UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2004

COMMISSION FILE NUMBER 0-6247

ARABIAN AMERICAN DEVELOPMENT COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	75-1256622 (I.R.S. employer identification no.)
10830 NORTH CENTRAL EXPRESSWAY, SUITE 175 DALLAS, TEXAS (Address of principal executive offices)	75231 (Zip code)
Registrant's telephone number, including area code:	(214) 692-7872

Former name, former address and former fiscal year, if changed since last report.
NONE

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 is an accelerated filer (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 March 31, 2004: 22,731,994.

ARABIAN AMERICAN DEVELOPMENT COMPANY AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

<S>	MARCH 31, 2004 (UNAUDITED) <C>	DECEMBER 31, 2003 <C>
ASSETS		
CURRENT ASSETS		
Cash	$ 295,028	$ 177,716
Trade Receivables, Net	3,128,670	2,810,858
Inventories	1,041,667	656,481
Total Current Assets	4,465,365	3,645,055
REFINERY PLANT, PIPELINE AND EQUIPMENT	18,538,412	18,406,665
Less: Accumulated Depreciation	(9,987,699)	(9,659,837)
Net Plant, Pipeline and Equipment	8,550,713	8,746,828
AL MASANE PROJECT	36,323,467	36,165,120
OTHER INTERESTS IN SAUDI ARABIA	2,431,248	2,431,248
MINERAL PROPERTIES IN THE UNITED STATES	1,211,049	1,211,674
OTHER ASSETS	811,075	472,572
TOTAL ASSETS	$ 53,792,917	$ 52,672,497
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 9,321,948	$ 7,587,963
Accrued Interest	3,703,555	3,467,657
Accrued Liabilities	911,881	832,236
Accrued Liabilities in Saudi Arabia	2,765,913	2,671,840
Notes Payable	11,025,833	11,025,780
Notes Payable to Stockholders	718,000	718,000

Current Portion of Long-Term Debt	3,187,725	3,169,821
Total Current Liabilities	31,634,855	29,473,297
DEFERRED REVENUE	150,838	166,543
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	832,472	834,956
STOCKHOLDERS' EQUITY		
COMMON STOCK-authorized 40,000,000 shares of $.10 par value; issued and outstanding, 22,431,994 shares in 2004 and 2003	2,243,199	2,243,199
ADDITIONAL PAID-IN CAPITAL	36,512,206	36,512,206
ACCUMULATED DEFICIT	(17,580,653)	(16,557,704)
Total Stockholders' Equity	21,174,752	22,197,701
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 53,792,917	$ 52,672,497

</TABLE>

See notes to consolidated financial statements.

ARABIAN AMERICAN DEVELOPMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31	
	2004	2003
<S>	<C>	<C>
REVENUES		
Refined Product Sales	$ 10,109,715	$ 7,818,643
Processing Fees	805,872	1,081,192
	10,915,587	8,899,835
OPERATING COSTS AND EXPENSES		
Cost of Refined Product Sales and Processing	10,263,926	8,472,397
General and Administrative	958,864	957,148
Depreciation	333,647	342,855
	11,556,437	9,772,400
OPERATING LOSS	(640,850)	(872,565)
OTHER INCOME (EXPENSE)		
Interest Income	7,388	8,612
Interest Expense	(397,770)	(367,545)
Minority Interest	2,484	1,880
Foreign Exchange Transaction Loss	(24,143)	(119,654)
Miscellaneous Income	29,942	28,959
	(382,099)	(447,748)
NET LOSS BEFORE INCOME TAXES	$ (1,022,949)	$ (1,320,313)
INCOME TAX EXPENSE	--	--
NET LOSS	$ (1,022,949)	$ (1,320,313)
Basic and Diluted Net Loss per Common Share	$ (0.05)	$ (0.06)
Basic and Diluted Weighted Average Number of Common Shares Outstanding	22,731,994	22,731,994

</TABLE>

See notes to consolidated financial statements.

ARABIAN AMERICAN DEVELOPMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2004

<TABLE>
<CAPTION>

	COMMON STOCK		ADDITIONAL		
	SHARES	AMOUNT	PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
DECEMBER 31, 2003	22,431,994	$2,243,199	$36,512,206	$(16,557,704)	$22,197,701

Net Loss	--	--	--	(1,022,949)	(1,022,949)
MARCH 31, 2004	22,431,994	$2,243,199	$36,512,206	$(17,580,653)	$21,174,752

</TABLE>

See notes to consolidated financial statements.

