange, contract for, lease and in any and all other ways, acquire, take, hold, and own, and to deal in, sell, mortgage, lease or otherwise dispose of lands, claims, mineral rights, oil wells, gas wells, oil lands, gas lands and other real and personal property, and rights and interests therein and thereto and in and to other real and personal properties, both for its own account and as agent, operator or manager for the account of others, and to manage, operate, maintain, improve, and develop the said properties, and each and all of them.

To enter into, maintain, operate or carry on in all its branches the business of exploring, drilling and mining for, extracting, producing, refining, treating, distilling, manufacturing, handling and dealing in, any buying and selling, petroleum, oil, gas, coal and any and all other mineral and hydrocarbon substances, and any and all products or by-products which may be derived from said substances or any of them; and for such or any of such purposes to buy, exchange, contract for, lease and in any and all other ways to acquire, take, hold and own, and to sell, mortgage, lease and otherwise dispose of, and to construct, manage, maintain, deal in and operate plants, refineries, pipeline, gathering systems, tanks, tank cars, trucks, machinery and equipment of every kind, character and description and otherwise to deal in, operate, establish, promote, carry on, conduct and manage any and all other property and appliances that may in any wise be deemed advisable in connection with the business of the corporation or any branch thereof, or that may be deemed convenient at any time by the Board of Directors of the corporation.

To enter into, maintain, operate or carry on in all of its branches anywhere in the world the business of exploring, drilling and mining for, extracting, producing, refining, treating, processing and distilling ores, metals and other minerals, liquid, gaseous, or solid, and manufacturing, handling and dealing in, and buying and selling, such ores, metals and minerals, and any and all mineral substances, and any and all products or by-products which may be derived from such substances; to buy, lease or in any way acquire, take, hold, own, develop, exploit and deal in lands, concessions, franchises and mineral rights anywhere in the world.

To manufacture, purchase or otherwise acquire, invest in, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with goods, wares and merchandise and personal property of every class and description.

To acquire, and pay for in cash, stocks or bonds of the corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities of any person, firm, association or corporation.

To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trade-marks and trade names, relating to or useful in connection with any business of this corporation.

To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, scrip, warrants, rights, bonds, debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness or interest issued or created by any corporations, joint stock companies, syndicates, associations, firms, trusts or persons, public or private, or by the government of the United States of America, or by any foreign government, or by any state, territory, province, municipality or other political subdivision or by any governmental agency, and as owner thereof to possess and exercise all the rights, powers and privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

To enter into, make and perform contracts of every kind and description with any person, firm, association, corporation, municipality, county, state, body politic or government or colony or dependency thereof.

To borrow or raise moneys for any of the purposes of the corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes.

To loan to any person, firm or corporation any of its surplus funds, either with or without security.

To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law, and provided further that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

To have one or more offices, to carry on all or any of its operations and business and without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey or otherwise dispose of, real and personal property of every class and description in any of the states, districts, territories or colonies of the United States, and in any and all foreign countries, subject to the laws of such state, district, territory, colony or country.

In general, to carry on any other business in connection with the foregoing, and to have and exercise all the powers conferred by the laws of Delaware upon corporations formed under the General Corporation Law of the State of Delaware, and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

The objects and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this certificate of incorporation, but the objects and purposes specified in each of the foregoing clauses of this article shall be regarded as independent objects and purposes.

FOURTH. The total number of shares of stock which the corporation shall have authority to issue is forty million (40,000,000) and the par value of each such shares is Ten Cents ($.10) amounting in the aggregate to Four Million Dollars ($4,000,000).

Unless otherwise determined by the board of directors, no holder of stock of the corporation shall, as such holder, have any right to purchase or subscribe for any stock of any class which the corporation may issue or sell, whether or not exchangeable for any stock of the corporation or any class or classes and whether out of unissued shares authorized by the certificate of incorporation as originally filed or by any amendment thereof or out of shares of stock of the corporation acquired by it after the issue thereof; nor, unless otherwise determined by the board of directors, shall any holder of any shares of the capital stock of the corporation, as such holder, have any right to purchase or subscribe for any obligation which the corporation may issue or sell that shall be convertible into, or exchangeable for, any shares of the stock of the corporation of any class or classes, or to which shall be attached or appurtenant any warrant or warrants or other instrument or instruments that shall confer upon the holder or holders of such obligation the right to subscribe for or purchase from the corporation any shares of its capital stock of any class or classes.

