ADAMS
Resources & Energy, Inc.

A One Source Hydrocarbon Company

ANNUAL REPORT 2009

FINANCIAL HIGHLIGHTS

	Year Ended December 31,		
	2009	2008	2007
	(In thousands, except per share data)		
Revenues	$1,943,128	$4,159,672	$2,636,222
Net earnings (loss)	4,149	(5,572)	17,056
Working capital	38,372	41,559	50,572
Total assets	249,401	210,926	357,075
Earnings (loss) per common share	$ .98	$ (1.32)	$ 4.04
Dividends per common share	$ .50	$ .50	$ .47

ABOUT THE COMPANY

Adams Resources & Energy, Inc. is engaged in the business of marketing crude oil, natural gas and petroleum products; tank truck transportation of liquid chemicals; and oil and gas exploration and production.

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LETTER TO SHAREHOLDERS

To our Fellow Shareholders:

Net earnings for 2009 totaled $4,149,000 or $.98 per share on revenues of $1,943,128,000. This compared to a $5,572,000 loss incurred in 2008 following crude oil inventory valuation declines and oil and gas property valuation charges stemming from a 50 percent drop in crude oil prices during the year. Cash flow remained strong in 2009 and increased with net cash provided by operating activities totaling $22,285,000 versus $13,639,000 in 2008. We continue to avoid bank debt and other forms of debenture obligations and cash balances at December 31, 2009 stood at $16,806,000. We also maintained our annual cash dividend of $.50 per common share.

Summary of Results

	2009	2008	2007
Operating earnings (loss):			
Marketing	$17,487,000	$ (2,704,000)	$ 20,152,000
Transportation	2,128,000	4,245,000	5,504,000
Oil and gas	(3,625,000)	(3,348,000)	9,225,000
Administrative expenses	(9,589,000)	(9,667,000)	(10,974,000)
	6,401,000	(11,474,000)	23,907,000
Other income (expense):			
Interest income	125,000	1,103,000	1,741,000
Interest expense	(25,000)	(187,000)	(134,000)
Earnings (loss) before income taxes	6,501,000)	(10,558,000)	25,514,000
Income tax (provision) benefit	(2,352,000)	4,986,000	(8,458,000)
Net earnings (loss)	$ 4,149,000	$ (5,572,000)	$ 17,056,000

In our 2008 Annual Report, we set the following major objectives for 2009:

— Establish marketing operating earnings at the $10 million level.

— Maintain transportation operating earnings at the $2 million level.

— Establish oil and gas operating earnings at the $2 million level and replace 80 percent of 2009 production with current reserve additions.

For our marketing and transportation businesses, we successfully attained our operational goals for the year 2009 despite continued weakness in the United States economy. For our oil and gas operation, reduced natural gas prices and ongoing exploration expense led to the operating loss for the year. However, our reserve additions replaced 164 percent of 2009 oil and gas production.

Marketing

Marketing segment earnings benefited from generally increasing crude oil prices that led to a $5.8 million non-cash inventory liquidation and valuation gain. Excluding this bonus event, overall marketing earnings of $11.7 million exceeded the target level. As we are still operating in a difficult domestic market, we have not elevated our 2010 earnings goal for this segment.

Transportation

During the first quarter of 2009, we implemented personnel and other cost reductions in order to stabilize earnings within our tank truck business. Importantly, we have experienced recent demand improvements and are now outlooking earnings growth from transportation in 2010.

Oil and Gas

With $5.2 million in exploration expense and property impairment charges, oil and gas operations sustained a $3,625,000 loss in 2009. However, our exploration efforts in 2009 paid off when we participated in the drilling of 35 wells with 26 successful and nine dry holes. Additionally, we had seven wells in process on December 31, 2009 with ultimate evaluation anticipated during 2010. Converting natural gas volumes to equate with crude oil volumes at a ratio of six to one, oil and gas production and proved reserve volumes are summarized as follows on an equivalent barrel (Eq. Bbls) basis:

	2009	2008	2007
	(Eq. Bbls.)	(Eq. Bbls.)	(Eq. Bbls.)
Beginning of year	1,304,000	1,475,000	1,779,000
Estimated reserve additions	439,000	395,000	246,000
Production	(267,000)	(258,000)	(266,000)
Reserves sold	—	—	(245,000)
Revisions of previous estimates	(26,000)	(308,000)	(39,000)
End of year	1,450,000	1,304,000	1,475,000

For 2009, our estimated reserve additions successfully replaced 164 percent of 2009 production. For the full three-year period presented, we successfully replaced 136 percent of oil and gas production. We are proud of these results.

Our current drilling and exploration efforts are primarily focused as follows:

East Texas Project

Beginning in 2005, we began acquiring acreage interests in Nacogdoches and Shelby counties of East Texas. Subsequent drilling activity produced 26 productive wells through the end of 2009. Four of the successful wells targeted the Haynesville Shale Play of Nacogdoches County with the Hill #1, the Pop Pop Gas Unit #1 and the Hassell Gas Unit #1 each beginning initial production rates from 12,000 to in excess of 15,000 mcf per day of natural gas with flowing tubing pressures in excess of 7200 psi. We hold a five percent working interest in these three wells and have a five percent working interest in approximately 43,000 acres, which includes the area of the Haynesville wells. A two percent working interest is held in approximately 24,000 additional adjacent acres. Drilling activity will continue on this project with six rigs scheduled during 2010.

Eaglewood Project

The Eaglewood project encompasses a ten county area from South Texas along the Gulf Coast and northward into East Texas. In this area, we purchased existing 3-D seismic data and reprocessed it using proprietary techniques. During 2008, five wells were successfully drilled. In 2009, activity was curtailed due to reduced prices for natural gas. Active efforts resumed in 2010 with one successful well drilled in the first quarter and three wells approved for drilling. We anticipate additional economically viable prospects will be identified for future drilling and we hold a five percent working interest in this project.

Southwestern Arkansas

We participated in three 3-D seismic surveys in Southwestern Arkansas covering approximately 160 square miles. After initially drilling two unsuccessful test wells on this project in 2008, additional study was completed and a successful well was drilled in 2010 and is presently completing. Indications continue to suggest that multiple drillable shallow oil prospects will be identified. Our working interest in this project varies from 4.5 percent to 11.6 percent.

South Central Kansas

We are participating with a 10 percent working interest in a large 3-D seismic survey in South Central Kansas. A number of prospects have been identified with the first well scheduled to spud in the first quarter of 2010.

Outlook

Recent successful results in the Haynesville Shale formation of East Texas should boost 2010 natural gas volumes and revenues. Further for 2010, emphasis will be on development drilling which should reduce the level of exploration expense charged to earnings. The marketing and transportation segments are also forecasting stable profitability during 2010. Absent declines in crude oil and natural gas prices, upcoming 2010 results should show improvement over the current level of earnings.

We have the following major objectives for 2010:

— Maintain marketing operating earnings at the $10 million level exclusive of inventory valuation gains or losses.

— Establish transportation operating earnings at the $3 million level.

— Establish oil and gas operating earnings at the $5 million level and replace 2010 production with current reserve additions.

Sincerely,

K. S. "Bud" Adams, Jr.
Chairman and Chief Executive Officer

F. T. Webster
President and Chief Operating Officer

March 23, 2010

OPERATIONS SUMMARY

Business Activities

Adams Resources & Energy, Inc. ("ARE") and its subsidiaries, collectively (the "Company"), are engaged in the business of marketing crude oil, natural gas and petroleum products, tank truck transportation of liquid chemicals, and oil and gas exploration and production. Adams Resources & Energy, Inc. is a Delaware corporation organized in 1973.

Crude oil, Natural Gas and Refined Products Marketing

Gulfmark Energy, Inc. ("Gulfmark"), a subsidiary of ARE, purchases crude oil and arranges sales and deliveries to refiners and other customers. Activity is concentrated primarily onshore in Texas and Louisiana with additional operations in Michigan. During 2009, Gulfmark purchased approximately 66,100 barrels per day of crude oil at the wellhead or lease level. Gulfmark also operates 101 tractor-trailer rigs and maintains over 50 pipeline inventory locations or injection stations. Gulfmark has the ability to barge oil from five oil storage facilities along the intercoastal waterway of Texas and Louisiana and maintains 50,000 barrels of storage capacity at certain of the dock facilities in order to access waterborne markets for its products. Gulfmark arranges transportation for sales to customers or enters into exchange transactions with third parties when the cost of the exchange is less than the alternate cost incurred in transporting or storing the crude oil.

Adams Resources Marketing, Ltd. ("ARM"), a subsidiary of ARE, operates as a wholesale purchaser, distributor and marketer of natural gas. ARM's focus is on the purchase of natural gas at the producer level. During 2009, ARM purchased approximately 363,000 million british thermal units ("mmbtu's") of natural gas per day at the wellhead and pipeline pooling points. Business is concentrated among approximately 60 independent producers with the primary production areas being the Louisiana and Texas Gulf Coast and the offshore Gulf of Mexico region. ARM provides value added services to its customers by providing access to common carrier pipelines and handling daily volume balancing requirements as well as risk management services.

Ada Resources, Inc. ("Ada"), a subsidiary of ARE, markets branded and unbranded refined petroleum products such as motor fuels and lubricants. Ada makes purchases based on the supplier's established distributor prices, with such prices generally being lower than Ada's sales price to its customers. Ada is also involved in the railroad servicing industry and is a direct-to-vessel approved marine fuel and lube vendor. Ada's marketing area primarily includes the Texas Gulf Coast and southern Louisiana. The primary product distribution and warehousing facility is located on 5.5 Company-owned acres in Houston, Texas. The property includes a 60,000 square foot warehouse, 11,000 square feet of office space and bulk storage for 320,000 gallons of lubricating oil.

Tank Truck Transportation

Service Transport Company ("STC"), a subsidiary of ARE, transports liquid chemicals on a "for hire" basis throughout the continental United States and Canada. Transportation service is provided to over 400 customers under multiple load contracts in addition to loads covered under STC's standard price list. Pursuant to regulatory requirements, STC holds a Hazardous Materials Certificate of Registration issued by the U.S. Department of Transportation. Presently, STC operates 262 truck tractors of which 6 are independent owner-operator units and maintains 416 tank trailers. In addition, STC maintains truck terminals in Houston, Corpus Christi, and Nederland, Texas as well as Baton Rouge (St. Gabriel), Louisiana and Mobile (Saraland), Alabama. Transportation operations are headquartered at a terminal facility situated on 22 Company-owned acres in Houston, Texas. This property includes maintenance facilities, an office building, tank wash rack facilities and a water treatment system. The St. Gabriel, Louisiana terminal is situated on 11.5 Company-owned acres and includes an office building, maintenance bays and tank cleaning facilities.

OPERATIONS SUMMARY

Oil and Gas Exploration and Production

Adams Resources Exploration Corporation ("AREC"), a subsidiary of ARE, is actively engaged in the exploration and development of domestic oil and natural gas properties primarily in Texas and the south central region of the United States. Exploration offices are maintained in Houston and the Company holds an interest in 325 wells of which 43 are Company operated.

