ADAMS RESOURCES & ENERGY, INC.
Form 10-K
March 13, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year ended December 31, 2014
OR

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

Commission File Number 1-7908

ADAMS RESOURCES & ENERGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	74-1753147	17 South Briar Hollow Lane Suite 100 Houston, Texas	77027
(State of Incorporation)	(I.R.S. Employer Identification No.)	(Address of Principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (713) 881-3600
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.10 Par Value	NYSE MKT

Indicate by check mark whether the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ___NO X__

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.YES ____ NO X

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to the filing requirements for the past 90 days. YES X NO ___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES X NO ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

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

Large accelerated filer ____ Accelerated filer X

Non-accelerated filer ____ Smaller reporting company _____

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act).
YES ___NO X

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of the close of business on June 30, 2014 was $172,042,728 based on the closing price of $78.13 per one share of common stock as reported on the NYSE MKT for such date. A total of 4,217,596 shares of Common Stock were outstanding at March 1, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held May 14, 2015 are incorporated by reference into Part III of this report.

PART I

Forward-Looking Statements –Safe Harbor Provisions

This annual report on Form 10-K for the year ended December 31, 2014 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, such 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 or 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 (the SEC") from time to time and the important factors described under Item 1A. Risk Factors" that could cause actual results to differ materially from those expressed in any forward-looking statement made by or on behalf of the Company.

Items 1 and 2. BUSINESS AND PROPERTIES

Business Activities

Adams Resources & Energy, Inc. (ARE"), a Delaware corporation organized in 1973, and its subsidiaries (collectively, the Company"), are engaged in the business of crude oil marketing, tank truck transportation of liquid chemicals, and oil and gas exploration and production. The Company's headquarters are located in 23,450 square feet of office space located at 17 South Briar Hollow Lane Suite 100, Houston, Texas 77027 and the telephone number of that address is (713) 881-3600. The revenues, operating results and identifiable assets of each industry segment for the three years ended December 31, 2014 are set forth in Note (8) to the Consolidated Financial Statements included elsewhere herein.

Marketing Segment Subsidiary

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 and North Dakota. Gulfmark operates 205 tractor-trailer rigs and maintains over 121 pipeline inventory locations or injection stations. Gulfmark has the ability to barge oil from four oil storage facilities along the intercoastal waterway of Texas and Louisiana and maintains 400,000 barrels of storage capacity at the dock facilities in order to access waterborne markets for its products. During 2014, Gulfmark purchased approximately 117,100 barrels per day of crude oil at the field (wellhead) level. Gulfmark delivers physical supplies to refiner customers or enters into commodity exchange transactions when the cost to exchange is less than the alternate cost to transport or store the crude oil. During 2014, Gulfmark had sales to two customers that comprised 20.3 percent 14.0 percent, respectively, of total Company wide revenues. Management believes that a loss of any of these customers would not have a material adverse effect on the Company's operations. See discussion under Concentration of Credit Risk" in Note (3) to Consolidated Financial Statements.

Operating results for the marketing segment are sensitive to a number of factors. Such factors include commodity location, grades of product, individual customer demand for grades or location of product, localized market price structures, availability of transportation facilities, actual delivery volumes that vary from expected quantities, and the timing and costs to deliver the commodity to the customer.

Transportation Segment Subsidiary

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 United States Department of Transportation (DOT"). STC operates 308 truck tractors of which 285 are Company owned with 23 independent owner-operator units. The Company also owns and operates 509 tank trailers. In addition, STC operates 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.

STC is compliant with International Organization for Standardization (ISO") 9001:2000 Standard. The scope of this Quality System Certificate covers the carriage of bulk liquids throughout STC's area of operations as well as the tank trailer cleaning facilities and equipment maintenance. STC's quality management process is one of its major assets. The practice of using statistical process control covering safety, on-time performance and customer satisfaction aids continuous improvement in all areas of quality service. In addition to its ISO 9001:2000 practices, the American Chemistry Council recognizes STC as a Responsible Care© Partner. Responsible Care Partners serve the chemical industry and implement and monitor the seven Codes of Management Practices. The seven codes address compliance and continuing improvement in (1) Community Awareness and Emergency Response, (2) Pollution Prevention, (3) Process Safety, (4) Distribution, (5) Employee Health and Safety, (6) Product Stewardship, and (7) Security.

Oil and Gas Segment Subsidiary

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. AREC's offices are maintained in Houston and the Company holds an interest in 514 producing wells of which 29 are Company operated.

Producing Wells--The following table sets forth the Company's gross and net productive wells as of December 31, 2014. Gross wells are the total number of wells in which the Company has an interest, while net wells are the sum of the fractional interests owned.

	Oil Wells		Gas Wells		Total Wells	
	Gross	Net	Gross	Net	Gross	Net
Texas	247	8.11	149	11.46	396	19.57
Other	93	3.42	25	.61	118	4.03
	340	11.53	174	12.07	514	23.60

Acreage--The following table sets forth the Company's gross and net developed and undeveloped acreage as of December 31, 2014. Gross acreage represents the Company's direct ownership and net acreage represents the sum of the fractional interests owned. The Company's developed acreage is held by current production while undeveloped acreage is held by oil and gas leases with various remaining terms, production from non-owned shallow wells, or other contractual provisions delaying termination of leasehold rights. The Company's ownership in undeveloped acreage is substantially all in the form of a non-operated minority interest. As such, the Company relies on the third party operator to manage the lease holdings.