ARABIAN AMERICAN DEVELOPMENT COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31	
	2004	2003
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net Loss	$(1,022,949)	$(1,320,313)
Adjustments to Reconcile Net Loss		
To Net Cash Provided by Operating Activities:		
Depreciation	333,647	342,855
(Decrease) Increase in Deferred Revenue	(15,705)	19,215
Unrealized Gain on Feedstock Swap Agreements	(280,182)	--
Changes in Operating Assets and Liabilities:		
Increase in Trade Receivables	(317,812)	(142,118)
Decrease (Increase) in Inventories	(385,186)	104,879
Decrease (Increase) in Other Assets	(58,321)	56,237
Increase in Accounts Payable and Accrued Liabilities	1,813,630	764,501
Increase in Accrued Interest	235,898	310,851
Increase in Accrued Liabilities in Saudi Arabia	94,073	32,341
Other	(8,269)	(1,879)
NET CASH PROVIDED BY OPERATING ACTIVITIES	388,824	166,569
INVESTING ACTIVITIES		
Additions to Al Masane Project	(158,347)	(68,347)
Additions to Refinery Plant, Pipeline and Equipment	(131,747)	(35,649)
(Additions to) Reduction in Mineral Properties in the United States	625	(278)
NET CASH USED IN INVESTING ACTIVITIES	(289,469)	(104,274)
FINANCING ACTIVITIES		
Additions to Notes Payable and Long-Term Obligations	17,957	--
Reduction of Notes Payable and Long-Term Obligations	--	(179,727)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	17,957	(179,727)
NET INCREASE (DECREASE) IN CASH	117,312	(117,432)
CASH AT BEGINNING OF PERIOD	177,716	319,171
CASH AT END OF PERIOD	$ 295,028	$ 201,739

</TABLE>

See notes to consolidated financial statements.

ARABIAN AMERICAN DEVELOPMENT COMPANY AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

The consolidated financial statements reflect all adjustments (consisting only of normal and recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of Arabian American Development Company and Subsidiaries financial position and operating results for the interim period. Interim period results are not necessarily indicative of the results for the calendar year. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information in the Company's December 31, 2003 Annual Report on Form 10-K.

These financial statements include the accounts of Arabian American Development Company (the "Company") and its wholly-owned subsidiary, American Shield Refining Company (the "Refining Company"), which owns all of the capital stock of Texas Oil and Chemical Company II, Inc. ("TOCCO"). TOCCO owns all of the capital stock of South Hampton Refining Company ("South Hampton"), and approximately 93% of the capital stock of Productos Quimicos Coin, S.A. de. C.V. ("Coin"), a specialty petrochemical products refining company located near Veracruz, Mexico. South Hampton owns all of the capital stock of Gulf State Pipe Line Company, Inc. ("Gulf State"). The Company also owns approximately 51% of the capital stock of a Nevada mining company, Pioche-Ely Valley Mines, Inc. ("Pioche"), which does not conduct any substantial business activity. The Refining Company and its subsidiaries constitute the Company's Specialty Petrochemicals or Refining Segment. Pioche and the Company's mineral properties in Saudi Arabia constitute its Mining Segment.

2. INVENTORIES

Inventories include the following:

<TABLE>
<CAPTION>

	MARCH 31, 2004	DECEMBER 31, 2003
<S>	<C>	<C>
Refined products	$1,041,667	$ 656,481

</TABLE>

Inventories are recorded at the lower of cost, determined on the last-in, first-out method (LIFO), or market. At March 31, 2004, current cost exceeded LIFO value by approximately $326,000. At December 31, 2003, current cost exceeded the LIFO value by approximately $256,000.

3. NET INCOME (LOSS) PER COMMON SHARE

The following table (in thousands, except per share amounts) sets forth the computation of basic and diluted net income (loss) per share for the three months ended March 31, 2004 and 2003, respectively.

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,	
	2004	2003
<S>	<C>	<C>
Net Loss	$ (1,023)	$ (1,320)
Weighted Average Shares Outstanding:		
Basic and Diluted	22,732	22,732
Net Loss Per Share:		
Basic and Diluted	$ (0.05)	$ (0.06)

</TABLE>

In the three months ended March 31, 2004 and 2003, options for 445,000 shares and 810,000, respectively were excluded from diluted shares outstanding because their effect was antidilutive.

4. SEGMENT INFORMATION

As discussed in Note 1, the Company has two business segments. The Company measures segment profit or loss as operating income (loss), which represents income (loss) before interest, minority interest, miscellaneous income and foreign exchange transaction gain or loss. Information on the segments is as follows:

<TABLE>
<CAPTION>

THREE MONTHS ENDED MARCH 31, 2004	REFINING	MINING	TOTAL
<S>	<C>	<C>	<C>
Revenue from external customers	$ 10,915,587	$ --	$ 10,915,587
Depreciation	333,545	102	333,647
Operating loss	(463,413)	(177,437)	(640,850)
Total assets	$ 13,766,707	$ 40,026,210	$ 53,792,917

</TABLE>

<TABLE>
<CAPTION>

THREE MONTHS ENDED MARCH 31, 2003	REFINING	MINING	TOTAL
<S>	<C>	<C>	<C>
Revenue from external customers	$ 8,899,835	$ --	$ 8,899,835
Depreciation	342,381	474	342,855
Operating loss	(758,587)	(113,978)	(872,565)
Total assets	$ 15,644,687	$ 39,601,110	$ 55,245,797

</TABLE>

Information regarding foreign operations for the three months ended March 31, 2004 and 2003 follows (in thousands). Revenues are attributed to countries based upon the origination of the transaction.