Producing Wells and Acreage — The following table sets forth the Company's gross and net productive wells and acreage as of December 31, 2009. Gross wells and gross acreage are the total number of wells or acreage in which the Company has an interest, while net wells or acreage are the sum of the fractional interests owned.

	Total Wells		Developed Acreage		Undeveloped Acreage	
	Gross	Net	Gross	Net	Gross	Net
Texas	175	19.89	80,622	9,797	225,787	17,013
Other	150	9.68	8,260	1,004	39,015	4,347
	325	29.57	88,882	10,801	264,802	21,360

Drilling Activity — The following table sets forth the Company's drilling activity for each of the three years ended December 31, 2009. All drilling activity was onshore primarily in Texas and Louisiana.

	2009		2008		2007	
	Gross	Net	Gross	Net	Gross	Net
Exploratory wells drilled						
— Productive	2	.10	2	.13	3	.15
— Dry	7	.94	2	.22	2	.10
Development wells drilled						
— Productive	24	1.35	17	1.06	18	1.37
— Dry	2	.10	7	.68	6	.35

Employees

At December 31, 2009 the Company employed 679 persons, 14 of whom were employed in the exploration and production of oil and gas, 286 in the marketing of crude oil, natural gas and petroleum products, 356 in transportation operations, and 23 in administrative capacities. None of the Company's employees are represented by a union. Management believes its employee relations are satisfactory.

FIVE YEAR REVIEW OF SELECTED FINANCIAL DATA

	Years Ended December 31,				
	2009	2008	2007	2006	2005
	(In thousands, except per share data)				
Revenues:					
Marketing	$1,889,583	$4,074,677	$2,558,545	$2,167,502	$2,292,029
Transportation	44,895	67,747	63,894	62,151	57,458
Oil and gas	8,650	17,248	13,783	16,950	15,346
	$1,943,128	$4,159,672	$2,636,222	$2,246,603	$2,364,833
Operating Earnings:					
Marketing	$ 17,487	$ (2,704)	$ 20,152	$ 12,975	$ 22,481
Transportation	2,128	4,245	5,504	5,173	5,714
Oil and gas operations	(3,625)	(3,348)	(2,853)	5,355	6,765
Oil and gas property sale	—	—	12,078	—	—
General and administrative	(9,589)	(9,667)	(10,974)	(8,536)	(9,668)
	6,401	(11,474)	23,907	14,967	25,292
Other income (expense):					
Interest income	125	1,103	1,741	965	188
Interest expense	(25)	(187)	(134)	(159)	(128)
Earnings (loss) from continuing operations before income taxes	6,501	(10,558)	25,514	15,773	25,352
Income tax (provision) benefit	(2,352)	4,986	(8,458)	(5,290)	(8,583)
Earnings (loss) from continuing operations	4,149	(5,572)	17,056	10,483	16,769
Earnings (loss) from discontinued operations, net of taxes	—	—	—	—	872
Net earnings (loss)	$ 4,149	$ (5,572)	$ 17,056	$ 10,483	$ 17,641
Earnings (Loss) Per Share					
From continuing operations	$ .98	$ (1.32)	$ 4.04	$ 2.49	$ 3.97
From discontinued operations	—	—	—	—	.21
Basic earnings (loss) per share	$ .98	$ (1.32)	$ 4.04	$ 2.49	$ 4.18
Dividends per common share	$ .50	$ .50	$ .47	$ .42	$ .37
Financial Position					
Working capital	$ 38,372	$ 41,559	$ 50,572	$ 35,208	$ 39,321
Total assets	249,401	210,926	357,075	289,287	312,662
Long-term debt, net of current maturities	—	—	—	3,000	11,475
Shareholders' equity	83,801	81,761	89,442	74,368	65,656
Dividends on common shares	2,109	2,109	1,982	1,771	1,560

Notes:
– In 2007, certain oil and natural gas producing properties were sold for $14.9 million producing a net gain of $12.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

— Marketing

Marketing revenues, operating earnings and depreciation are as follows **(in thousands):**

	2009	2008	2007
Revenues			
Crude oil	$1,770,600	$3,849,531	$2,373,838
Natural gas	14,232	11,586	13,764
Refined products	104,751	213,560	170,943
Total	$1,889,583	$4,074,677	$2,558,545
Operating Earnings (loss)			
Crude oil	$ 15,404	$ (4,545)	$ 15,321
Natural gas	2,749	2,247	4,999
Refined products	(666)	(406)	(168)
Total	$ 17,487	$ (2,704)	$ 20,152
Depreciation			
Crude oil	$ 1,997	$ 2,039	$ 657
Natural gas	166	163	162
Refined products	533	565	457
Total	$ 2,696	$ 2,767	$ 1,276

Supplemental volume and price information is:

	2009	2008	2007
Field Level Purchases per day[(1)]			
Crude Oil — barrels	66,100	67,800	61,500
Natural Gas — mmbtu's	363,000	437,000	423,000
Average Purchase Price			
Crude Oil — per barrel	$ 58.32	$ 99.72	$ 70.70
Natural Gas — per mmbtu	$ 3.75	$ 8.63	$ 6.79

(1) Reflects the volume purchased from third parties at the oil and natural gas field level and pipeline pooling points.

Comparison 2009 to 2008

Crude oil revenues declined for 2009 by 54 percent because of significantly lower average crude oil prices as shown in the table above. While comparative overall crude oil prices were reduced in 2009, the direction of change in price was generally increasing during the period. The average acquisition cost of crude oil moved from the $41 per barrel level at the beginning of the year to $75 per barrel for the December 2009 average price. This event produced an inventory liquidation gain of $5,780,000 for the year. The opposite event occurred in 2008 as crude oil prices declined from the $90 per barrel range in January 2008 to the $41 per barrel range in December 2008 causing an $11.8 million inventory liquidation loss. The Company's inventory holdings result from shipments in transit and as of December 31, 2009 the Company held 189,079 barrels of crude oil at an average price of $74.32 per barrel. Excluding inventory related gains and losses, comparative operating earnings would have been $9,624,000 for 2009 and $7,338,000 for 2008. The 2009 improvement resulted from reduced prices for diesel fuel consumed in the trucking function of this business. Diesel fuel expense was $4.6 million in 2009 versus $7.3 million in 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

Natural gas sales are reported net of underlying natural gas purchase costs and thus reflect gross margins. As shown above, such margins were fairly consistent between the periods. Natural gas lease purchase volumes were reduced in the current year as generally low natural gas prices caused production curtailments and delayed drilling plans by the Company's supplier group. Despite reduced volumes and based on historical trends, the year 2009 should have produced significantly improved operating earnings relative to 2008 because of the volatile weather patterns that occurred as compared to the mild conditions existing in 2008. Traditionally, the Company captures improved unit margins during periods of rapidly changing weather. However, the continued development of the nation's natural gas infrastructure both in terms of more diverse areas of production and expanded pipeline and storage capacity have served to reduce unit margin even during periods of severe weather. This development may limit future opportunities to profit from natural gas marketing operations. To counteract this dynamic, the Company has begun recruiting additional producer suppliers in the expanding production areas.

Contraction in the United States economy has adversely affected refined product segment revenues and operating earnings. Both 2009 and 2008 suffered from the downturn in the domestic economy which began during the third quarter of 2008. Operating earnings were additionally impacted in 2009 and 2008 when the bad debt provision was increased by approximately $560,000 and $700,000, respectively, due to customer financial stability concerns. The Company has focused on cost controls and instituted personnel cut-backs in the fourth quarter of 2009 in an effort to restore profitability to this segment.

Comparison 2008 to 2007

Crude oil revenues increased by 62 percent in 2008 relative to 2007 due to significantly increased commodity prices during major portions of the year. The Company's monthly average crude oil acquisition price rose from the $91 per barrel level at year-end 2007 to the $133 per barrel level in June 2008 with a subsequent steep decline beginning in August 2008 to the $41 per barrel range by year-end. Net inventory driven losses for 2008 were $11.8 million. In contrast, rising prices produced $4.3 million of inventory liquidation gains in 2007. Excluding the impact of inventory values as described above, crude oil operating earnings for 2008 and 2007 would have been $7,338,000 and $11,021,000, respectively. Absent the inventory items, crude oil earnings from operations were reduced in 2008 as a result of escalated prices for diesel fuel. Diesel fuel expense was $7.3 million in 2008 compared to $4.3 million for 2007.

Natural gas operating earnings were reduced in 2008 relative to 2007 as the marketplace in 2008 provided few opportunities to enhance margins by meeting short-term day-to-day demand needs. In part, such conditions existed because 2008's mild weather patterns did not stimulate localized demand spikes.

Refined products revenues increased during 2008 consistent with increased commodity prices partially offset by reduced volumes as the Company reduced its sales activity to less creditworthy accounts. Refined product driven operating earnings were reduced during 2008 because of an increased allowance for doubtful accounts receivable through a bad debt charge of $700,000. The Company has a number of construction industry customers that experienced significantly increased fuel costs coupled with a downturn in the housing development market. With an elevated likelihood of this class of customer experiencing financial insolvency, the Company's bad debt provision was increased accordingly.

Historically, prices received for crude oil, natural gas and refined products have been volatile and unpredictable with price volatility expected to continue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

— Transportation

The transportation segment revenues and operating earnings were as follows **(in thousands):**

	2009		2008		2007	
	Amount	**Change[1]**	**Amount**	**Change[1]**	**Amount**	**Change[1]**
Revenues	$44,895	(34)%	$67,747	6%	$63,894	3%
Operating earnings	$ 2,128	(50)%	$ 4,245	(23)%	$ 5,504	6%
Depreciation	$ 3,970	3%	$ 3,843	(10)%	$ 4,275	(6)%

[1] Represents the percentage increase (decrease) from the prior year.

Comparison 2009 to 2008

Revenues and operating results turned downward for the transportation segment in 2009 due to reduced customer demand beginning in the third quarter of 2008. The Company's customers are predominately the domestic United States petrochemical industry, and demand for such products is driven primarily by activity within the housing and automotive sectors. The current national economic recession has severely and adversely impacted this segment of the Company's business. Customer demand is down approximately 30% and through year-end 2009 showed only limited signs of recovery. Typically, as revenues decline, operating earnings decline at a faster rate, as measured by percentage, due to the fixed cost components of operating costs. In March 2009, the Company instituted cost cutting measures including a reduction in personnel levels in order to better align costs with the Company's level of revenues. As a result, the rate of decline in operating earnings slowed relative to the rate of decline in revenues beginning in the second quarter of 2009. In addition during the third quarter of 2009 the Company earned an approximate $467,000 credit against its automobile and workers compensation insurance premiums. Such premium credits served to reduce operating expenses and were a direct result of reduced activity within the transportation segment.

Based on the current level of infrastructure, the Company's transportation segment is designed to maximize efficiency when revenues excluding fuel adjustments are in the $60 million per year range. The Company's transportation business tends to contract when United States and world economies weaken and also fluctuates with the exchange value for the U.S. dollar. A strong dollar exchange rate generally suppresses demand and reduces earnings. Other important factors include levels of competition within the tank truck industry as well as competition from the railroads. Some demand improvement, most likely the result of shifting traffic patterns from rail to truck, occurred in January 2010 and has continued to date.