FIFTH. The minimum amount of capital with which the corporation will commence business is One Thousand Dollars ($1,000).

SIXTH. The names and places of residence of the incorporators are as follows:

NAMES	RESIDENCES
B. J. Consono	Wilmington, Delaware
F. J. Obara, Jr.	Wilmington, Delaware
A. D. Grier	Wilmington, Delaware

SEVENTH. The corporation is to have perpetual existence.

EIGHTH. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

NINTH. In furtherance and not in limitation of the powers conferred by statue, the board of directors is expressly authorized:

To make, alter or repeal the by-laws of the corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the corporation.

To set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

By resolution passed by a majority of the whole board, to designate one or more committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in the resolution or in the by-laws of the corporation, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the by-laws of the corporation or as may be determined from time to time by resolution adopted by the board of directors.

When and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding, to sell, lease or exchange all of the property and assets of the corporation, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may be in whole or in part shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the corporation.

TENTH. Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of section 279 of

Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

ELEVENTH. Meetings of stockholders may be held outside the State of Delaware, if the by-laws so provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation. Elections of directors need not be by ballot unless the by-laws of the corporation shall so provide.

TWELFTH. The corporation reserves the right to amend, alter, change or repeal any prevision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

THIRTEENTH. To the full extent permitted by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended, a director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. No repeal, amendment or modification of this article, whether direct or indirect, shall eliminate or reduce its effect with respect to any act or omission of a director of the corporation occurring prior to such repeal, amendment or modification.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this 4th day of May, A.D. 1967.

/s/ B. J. Consono (SEAL)
/s/ F. J. Obara, Jr. (SEAL)
/s/ A. D. Grier (SEAL)

STATE OF DELAWARE §
§ ss:
COUNTY OF NEW CASTLE §

BE IT REMEMBERED that on this 4th day of May, A.D. 1967, personally came before me, a Notary Public for the State of Delaware, B. J. Consono, F. J. Obara, Jr. and A. D. Grier, all of the parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledge the said certificate to be the act and deed of the signers respectively and that the facts therein stated are truly set forth.

GIVEN under my hand and seal of office the day and year aforesaid.

/s/ Notary Public
Notary Public

AMENDED and RESTATED

BY-LAWS

of

TRECORA RESOURCES

ARTICLE I

OFFICES

Section 1. The principal office shall be in the City of Wilmington, County of New Castle, State of Delaware, and the name of the resident agent in charge thereof is The Corporation Trust Company.

Section 2. The Corporation may also have offices at such other places both within and without the State Of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders may be held on such date and at such time and place, within or outside of the State of Delaware, as may be fixed by the Board of Directors and stated in the notice of meeting. Except as otherwise proved by statute, written notice of the date, time, place and purpose or purposes of every meeting of the stockholders shall be given not less than ten nor more than sixty days before the date of the meeting, either personally or by mail at such address as appears on the books of the Corporation, to each stockholder of record entitled to vote at the meeting.

Section 2. An annual meeting of stockholders shall be held on a date not more than thirteen months after the date on which the last annual meeting of stockholders was held, and at which they shall elect Directors by a plurality vote and transact such other business as may properly be brought before the meeting.

Section 3. At least ten days before every election of Directors, a complete list of the stockholders entitled to vote at said election, arranged in alphabetical order, with the residence of each and the number of voting shares held by each, shall be prepared by the Secretary. Such list shall be open at the place where the election is to be held for said ten days, to the examination of any stockholder, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

Section 4. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the President, the Board of Directors, the Chairman of the Board of Directors, and shall be called by the President or Secretary at the request in writing of stockholders owning a majority in amount of the entire capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Business transacted at all special meetings shall be confined to the purposes specified in the notice.