<TABLE>
<CAPTION>

THREE MONTHS ENDED

	MARCH 31,	
	2004	2003
<S>	<C>	<C>
REVENUES		
United States	$ 10,624	$ 8,712
Mexico	292	188
Saudi Arabia	--	--
	$ 10,916	$ 8,900
LONG-LIVED ASSETS		
United States	$ 5,282	$ 6,398
Mexico	4,479	4,841
Saudi Arabia	38,755	38,318
	$ 48,516	$ 49,557

</TABLE>

5. LEGAL PROCEEDINGS

South Hampton, together with several other companies, is presently a defendant in four lawsuits filed by former employees of South Hampton and other refineries. The suits primarily claim illness and disease resulting from alleged exposure to chemicals, including benzene, butadiene and/or isoprene, during their employment. The plaintiffs claim the defendant companies engaged in the business of manufacturing, selling and/or distributing these chemicals in a manner which subjected them to liability for unspecified actual and punitive damages. A motion for a summary judgment was granted to South Hampton in October 2003 for a previous lawsuit. South Hampton is vigorously defending itself against these claims and believes it has adequate insurance coverage to protect it financially from any damage awards that might be incurred.

In addition, South Hampton is a defendant in a lawsuit filed in September 2001 alleging that the plaintiff became ill from exposure to asbestos while employed by South Hampton from 1961 through 1975. Mediation occurred during 2003 in which the plaintiff made a financial offer of $200,000. South Hampton counter-offered a structured settlement of $90,000. To date, the plaintiff has not accepted or rejected the counter-offer or withdrawn their $200,000 settlement offer. A new trial date has been set for September 2004. South Hampton has named additional parties in the case. It is uncertain at this time if the case will reach trial as the other parties have requested a change of venue. The consolidated financial statements do not include any amounts related to this case.

In August 1997, the Texas Commission on Environmental Quality ("TCEQ") notified South Hampton that it had violated various rules and procedures. It proposed administrative penalties totaling $709,408 and recommended that South Hampton undertake certain actions necessary to bring its refinery operations into compliance. The violations generally relate to various air and water quality issues. Appropriate modifications have been made by South Hampton where it appeared there were legitimate concerns.

On February 2, 2000, the TCEQ amended its pending administrative enforcement action against South Hampton to add allegations dating through May 21, 1998 of 35 regulatory violations relating to air quality control and industrial solid waste requirements. The TCEQ proposed that administrative penalties be increased to approximately $765,000 and that certain corrective actions be taken. On December 13, 2001, the TCEQ notified South Hampton that it found several violations of its rules during a record review in October 2001 and proposed a settlement for $59,375. South Hampton settled this particular claim in April 2002 for approximately $5,900.

On April 11, 2003, the TCEQ reduced the penalties to approximately $690,000. On May 25, 2003, a settlement hearing with the TCEQ was held and additional information was submitted to the TCEQ on June 2, October 2 and November 4, 2003. South Hampton believes the original proposed penalties and the additional allegations are greatly overstated and intends to continue to vigorously defend itself against these allegations, the proposed penalties and proposed corrective actions. Management believes the penalties will be settled for amounts less than those proposed. Management has accrued an estimate for a proposed settlement. There are no assurances that the amounts settled will not be different than the amounts accrued. Negotiations between South Hampton and the TCEQ are expected to continue in order to reach a final settlement.

On February 23, 2004, by court order, a creditor was awarded Coin's plant facilities as a result of a mortgage foreclosure proceeding. See Note 8.

6. LONG-TERM DEBT

The Company has an interest-free loan of $11,000,000 from the Saudi Arabia Ministry of Finance and National Economy, the proceeds of which were used to finance the development phase of the Al Masane Project. The loan was repayable in ten equal annual installments of $1,100,000, with the initial installment payable on December 31, 1984. None of the ten scheduled payments have been made. Pursuant to the mining lease agreement covering the Al Masane Project, the Company intends to repay the loan in accordance with a repayment schedule to be agreed upon with the Saudi Arabian government from its share of cash flows. An agreement has not yet been reached regarding either the rescheduling or source of these payments. The loan is collateralized by all of the Company's "movable and immovable" assets in Saudi Arabia.

South Hampton entered into a $3.25 million revolving credit agreement with a bank in September 1999, which terminated on June 15, 2003. On July 29, 2003 a Purchase and Sale Agreement was negotiated with the same bank whereby the bank will purchase the accounts receivable of South Hampton at a 15% discount. The discounted amount is returned to South Hampton, less fees, when the invoice is collected. Under this factoring agreement, the bank has agreed to purchase up to $4.5 million of invoices. The initial proceeds of the agreement were used to retire the revolving credit agreement in 2003. Management expects the fees and interest charged by the bank in this arrangement will equate to an effective interest rate of approximately 9.0%. At March 31, 2004, approximately $2,642,000 of receivables had been sold and, due to the revolving nature of the agreement, also remained outstanding. The agreement imposes limitations on dividends payable to the Company by South Hampton. At March 31, 2004, South Hampton was in compliance with these limitations.

In connection with the acquisition of the common stock of Coin, South Hampton and Gulf State entered into a $3.5 million loan agreement with a commercial lending company in December 1999 that was collateralized by a first security interest in all of their assets, except those pledged to the bank under the revolving credit agreement mentioned in the preceding paragraph. The loan was paid in full in 2003.

At March 31, 2004, Coin had two loans payable to Mexican banks in the outstanding principal amounts of $1,143,629 and $2,044,096. The first loan is payable in monthly payments through October 2004 and the second loan is payable in quarterly payments through March 2007. The first loan bears interest at 5% and the second loan bears interest at the LIBOR rate plus seven points (LIBOR was 1.09% at March 31, 2004). Both loans are collateralized by all of the assets of Coin, including the

plant located near Veracruz. At March 31, 2004, Coin was in default of the loan covenants under both loans as a result of not having made its monthly and quarterly payments. As a result, the loans are classified as current in the financial statements. Unpaid interest and penalty interest of $764,453 and $2,136,106, respectively, are included in accrued interest at March 31, 2004. As discussed in Notes 5 and 8, the creditor of the first loan initiated a mortgage foreclosure proceeding that resulted in a court ordered public auction of the plant facilities on February 23, 2004.