Comparison 2008 to 2007

Transportation revenues include various component parts, the most significant being standard line haul charges, fuel adjustment charges and demurrage. Line haul revenues declined slightly during 2008 to $48.3 million versus $49.2 million in 2007 as the average annual demand for the Company's services generally remained consistent. Fuel adjustment billings increased to $12.6 million in 2008 compared to $7.6 million in 2007 for comparative additional 2008 revenue of $5 million. However, actual fuel expense incurred increased by $5.6 million during 2008 to $17.1 million. The partial inability to fully pass along fuel increases coupled with increased salary and wage cost during 2008 reduced operating earnings for the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (Continued)

— Oil and Gas

Oil and gas segment revenues and operating earnings are primarily derived from crude oil and natural gas production volumes and prices. Comparative amounts for revenues, operating earnings and depreciation and depletion were as follows **(in thousands):**

	2009		2008		2007	
	Amount	Change[(1)]	Amount	Change[(1)]	Amount	Change[(1)]
Revenues	$ 8,650	(50)%	$17,248	25%	$13,783	(19)%
Operating earnings (loss)	(3,625)	8%	(3,348)	17%	(2,853)	(153)%
Depreciation and depletion	3,654	(46)%	6,763	16%	5,833	62%
Producing property impairments	1,350	(56)%	3,078	153%	1,216	43%

(1) Represents the percentage increase (decrease) from the prior year.

Comparative volumes and prices were as follows:

	2009	2008	2007
Production Volumes			
— Crude Oil	49,500 bbls	50,500 bbls	69,250 bbls
— Natural Gas	1,304,000 mcf	1,243,000 mcf	1,182,000 mcf
Average Price			
— Crude Oil	$58.10/bbl	$99.25/bbl	$70.21/bbl
— Natural Gas	$4.43/mcf	$9.84/mcf	$7.54/mcf

The revenue and earnings decline for the oil and gas segment in 2009 is attributable to decreased crude oil and natural gas prices as shown in the tables above. Depreciation and depletion expense is reduced in the current period because a significant decline in hydrocarbon prices at year-end December 31, 2008 caused producing property impairment provisions to be recorded. Such charges reduced the level of capitalized costs for amortizing in the current period. Improved oil and gas segment revenues for 2008 in comparison to 2007 resulted from increased overall average commodity prices for both crude oil and natural gas as shown above. Crude oil volumes are reduced in 2009 and 2008 as a result of normal production declines while natural gas volumes increased for each year with favorable drilling results.

Operating earnings were burdened in 2009, 2008 and 2007 with exploration expenses incurred as follows **(in thousands):**

	2009	2008	2007
Dry hole expense	$ 661	$2,421	$3,187
Prospect abandonment	2,423	2,834	845
Seismic and geological	734	775	1,475
Total	$3,818	$6,030	$5,507

— Oil and gas property sale

In May 2007, the Company sold its interest in certain Louisiana producing oil and gas properties. Sale proceeds totaled $14.9 million resulting in a pre-tax gain on sale of approximately $12.1 million.

— General and administrative, interest income and income tax

General and administrative expenses were elevated during 2007 due primarily to federally mandated Sarbanes-Oxley compliance costs. Interest income declined in 2009 and 2008 as interest rates on overnight deposits declined to near zero following the significant turmoil that occurred in the financial markets during the fall of 2008. The

provision for income taxes is based on Federal and State tax rates and variations are consistent with taxable income in the respective accounting periods.

Liquidity and Capital Resources

The Company's liquidity primarily derives from net cash provided from operating activities, which was $22,285,000, $13,639,000 and $9,201,000 for each of 2009, 2008 and 2007, respectively. As of December 31, 2009 and 2008, the Company had no bank debt or other forms of debenture obligations. Cash and cash equivalents totaled $16,806,000 as of December 31, 2009, and such balances are maintained in order to meet the timing of day-to-day cash needs. Working capital, the excess of current assets over current liabilities, totaled $38,372,000 as of December 31, 2009.

From time to time, the Company may make cash prepayments to certain suppliers of crude oil and natural gas for the Company's marketing operations. Such prepayments totaled $7,670,000 as of December 31, 2009 and such amounts will be recouped and advanced from month-to-month as the suppliers deliver product to the Company. The Company also requires certain counterparties to post cash collateral with the Company in order to support their purchases from the Company. Such cash collateral held by the Company totaled $1,884,000 as of December 31, 2009. Management believes current cash balances, together with expected cash generated from future operations, will be sufficient to meet short-term and long-term liquidity needs.

The Company utilizes cash from operations to make discretionary investments in its oil and natural gas exploration, marketing and transportation businesses, which comprise substantially all of the Company's investing cash outflows for each of the past three years. The Company does not look to proceeds from property sales to fund its cash flow needs. However, during May 2007, the Company received net proceeds of $14,954,000 related to the sale of oil and gas properties and such sale was made due to attractive pricing. Currently, the Company does not plan to make significant dispositions of its oil and gas properties in the future, but certain oil and gas interests may be disposed of should favorable opportunities arise. Except for a total of $1.9 million in operating lease commitments for transportation equipment and office lease space, the Company's future commitments and planned investments can be readily curtailed if operating cash flows contract.

Capital expenditures during 2009 included $9,648,000 for marketing and transportation equipment additions (primarily trucks and trailers) and $12,742,000 in property additions associated with oil and gas exploration and production activities. For 2010, the Company anticipates expending approximately $15 million on oil and gas exploration projects to be funded from operating cash flow and available working capital. In addition, approximately $7 million will be expended towards replacement of older truck-tractors within the Company's marketing and transportation businesses with funding from available cash flow.

Historically, the Company pays an annual dividend in the fourth quarter of each year, and the Company paid a $.50 per common share or $2,109,000 dividend to shareholders of record as of December 1, 2009. The most significant item affecting future increases or decreases in liquidity is earnings from operations and such earnings are dependent on the success of future operations (see Item 1A Risk Factors in this annual report of Form 10-K).

Banking Relationships

In August 2009, the Company entered into a Credit and Security Agreement with Wells Fargo Bank to provide a $40 million letter of credit facility. Pursuant to the Wells Fargo agreement, the Company discontinued its previous working capital lines of credit with Bank of America. The Wells Fargo facility provides for the issuance of up to $40 million of letters of credit to support the Company's crude oil and natural gas marketing businesses based on the eligible accounts receivable within those operations. Letters of credit outstanding totaled $24.5 million as of December 31, 2009. The letter of credit facility places certain restrictions on the Company's Gulfmark Energy, Inc. and Adams Resources Marketing, Ltd. subsidiaries. Such restrictions included maintaining a combined 1.1 to 1.0 current ratio and maintaining positive net earnings as defined among other restrictions. Management believes the Company is currently in compliance with all such covenants.

Insurance

From time to time, the marketplace for all forms of insurance enters into periods of severe cost increases. In the past, during such cyclical periods, the Company has seen costs escalate to the point where desired levels of insurance were either unavailable or unaffordable. The Company's primary insurance needs are in the areas of worker's compensation, automobile and umbrella coverage for its trucking fleet and medical insurance for employees. During each of 2009, 2008 and 2007, insurance cost stabilized and totaled $10.5 million, $10.6 million and $10.3 million, respectively. Overall insurance cost may experience renewed rate increases during 2010. Since the Company is generally unable to pass on such cost increases, any increase will need to be absorbed by existing operations.

Competition

In all phases of its operations, the Company encounters strong competition from a number of entities. Many of these competitors possess financial resources substantially in excess of those of the Company. The Company faces competition principally in establishing trade credit, pricing of available materials and quality of service. In its oil and gas operation, the Company also competes for the acquisition of mineral properties. The Company's marketing division competes with major oil companies and other large industrial concerns that own or control significant refining and marketing facilities. These major oil companies may offer their products to others on more favorable terms than those available to the Company. From time to time in recent years, there have been supply imbalances for crude oil and natural gas in the marketplace. This in turn has led to significant fluctuations in prices for crude oil and natural gas. As a result, there is a high degree of uncertainty regarding both the future market price for crude oil and natural gas and the available margin spread between wholesale acquisition costs and sales realization.

Forward-Looking Statements — Safe Harbor Provisions

This annual report on Form 10-K for the year ended December 31, 2009 contains certain forward-looking statements covered by the safe harbors provided under Federal securities law and regulations. To the extent such statements are not recitations of historical fact, forward-looking statements involve risks and uncertainties. In particular, statements under the captions (a) Production and Reserve Information, (b) Regulatory Status and Potential Environmental Liability, (c) Management's Discussion and Analysis of Financial Condition and Results of Operations, (d) Critical Accounting Policies and Use of Estimates, (e) Quantitative and Qualitative Disclosures about Market Risk, (f) Income Taxes, (g) Concentration of Credit Risk, (h) Price Risk Management Activities, and (i) Commitments and Contingencies, among others, contain forward-looking statements. Where the Company expresses an expectation or belief regarding future results of events, such expression is made in good faith and believed to have a reasonable basis in fact. However, there can be no assurance that such expectation or belief will actually result or be achieved.

With the uncertainties of forward looking statements in mind, the reader should consider the risks discussed elsewhere in this report and other documents filed by the Company with the Securities and Exchange Commission from time to time and the important factors described under "Item 1A Risk Factor" that could cause actual results to differ materially from those expressed in any forward-looking statement made by or on behalf of the Company.