	Developed Acreage		Undeveloped Acreage	
	Gross	Net	Gross	Net
Texas	128,780	10,556	118,731	13,911
Kansas	1,018	51	14,784	739
North Dakota	-	-	13,000	1,300
Other	3,478	339	6,065	2,120
	133,276	10,946	152,580	18,070

Drilling Activity--The following table sets forth the Company's drilling activity for each of the three years ended December 31, 2014. All drilling activity was onshore in Texas, Louisiana and Kansas.

	2014		2013		2012	
	Gross	Net	Gross	Net	Gross	Net
Exploratory wells drilled						
- Productive	-	-	-	-	-	-
- Dry	4	.40	3	.38	-	-
Development wells drilled						
- Productive	46	.83	77	1.40	109	2.40
- Dry	3	.43	-	-	-	-
	53	1.66	80	1.78	109	2.40

Production and Reserve Information--The Company's estimated net quantities of proved oil and natural gas reserves and the standardized measure of discounted future net cash flows, calculated at a 10% discount rate, for the three years ended December 31, 2014, are presented in the table below (in thousands):

	December 31,		
	2014	2013	2012
Crude oil (thousands of barrels)	318	368	307
Natural gas (thousands of mcf)	5,611	6,286	8,837
Standardized measure of oil and gas reserves	$15,744	$17,836	$16,355

The estimated value of oil and natural gas reserves and future net revenues from oil and natural gas reserves was made by the Company's independent petroleum engineers. The reserve value estimates provided at each of December 31, 2014, 2013 and 2012 are based on market prices of $89.60, $94.99 and $93.85 per barrel for crude oil and $5.42, $4.69 and $3.51 per thousand cubic feet (mcf") for natural gas, respectively. Such prices were based on the unweighted arithmetic average of the prices in effect on the first day of the month for each month of the respective twelve month periods as required by SEC regulations. The prices reported in the reserve disclosures for natural gas include the value of associated natural gas liquids. Hydrocarbon prices declined significantly during the fourth quarter of 2014. Realized domestic crude oil prices averaged in the $54 per barrel range during the month of December with

additional price declines continuing into 2015.

Reserve estimates are based on many subjective factors. The accuracy of these estimates depends on the quantity and quality of geological data, production performance data, reservoir engineering data, the pricing assumptions utilized as well as the skill and judgment of petroleum engineers in interpreting such data. The process of estimating reserves requires frequent revision as additional information is made available through drilling, testing, reservoir studies and acquiring historical pressure and production data. In addition, the discounted present value of estimated future net revenues should not be construed as the fair market value of oil and natural gas producing properties. Such reserve valuations do not necessarily portray a realistic assessment of current value or future performance of such properties. These calculations are based on estimates as to the timing of oil and natural gas production, and there is no assurance that the actual timing of production will conform to or approximate such calculations. Also, certain assumptions have been made with respect to pricing. The estimates assume prices will remain constant from the date of the engineer's assessment, except for changes reflected under natural gas sales contracts. There can be no assurance that actual future prices will not vary as industry conditions, governmental regulation and other factors impact the market price for oil and natural gas.

The Company's net oil and natural gas production for the three years ended December 31, 2014 was as follows:

Years Ended December 31,	Crude Oil (barrels)	Natural Gas (mcf)
2014	127,300	1,133,000
2013	102,300	1,608,000
2012	98,100	2,608,000

Certain financial information relating to the Company's crude oil and natural gas exploration division revenues and earnings is summarized as follows:

	Years Ended December 31,		
	2014	2013	2012
Average oil and condensate sales price per barrel(1)	$63.64	$79.15	$84.39
Average natural gas sales price per mcf	$4.65	$3.75	$2.94
Average production cost, per equivalent barrel, charged to expense	$21.42	$15.54	$13.14

(1) Average oil and condensate prices include the value of associated natural gas liquids.

The Company had no reports to federal authorities or agencies of estimated oil and gas reserves. The Company is not obligated to provide any fixed and determinable quantities of oil or gas in the future under existing contracts or agreements associated with its oil and gas exploration and production segment.

Environmental Compliance and Regulation

The Company is subject to an extensive variety of evolving federal, state and local laws, rules and regulations governing the storage, transportation, manufacture, use, discharge, release and disposal of product and contaminants into the environment, or otherwise relating to the protection of the environment. Presented below is a non-exclusive

listing of the environmental laws that potentially impact the Company’s activities.

- The Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended.
- Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA” or Superfund”), as amended.
- The Clean Water Act of 1972, as amended.
- Federal Oil Pollution Act of 1990, as amended.
- The Clean Air Act of 1970, as amended.
- The Toxic Substances Control Act of 1976, as amended.
- The Emergency Planning and Community Right-to-Know Act.
- The Occupational Safety and Health Act of 1970, as amended.
- Texas Clean Air Act.
- Texas Solid Waste Disposal Act.
- Texas Water Code.
- Texas Oil Spill Prevention and Response Act of 1991, as amended.

Railroad Commission of Texas (RRC”)--The RRC regulates, among other things, the drilling and operation of oil and natural gas wells, the operation of oil and gas pipelines, the disposal of oil and natural gas production wastes, and certain storage of unrefined oil and gas. RRC regulations govern the generation, management and disposal of waste from such oil and natural gas operations and provide for the clean up of contamination from oil and natural gas operations.

Louisiana Office of Conservation--This agency has primary statutory responsibility for regulation and conservation of oil, gas, and other natural resources in the State of Louisiana. Their objectives are to (i) regulate the exploration and production of oil, natural gas and other hydrocarbons, (ii) control and allocate energy supplies and distribution thereof, and (iii) protect public safety and the environment from oilfield waste, including the regulation of underground injection and disposal practices.