7. DERIVATIVE INSTRUMENTS

Statement of Financial Accounting Standard (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS Nos. 138 and 149, establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative instrument's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative instrument's gains and losses to offset related results on the hedged item in the income statement, to the extent effective, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. SFAS No. 133, as amended, was adopted by the Company on January 1, 2001 and SFAS No. 149 was adopted on June 30, 2003.

South Hampton periodically enters into financial instruments to hedge the cost of natural gasoline, the primary source of feedstock, and natural gas, the fuel needed to operate the plant. These derivative agreements are not designated as hedges. In 2001 and 2002, South Hampton entered into three commodity swap agreements to limit the effect of significant fluctuations in natural gasoline prices. The last of these agreements expired in January 2003. In March and April 2003, two new agreements were entered into with the last agreement expiring on July 31, 2003. The effect of these agreements was to limit South Hampton's exposure by fixing the natural gasoline price of a portion of its feedstock purchases over the term of the agreements. The agreements covered approximately 20% to 40% of the average monthly feedstock requirements. During the fourth quarter of 2003, South Hampton entered into option contracts for the purchase and sale of natural gas. These contracts expire in September 2004 and March 2005 and cover approximately 72% of the average monthly fuel requirements. In the first quarter of 2004, South Hampton entered into five feedstock swap agreements that expire through June 2004. For the three months ended March 31, 2004 and 2003, the net realized gain from the derivative agreements was $9,240 and $49,552, respectively. There was an unrealized gain of $280,182 for the three months ended March 31, 2004. There was no unrealized gain or loss for the three months ended March 31, 2003.

NOTE 8 - COIN ASSETS SUBJECT TO FORECLOSURE

A creditor of Coin initiated a mortgage foreclosure proceeding that resulted in a court ordered public auction of the plant facilities in Mexico on February 23, 2004. As a result, the court awarded the plant facilities to the creditor. The court order required legal transfer of the assets to the creditor within three days, however, the transfer has yet to occur and the Company, management of Coin and Coin's legal counsel are unable to determine a date certain for the legal transfer of ownership. As a result, the consolidated financial statements do not include any adjustments that may result. The following summarizes the proforma effect of the foreclosure on the March 31, 2004 consolidated financial statements:

<TABLE>
<CAPTION>

	MARCH 31, 2004 AS REPORTED	PRO FORMA ADJUSTMENT	PRO FORMA ADJUSTED MARCH 31, 2004
<S>	<C>	<C>	<C>
ASSETS			
Current assets	$ 4,465,365	$ -	$ 4,465,365
Refinery plan, pipeline and equipment, net	8,550,713	(4,479,526)	4,071,187
Other Assets	40,776,839	-	40,776,839
Total assets	$ 53,792,917	$ (4,479,526)	$ 49,313,391
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities	$ 31,634,855	$ (1,908,082)	$ 29,726,773
Deferred revenue	150,838	-	150,838
Minority interest in consolidated subsidiaries	832,472	-	832,472
Stockholders' equity	21,174,752	(2,571,444)	18,603,308
Total liabilities and stockholders' equity	$ 53,792,917	$ (4,479,526)	$ 49,313,391
Revenues	$ 10,915,587	$ -	$ 10,915,587
Operating costs and expenses	11,556,437	-	11,556,437
Operating loss	(640,850)	-	(640,850)
Other income (expense)	(382,099)	(2,571,444)	(2,953,543)
Loss before income taxes	(1,022,949)	(2,571,444)	(3,594,393)
Income tax expense	-	-	-
Net loss	$ (1,022,949)	$ (2,571,444)	$ (3,594,393)
Basic and diluted net loss per common share	$ (0.05)	$ (0.11)	$ (0.16)

</TABLE>

9. SUBSEQUENT EVENTS

On May 7, 2004, South Hampton and a major supplier signed a letter of intent whereby the supplier will purchase up to $1,800,000 of capital equipment for use by South Hampton to facilitate the execution of a new processing agreement between a large customer and South Hampton. The equipment purchased by the supplier will remain the property of the supplier who will enter into a ground lease for the land upon which the capital equipment is located. South Hampton and the supplier will also enter into a throughput arrangement whereby South Hampton will agree to throughput product (utilizing the purchased capital equipment) from the supplier at a rate and volume to be negotiated based upon the new agreement with the customer. The terms of both the throughput arrangement and the ground lease with the supplier will be five years. As security for the funds used to purchase the capital equipment and to secure outstanding debts for feedstock purchased from the supplier, South Hampton will execute a mortgage covering most of the refinery's equipment. The mortgage is expected to be executed in July 2004. The supplier is currently the sole provider of the refinery's feedstock supply. At May 31, 2004, South Hampton owed the supplier approximately $6.3 million.