CONSOLIDATED BALANCE SHEETS

	December 31, 2009	December 31, 2008
	(In thousands)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 16,806	$ 18,208
Accounts receivable, net of allowance for doubtful accounts of $1,681 and $1,251, respectively	155,941	119,401
Inventories	15,260	14,207
Fair value contracts	1,581	8,697
Income tax receivable	2,171	3,629
Prepayments	10,804	5,224
Total current assets	202,563	169,366
PROPERTY AND EQUIPMENT:		
Marketing	19,787	19,510
Transportation	38,859	32,661
Oil and gas (successful efforts method)	73,843	66,593
Other	171	99
	132,660	118,863
Less — Accumulated depreciation, depletion and amortization	(90,355)	(83,277)
	42,305	35,586
OTHER ASSETS:		
Deferred income tax asset	1,290	2,035
Cash deposits and other	3,243	3,939
	$249,401	$210,926
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$158,176	$115,183
Accounts payable — related party	75	89
Fair value contracts	1,331	8,196
Accrued and other liabilities	3,872	3,930
Current deferred income taxes	737	409
Total current liabilities	164,191	127,807
LONG-TERM DEBT	—	—
OTHER LIABILITIES:		
Asset retirement obligations	1,315	1,260
Other liabilities	94	98
COMMITMENTS AND CONTINGENCIES (NOTE 6)	165,600	129,165
SHAREHOLDERS' EQUITY:		
Preferred stock, $1.00 par value, 960,000 shares authorized, none outstanding	—	—
Common stock, $.10 par value, 7,500,000 shares authorized, 4,217,596 issued and outstanding	422	422
Contributed capital	11,693	11,693
Retained earnings	71,686	69,646
Total shareholders' equity	83,801	81,761
	$249,401	$210,926

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2009	2008	2007
	(In thousands, except per share data)		
REVENUES:			
Marketing	$1,889,583	$4,074,677	$2,558,545
Transportation	44,895	67,747	63,894
Oil and gas	8,650	17,248	13,783
	1,943,128	4,159,672	2,636,222
COSTS AND EXPENSES:			
Marketing	1,869,400	4,074,614	2,537,117
Transportation	38,797	59,659	54,115
Oil and gas operations	8,621	13,833	10,803
Oil and gas property sale	—	—	(12,078)
General and administrative	9,589	9,667	10,974
Depreciation, depletion and amortization	10,320	13,373	11,384
	1,936,727	4,171,146	2,612,315
Operating Earnings (Loss)	6,401	(11,474)	23,907
Other Income (Expense):			
Interest income	125	1,103	1,741
Interest expense	(25)	(187)	(134)
Earnings (loss) before income taxes	6,501	(10,558)	25,514
Income Tax (Provision) Benefit:			
Current	(1,280)	(1,689)	(8,093)
Deferred	(1,072)	6,675	(365)
	(2,352)	4,986	(8,458)
Net Earnings (Loss)	$ 4,149	$ (5,572)	$ 17,056
EARNINGS (LOSS) PER SHARE:			
Basic and diluted net earnings (loss) per share	$ .98	$ (1.32)	$ 4.04
DIVIDENDS PER COMMON SHARE	$ .50	$ .50	$ .47

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Contributed Capital	Retained Earnings	Total Shareholders' Equity
		(In thousands)		
BALANCE, January 1, 2007	$422	$11,693	$62,253	$74,368
Net earnings	—	—	17,056	17,056
Dividends paid on common stock	—	—	(1,982)	(1,982)
BALANCE, December 31, 2007	$422	$11,693	$77,327	$89,442
Net earnings (loss)	—	—	(5,572)	(5,572)
Dividends paid on common stock	—	—	(2,109)	(2,109)
BALANCE, December 31, 2008	$422	$11,693	$69,646	$81,761
Net earnings	—	—	4,149	4,149
Dividends paid on common stock	—	—	(2,109)	(2,109)
BALANCE, December 31, 2009	$422	$11,693	$71,686	$83,801

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2009	2008	2007
		(In thousands)	
CASH PROVIDED BY OPERATIONS:			
Net earnings (loss)	$ 4,149	$ (5,572)	$ 17,056
Adjustments to reconcile net earnings (loss) to net cash from operating activities-			
Depreciation, depletion and amortization	10,320	13,373	11,384
Property sale (gains) losses	(177)	354	(12,025)
Dry hole costs incurred	661	2,421	3,187
Impairment of oil and gas properties	3,773	5,911	2,062
Provision for doubtful accounts	430	1,059	(33)
Deferred income taxes	1,072	(6,675)	365
Net change in fair value contracts	251	1,238	(275)
Other, net	485	(433)	(93)
Decrease (increase) in accounts receivable	(36,515)	141,250	(67,580)
Decrease (increase) in inventories	(1,053)	569	(6,826)
Decrease (increase) in income tax receivable	1,458	(1,075)	(1,158)
Decrease (increase) in prepayments	(5,580)	(1,456)	771
Increase (decrease) in accounts payable	43,069	(137,548)	66,556
Increase (decrease) in accrued liabilities	(58)	223	(4,190)
Net cash provided by operating activities	22,285	13,639	9,201
INVESTING ACTIVITIES:			
Property and equipment additions	(22,390)	(17,688)	(15,841)
Insurance and state collateral (deposits) refunds	(192)	502	(303)
Proceeds from property sales	1,004	167	14,954
Redemption of short-term investments	—	10,000	25,000
Investment in short-term investments	—	(10,000)	(25,000)
Net cash (used in) investing activities	(21,578)	(17,019)	(1,190)
FINANCING ACTIVITIES:			
Net repayments under credit agreements	—	—	(3,000)
Dividend payments	(2,109)	(2,109)	(1,982)
Net cash (used in) financing activities	(2,109)	(2,109)	(4,982)
Increase (decrease) in cash and cash equivalents	(1,402)	(5,489)	3,029
Cash and cash equivalents at beginning of year	18,208	23,697	20,668
Cash and cash equivalents at end of year	$ 16,806	$ 18,208	$ 23,697

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Adams Resources & Energy, Inc., a Delaware corporation, and its wholly owned subsidiaries (the "Company") after elimination of all significant intercompany accounts and transactions. The impact on the accompanying financial statements of events occurring after December 31, 2009 has been evaluated through the date of issuance of these financial statements.

Nature of Operations

The Company is engaged in the business of crude oil, natural gas and petroleum products marketing, as well as tank truck transportation of liquid chemicals and oil and gas exploration and production. Its primary area of operation is within a 1,000 mile radius of Houston, Texas.

Cash, Cash Equivalents and Auction Rate Investments

Cash and cash equivalents include any Treasury bill, commercial paper, money market fund or federal funds with maturity of 90 days or less. Depending on cash availability and market conditions, investments in municipal bonds may also be made from time to time. The Company invests in tax-free municipal securities in order to enhance the after-tax rate of return from short-term investments of cash. The Company had no municipal investments as of December 31, 2009 and 2008. Cash and cash equivalents are maintained with major financial institutions and such deposits may exceed the amount of Federally backed insurance provided. While the Company regularly monitors the financial stability of such institutions, cash and cash equivalents ultimately remain at risk subject to the financially viability of such institutions.

Allowance for Doubtful Accounts

Accounts receivable result from sales of crude oil, natural gas and refined products as well as from trucking services. Marketing business wholesale level sales of crude oil and natural gas comprise in excess of 90 percent of accounts receivable and under industry practices, such items are "settled" and paid in cash within 25 days of the month following the transaction date. For such receivables, an allowance for doubtful accounts is determined based on specific account identification. The balance of accounts receivable results primarily from sales of refined petroleum products and trucking services. For this component of receivables, the allowance for doubtful accounts is determined based on a review of specific accounts combined with a review of the general status of the aging of all accounts.

Inventories

Crude oil and petroleum product inventories are carried at the lower of average cost or market. Petroleum products inventory includes gasoline, lubricating oils and other petroleum products purchased for resale. Components of inventory are as follows (**in thousands**):

	December 31,	
	2009	2008
Crude oil	$14,053	$11,710
Petroleum products	1,207	2,497
	$15,260	$14,207

Prepayments

The components of prepayments and other are as follows **(in thousands):**

	December 31,	
	2009	2008
Cash collateral deposits for commodity purchases	$ 7,670	$2,082
Insurance premiums	2,478	1,985
Natural gas pipeline imbalances	89	369
Rents, license and other	567	788
	$10,804	$5,224

Property and Equipment

Expenditures for major renewals and betterments are capitalized, and expenditures for maintenance and repairs are expensed as incurred. Interest costs incurred in connection with major capital expenditures are capitalized and amortized over the lives of the related assets. When properties are retired or sold, the related cost and accumulated depreciation, depletion and amortization ("DD&A") is removed from the accounts and any gain or loss is reflected in earnings.

Oil and gas exploration and development expenditures are accounted for in accordance with the successful efforts method of accounting. Direct costs of acquiring developed or undeveloped leasehold acreage, including lease bonus, brokerage and other fees, are capitalized. Exploratory drilling costs are initially capitalized until the properties are evaluated and determined to be either productive or nonproductive. Such evaluations are made on a quarterly basis. If an exploratory well is determined to be nonproductive, the costs of drilling the well are charged to expense. Costs incurred to drill and complete development wells, including dry holes, are capitalized. As of December 31, 2009, the Company had no unevaluated or suspended exploratory drilling costs.

Depreciation, depletion and amortization of the cost of proved oil and gas properties is calculated using the unit-of-production method. The reserve base used to calculate depreciation, depletion and amortization for leasehold acquisition costs and the cost to acquire proved properties is the sum of proved developed reserves and proved undeveloped reserves. For lease and well equipment, development costs and successful exploration drilling costs, the reserve base includes only proved developed reserves. All other property and equipment is depreciated using the straight-line method over the estimated average useful lives of three to twenty years.

The Company periodically reviews its long-lived assets for impairment whenever there is evidence that the carrying value of such assets may not be recoverable. Any impairment recognized is permanent and may not be restored. Producing oil and gas properties are reviewed quarterly for impairment triggers on a field-by-field basis. For properties requiring impairment, the fair value is estimated based on an internal discounted cash-flow model that uses market based inputs. Cash flows are developed based on estimated future production and prices and then discounted using an internal rate of return consistent with that used by the Company in evaluating cash flows for other assets of a similar nature. For the years ended December 31, 2009, 2008 and 2007 there were $1,350,000, $3,078,000 and $1,216,000 impairment provisions on producing oil and gas properties, respectively.

Fair value measurements for producing oil and gas properties that were subject to fair value impairment for the year ended December 31, 2009 summarized as follows **(in thousands):**

	Producing Properties Subject to Fair Value Impairment
Net book value at January 1, 2009	$ 1,744
Property additions	960
Depletion taken	(751)
Impairment valuation loss	(1,350)
Net book at December 31, 2009	$ 603

All fair value measurements for producing oil and gas properties are based on Level 3 — Significant Unobservable Inputs — (see Fair Value Measurements below).

On a quarterly basis, management also evaluates the carrying value of non-producing oil and gas properties and may deem them impaired for lack of drilling activity. Accordingly, impairment provisions on non-producing properties totaling $2,423,000, $2,834,000 and $846,000 were recorded for the years ended December 31, 2009, 2008 and 2007, respectively. For non-producing properties, impairments are determined based on management's knowledge of current geological evaluations, drilling results and activity in the area and intent to drill as it relates to the remaining term of the underlying oil and gas leasehold interest.

Cash Deposits and Other Assets

The Company has established certain deposits to support participation in its liability insurance program and remittance of state crude oil severance taxes and other state collateral deposits. In addition, the Company has accounts and notes receivable from certain customers that are expected to be collected over a long-term period. Components of cash deposits and other assets are as follows **(in thousands):**

	December 31, 2009	December 31, 2008
Insurance collateral deposits	$2,648	$2,794
State collateral deposits	271	279
Accounts and notes receivable	—	503
Materials and supplies	324	363
	$3,243	$3,939

Revenue Recognition

Commodity purchases and sale contracts utilized by the Company's marketing businesses qualify as derivative instruments. Further, all natural gas, as well as certain specifically identified crude oil purchase and sale contracts, are designated as trading activities. From the time of contract origination, such trading activity contracts are marked-to-market and recorded on a net revenue basis in the accompanying financial statements.