State and Local Government Regulation--Many states are authorized by the United States Environmental Protection Agency (EPA”) to enforce regulations promulgated under various federal statutes. In addition, there are numerous other state and local authorities that regulate the environment, some of which impose more stringent environmental standards than federal laws and regulations. The penalties for violations of state law vary, but typically include injunctive relief and recovery of damages for injury to air, water or property as well as fines for non-compliance.

Oil and Gas Operations--The Company’s oil and gas drilling and production activities are subject to laws and regulations relating to environmental quality and pollution control. One aspect of the Company’s oil and gas operation is the disposal of used drilling fluids, saltwater, and crude oil sediments. In addition, low-level naturally occurring radiation may, at times, occur with the production of crude oil and natural gas. The Company’s policy is to comply with environmental regulations and industry standards. Environmental compliance has become more stringent and the Company, from time to time, may be required to remediate past practices. Management believes that such required remediation in the future, if any, will not have a material adverse impact on the Company’s financial position or results of operations.

All states in which the Company owns producing oil and gas properties have statutory provisions regulating the production and sale of crude oil and natural gas. Regulations typically require permits for the drilling of wells and regulate the spacing of wells, the prevention of waste, protection of correlative rights, the rate of production, prevention and clean-up of pollution, and other matters.

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Trucking Activities --The Company's marketing and transportation businesses operate truck fleets pursuant to authority of the DOT and various state authorities. Trucking operations must be conducted in accordance with various laws relating to pollution and environmental control as well as safety requirements prescribed by states and the DOT. Matters such as weight and dimension of equipment are also subject to federal and state regulations. These regulations also require mandatory drug testing of drivers and require certain tests for alcohol levels in drivers and other safety personnel. The trucking industry is subject to possible regulatory and legislative changes such as increasingly stringent environmental requirements or limits on vehicle weight and size. Regulatory change may affect the economics of the industry by requiring changes in operating practices or by changing the demand for private and common or contract carrier services or the cost of providing truckload services. In addition, the Company's tank wash facilities are subject to increasingly stringent local, state and federal environmental regulations.

The Company has implemented security procedures for drivers and terminal facilities. Satellite tracking transponders installed in the power units are used to communicate emergencies to the Company and to maintain constant information as to the unit's location. If necessary, the Company's terminal personnel will notify local law enforcement agencies. In addition, the Company is able to advise a customer of the status and location of their loads. Remote cameras and better lighting coverage in the staging and parking areas have augmented terminal security.

Regulatory Status and Potential Environmental Liability--The operations and facilities of the Company are subject to numerous federal, state, and local environmental laws and regulations including those described above, as well as associated permitting and licensing requirements. The Company regards compliance with applicable environmental regulations as a critical component of its overall operation, and devotes significant attention to providing quality service and products to its customers, protecting the health and safety of its employees, and protecting the Company's facilities from damage. Management believes the Company has obtained or applied for all permits and approvals required under existing environmental laws and regulations to operate its current business. Management has reported that the Company is not subject to any pending or threatened environmental litigation or enforcement actions which could materially and adversely affect the Company's business. The Company has, where appropriate, implemented operating procedures at each of its facilities designed to assure compliance with environmental laws and regulation. However, given the nature of the Company's business, the Company is subject to environmental risks and the possibility remains that the Company's ownership of its facilities and its operations and activities could result in civil or criminal enforcement and public as well as private actions against the Company, which may necessitate or generate mandatory clean up activities, revocation of required permits or licenses, denial of application for future permits, and/or significant fines, penalties or damages, any and all of which could have a material adverse effect on the Company. See "Item 1A. Risk Factors – Environmental liabilities and environmental regulations may have an adverse effect on the Company." At December 31, 2014, the Company is unaware of any unresolved environmental issues for which additional accounting accruals are necessary.

Employees

At December 31, 2014, the Company employed 870 persons, 14 of whom were employed in the exploration and production of oil and gas, 401 in the marketing of crude oil, 436 in transportation operations, and 19 in administrative capacities. None of the Company's employees are represented by a union. Management believes its employee relations are satisfactory.

Federal and State Taxation

The Company is subject to the provisions of the Internal Revenue Code of 1986, as amended (the Code"). In accordance with the Code, the Company computes its income tax provision based on a 35 percent tax rate. The

Company's operations are, in large part, conducted within the State of Texas. Texas operations are subject to a one-half percent state tax on its revenues net of cost of goods sold as defined by the state. Oil and gas activities are also subject to state and local income, severance, property and other taxes. Management believes the Company is currently in compliance with all federal and state tax regulations.

Available Information

The Company is required to file periodic reports as well as other information with the SEC within established deadlines. Any document filed with the SEC may be viewed or copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Additional information regarding the Public Reference Room can be obtained by calling the SEC at (800) SEC-0330. The Company's SEC filings are also available to the public through the SEC's web site located at http://www.sec.gov.

The Company maintains a corporate website at http://www.adamsresources.com, on which investors may access free of charge the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as is reasonably practicable after filing or furnishing such material with the SEC. Additionally, the Company has adopted and posted on its website a Code of Business Ethics designed to reflect requirements of the Sarbanes-Oxley Act of 2002, NYSE MKT Exchange rules and other applicable laws, rules and regulations. The Code of Business Ethics applies to all of the Company's directors, officers and employees. Any amendment to the Code of Business Ethics will be posted promptly on the Company's website. The information contained on or accessible from the Company's website does not constitute a part of this report and is not incorporated by reference herein. The Company will provide a printed copy of any of these aforementioned documents free of charge upon request by calling ARE at (713) 881-3600 or by writing to:

Adams Resources & Energy, Inc.
ATTN: Richard B. Abshire
17 South Briar Hollow Lane, Suite 100
Houston, Texas 77027

Item 1A. RISK FACTORS

Economic developments could damage operations and materially reduce profitability and cash flows.