On May 15, 2004, the Company signed an agreement with the Saudi Ministry of Petroleum and Mineral Resources whereby the Company has been given two years from the date of the agreement to start the implementation of a work program similar to that which is attached to the Company's mining lease. The initial implementation was suspended in 1999 due to the worldwide decrease in the price of metals. The Company also agreed to pay the past due surface rentals, which totaled $568,000 at December 31, 2003, in two equal installments, the first on December 31, 2004 and the second on December 31, 2005. Future annual surface rentals are to be paid as they become due.

ARABIAN AMERICAN DEVELOPMENT COMPANY AND SUBSIDIARIES

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

GENERAL

Statements in Part 1, Item 2 as well as elsewhere in, or incorporated by reference in, this Quarterly Report on Form 10-Q regarding the Company's financial position, business strategy and plans and objectives of the Company's management for future operations and other statements that are not historical facts, are "forward-looking statements" as that term is defined under applicable Federal securities laws. In some cases, "forward-looking statements" can be identified by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "contemplates," "proposes," believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms and other comparable terminology. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such statements. Such risks, uncertainties and factors include, but are not limited to, general economic conditions domestically and internationally; insufficient cash flows from operating activities; difficulties in obtaining financing; outstanding debt and other financial and legal obligations; competition; industry cycles; feedstock, specialty petrochemical product and mineral prices; feedstock availability; technological developments; regulatory changes; environmental matters; 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 Quarterly Report on Form 10-Q, all of which are difficult to predict and many of which are beyond the Company's control.

LIQUIDITY AND CAPITAL RESOURCES

The Company operates in two business segments, specialty petrochemicals (which is composed of the entities owned by the Refining Company) and mining. Its corporate overhead needs are minimal. A discussion of each segment's liquidity and capital resources follows.

SPECIALTY PETROCHEMICALS SEGMENT. Historically, this segment has contributed substantially all of the Company's internally generated cash flows from operating activities and its primary sources of revenue are the specialty products refineries owned and operated by South Hampton near Silsbee, Texas and by Coin in Mexico. Beginning in February 2001, the decline of feedstock and natural gas prices returned the Company to a positive cash flow, which it attained for the remainder of 2001 and throughout 2002. During 2003, the Company again experienced tighter margins resulting from the rise in feedstock prices. These prices remained at historically higher levels throughout 2003 which resulted in operating losses for the segment in 2003. After January 2004, feedstock prices began to fall back to more moderate levels.

South Hampton obtains its feedstock requirements from a sole source vendor. At May 31, 2004, South Hampton owed this supplier approximately $6.3 million. As discussed in Note 9, on May 7, 2004, South Hampton and this supplier signed a letter of intent whereby the supplier will purchase up to $1.8 million of capital equipment for use by South Hampton to facilitate the execution of a new processing agreement between a large customer and South Hampton.

As mentioned in Note 6, Coin was not in compliance with certain covenants contained in its loan agreements at March 31, 2004, and therefore, its creditors have the right to declare the debt to be immediately due and payable. If this were to occur, Coin would currently be unable to pay the entire amount due. The plant facilities of Coin have been foreclosed by a creditor (See Note 8).

MINING SEGMENT. This segment is in the development stage. Its most significant asset is the Al Masane mining project in Saudi Arabia, which is a net user of the Company's available cash and capital resources. Implementation of the project has been delayed until the open market prices for the minerals to be produced by the mine improve.

On February 23, 2004, the Company's President received a letter from the Deputy Minister of Petroleum and Mineral Resources stating that the Council of Ministers had issued a resolution, dated November 17, 2003, which directed the Minister, or whomever he may designate, to discuss with the President of the Company the implementation of a work program, similar to that which is attached to the Company's mining lease, to start during a period not to exceed two years, and also the payment of the past

due surface rentals. If agreeable, a document is to be signed to that effect. The resolution stated further that, if no agreement is reached, the Ministry of Finance will give the Council of Ministers its recommendation regarding the $11 million loan granted to the Company.

After discussions with the Deputy Minister, the Company President responded, in a letter to the Minister dated March 23, 2004, that the Company will agree to abide by the resolution and will start implementing the work program to build the mine, treatment plant and infrastructure within two years from the date of the signed agreement. The work program was prepared by the Company's technical consultants and was attached to the letter. The Company also will agree to pay the past due surface rentals, which now total approximately $586,000, in two equal installments, the first on December 31, 2004 and the second on December 31, 2005 and will continue to pay the surface rentals as specified in the Mining Lease Agreement. On May 15, 2004, an agreement was signed with the Ministry covering these provisions. In the event the Company does not start to implement the program during the two-year period, the matter will be referred to the concerned parties to seek direction in accordance with the Mining Code and other concerned codes.

The Company intends to make preparations to start to implement the work program, which will take approximately twenty-two months to compete, after which commercial production can begin. The Company plans to update the feasibility study, and, if positive, will attempt to locate a joint venture partner to manage the project and attempt to obtain acceptable financing to commercially develop the program now that the prices of zinc, copper, gold and silver have increased significantly. There is no assurance that a joint venture partner can be located, a joint venture formed or, if it is formed, that the joint venture would be able to obtain acceptable financing for the project.

The Minister of Petroleum and Mineral Resources announced on April 2, 2002 that a new revised Saudi Arabian Mining Code would be issued, which would expedite the issuance of licenses and has new incentives to encourage investment by the private sector, both Saudi and foreign, in the development of mineral resources in Saudi Arabia. The mining code has been revised and was recently presented to the Council of Ministers for approval.