Substantially all crude oil and refined products purchase and sale contracts qualify and are designated as non-trading activities and the Company elects the normal purchases and sales exception methodology for such activity. For normal purchase and sale activities, the Company's customers are invoiced monthly based upon contractually agreed upon terms with revenue recognized in the month in which the physical product is delivered to the customer. Such sales are recorded gross in the financial statements because the Company takes title to and has risk of loss for the products, is the primary obligor for the purchase, establishes the sale price independently with a third party and maintains credit risk associated with the sale of the product.

Certain crude oil contracts may be with a single counterparty to provide for similar quantities of crude oil to be bought and sold at different locations. These contracts are entered into for a variety of reasons, including effecting

the transportation of the commodity, to minimize credit exposure, and/or to meet the competitive demands of the customer. Such buy/sell arrangements are reflected on a net revenue basis in the accompanying financial statements.

Transportation customers are invoiced, and the related revenue is recognized, as the service is provided. Oil and gas revenue from the Company's interests in producing wells is recognized as title and physical possession of the oil and gas passes to the purchaser.

Banking Relationships

In August 2009, the Company entered into a Credit and Security Agreement with Wells Fargo Bank to provide a $40 million letter of credit facility. Pursuant to the Wells Fargo agreement, the Company discontinued its previous working capital lines of credit with Bank of America. The Wells Fargo facility provides for the issuance of up to $40 million of letters of credit to support the Company's crude oil and natural gas marketing businesses based on the eligible accounts receivable within those operations. Letters of credit outstanding totaled $24.5 million as of December 31, 2009. The letter of credit facility places certain restrictions on the Company's Gulfmark Energy, Inc. and Adams Resources Marketing, Ltd. subsidiaries. Such restrictions include maintaining a combined 1.1 to 1.0 current ratio and maintaining positive net earnings as defined among other restrictions. Management believes the Company is currently in compliance with all such financial covenants.

Statement of Cash Flows

Interest paid totaled $26,000, $187,000 and $115,000 during the years ended December 31, 2009, 2008 and 2007, respectively. Income taxes paid during these same periods totaled $1,152,000, $3,768,000, and $9,134,000, respectively. The Company also received a $2,000,000 income tax refund during 2009. Non-cash investing activities for property and equipment in accounts payable were $440,000, $561,000 and $135,000 as of December 31, 2009, 2008 and 2007, respectively. There were no significant non-cash financing activities in any of the periods reported.

Earnings Per Share

Earnings per share are based on the weighted average number of shares of common stock and potentially dilutive common stock shares outstanding during the period. The weighted average number of shares outstanding was 4,217,596 for 2009, 2008 and 2007. There were no potentially dilutive securities during those periods.

Share-Based Payments

During the periods presented herein, the Company had no stock-based employee compensation plans, nor any other share-based payment arrangements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Examples of significant estimates used in the accompanying consolidated financial statements include the oil and gas reserve volumes that form the foundation for (1) calculating depreciation, depletion and amortization and (2) deriving cash flow estimates to assess impairment triggers or estimated values associated with oil and gas property, revenue accruals, the provision for bad debts, insurance related accruals, income taxes, contingencies and valuation of fair value contracts.

Use of Derivative Instruments

The Company's marketing segment is involved in the purchase and sale of crude oil and natural gas. The Company seeks to make a profit by procuring such commodities as they are produced and then delivering such products to the end users or intermediate use marketplace. As is typical for the industry, such transactions are made

pursuant to the terms of forward month commodity purchase and/or sale contracts. These contracts meet the definition of a derivative instrument and therefore, the Company accounts for such contracts at fair value, unless the normal purchase and sale exception is elected. The Company's objective of entering into commodity contracts is not to manage commodity price risk nor is the objective to trade or speculate on commodity prices. Rather, such underlying contracts are standard for the industry and are the governing document for the Company's crude oil and natural gas wholesale distribution businesses. The accounting methodology utilized by the Company for its commodity contracts is further discussed below under the caption "Fair Value Measurements".

None of the Company's derivative instruments have been designated as hedging instruments and the estimated fair value of forward month commodity contracts (derivatives) is reflected in the accompanying Consolidated Balance Sheet as of December 31, 2009 as follows **(in thousands):**

	Balance Sheet Location and Amount			
	Current Assets	Other Assets	Current Liabilities	Other Liabilities
Asset Derivatives				
— Fair Value Commodity Contracts at Gross Valuation	$2,035	$—	$ —	$—
Liability Derivatives				
— Fair Value Commodity Contracts at Gross Valuation	—	—	1,785	—
Less Counterparty Offsets	(454)	—	(454)	—
As Reported Fair Value Contracts	$1,581	$—	$1,331	$—

The Company only enters into commodity contracts with creditworthy counterparties or obtains collateral support for such activities. No credit loss provision applies to the Company's forward commodity contract valuations. As of December 31, 2009, the Company is not holding nor has it posted any collateral to support its forward month fair value derivative activity. The Company is not subject to any credit-risk related trigger events.

Forward month fair value commodity contracts (derivatives) are reflected in the accompanying Consolidated Statement of Operations for the year ended December 31, 2009 as follows **(in thousands):**

Location	(Loss)
Revenues — marketing	$(251)

Fair Value Measurements

The carrying amount reported in the balance sheet for cash and cash equivalents, accounts receivable and accounts payable approximates fair value because of the immediate or short-term maturity of these financial instruments.

Fair value contracts consist of derivative financial instruments and are recorded as either an asset or liability measured at its fair value. Changes in fair value are recognized immediately in earnings unless the derivatives qualify for, and the Company elects, cash flow hedge accounting. The Company had no contracts designated for hedge accounting during any current reporting periods.

Fair value estimates are based on assumptions that market participants would use when pricing an asset or liability and the Company uses a fair value hierarchy of three levels that prioritizes the information used to develop those assumptions. Currently, for all items presented herein, the Company utilizes a market approach to valuing its contracts. On a contract by contract, forward month by forward month basis, the Company obtains observable market data for valuing its contracts. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is summarized as follows:

Level 1 — quoted prices in active markets for identical assets or liabilities that may be accessed at the measurement date. Active markets are those in which transactions for the asset or liability

occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The Company utilizes the New York Mercantile Exchange "NYMEX" for its Level 1 valuations.

Level 2 — (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical assets or liabilities but in markets that are not actively traded or in which little information is released to the public, (c) observable inputs other than quoted prices and (d) inputs derived from observable market data.

Level 3 — Unobservable market data inputs for assets or liabilities.

As of December 31, 2009, the Company's fair value assets and liabilities are summarized and categorized as follows **(in thousands):**

	Market Data Inputs			
	Level 1 Quoted Prices	Level 2 Observable	Level 3 Unobservable	Total
Derivatives				
— Current assets	$224	$ 1,357	$—	$ 1,581
— Current liabilities	—	(1,331)	—	(1,331)
Net Value	$224	$ 26	$—	$ 250

As of December 31, 2008, the Company's fair value assets and liabilities are summarized and categorized as follows **(in thousands):**

	Market Data Inputs			
	Level 1 Quoted Prices	Level 2 Observable	Level 3 Unobservable	Total
Derivatives				
— Current assets	$1,029	$ 7,668	$—	$ 8,697
— Current liabilities	—	(8,196)	—	(8,196)
Net Value	$1,029	$ (528)	$—	$ 501

The Company's gross transaction volumes for physically settled energy trading contracts were approximately 132,488,000 mmbtu's, 159,505,000 mmbtu's, and 154,395,000 mmbtu's in 2009, 2008 and 2007, respectively.

When determining fair value measurements, the Company makes credit valuation adjustments to reflect both its own nonperformance risk and its counterparty's nonperformance risk. When adjusting the fair value of derivative contracts for the effect of nonperformance risk, the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, and guarantees are considered. Credit valuation adjustments utilize Level 3 inputs, such as credit scores to evaluate the likelihood of default by the Company or its counterparties. As of December 31, 2009, credit valuation adjustments were not significant to the overall valuation of the Company's fair value contracts. As a result, applicable fair value assets and liabilities in their entirety are classified in Level 2 of the fair value hierarchy.

The following table illustrates the factors impacting the change in the net value of the Company's fair value contracts for the year ended December 31, 2009 **(in thousands):**

	Level 1 Quoted Prices	Level 2 Observable	Total
Net Fair Value January 1,	$ 1,029	$(528)	$ 501
— Net realized (gains) losses	(1,029)	528	(501)
— Net unrealized gains (losses) at inception of contract	224	26	250
Net Fair Value December 31,	$ 224	$ 26	$ 250

Asset Retirement Obligations

The Company records a long-term liability for the estimated retirement costs associated with certain tangible long-lived assets. The estimated fair value of asset retirement obligations are recorded in the period in which they are incurred and the corresponding cost capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its then present value each period, and the capitalized cost is depreciated over the useful life of the related asset. If the liability is settled for an amount other than the recorded amount, a gain or loss is recognized. A summary of the Company's asset retirement obligations is presented as follows **(in thousands):**

	2009	2008
Balance on January 1,	$1,260	$1,153
— Liabilities incurred	44	57
— Accretion of discount	74	70
— Liabilities settled	(60)	(20)
— Revisions to estimates	(3)	—
Balance on December 31,	$1,315	$1,260

In addition to an accrual for asset retirement obligations, the Company maintains $75,000 in escrow cash, which is legally restricted for the potential purpose of settling asset retirement costs in accordance with certain state regulations. Such cash deposits are included in other assets in the accompanying balance sheet.

Recent Accounting Pronouncements

As of September 30, 2009, the Financial Accounting Standards Board issued the Accounting Standards Codification (ASC) which became effective for the Company. The ASC is now the source of authoritative U.S. accounting and reporting standards for nongovernmental entities, in addition to guidance issued by the SEC. No changes to accounting standards or guidance resulted from the issuance of the ASC. Any references to accounting guidance in current and future financial statements will be to the applicable ASC sections.

In December 2008, the Securities and Exchange Commission released Final Rule, Modernization of Oil and Gas Reporting to revise the existing Regulation S-K and Regulation S-X reporting requirements to align with current industry practices and technological advances. The new disclosure requirements include provisions that permit the use of new technologies to determine proved reserves if those technologies have been demonstrated empirically to lead to reliable conclusions about reserve volumes. In addition, the new disclosure requirements require a company to (a) disclose its internal control over reserves estimation and report the independence and qualification of its reserves preparer or auditor, (b) file reports when a third party is relied upon to prepare reserves estimates or conducts a reserve audit, (c) report oil and gas reserves using an average price based upon the prior 12-month period rather than period-end prices and (d) disclose the development of any proved undeveloped reserves (PUD's) including the total quantity of PUD's at year-end, material changes to PUD's during the year, investments and progress toward the development of PUD's and an explanation of the reasons why material concentrations of PUD's have remained undeveloped for five years or more after disclosure as PUD's. The accounting changes resulting from changes in definitions and pricing assumptions should be treated as a change in accounting principle that is inseparable from a change in accounting estimate, which is to be applied prospectively. The disclosures required by this ruling became effective for the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

In January 2010, the FASB issued FASB Accounting Standards Update (ASU) No. 2010-03, "Oil and Gas Reserve Estimations and Disclosures" (ASU No. 2010-03). This update aligns the current oil and gas reserve estimation and disclosure requirements of the Extractive Industries — Oil and Gas topic of the ASC (ASC Topic 932) with the changes required by the SEC final rule, "Modernization of Oil and Gas Reporting," as discussed above. ASU No. 2010-03 expands the disclosures required for equity method investments, revises the definition of oil and gas producing activities to include nontraditional resources in reserves unless not intended to be upgraded into synthetic oil or gas, amends the definition of proved oil and gas reserves to require 12-month average pricing in

estimating reserves, amends and adds definitions in the Master Glossary that is used in estimating proved oil and gas quantities and provides guidance on geographic area with respect to disclosure of information about significant reserves. ASU No. 2010-03 must be applied prospectively as a change in accounting principle that is inseparable from a change in accounting estimate. The Company adopted ASU No. 2010-03 effective December 31, 2009.