Potential disruptions in the credit markets and concerns about global economic growth could have a significant adverse impact on global financial markets and commodity prices. Such factors could contribute to a decline in the Company's stock price and corresponding market capitalization. Should commodity prices experience a period of rapid decline, future earnings will be reduced. Since the Company has neither bank debt obligations nor covenants tied to its stock price, potential declines in the Company's stock price do not affect the Company's liquidity or overall financial condition. Should the capital and credit markets experience volatility and the availability of funds become limited, the Company's customers and suppliers may incur increased costs associated with issuing commercial paper and/or other debt instruments and this, in turn, could adversely affect the Company's ability to secure supply and make profitable sales.

General economic conditions could reduce demand for chemical based trucking services.

Customer demand for the Company's products and services is substantially dependent upon the general economic conditions for the United States which are cyclical in nature. In particular, demand for liquid chemical truck transportation services is dependent on activity within the petrochemical sector of the U.S. economy. Chemical sector demand typically varies with the housing and auto markets as well as the relative strength of the U.S. dollar to foreign currencies. A relatively strong U.S. dollar exchange rate may be adverse to the Company's transportation operation since it tends to suppress export demand for petrochemicals. Conversely, a weak U.S. dollar exchange rate tends to stimulate export demand for petrochemicals.

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The Company's business is dependent on the ability to obtain trade and other credit.

The Company's future development and growth depends, in part, on its ability to successfully obtain credit from suppliers and other parties. Trade credit arrangements are relied upon as a significant source of liquidity for capital requirements not satisfied by operating cash flow. Should global financial markets and economic conditions disrupt and reduce stability in general, and the solvency of creditors specifically, the availability of funding from credit markets would be reduced as many lenders and institutional investors would enact tighter lending standards, refuse to refinance existing debt on terms similar to current debt or, in some cases, cease to provide funding to borrowers. These issues coupled with weak economic conditions would make it more difficult for the Company and its suppliers and customers to obtain funding. If the Company is unable to obtain trade or other forms of credit on reasonable and competitive terms, the ability to continue its marketing and exploration businesses, pursue improvements, and continue future growth will be limited. There is no assurance that the Company will be able to maintain future credit arrangements on commercially reasonable terms.

The financial soundness of customers could affect the Company's business and operating results

Constraints in the financial markets and other macro-economic challenges that might affect the economy of the United States and other parts of the world could cause the Company's customers to experience cash flow concerns. As a result, if customers' operating and financial performance deteriorates, or if they are unable to make scheduled payments or obtain credit, customers would not be able to pay, or may delay payment of, accounts receivable owed to the Company. Any inability of current and/or potential customers to pay for services may adversely affect the Company's financial condition and results of operations.

Counterparty credit default could have an adverse effect on the Company.

The Company's revenues are generated under contracts with various counterparties and results of operations could be adversely affected by non-performance under the various contracts. A counterparty's default or non-performance could be caused by factors beyond the Company's control. A default could occur as a result of circumstances relating directly to the counterparty, or due to circumstances caused by other market participants having a direct or indirect relationship with such counterparty. The Company seeks to mitigate the risk of default by evaluating the financial strength of potential counterparties; however, despite mitigation efforts, contractual defaults may occur from time to time.

Escalating diesel fuel prices could have an adverse effect on the Company

As an integral part of the Company's marketing and transportation businesses, the Company operates approximately 500 truck-tractors and diesel fuel costs are a significant component of operating expense. Such costs generally fluctuate with increasing and decreasing world crude oil prices. While the Company attempts to recoup rising diesel fuel costs through the pricing of its services, to the extent such costs escalate, operating earnings will generally be adversely affected.

Fluctuations in oil and gas prices could have an adverse effect on the Company.

The Company's future financial condition, revenues, results of operations and future rate of growth are materially affected by oil and natural gas prices that historically have been volatile and are likely to continue to be volatile in the future. Moreover, oil and natural gas prices depend on factors outside the control of the Company. These factors include:

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- supply and demand for oil and gas and expectations regarding supply and demand;
- political conditions in other oil-producing countries, including the possibility of insurgency or war in such areas;
- economic conditions in the United States and worldwide;
- governmental regulations and taxation;
- impact of energy conservation efforts;
- the price and availability of alternative fuel sources;
- weather conditions;
- availability of local, interstate and intrastate transportation systems; and
- market uncertainty.

Revenues are generated under contracts that must be renegotiated periodically.

Substantially all of the Company's revenues are generated under contracts which expire periodically or which must be frequently renegotiated, extended or replaced. Whether these contracts are renegotiated, extended or replaced is often subject to factors beyond the Company's control. Such factors include sudden fluctuations in oil and gas prices, counterparty ability to pay for or accept the contracted volumes and, most importantly, an extremely competitive marketplace for the services offered by the Company. There is no assurance that the costs and pricing of the Company's services can remain competitive in the marketplace or that the Company will be successful in renegotiating its contracts.

Anticipated or scheduled volumes will differ from actual or delivered volumes.