On June 22, 1999, the Company submitted a formal application for a five-year exclusive mineral exploration license for the Greater Al Masane Area of approximately 2,850 square kilometers, which surrounds the Al Masane mining lease area and includes the Wadi Qatan and Jebel Harr areas. The Company previously worked in the Greater Al Masane Area after obtaining written authorization from the Saudi Ministry of Petroleum and Mineral Resources, and has expended over $3 million in exploration work. Geophysical, geochemical and geological work and diamond core drilling on the Greater Al Masane area has revealed mineralization similar to that discovered at Al Masane. The application for the new exploration license is still pending and is expected to be acted upon after the proposed new Saudi Arabian Mining Code is approved. If the Saudi Arabian government does not issue the exploration license, the Company believes that it will be entitled to a refund of the monies expended, since the Company was authorized by the Saudi Arabian government to carry out exploration work in this area while waiting for the exploration license to be issued.

Management also is addressing two other significant financing issues within this segment. These issues are the $11 million note payable due the Saudi Arabian government and accrued salaries and termination benefits of approximately $933,000 due employees working in Saudi Arabia (this amount does not include any amounts due the Company's President and Chief Executive Officer who also primarily works in Saudi Arabia and is owed approximately $1,270,000).

Regarding the note payable, this loan was originally due in ten annual installments beginning in 1984. The Company has not made any repayments nor has it received any payment demands or other communications regarding the note payable from the Saudi government. By memorandum to the King of Saudi Arabia in 1986, the Saudi Ministers of Finance and Petroleum recommended that the $11 million note be incorporated into a loan from the Saudi Industrial Development Fund ("SIDF") to finance 50% of the cost of the Al Masane project, repayment of the total amount of which would be made through a mutually agreed upon repayment schedule from the Company's share of the operating cash flows generated by the project. The Company remains active in Saudi Arabia and received the Al Masane mining lease at a time when it had not made any of the agreed upon repayment installments. Based on its experience to date, management believes that as long as the Company diligently attempts to explore and develop the Al Masane project no repayment demand will be made. The Company has communicated to the Saudi government that its delay in repaying the note is a direct result of the government's lengthy delay in granting the Al Masane lease and has requested formal negotiations to restructure this obligation. Based on its interpretation of the Al Masane mining lease and other documents, management believes the government is likely to agree to link repayment of this note to the Company's share of the operating cash flows generated by the commercial development of the Al Masane project and to a long-term installment

repayment schedule. In the event the Saudi government was to demand immediate repayment of this obligation, which management considers unlikely, the Company would be unable to pay the entire amount due.

With respect to the accrued salaries and termination benefits due employees working in Saudi Arabia, the Company plans to continue employing these individuals until it is able to generate sufficient excess funds to begin payment of this liability. Management will then begin the process of gradually releasing certain employees and paying its obligations as they are released from the Company's employment.

The Company's mineral interests in the United States are its ownership interest in Pioche, which has been inactive for many years. Its properties include 48 patented and 5 unpatented claims totaling approximately 1,500 acres in Lincoln County, Nevada. There are prospects and mines on these claims that previously produced silver, gold, lead, zinc and copper. There is also a 300-ton-a-day processing mill on property owned by Pioche. The mill is not currently in use and a significant expenditure would be required in order to put the mill into continuous operation, if commercial mining is to be conducted on the property.

At this time, the Company has no definitive plans for the development of its domestic mining assets. It periodically receives proposals from outside parties who are interested in possibly developing or using certain assets. Management will continue to review these proposals as they are received, but at this time does not anticipate making any significant domestic mining capital expenditures or receiving any significant proceeds from the sale or use of these assets.

If the Company seeks additional outside financing, there is no assurance that sufficient funds could be obtained. It is also possible that the terms of any additional financing that the Company would be able to obtain would be unfavorable to the Company and its existing shareholders.

RESULTS OF OPERATIONS

SPECIALTY PETROCHEMICALS SEGMENT. In the quarter ended March 31, 2004, total refined product sales (including Coin) increased approximately $2,291,000 or 29%, while the cost of sales (excluding depreciation) increased approximately $1,792,000 or 21% from the same period in 2003. Consequently, the total negative gross profit margin on product sales in the first quarter of 2004 decreased approximately $500,000 or 76% compared to the same period in 2003. The cost of sales and gross profit margin for the quarter ended March 31, 2004 includes an unrealized gain of approximately $280,000 on feedstock swap agreements. Coin's sales increased approximately $103,000 or 55%, while its cost of sales increased approximately $119,000 or 80%. Coin had a positive gross profit margin in this quarter of approximately $24,000, compared to a positive gross profit margin of approximately $40,000 in the same quarter in 2003.

The first quarter of 2004 was a difficult period for the Company and the petrochemical industry in general. Feedstock prices rose to record highs for the Company at an average of $1.01 per gallon, which was above the previous record of $0.99 per gallon in February 2003. With feedstock prices rising rapidly, the Company was unable to raise product prices quickly enough to cover the increased costs resulting in severe losses in January and, to a lesser extent, February. By March, the Company had raised product prices and adjusted its business to cover the increases, which enabled it to attain a positive cash flow position again. Additionally, by March, feedstock prices were in a moderating downward trend. The Company also entered into derivative agreements to control the sudden price spikes and to provide price protection. Management believes that if the derivative agreements can moderate or slow any changes in the overall cost of feedstock, product prices could be raised over time to avoid the large losses experienced in the past. Generally approximately 20% to 40% of the monthly feedstock requirements are covered at any one time. This ratio cushions the price increases and allows the Company to experience some benefit when the price drops.