Management believes the impact of other recently issued standards and updates, which are not yet effective, will not have a material impact on the Company's consolidated financial position, results of operations or cash flows upon adoption.

(2) Income Taxes

The following table shows the components of the Company's income tax (provision) benefit **(in thousands):**

	Years Ended December 31,		
	2009	2008	2007
Current:			
Federal	$ (649)	$(1,349)	$(6,637)
State	(631)	(340)	(1,456)
	(1,280)	(1,689)	(8,093)
Deferred:			
Federal	(1,286)	6,199	(497)
State	214	476	132
	$(2,352)	$ 4,986	$(8,458)

Taxes computed at the corporate federal income tax rate reconcile to the reported income tax (provision) as follows **(in thousands):**

	Years Ended December 31,		
	2009	2008	2007
Statutory federal income tax (provision) benefit	$(2,275)	$3,696	$(8,930)
State income tax (provision) benefit	(270)	88	(860)
Federal statutory depletion	186	797	750
Domestic production deduction	—	62	141
Foreign investment write-off	—	—	148
Change in state tax rates	—	20	322
Reduction of prior uncertain tax position	—	320	—
Other	7	3	(29)
	$(2,352)	$4,986	$(8,458)

Deferred income taxes reflect the net difference between the financial statement carrying amounts and the underlying tax basis in such items. The components of the federal deferred tax asset (liability) are as follows **(in thousands):**

	Years Ended December 31,	
	2009	2008
Current deferred tax asset (liability)		
Bad debts	$ 421	$ 438
Prepaid insurance	(1,070)	(672)
Mark-to-market contracts	(88)	(175)
Net current deferred tax (liability)	(737)	(409)
Long-term deferred tax asset (liability)		
Property	884	1,985
Uniform capitalization	322	263
Insurance returns	(166)	(323)
Other	250	110
Net long-term deferred tax asset	1,290	2,035
Net deferred tax asset	$ 553	$1,626

Financial statement recognition and measurement of positions taken, or expected to be taken, by an entity in its income tax returns must consider the uncertainty and judgment involved in the determination and filing of income taxes. Tax positions taken in an income tax return that are recognized in the financial statements must satisfy a more-likely-than-not recognition threshold, assuming that the tax position will be examined by taxing authorities with full knowledge of all relevant information. As of December 31, 2009 and 2008, the Company had accrued approximately $130,000 and $114,000 including approximately $58,000 and $51,000 of potential interest and penalty, respectively, applicable to certain open and unfiled state tax returns. A reconciliation of the unrecognized tax benefits is as follows **(in thousands):**

	2009	2008
Balance as of January 1,	$63	$ 234
Additions for tax positions of prior years	9	—
Reductions of prior positions	—	(171)
Balance as of December 31,	$72	$ 63

The Company is currently working to file all remaining open returns and expects to complete this process by year-end 2010. As the actual tax payments are made, the accrual will be reduced. The Company has no other unrecognized tax benefits. Interest and penalties associated with income tax liabilities are classified as income tax expense.

The earliest tax years remaining open from Federal and major states of operations are as follows:

	Earliest Open Tax Year
Federal	2007
Texas	2005
Louisiana	2006
Michigan	2006
Mississippi	2006
Alabama	2006
New Mexico	2006

(3) Concentration of Credit Risk

Credit risk represents the amount of loss the Company would absorb if its customers failed to perform pursuant to contractual terms. Management of credit risk involves a number of considerations, such as the financial profile of the customer, the value of collateral held, if any, specific terms and duration of the contractual agreement, and the customer's sensitivity to economic developments. The Company has established various procedures to manage credit exposure, including initial credit approval, credit limits, and rights of offset. Letters of credit and guarantees are also utilized to limit credit risk.

The Company's largest customers consist of large multinational integrated oil companies and utilities. In addition, the Company transacts business with independent oil producers, major chemical concerns, crude oil and natural gas trading companies and a variety of commercial energy users. Accounts receivable associated with crude oil and natural gas marketing activities comprise approximately 90 percent of the Company's total receivables as of December 31, 2009, and industry practice requires payment for such sales to occur within 25 days of the month following a transaction. The Company's credit policy and the relatively short duration of receivables mitigate the uncertainty typically associated with receivables management. The Company had accounts receivable from three customers that comprised 17.8 percent, 12.6 percent and 10.8 percent, respectively, of total accounts receivable at December 31, 2009. Three customers comprised 39.4 percent, 17.7 percent and 15.7 percent, respectively, of total revenues during 2009. The Company had accounts receivable from one customer that comprised 18.7 percent of total receivables at December 31, 2008. Such customer also comprised 16.3 percent and a second customer comprised 40.3 percent, respectively, of total revenues during 2008. The Company had accounts receivable from two customers that comprised 23 percent and 17 percent of total receivables at December 31, 2007 and such customers also comprised 42 percent and 14 percent of total revenues in 2007, respectively.

As reflected in the table below, during 2009 and 2008 the Company increased its provision for bad debts as a result of a deteriorating economic outlook for the U.S. economy particularly as it impacted the collectability of the Company's diesel fuel sales to the construction industry. An allowance for doubtful accounts is provided where appropriate and accounts receivable presented herein are net of allowances for doubtful accounts of $1,681,000 and $1,251,000 at December 31, 2009 and 2008, respectively.

An analysis of the changes in the allowance for doubtful accounts is presented as follows **(in thousands):**

	2009	2008	2007
Balance, beginning of year	$1,251	$ 192	$ 225
Provisions for bad debts	704	1,099	121
Less: Write-offs and recoveries	(274)	(40)	(154)
Balance, end of year	$1,681	$1,251	$ 192

(4) Employee Benefits

The Company maintains a 401(k) savings plan for the benefit of its employees. The Company's contributory expenses for the plan were $578,000, $607,000 and $582,000 in 2009, 2008 and 2007, respectively. No other pension or retirement plans are maintained by the Company.

(5) Transactions with Related Parties

Mr. K. S. Adams, Jr., Chairman and Chief Executive Officer, and certain of his family partnerships and affiliates have participated as working interest owners with the Company's subsidiary, Adams Resources Exploration Corporation. Mr. Adams and such affiliates participate on terms similar to those afforded other non-affiliated working interest owners. In recent years, such related party transactions generally result after the Company has first identified oil and gas prospects of interest. Typically the available dollar commitment to participate in such transactions is greater than the amount management is comfortable putting at risk. In such event, the Company first determines the percentage of the transaction it wants to obtain, which allows a related party to participate in the investment to the extent there is excess available. In those instances where there was no excess availability there has been no related party participation. Similarly, related parties are not required to participate, nor is the Company obligated to offer any such participation to a related or other party. When such related party transactions occur, they are individually reviewed and approved by the Audit Committee comprised of the independent directors on the Company's Board of Directors. During 2009 and 2008, the Company's investment commitments totaled approximately $22 million and $18 million, respectively, in those oil and gas projects where a related party was also participating in such investments. As of December 31, 2009 and 2008, the Company owed a combined net total of $75,000 and $89,000, respectively, to these related parties. In connection with the operation of certain oil and gas properties, the Company also charges such related parties for administrative overhead primarily as prescribed by the Council of Petroleum Accountants Society Bulletin 5. Such overhead recoveries totaled $150,000, $134,000 and $125,000 for the years ended December 31, 2009, 2008, and 2007, respectively.

The Company also enters into certain transactions in the normal course of business with other affiliated entities including direct cost reimbursement for shared phone and secretarial services. For the years ended December 31, 2009, 2008 and 2007, the affiliated entities charged the Company $62,000, $51,000 and $80,000, respectively, of expense reimbursement and the Company charged the affiliates $127,000, $97,000 and $80,000, respectively, for such expense reimbursements.

(6) Commitments and Contingencies

Rental expense primarily results from payments to truck owner-operators for use of their equipment and services on a month-to-month basis. The Company has also entered into longer term operating lease arrangements for tractors, trailers, office space, and other equipment and facilities. Rental expense for the years ended December 31, 2009, 2008, and 2007 was $6,898,000, $13,423,000 and $11,885,000, respectively. At December 31, 2009, commitments under long-term non-cancelable operating leases for the next four years and thereafter are payable as follows: 2010 - $1,165,000; 2011 — $820,000; 2012 — $168,000; 2013 — $47,000 with none thereafter.

Under certain of the Company's automobile and workers' compensation insurance policies, the Company can either receive a return of premium paid or be assessed for additional premiums up to pre-established limits. Additionally under the policies in certain instances the risk of insured losses is shared with a group of similarly situated entities. As of December 31, 2009 and 2008, management has appropriately recognized estimated expenses and liability related to the program.

From time to time as incidental to its operations, the Company may become involved in various lawsuits and/or disputes. Primarily as an operator of an extensive trucking fleet, the Company is a party to motor vehicle accidents, worker compensation claims and other items of general liability as would be typical for the industry. Management of the Company is presently unaware of any claims against the Company that are either outside the scope of

insurance coverage, or that may exceed the level of insurance coverage, and could potentially represent a material adverse effect on the Company's financial position or results of operations.

(7) Guarantees

Pursuant to arranging operating lease financing for truck tractors and tank trailers, individual subsidiaries of the Company may guarantee the lessor a minimum residual equipment sales value upon the expiration of a lease and sale of the underlying equipment. The Company believes performance under these guarantees to be remote. Aggregate guaranteed residual values for tractors and trailers under operating leases as of December 31, 2009 are as follows **(in thousands):**

	2010	2011	2012	2013	Thereafter	Total
Equipment residual values	$217	$181	$72	$216	$—	$686

In connection with certain contracts for the purchase and resale of branded motor fuels, the Company has received certain price discounts from its suppliers toward the purchase of gasoline and diesel fuel. Such discounts have been passed through to the Company's customers as an incentive to offset a portion of the costs associated with offering branded motor fuels for sale to the general public. Under the terms of the supply contracts, the Company and its customers are not obligated to return the price discounts, provided the gasoline service station offering such product for sale remains as a branded station for periods ranging from three to ten years. The Company has a number of customers and stations operating under such arrangements, and the Company's customers are contractually obligated to remain a branded dealer for the required periods of time. Should the Company's customers seek to void such contracts, the Company would be obligated to return a portion of such discounts received to its suppliers. As of December 31, 2009, the maximum amount of such potential obligation is approximately $2,221,000. Management of the Company believes its customers will adhere to their branding obligations and no such refunds will result.