Section 6. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute, by the Certificate of Incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at a meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. When a quorum is present at any meeting, the vote of the holders of a majority of the stock, having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the Certificate of Incorporation or of these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 8. At any meeting of the stockholders every stockholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such stockholder and bearing a date not more than three years prior to said meeting, unless said instrument provides for a longer period. Each stockholder shall have one vote for each share of stock having voting power, registered in his name on the books of the Corporation. Except where the transfer books of the Corporation shall have been closed or a date shall have been fixed as a record date for the determination of its stockholders entitled to vote, no share of stock shall be voted on at any election of Directors which shall have been transferred on the books of the Corporation within twenty days preceding such election of Directors.

Section 9. Whenever the vote of stockholders at meeting thereof is required or permitted to be taken in connection with any corporate action by any provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, the meeting and vote of stockholders may be dispensed with, if all the stockholders who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such corporate action being taken.

ARTICLE III
DIRECTORS

Section 1. The number of Directors of the Corporation shall be determined from time to time by the Board of Directors but shall not be less than four. The Directors shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as determined by the Board of Directors, one class to be elected for a term expiring at the annual meeting of stockholders to be held in 2008, another class to be elected for a term expiring at the annual meeting of stockholders to be held in 2009, and another class to be elected for a term expiring at the annual meeting of stockholders to be held in 2010, with each class to hold office until its successor is elected and qualified, except as provided in Section 2 of this Article. At each annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of the stockholders held in the third year following the year of their election.

Section 2. If any vacancies occur in the Board of Directors caused by death, resignation, retirement, disqualification or removal from office of any Directors or otherwise, or any new directorship is created by any increase in the authorized number of Directors, a majority of the Directors then in office, though less than a quorum, may choose a successor or successors to fill the newly created directorship and the Directors so chosen shall hold office until the next annual meeting of the stockholders and shall stand for election for the balance of his term at that meeting, unless his term expires at such annual meeting.

Section 3. The property and business of the Corporation shall be managed by its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 4. Any Director may be removed at any time, with or without cause, by the affirmative vote of the holders of a majority of the stock having voting power.

MEETINGS OF THE BOARD

Section 5. The Directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Delaware.

Section 6. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 7. Special meetings of the Board may be called by the President on two days' notice to each Director, either personally or by mail, electronic mail, telephone or facsimile transmission; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two Directors.

Section 8. At all meetings of the Board the presence of not less than one-third of the total number of the Board nor less than two Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate or Incorporation or by these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. A statement in writing, signed by all members of the Board of Directors shall be deemed to be action by the Board to the effect therein expressed, and it shall be the duty of the Secretary to record such statement in the minute books of the Corporation under its proper date.

COMMITTEES OF DIRECTORS

Section 10. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the Directors of the Corporation, which, to the extent provided in said resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

Section 11. Unless the Chairman of the Corporation directs otherwise, the committees shall not be required to keep minutes of their discussions except on matters which said committees refer to the Board of Directors for action.

COMPENSATION OF DIRECTORS

Section 12. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board a fixed sum and expenses of attendance, if any may be allowed for attendance at each regular or special meeting of the Board; provided that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV
NOTICES

Section 1. Whenever under the provisions of the statutes or of the Certificate of Incorporation or of these By-Laws, notice is required to be given to any Director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such Director or stockholder at such address as appears on the books of the Corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation, or of these By-Laws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V
OFFICERS

Section 1. The officers of the Corporation shall be chosen by the Directors and shall be chairman of the board, chairman of the executive committee, president, a vice-president, a secretary and a treasurer. The Board of Directors may also choose additional vice-presidents and one or more assistant secretaries and assistant treasurers. Two or more offices may be held by the same person, except that where the offices of president and secretary are held by the same person, such person shall not hold any other office.

Section 2. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a president from its members, and shall choose one or more vice-presidents, a secretary and a treasurer, none of whom need be a member of the Board.

Section 3. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such power and perform such duties as shall be determined from time to time by the Board.