The Company's crude oil marketing operation purchases initial production of crude oil at the wellhead under contracts requiring the Company to accept the actual volume produced. The resale of such production is generally under contracts requiring a fixed volume to be delivered. The Company estimates its anticipated supply and matches such supply estimate for both volume and pricing formulas with committed sales volumes. Since actual wellhead volumes produced will never equal anticipated supply, the Company's marketing margins may be adversely impacted. In many instances, any losses resulting from the difference between actual supply volumes compared to committed sales volumes must be absorbed by the Company.

Environmental liabilities and environmental regulations may have an adverse effect on the Company.

The Company's business is subject to environmental hazards such as spills, leaks or any discharges of petroleum products and hazardous substances. These environmental hazards could expose the Company to material liabilities for property damage, personal injuries, and/or environmental harms, including the costs of investigating and rectifying contaminated properties.

Environmental laws and regulations govern many aspects of the Company's business, such as drilling and exploration, production, transportation and waste management. Compliance with environmental laws and regulations can require significant costs or may require a decrease in production. Moreover, noncompliance with these laws and regulations could subject the Company to significant administrative, civil, and/or criminal fines and/or penalties.

Operations could result in liabilities that may not be fully covered by insurance.

Transportation of hazardous materials and the exploration and production of crude oil and natural gas involves certain operating hazards such as well blowouts, automobile accidents, explosions, fires and pollution. Any of these operating hazards could cause serious injuries, fatalities or property damage, which could expose the Company to liability. The payment of any of these liabilities could reduce, or even eliminate, the funds available for exploration,

development, and acquisition, or could result in a loss of the Company’s properties and may even threaten survival of the enterprise.

Consistent with the industry standard, the Company's insurance policies provide limited coverage for losses or liabilities relating to pollution, with broader coverage provided for sudden and accidental occurrences. Insurance might be inadequate to cover all liabilities. Moreover, from time to time, obtaining insurance for the Company's line of business can become difficult and costly. Typically, when insurance cost escalates, the Company may reduce its level of coverage and more risk may be retained to offset cost increases. If substantial liability is incurred and damages are not covered by insurance or exceed policy limits, the Company's operation and financial condition could be materially adversely affected.

Changes in tax laws or regulations could adversely affect the Company.

The Internal Revenue Service, the United States Treasury Department, Congress and the states frequently review federal or state income tax legislation. The Company cannot predict whether, when, or to what extent new federal or state tax laws, regulations, interpretations or rulings will be adopted. Any such legislative action may prospectively or retroactively modify tax treatment and, therefore, may adversely affect taxation of the Company.

The Company's business is subject to changing government regulations.

Federal, state or local government agencies may impose environmental, labor or other regulations that increase costs and/or terminate or suspend operations. The Company's business is subject to federal, state and local laws and regulations. These regulations relate to, among other things, the exploration, development, production and transportation of oil and natural gas. Existing laws and regulations could be changed, and any changes could increase costs of compliance and costs of operations.

Several proposals are before state legislators and the U.S. Congress that, if implemented, would either prohibit the practice of hydraulic fracturing or subject the process to regulation under state regulation or the Safe Drinking Water Act. The Company routinely participates in wells where fracturing techniques are utilized to expand the available space for natural gas and oil to migrate toward the well-bore. This is typically done at substantial depths in very tight formations. Although it is not possible at this time to predict the final outcome of the legislation regarding hydraulic fracturing, any new state or federal restrictions could result in increased compliance costs or additional operating restrictions.

Estimating reserves, production and future net cash flow is difficult.

Estimating oil and natural gas reserves is a complex process requiring significant interpretations of technical data and assumptions relating to economic factors such as future commodity prices, production costs, severance and excise taxes, capital expenditures and remedial costs, and the assumed effect of governmental regulation. As a result, actual results may differ from the Company's estimates. Also, the use of a 10 percent discount factor for reporting purposes, as prescribed by the SEC, may not necessarily represent the most appropriate discount factor, given actual interest rates and risks to which the Company's business is subject. Any significant variations from the Company's valuations could cause the estimated quantities and net present value of the Company's reserves to differ materially.

The reserve data included in this report is only an estimate. The reader should not assume that the present values referred to in this report represent the current market value of the Company's estimated oil and natural gas reserves. The timing of the production and the expenses from development and production of oil and natural gas properties will affect both the timing of actual future net cash flows from the Company's proved reserves and their present value.

The Company's exploration operations are dependent on the ability to replace reserves.

Future success depends in part on the Company's ability to find, develop and acquire additional oil and natural gas reserves. Absent ongoing successful acquisition or exploration activities, reserves and revenues will decline as a result of current reserves being depleted by production. The successful acquisition, development or exploration of oil and natural gas properties is dependent upon an assessment of recoverable reserves, future oil and natural gas prices and operating costs, potential environmental and other liabilities, and other factors. These factors are necessarily inexact. As a result, the Company may not recover the purchase price and/or the development costs of a property from the sale of production from the property, or may not recognize an acceptable return from properties acquired. In addition, exploration and development operations may not result in any increases in reserves. Exploration or development may be delayed or cancelled as a result of inadequate capital, compliance with governmental regulations, price controls or mechanical difficulties. In the future, the cost to find or acquire additional reserves may become prohibitive.

Oil and gas segment revenues are dependent on the ability to successfully complete drilling activity.

Drilling and exploration are one of the main methods of replacing reserves. However, drilling and exploration operations may not result in any increases in reserves for various reasons. Drilling and exploration may be curtailed, delayed or cancelled as a result of:

- lack of acceptable prospective acreage;
- inadequate capital resources;
- weather;
- title problems;
- compliance with governmental regulations; and
- mechanical difficulties.