The price of fuel gas, which is the refining operation's largest single expense, was also higher during the first quarter of 2004 than in the same period in 2003; however, through the derivative agreements, the Company capped the price of its fuel gas at prices 30% to 40% below the cash market. Therefore, while higher than historically seen, the price of fuel gas to the operation was not a large factor in the results for the first quarter. The Company also entered into option contracts for fuel gas in an effort to minimize the impact of price fluctuations in the market.

The toll processing fee revenue for the first quarter of 2004 of approximately $806,000 was a decrease of approximately $275,000 or 25% under the fees for the same period in 2003. This decrease was primarily caused by the loss of one of the larger customers in the fourth quarter of 2003. The customer's feedstock changed and the Company's equipment was no longer suitable to produce the products they needed. The other large customers are very active and remain on long-term contracts. While there are some fluctuations in the tolling volumes that are handled, it has developed into a very steady business over the last five years.

Interest expense increased as the debt of the Company increased due to the rising feedstock prices and inadequate cash flow. Other expenses of the Company remained flat or decreased over the last part of 2003 and in early 2004. The Company's largest supplier of feedstock has asked for security on the account because of the large increase in the amounts owed for feedstock purchases over the last six months. The Company is currently negotiating a security agreement with the supplier, which will give it a first lien on most of South Hampton's assets.

Coin restarted production in the first quarter of 2004 after having been shut down during the latter part of 2003 due to economic reasons. Coin recently procured a sales contract with the largest user of pentanes in Mexico, which gave the operation sufficient volume to justify operating on a daily basis. First quarter cash flow was negative, due primarily to start-up costs and the weak exchange value of the dollar versus the peso. The refinery currently continues to move product at a substantial rate into both the Mexican and U.S. markets. The plant facilities of Coin have been foreclosed by a creditor (See Note 8).

MINING SEGMENT AND GENERAL CORPORATE EXPENSES. None of the Company's other operations generate significant operating or other revenues. The minority interest amount represents the Pioche and Coin minority stockholders' share of the losses from the Pioche and Coin operations. Pioche losses are primarily attributable to the costs of maintaining the Nevada mining properties.

The Company assesses the carrying values of its assets on an ongoing basis. Factors which may affect the carrying values of the mining properties include, but are not limited to, mineral prices, capital cost estimates, the estimated operating costs of any mines and related processing, ore grade and related metallurgical characteristics, the design of any mines and the timing of any mineral production. Prices currently used to assess the recoverability of the Al Masane project costs, based on production to begin no sooner that 2004, are $1.04 per pound for copper, $.60 per pound for zinc. Copper and zinc comprise in excess of 80% of the expected value of production. Using these price assumptions, there were no asset impairments at March 31, 2004. There are no assurances that, particularly in the event of a prolonged period of depressed mineral prices, the Company will not be required to take a material write-down of its mineral properties in the future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Other than as disclosed, 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, 2003.

ITEM 4. CONTROLS AND PROCEDURES.

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer and Treasurer, of the effectiveness of the Company's disclosure controls and procedures, as of the end of the period covered by this report. Based upon that evaluation, the President and Chief Executive Officer and Treasurer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective such that information relating to the Company (including its consolidated subsidiaries) required to be disclosed in the Company's Securities and Exchange Commission reports (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) is accumulated and communicated to the Company's management, including the President and Chief Executive Officer and Treasurer, as appropriate to allow timely decisions regarding required disclosure.

During the period covered by this report, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Reference is made to Note 5 to the consolidated financial statements contained in this Report for a discussion of material pending legal proceedings.

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES.

RESTRICTIONS ON PAYMENT OF DIVIDENDS

In 2003 South Hampton entered into a Purchase and Sale Agreement with a bank to sell its accounts receivable. The agreement contains restrictions on dividends payable to the Company by South Hampton. (See Note 6 to the consolidated financial statements).

ISSUER PURCHASES OF EQUITY SECURITIES

The following table sets forth the Company's Common Stock repurchases during the three months ended March 31, 2004:

<TABLE>
<CAPTION>

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
<S>	<C>	<C>	<C>	<C>
January 1, 2004 through January 31, 2004	--	$ --	--	--
February 1, 2004 through February 29, 2004	--	$ --	--	--
March 1, 2004 through March 31, 2004	--	$ --	--	--
Total	--	$ --	--	--

</TABLE>

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Reference is made to Notes 5, 6 and 8 to the consolidated financial statements and Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Report for a discussion of the $11 million note payable to the Saudi Arabian government and the loans payable by Coin to Mexican banks.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

NONE.

ITEM 5. OTHER INFORMATION.

A shareholder of the Company who is interested in submitting a proposal for inclusion in the Company's proxy materials for the 2004 annual meeting of shareholders, which is tentatively scheduled sometime in December 2004, must submit the proposal to the Company at its principal executive office no later than November 1, 2004. Any such proposal must also comply with the other requirements of the proxy solicitation rules of the Securities and Exchange Commission. The Company intends to exercise discretionary voting authority granted under any proxy, which is executed and returned to the Company on any matter that may properly come before the 2004 annual meeting of shareholders, unless written notice of the matter is delivered to the Company at its principal executive office no later than November 1, 2004.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) 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.