Section 4. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 5. The officers of the Corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 6. The officers of the Corporation shall have such powers and duties in the management of the business and affairs of the Corporation, subject to the control of the Board of Directors, as generally pertain to their respective offices, as well as such powers and duties as from time to time may be prescribed by the Board of Directors.

Section 7. In the absence of any officer or for any other reason which may seem sufficient to them, the Board of Directors may delegate all or any of the powers and duties of any officer to any other officer.

ARTICLE VI
CERTIFICATES OF STOCK

Section 1. The certificates of stock of the Corporation shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary.

LOST CERTIFICATES

Section 2. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give, the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to alleged to have been lost or destroyed.

TRANSFERS OF STOCK

Section 3. Upon surrender to the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfers it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

CLOSING OF TRANSFER BOOKS

Section 4. The Board of Directors may close the stock transfer books of the Corporation for a period not exceeding fifty days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding fifty days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date, not exceeding fifty days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

REGISTERED STOCKHOLDERS

Section 5. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

GENERAL PROVISIONS

Section 1. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board, of Directors may from time to time designate.

FISCAL YEAR

Section 2. The fiscal year of the Corporation shall begin on the first day of January in each year.

SEAL

Section 3. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII
INDEMNIFICATION

The Corporation shall indemnify, defend and hold harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, investigative, or other, including appeals, by reason of the fact that he is or was a director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer or employee of any corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including costs and attorneys' fees), judgments, fines, penalties, excise taxes, and amounts paid or to be paid in settlement which may be reasonably incurred or paid by such person in connection with such action (and where it is in the interest of the Corporation that such settlement be made), suit or proceeding, or any appeal therein. In cases where such action, suit or proceeding shall proceed to final adjudication, such indemnification shall not extend to matters as to which it shall be adjudged that such director, officer or employee is liable for negligence or misconduct in the performance of his duties to the Corporation. The right of indemnification herein provided for shall not be exclusive of other rights to which any director, officer or employee may now or hereafter be entitled, shall continue as to a person who has ceased to be such director, officer or employee, and shall inure to the benefit of the heirs, executors and administrators of a director, officer or employee. The Board of Directors shall determine the propriety of the expenses (including attorneys' fees) incurred by any person who claims indemnity hereunder, and such determination shall be final and conclusive. None of the provisions hereof shall be construed as a limitation upon the right of the Corporation to exercise its general power to enter into a contract or undertaking of indemnity with any director, officer or employee in any proper case not provided for herein.

ARTICLE IX
AMENDMENTS

These By-Laws may be altered or repealed at any regular meeting of the stockholders or at any special meeting of the stockholders at which a quorum is present or represented, provided notice of the proposed alteration or repeal be contained in the notice of such special meeting, by the affirmative vote of a majority of the stock entitled to vote at such meeting and present or represented thereat, or by the affirmative vote of a majority of the Board of Directors at any regular meeting of the Board or at any special meeting of the Board if notice of the proposed alteration or repeal be contained in the notice of such special meeting.

APPROVED AND ACCEPTED this 1st day of August 2014.

/s/ Gary Adams Gary Adams, Director	/s/ Nicholas N. Carter Nicholas N. Carter, Director
/s/ J. R. Townsend J. R. Townsend, Director	/s/ Simon Upfill-Brown Simon Upfill-Brown, Director
/s/ Joe Palm Joe Palm, Director	/s/ A. P. McKee A. P. McKee, Director

EXHIBIT 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a – 14(a)/15d-14(a)

I, Nicholas Carter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trecora Resources;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2014 /s/ Nicholas Carter
Nicholas Carter
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULE 13a – 14(a)/15d-14(a)

I, Connie Cook, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trecora Resources;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the consolidated financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonable likely to materially affect, the registrant’s internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's independent registered public accounting firm and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2014 /s/ Connie Cook
Connie Cook
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18. U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Trecora Resources (the "Company") on Form 10-Q for the period ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nicholas Carter, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas Carter
Nicholas Carter
President and Chief Executive Officer

August 6, 2014

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18. U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Trecora Resources (the "Company") on Form 10-Q for the period ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Connie Cook, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Connie Cook
Connie Cook
Chief Financial Officer

August 6, 2014