Moreover, the costs of drilling and exploration may greatly exceed initial estimates. In such a case, the Company would be required to make additional expenditures to develop its drilling projects. Such additional and unanticipated expenditures could adversely affect the Company's financial condition and results of operations.

Security issues exist relating to drivers, equipment and terminal facilities.

The Company transports liquid combustible materials including petrochemicals, and such materials may be a target for terrorist attacks. While the Company employs a variety of security measures to mitigate risks, no assurance can be given that such events will not occur.

Current and future litigation could have an adverse effect on the Company.

The Company is currently involved in certain administrative and civil legal proceedings as part of the ordinary course of its business. Moreover, as incidental to operations, the Company sometimes becomes involved in various lawsuits and/or disputes. Lawsuits and other legal proceedings can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. Although insurance is maintained to mitigate these costs, there can be no assurance that costs associated with lawsuits or other legal proceedings will not exceed the limits of insurance policies. The Company's results of operations could be adversely affected if a judgment, penalty or fine is not fully covered by insurance.

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The Company is subject to risks associated with climate change.

Potential climate change and efforts to regulate greenhouse gas" (GHG") emissions have the potential to adversely affect the Company's business including negatively impacting the costs it incurs in providing its products and services, including costs to operate and maintain its facilities, install new emission controls on its facilities, acquire allowances to authorize its GHG emissions, pay any taxes related to GHG emissions, administer and manage a GHG emissions program, pay higher insurance premiums or accept greater risk of loss in areas affected by adverse weather and coastal regions in the event of rising sea levels. In addition, the demand for and consumption of its products and services (due to change in both costs and weather patterns), and the economic health of the regions in which the Company operates, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company is subject to risks related to cybersecurity.

The Company is subject to cybersecurity risks and may incur increasing costs in connection with its efforts to enhance and ensure security and in response to actual or attempted cybersecurity attacks.

Substantial aspects of the Company's business depend on the secure operation of its computer systems and websites. Security breaches could expose the Company to a risk of loss, misuse, or interruption of sensitive and critical information and functions, including its own proprietary information and that of its customers, suppliers and employees. Such breaches could result in operational impacts, reputational harm, competitive disadvantage, litigation, regulatory enforcement actions, and liability. While the Company devotes substantial resources to maintaining adequate levels of cybersecurity, there can be no assurance that it will be able to prevent all of the rapidly evolving types of cyber attacks. Actual or anticipated attacks and risks may cause the Company to incur increasing costs for technology, personnel and services to enhance security or to respond to occurrences.

If the Company's security measures are circumvented, proprietary information may be misappropriated, its operations may be disrupted, and its computers or those of its customers or other third parties may be damaged. Compromises of the Company's security may result in an interruption of operations, violation of applicable privacy and other laws, significant legal and financial exposure, damage to its reputation, and a loss of confidence in its security measures.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 3. LEGAL PROCEEDINGS

AREC is named as a defendant in a number of Louisiana based suits involving alleged environmental contamination from prior drilling operations. Such suits typically allege improper disposal of oilfield wastes in earthen pits with one suit alleging subsidence contributing of the formation of a sink hole. AREC is currently involved in three such suits. The suits are styled LePetit Chateau Deluxe v. Adams Resources Exploration Corporation dated March 2004, Gustave J. LaBarre, Jr., et. al. v. Adams Resources Exploration Corporation et al dated October 2012 and Henning Management, LLC v. Adams Resources Exploration Corporation dated November 2013. Each suit involves multiple industry defendants with substantially larger proportional interest in the properties except all the larger defendants have settled their claims in the LePetit Chateau Deluxe matter. The plaintiffs in each of these matters are seeking unspecified compensatory and punitive damages. In August 2014, AREC was dismissed from a similar suit styled Edward Conner, et al v. Adams Resources Exploration Corporation dated October 2013. While management does not

believe that a material adverse effect will result from the claims, significant attorney fees will be incurred to defend these items. As of December 31, 2014 and 2013, the Company has accrued $500,000 and $200,000, respectively, of future legal and/or settlement costs for these matters.

From time to time as incident to its operations, the Company becomes involved in various accidents, 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 or other items of general liability as are typical for the industry. In addition, the Company has extensive operations that must comply with a wide variety of tax laws, environmental laws and labor laws, among others. Should an incident occur, management evaluates the claim based on its nature, the facts and circumstances and the applicability of insurance coverage. To the extent management believes that such event may impact the financial condition of the Company, management will estimate the monetary value of the claim and make appropriate accruals or disclosure as provided in the appropriate accounting literature guidelines.

Item 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON STOCK, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is traded on the NYSE MKT under the ticker symbol AE". The following table sets forth the high and low sales prices of the common stock as reported by the NYSE MKT for each calendar quarter since January 1, 2013.

	American Stock Exchange	
	High	Low
2014		
First Quarter	$90.28	$57.19
Second Quarter	81.50	56.08
Third Quarter	79.61	44.26
Fourth Quarter	50.54	38.58
2013		
First Quarter	$55.82	$33.75
Second Quarter	70.80	43.00
Third Quarter	71.77	54.86
Fourth Quarter	70.01	47.46

The Company has no securities authorized for issuance under equity compensation plans. The Company made no repurchases of its stock during 2014 and 2013.

During each of March, June, September and December 2014 the Company paid to its common shareholders a quarterly cash dividend of $.22 per common share. In each of June, September and December 2013 the Company paid a quarterly cash dividend of $.22 per common share to its common stockholders. Such dividends totaled $3,711,544 and $2,783,658 for 2014 and 2013, respectively.