Presently, neither Adams Resources & Energy, Inc. ("ARE") nor any of its subsidiaries has any other types of guarantees outstanding that require liability recognition.

ARE frequently issues parent guarantees of commitments resulting from the ongoing activities of its subsidiary companies. The guarantees generally result from subsidiary commodity purchase obligations, subsidiary lease commitments and subsidiary banking transactions. The nature of such items is to guarantee the performance of the subsidiary companies in meeting their respective underlying obligations. Except for operating lease commitments and letters of credit, all such underlying obligations are recorded on the books of the subsidiary companies and are included in the consolidated financial statements included herein. Therefore, no such obligation is recorded again on the books of the parent. The parent would only be called upon to perform under the guarantee in the event of a payment default by the applicable subsidiary company. In satisfying such obligations, the parent would first look to the assets of the defaulting subsidiary company.

As of December 31, 2009, parental guaranteed obligations are approximately as follows **(in thousands):**

	2010	2011	2012	2013	Thereafter	Total
Lease payments	$ 1,165	820	168	47	—	2,200
Equipment residual values	217	181	72	216	—	686
Commodity purchases	47,754	—	—	—	—	47,754
Letters of credit	24,494	—	—	—	—	24,494
	$73,630	$1,001	$240	$263	$—	$75,134

(8) Segment Reporting

The Company is engaged in the business of crude oil, natural gas and petroleum products marketing as well as tank truck transportation of liquid chemicals, and oil and gas exploration and production. Information concerning the Company's various business activities is summarized as follows **(in thousands):**

	Revenues	Segment Operating Earnings (loss)	Depreciation Depletion and Amortization	Property and Equipment Additions
Year ended December 31, 2009 —				
Marketing				
— Crude oil	$1,770,600	$15,404	$ 1,997	$ 1,947
— Natural gas	14,232	2,749	166	—
— Refined products	104,751	(666)	533	177
Marketing Total	1,889,583	17,487	2,696	2,124
Transportation	44,895	2,128	3,970	7,524
Oil and gas	8,650	(3,625)	3,654	12,742
	$1,943,128	$15,990	$10,320	$22,390
Year ended December 31, 2008 —				
Marketing				
— Crude oil	$3,849,531	$ (4,545)	$ 2,039	$ 4,715
— Natural gas	11,586	2,247	163	12
— Refined products	213,560	(406)	565	114
Marketing Total	4,074,677	(2,704)	2,767	4,841
Transportation	67,747	4,245	3,843	809
Oil and gas	17,248	(3,348)	6,763	12,038
	$4,159,672	$ (1,807)	$13,373	$17,688
Year ended December 31, 2007 —				
Marketing				
— Crude oil	$2,373,838	$15,321	$ 657	$ 1,397
— Natural gas	13,764	4,999	162	497
— Refined products	170,943	(168)	457	104
Marketing Total	2,558,545	20,152	1,276	1,998
Transportation	63,894	5,504	4,275	353
Oil and gas	13,783	9,225	5,833	13,490
	$2,636,222	$34,881	$11,384	$15,841

Intersegment sales are insignificant and all sales by the Company occurred in the United States.

Segment operating earnings reflect revenues net of operating costs and depreciation, depletion and amortization and are reconciled to earnings from continuing operations before income taxes, as follows **(in thousands):**

	Years Ended December 31,		
	2009	2008	2007
Segment operating earnings (loss)	$15,990	$ (1,807)	$ 34,881
— General and administrative expenses	(9,589)	(9,667)	(10,974)
Operating earnings	6,401	(11,474)	23,907
— Interest income	125	1,103	1,741
— Interest expense	(25)	(187)	(134)
Earnings (loss) before income taxes	$ 6,501	$(10,558)	$ 25,514

Identifiable assets by industry segment are as follows **(in thousands):**

	Years Ended December 31,	
	2009	2008
Marketing		
— Crude oil	$130,840	$ 85,774
— Natural gas	40,715	46,599
— Refined products	10,133	13,037
Marketing Total	181,688	145,410
Transportation	16,078	14,915
Oil and gas	26,050	21,904
Other	25,585	28,697
	$249,401	$210,926

Other identifiable assets are primarily corporate cash, corporate accounts receivable, and properties not identified with any specific segment of the Company's business. Accounting policies for transactions between reportable segments are consistent with applicable accounting policies as disclosed herein.

(9) Quarterly Financial Data (Unaudited) -

Selected quarterly financial data and earnings per share of the Company are presented below for the years ended December 31, 2009 and 2008 **(in thousands, except per share data):**

			Net Earnings (loss)		Dividends	
	Revenues	Operating Earnings (loss)	Amount	Per Share	Amount	Per Share
2009 —						
March 31	$ 340,141	$ 2,800	$ 1,870	$ .44	$ —	$ —
June 30	515,070	4,328	2,734	.65	—	—
September 30	576,299	1,146	639	.15	—	—
December 31	511,618	(1,873)	(1,094)	(.26)	2,109	.50
Total	$1,943,128	$ 6,401	$ 4,149	$ .98	$2,109	$.50
2008 —						
March 31	$ 965,988	$ 3,001	$ 2,211	$ .52	$ —	$ —
June 30	1,280,352	7,133	4,825	1.15	—	—
September 30	1,288,322	(10,044)	(6,276)	(1.49)	—	—
December 31	625,010	(11,564)	(6,332)	(1.50)	2,109	.50
Total	$4,159,672	$(11,474)	$(5,572)	$(1.32)	$2,109	$.50

Note: The fourth quarter 2009 operating loss resulted from $833,000 of oil and gas producing property impairments and a $550,000 bad debt provision within the Company's refined products segment. First and second quarter 2008 earnings above included pre-tax inventory liquidation gains totaling $1,967,000 and $3,911,000, respectively, as crude oil prices increased during the periods, while third and fourth quarter 2008 earnings included pre-tax inventory liquidation losses totaling $11,600,000 and $6,122,000 respectively, as crude oil prices initially increased by $43 per barrel and then declined by $93 per barrel during the second half of 2008. The full year 2009 includes pre-tax inventory liquidation gains totaling $5,780,000.

The above unaudited interim financial data reflect all adjustments that are in the opinion of management necessary to a fair statement of the results for the period presented. All such adjustments are of a normal recurring nature.

(10) Oil and Gas Producing Activities (Unaudited)

The Company's oil and gas exploration and production activities are conducted in Texas and the south central region of the United States, primarily along the Gulf Coast of Texas and Louisiana.

Oil and Gas Producing Activities (Unaudited) —

Total costs incurred in oil and gas exploration and development activities, all incurred within the United States, were as follows **(in thousands):**

	Years Ended December 31,		
	2009	2008	2007
Property acquisition costs			
Unproved	$ 6,199	$ 3,139	$ 1,428
Proved	—	—	—
Exploration costs			
Expensed	3,818	6,030	5,507
Capitalized	1,035	178	1,289
Development costs	2,341	3,466	6,741
Total costs incurred	$13,393	$12,813	$14,965

The aggregate capitalized costs relative to oil and gas producing activities are as follows **(in thousands):**

	December 31,	
	2009	2008
Unproved oil and gas properties	$ 9,385	$ 5,945
Proved oil and gas properties	64,458	60,648
	73,843	66,593
Accumulated depreciation, depletion and amortization	(49,797)	(47,042)
Net capitalized cost	$ 24,046	$ 19,551

Estimated Oil and Natural Gas Reserves (Unaudited) —

The following information regarding estimates of the Company's proved oil and gas reserves, all located in Texas and the south central region of the United States, is based on reports prepared on behalf of the Company by its independent petroleum engineers. Because oil and gas reserve estimates are inherently imprecise and require extensive judgments of reservoir engineering data, they are generally less precise than estimates made in conjunction with financial disclosures. The revisions of previous estimates as reflected in the table below result from changes in commodity pricing assumptions and from more precise engineering calculations based upon additional production histories and price changes.

Proved developed and undeveloped reserves are presented as follows:

	Years Ended December 31,					
	2009		2008		2007	
	Natural Gas (Mcf's)	Oil (Bbls.)	Natural Gas (Mcf's)	Oil (Bbls.)	Natural Gas (Mcf's)	Oil (Bbls.)
	(In thousands)					
Total proved reserves —						
Beginning of year	6,443	230	7,068	297	8,300	396
Revisions of previous estimates	(129)	(4)	(1,350)	(83)	132	(61)
Oil and gas reserves sold	—	—	—	—	(1,460)	(2)
Extensions, discoveries and other reserve additions	2,238	66	1,968	67	1,278	33
Production	(1,304)	(50)	(1,243)	(51)	(1,182)	(69)
End of year	7,248	242	6,443	230	7,068	297
Proved developed reserves —						
End of year	6,295	242	6,443	230	7,068	297

Proved undeveloped reserves as of December 31, 2009 consisted of 953,000 mcf of natural gas. Such quantities resulted from fourth quarter 2009 drilling activities.

The Company has developed internal policies and controls for estimating and recording oil and gas reserve data. The estimation and recording of proved reserves is required to be in compliance with SEC definitions and guidance. The Company assigns responsibility for compliance in reserve bookings to the office of President of the Company's AREC subsidiary. No portion of this individual's compensation is directly dependent on the quantity of reserves booked. Reserve estimates are required to be made by qualified reserve estimators, as defined by Society of Petroleum Engineers' Standards.

The Company employs the third party petroleum consultant, Ryder Scott Company, to prepare its oil and gas reserve data estimates as of December 31 2009, 2008 and 2007. The firm of Ryder Scott is well recognized within the industry for more than 50 years. As prescribed by the SEC, such proved reserves were estimated using 12-month average oil and gas prices, based on the first-day-of-the-month price for each month in the period, and year-end production and development costs for the December 31, 2009 estimate, without escalation. In previous years, such proved reserves were estimated using oil and gas prices and production and development costs as of December 31 of each such year, without escalation.

The process of estimating oil and gas reserves is complex and requires significant judgment. Uncertainties are inherent in estimating quantities of proved reserves, including many factors beyond the estimator's control. Reserve engineering is a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and the interpretation thereof. As a result, estimates by different engineers often vary, sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices, may justify revision of such estimates. Accordingly, oil and gas quantities ultimately recovered will vary from reserve estimates.