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
<S>	<C>
3(a)	- Certificate of Incorporation of the Company as amended through the Certificate of Amendment filed with the Delaware Secretary of State on July 19, 2000 (incorporated by reference to Exhibit 3(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2000 (File No. 0-6247)).
3(b)	- Bylaws of the Company, as amended through March 4, 1998 (incorporated by reference to Exhibit 3(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(a)	- Contract dated July 29, 1971 between the Company, National Mining Company and Petromin (incorporated by reference to Exhibit 10(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(b)	- Loan Agreement dated January 24, 1979 between the Company, National Mining Company and the Government of Saudi Arabia (incorporated by reference to Exhibit 10(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(c)	- Mining Lease Agreement effective May 22, 1993 by and between the Ministry of Petroleum and Mineral Resources and the Company (incorporated by reference to Exhibit 10(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(d)	- Stock Option Plan of the Company, as amended (incorporated by reference to Exhibit 10(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).*

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
<S>	<C>
10(e)	- Agreement dated March 10, 1988 between Chevron Research Company and South Hampton Refining Company, together with related form of proposed Contract of Sale by and between Chevron Company and South Hampton Refining Company (incorporated by reference to Exhibit 10(g) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(f)	- Addendum to the Agreement Relating to AROMAX(R) Process - Second Commercial Demonstration dated June 13, 1989 by and between Chevron Research Company and South Hampton Refining Company (incorporated by reference to Exhibit 10(h) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(g)	- Letter Agreement dated May 3, 1991 between Sheikh Kamal Adham and the Company (incorporated by reference to Exhibit 10(j) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(h)	- Promissory Note dated February 17, 1994 from Hatem El-Khalidi to the Company (incorporated by reference to Exhibit 10(k) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(i)	- Letter Agreement dated August 15, 1995 between Hatem El-Khalidi and the Company (incorporated by reference to Exhibit 10(l) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(j)	- Letter Agreement dated August 24, 1995 between Sheikh Kamal Adham and the Company (incorporated by reference to Exhibit 10(m) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(k)	- Letter Agreement dated October 23, 1995 between Sheikh Fahad Al-Athel and the Company (incorporated by reference to Exhibit 10(n) to the Company's Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 0-6247)).
10(l)	- Letter Agreement dated November 30, 1996 between Sheikh Fahad Al-Athel and the Company (incorporated by reference to Exhibit 10(o) to the Company's Annual Report on Form 10-K for the year ended December 31, 2001 (File No. 0-6247)).
10(m)	- Purchase and Sale Agreement/Security Agreement dated July 29, 2003 between Southwest Bank of Texas, N.A. and South Hampton Refining Company, together with related Restricted Payments Letter Agreement and Guaranty of Texas Oil & Chemical Co. II, Inc. (incorporated by reference to Exhibit 10(s) to the Company's Annual Report on Form 10-K for the year ended December 31, 2002 (File No. 0-6247)).
10(n)	- Equipment Lease Agreement dated November 14, 2003, between Silsbee Trading and Transportation Corp. and South Hampton Refining Company (incorporated by reference to Exhibit 10(o) to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 0-6247)).
10(o)	- Pledge Agreement dated as of May 15, 2001, by Arabian American Development Company, American Shield Refining Company, Fahad Al-Athel, Hatem El-Khalidi, Ingrid El-Khalidi and Preston Peak (incorporated by reference to Exhibit 10(p) to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 0-6247)).

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION
<S>	<C>
24	- Power of Attorney (set forth on the signature page hereto).
31.1	- Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	- Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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.

</TABLE>

(a) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended March 31, 2004.

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: July 8, 2004

ARABIAN AMERICAN DEVELOPMENT COMPANY
(Registrant)

By: /s/ DREW WILSON, JR.

Drew Wilson, Jr. Secretary/Treasurer

EXHIBIT 31.1

CERTIFICATION

I, Hatem El-Khalidi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arabian American Development Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the 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 quarterly 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)) 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 quarterly report is being prepared;

   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly 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

   (c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

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 auditors 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 controls 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 controls over financial reporting.

Date: July 8, 2004

/s/ HATEM EL-KHALIDI

Hatem El-Khalidi
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Drew Wilson, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arabian American Development Company;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the 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 quarterly 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)) 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 quarterly report is being prepared;

    (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly 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

    (c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

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 auditors 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 controls 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 controls over financial reporting.

Date: July 8, 2004

/s/ DREW WILSON, JR.

Drew Wilson, Jr.
Treasurer

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 Arabian American Development Company (the "Company") on Form 10-Q for the quarter ended March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Hatem El-Khalidi, 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:

(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/ HATEM EL-KHALIDI
- --------------------
Hatem El-Khalidi
President and Chief Executive Officer

July 8, 2004

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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 Arabian American Development Company (the "Company") on Form 10-Q for the quarter ended March 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Drew Wilson, Jr., Treasurer 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:

(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/DREW WILSON, JR.
- --------------------
Drew Wilson, Jr.
Treasurer

July 8, 2004

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.