Performance Graph

The performance graph shown below was prepared under the applicable rules of the SEC based on data supplied by Research Data Group. 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, 2009 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.

	12/09	12/10	12/11	12/12	12/13	12/14
Adams Resources & Energy, Inc.	100.00	112.83	138.10	169.55	334.76	247.79
S&P 500	100.00	115.06	117.49	136.30	180.44	205.14
S&P Integrated Oil & Gas	100.00	118.84	136.39	139.41	169.42	158.02

Item 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA

	Years Ended December 31,				
	2014	2013	2012	2011	2010
	(In thousands, except per share data)				
Revenues:					
Marketing	$4,050,497	$3,863,057	$3,292,948	$2,961,176	$2,005,301
Transportation	68,968	68,783	67,183	63,501	56,867
Oil and natural gas	13,361	14,129	15,954	14,060	11,021
	$4,132,826	$3,945,969	$3,376,085	$3,038,737	$2,073,189
Operating earnings (loss):					
Marketing	$20,854	$40,369	$46,145	$49,237	$13,530
Transportation	4,750	5,180	10,253	8,521	6,623
Oil and gas operations	(10,038)	(2,113)	(5,835)	(16,797)	(1,801)
Oil and gas property sale	2,528	-	2,203	2,923	-
General and administrative	(8,613)	(9,060)	(8,810)	(8,678)	(7,858)
	9,481	34,376	43,956	35,206	10,494
Other income (expense):					
Interest income	301	198	190	237	191
Interest expense	(2)	(24)	(10)	(8)	(36)
Earnings (loss) from continuing operations before income taxes	9,780	34,550	44,136	35,435	10,649
Income tax (provision)	(3,561)	(12,429)	(16,664)	(12,717)	(3,352)
Earnings from continuing Operations	6,219	22,121	27,472	22,718	7,297
Earnings (loss) from discontinued operations, net of taxes	304	(511)	319	213	1,334
Net earnings	$6,523	$21,610	$27,791	$22,931	$8,631
Earnings (Loss) Per Share					
From continuing operations	1.48	5.24	6.51	5.39	1.73
From discontinued operations	.07	(.12)	.08	(.05)	.32
Basic and diluted earnings per share	$1.55	$5.12	$6.59	$5.34	$2.05
Dividends per common share	$.88	$.66	$.62	$.57	$.54
Financial Position					
Cash	$80,184	$60,733	$47,239	$37,066	$29,032
Net working capital	82,342	79,561	58,474	48,871	39,978
Total assets	340,814	448,082	419,501	378,840	301,305
Long-term debt	-	-	-	-	-
Shareholders’ equity	157,497	154,685	135,858	110,682	90,155
Dividends on common shares	3,711	2,783	2,615	2,404	2,277

Notes:
In 2014, 2012 and 2011, certain oil and natural gas producing properties were sold for $4.1 million, $3.6 million and $6.6 million producing net gains of $2.5 million, $2.2 million and $2.9 million, respectively.
The 2014, 2013, 2012 and 2011 oil and gas operating losses include property impairments totaling $8.0 million, $2.6 million, $4.7 million and $14.8 million, respectively. These impairments were recorded following declining crude oil prices in 2014, unfavorable drilling results in 2013 and declining natural gas prices in 2012 and 2011.

Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

- Marketing

Crude oil marketing revenues, operating earnings, depreciation and certain costs are as follows (in thousands):

	2014	2013	2012
Revenues	$4,050,497	$3,863,057	$3,292,948
Operating earnings	$20,854	$40,369	$46,145
Depreciation	$9,626	$7,682	$5,945
Driver commissions	$21,744	$19,478	$15,151
Insurance	$7,446	$7,659	$5,241
Fuel	$14,851	$13,808	$11,617

Supplemental volume and price information:

	2014	2013	2012
Field Level Purchases per day (1)			
Crude Oil – barrels	117,100	106,000	89,200
Average Purchase Price			
Crude Oil – per barrel	$89.40	$99.57	$99.66

(1) Reflects the volume purchased from third parties at the field level of operations.

Increasing crude oil revenues in 2014 and 2013 relative to 2012 resulted from increased field level purchase volumes partially offset by reduced average prices in 2014, as shown in the table above. Volume increases stemmed from new production established by the Company’s customer base in the Eagle Ford shale trend of South Texas beginning in 2011, coupled with new operations established during 2013 in the Bakken field of North Dakota. While revenues were increasing during 2014, the Company’s accounts receivable balance as of December 31, 2014 was reduced by 41 percent relative to December 31, 2013. This apparent contradiction results because year-end accounts receivable balances are substantially based on crude oil sales activity for the month of December only. Crude oil prices declined significantly in December 2014 leading to the reduced accounts receivable balance. By comparison, crude oil supply prices in December 2014 were in the $54 per barrel range versus $93 per barrel in December 2013. Reported amounts and values for crude oil inventories as of December 31, 2014 were similarly affected relative to such reported amounts for 2013.

- Field Level Operating Earnings (Non GAAP Measure)

Two significant factors affecting comparative crude oil segment operating earnings are inventory valuations and forward commodity contract (derivatives or mark-to-market) valuations. As a purchaser and shipper of crude oil, the Company holds inventory in storage tanks and third-party pipelines. Inventory sales turnover occurs approximately every three days, but the quantity held in stock at the end of a given period is reasonably consistent. As a result, during periods of increasing crude oil prices, the Company recognizes inventory liquidation gains while during periods of falling prices, the Company recognizes inventory liquidation and valuation losses. Over time, these gains and losses tend to offset and have limited impact on cash flow. While crude oil prices fluctuated during 2014, 2013 and 2012, the net impact yielded inventory valuation losses totaling $14,247,000, $3,824,000 and $1,596,000, respectively. As of December 31, 2014, the Company held 292,355 barrels of crude oil inventory at a composite average price of $46.11 per barrel. As of December 31, 2013, the Company held 303,633 barrels of crude oil inventory at a composite average price of $90.06 per barrel.