Standardized Measure of Discounted Future Net Cash Flows from Oil and Gas Operations and Changes Therein (Unaudited) —

The standardized measure of discounted future net cash flows was determined based on the economic conditions in effect at the end of the years presented, except in those instances where fixed and determinable gas price escalations are included in contracts. The disclosures below do not purport to present the fair market value of the Company's oil and gas reserves. An estimate of the fair market value would also take into account, among other things, the recovery of reserves in excess of proved reserves, anticipated future changes in prices and costs, a

discount factor more representative of the time value of money and risks inherent in reserve estimates. The standardized measure of discounted future net cash flows is presented as follows **(in thousands):**

	Years Ended December 31,		
	2009	2008	2007
Future gross revenues	$ 43,498	$ 45,081	$ 79,159
Future costs —			
Lease operating expenses	(15,969)	(14,080)	(25,817)
Development costs	(2,495)	(816)	(860)
Future net cash flows before income taxes	25,034	30,185	52,482
Discount at 10% per annum	(10,719)	(12,421)	(22,344)
Discounted future net cash flows before income taxes	14,315	17,764	30,138
Future income taxes, net of discount at 10% per annum	(5,010)	(6,217)	(10,547)
Standardized measure of discounted future net cash flows	$ 9,305	$ 11,547	$ 19,591

The reserve estimates provided at December 31, 2009, 2008 and 2007 are based on market prices of $58.43, $37.87 and $92.50 per barrel for crude oil and $4.05, $5.65 and $7.31 per mcf for natural gas, respectively.

The following are the principal sources of changes in the standardized measure of discounted future net cash flows **(in thousands):**

	Years Ended December 31,		
	2009	2008	2007
Beginning of year	$11,547	$ 19,590	$18,770
Revisions to reserves proved in prior years —			
Net change in prices and production costs	(4,890)	(10,041)	6,072
Net change due to revisions in quantity estimates	(347)	(6,293)	(664)
Accretion of discount	1,242	2,234	1,790
Production rate changes and other	2,189	2,679	(2,424)
Total revisions	(1,806)	(11,421)	4,774
Sale of oil and gas reserves	—	—	(3,503)
New field discoveries and extensions, net of future production costs	3,471	11,571	8,294
Sales of oil and gas produced, net of production costs	(5,114)	(12,523)	(9,703)
Net change in income taxes	1,207	4,330	958
Net change in standardized measure of discounted future net cash flows	(2,242)	(8,043)	820
End of year	$ 9,305	$ 11,547	$19,590

Results of Operations for Oil and Gas Producing Activities (Unaudited) —

The results of oil and gas producing activities, excluding corporate overhead and interest costs, are as follows **(in thousands):**

	Years Ended December 31,		
	2009	2008	2007
Revenues	$ 8,650	$17,248	$13,783
Oil and gas property sale	—	—	12,078
Costs and expenses —			
Production	(3,536)	(4,725)	(4,080)
Producing property impairment	(1,350)	(3,078)	(1,216)
Exploration	(3,735)	(6,030)	(5,507)
Depreciation, depletion and amortization	(3,654)	(6,763)	(5,833)
Operating income (loss) before income taxes	(3,625)	(3,348)	9,225
Income tax (expense) benefit	1,268	1,172	(3,229)
Operating income (loss)	$(2,357)	$ (2,176)	$ 5,996

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Adams Resources & Energy, Inc.
Houston, Texas

We have audited the accompanying consolidated balance sheets of Adams Resources & Energy, Inc. and subsidiaries (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Adams Resources & Energy, Inc. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for the each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the Consolidated Financial Statements, the Company changed its method of accounting for oil and natural gas reserves and disclosures on December 31, 2009.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
March 23, 2010

MARKET FOR THE REGISTRANT'S COMMON STOCK, RELATED SECURITY HOLDER MATTERS AND ISSUER REPURCHASE OF EQUITY SECURITIES

The Company's common stock is traded on the NYSE Amex Exchange. The following table sets forth the high and low sales prices of the common stock as reported by the American Stock Exchange for each calendar quarter since January 1, 2008.

	American Stock Exchange	
	High	Low
2008		
First Quarter	$28.65	$22.00
Second Quarter	35.35	26.35
Third Quarter	34.95	22.32
Fourth Quarter	23.00	13.55
2009		
First Quarter	$18.40	$12.66
Second Quarter	18.49	12.75
Third Quarter	21.95	14.83
Fourth Quarter	25.18	19.18

At March 10, 2010 there were approximately 253 shareholders of record of the Company's common stock and the closing stock price was $22.70 per share. The Company has no securities authorized for issuance under equity compensation plans. The Company made no repurchases of its stock during 2009 and 2008.

On December 15, 2009, the Company paid an annual cash dividend of $.50 per common share to common stockholders of record on December 1, 2009. On December 16, 2008, the Company paid an annual cash dividend of $.50 per common share to common stockholders of record on December 2, 2008. Such dividends totaled $2,108,798 and $2,108,798 for each of 2009 and 2008, respectively.

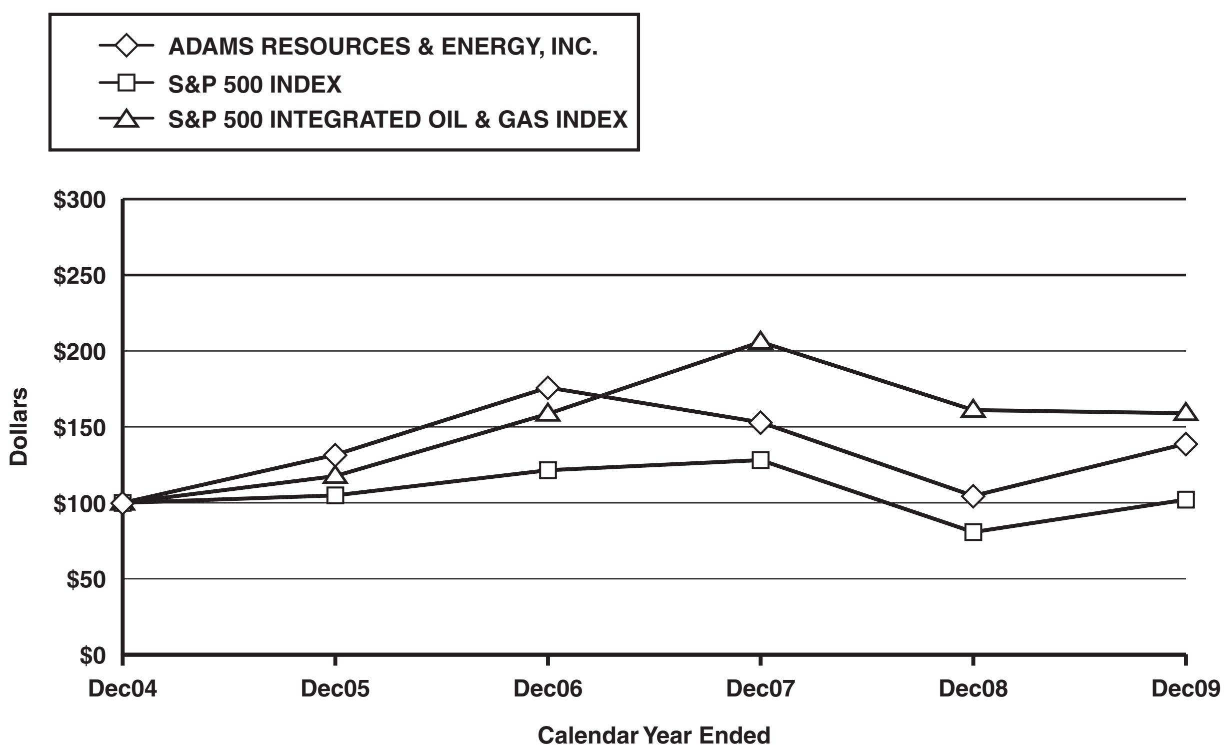
PERFORMANCE GRAPH

The performance graph shown below was prepared under the applicable rules of the SEC based on data supplied by Standard & Poor's Compustat. The purpose of the graph is to show comparative total stockholder returns for the Company versus other investment options for a specified period of time. The graph was prepared based upon the following assumptions:

1. $100.00 was invested on December 31, 2004 in the Company's common stock, the S&P 500 Index, and the S&P 500 Integrated Oil and Gas Index.

2. Dividends are reinvested on the ex-dividend dates.

Note: The stock price performance shown on the graph below is not necessarily indicative of future price performance.



Total Return To Shareholders
(Includes reinvestment of dividends)

Company/Index	Base Period Dec04	INDEXED RETURNS Years Ending Dec05	Dec06	Dec07	Dec08	Dec09
Adams Resources & Energy, Inc.	100	131.64	175.94	153.01	104.58	138.92
S&P 500 Index	100	104.91	121.48	128.16	80.74	102.11
S&P 500 Integrated Oil & Gas Index	100	117.63	158.61	205.96	161.08	159.00

TRANSFER AGENT & REGISTRAR

The American Stock Transfer
& Trust Company
6201 15th Avenue
Brooklyn, New York 11219

ANNUAL MEETING

The Annual Meeting of Stockholders of Adams Resources & Energy, Inc. will be held at 11:00 a.m., Wednesday May 19, 2010 at 4400 Post Oak Parkway, Suite 2700, Houston, Texas 77027. Stockholders are cordially invited to attend.

FORM 10-K

The annual report of Adams Resources & Energy, Inc., on Form 10-K, as filed with the Securities and Exchange Commission, is available upon request. Please address all such requests to Willie Jean Draves (willied@adamsresources.com), Investor Relations, Adams Resources & Energy., P. O. Box 844, Houston, Texas 77001.

NYSE Amex
EXCHANGE SYMBOL — AE

CORPORATE OFFICES:

Adams Resources & Energy, Inc.
4400 Post Oak Parkway Suite 2700
Houston, Texas 77027
(713) 881-3600
www.adamsresources.com

EXECUTIVE OFFICERS OF THE COMPANY:

K. S. "Bud" Adams, Jr.
Chairman of the Board and Chief Executive
Officer of the Company

F. T. Webster
President and Chief Operating Officer
of the Company

Richard B. Abshire
Vice President and Chief Financial
Officer of the Company

Sharon C. Davis
Treasurer and Chief Accounting
Officer of the Company

SUBSIDIARY MANAGEMENT:

Claude H. Lewis
President of Service Transport Company

James Brock Moore III
President of Adams Resources Exploration Corporation

Tony A. Gant
President of Adams Resources Marketing GP, Inc.

Geoffrey L. Griffith
President of Gulfmark Energy, Inc

James L. Smith
President of Ada Resources, Inc.

David B. Hurst
Secretary of the Company

Equal Opportunity Employer

DIRECTORS:

K. S. "Bud" Adams, Jr.
Chairman of the Board and Chief
Executive Officer of the Company
Houston, Texas

F. T. Webster
President and Chief Operating
Officer of the Company
Houston, Texas

E. C. Reinauer, Jr.
Investments
McKinney, Texas

Larry E. Bell
Risk Manager
Frontier Oil Corporation
Houston, Texas

Jack Webster, Jr.
Investments
Springfield, Missouri

ADVISORY DIRECTORS:

R. H. (Steve) Stevens
Partner
Stevens & Matthews, L.L.P.
Houston, Texas

John A. Barrett
Attorney, Private Practice
Houston, Texas

Richard B. Abshire
Vice President and Chief Financial
Officer of the Company
Houston, Texas

Sharon C. Davis
Treasurer and Chief Accounting
Officer of the Company
Houston, Texas

ADAMS
Resources & Energy, Inc.

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