Crude oil marketing operating earnings are also affected by the valuations of the Company's forward month commodity contracts (derivative instruments) as of the various report dates. Such non-cash valuations are calculated and recorded at each period end based on the underlying data existing as of such date. The Company generally enters into these derivative contracts as part of a pricing strategy based on crude oil purchases at the wellhead (field level). Only those contracts qualifying as derivative instruments are accorded fair value treatment while the companion contracts to purchase crude oil at the wellhead (field level) are not subject to fair value treatment. For derivative instruments, the recognition of mark-to-market" gains and losses is required at each period end.

The impact on crude oil segment operating earnings of inventory liquidations and derivative valuations is summarized in the following reconciliation from a GAAP to a non-GAAP measure (in thousands):

	2014	2013	2012
As reported segment operating earnings	$20,854	$40,369	$46,145
Add (less) -			
Inventory liquidation (gains) losses	14,247	3,824	1,596
Derivative valuation (gains) losses	(312)	193	2,001
Field level operating earnings(1)	$34,789	$44,386	$49,742

(1) Such designation is unique to the Company and is not comparable to any similar measures developed by industry participants. The Company utilizes such data to evaluate the profitability of its operations.

Field level operating earnings and field level purchase volumes (see earlier table) depict the Company's day-to-day operation of acquiring crude oil at the wellhead, transporting the material, and delivering it to market sales points. Comparative field level operating earnings decreased in 2014 relative to 2013 and in 2013 relative to 2012 as competition and additional industry infrastructure development progressed in the region. Previously a key factor in unit margins was the value difference between the value of crude oil supply in the mid-continent region of the United States versus crude oil supply costs in the eastern region of the United States. The Company was able to capture some of this value difference by shipping crude oil from the Texas Gulf Coast to points east. Due to competitive pressures during 2014, the opportunities for the Company to capture this location based unit value difference evaporated which reduced earnings. Further, driver commission rates increased in 2014 and 2013 and a combination

of higher mileage and higher accident frequency increased insurance costs in beginning 2013.

Recent declines in crude oil prices are expected to slow the volume growth from South Texas and North Dakota sourced production as these regions become less economic to develop. As a result, the Company does not anticipate significant volume growth during 2015. Historically, prices received for crude oil have been volatile and unpredictable with price volatility expected to continue. See Item 1A, Risk Factors – Fluctuations in oil and gas prices could have an adverse effect on the Company".

- Transportation

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

	2014		2013		2012	
	Amount	Change(1)	Amount	Change(1)	Amount	Change(1)
Revenues	$68,968	.3 %	$68,783	2 %	$67,183	6 %
Operating earnings	$4,750	(8.3)%	$5,180	(49)%	$10,253	20 %
Depreciation	$7,416	4.5 %	$7,099	20 %	$5,921	51 %
Driver commissions	$13,428	2.1 %	$13,152	3 %	$12,773	3 %
Insurance	$5,574	(6.1)%	$5,937	20 %	$4,933	2 %
Diesel fuel	$13,487	(9.0)%	$14,813	2 %	$14,516	-
Maintenance Expense	$6,143	12.4 %	$5,464	24.6 %	$4,386	(8)%

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

Transportation segment revenues were consistent and strong for the comparative periods due to consistent customer demand. Operating earnings for 2014 and 2013 were adversely impacted by increased depreciation, insurance and maintenance costs as shown above. Maintenance expense increased beginning in 2013 in large part due to increased environmental compliance costs. Diesel fuel costs began to recede during the fourth quarter of 2014 following crude oil price declines. The impact on margins is mitigated however due to the fuel surcharge provision in chemical hauling contracts.

Transportation segment depreciation increased beginning in 2013 as older fully depreciated tractor units were replaced with new model year vehicles. During 2014, the Company replaced 40 truck-tractors with new equipment while also purchasing 30 trailers to add to the fleet. During 2013, the Company purchased 35 new trailers with 17 serving as replacements. Over the course of the year 2012, the Company replaced 125 truck-tractors and one trailer. Operating earnings for 2014 and 2012 benefitted from gains totaling $432,000 and $2.6 million, respectively, from the sale of used equipment following the purchase of new truck replacements. Such sales did not occur in 2013 within the transportation segment.

The Company's customers predominately consist of the domestic petrochemical industry. Contributing to customer demand is low natural gas prices (a basic feedstock cost for the petrochemical industry) and high export demand for petrochemicals. With strengthening demand, industry capacity has been strained allowing for rate increases and an opportunity for increased profitability. However, an industry wide shortage of qualified drivers has affected the Company by suppressing current year revenues and results of operations. In addition, the recent strengthening of the U. S. dollar relative to foreign currency may weaken demand for U. S. sourced petrochemical products. As transportation revenues increase or decrease, operating earnings will typically increase or decrease at an accelerated rate. This trend exists because the fixed cost components of the Company's operation do not vary with changing revenues. As currently configured, operating earnings achieve break-even levels when annual revenues average approximately $54 million. Above that level, operating earnings will grow and below that level, losses result.

- Oil and Gas

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

	2014		2013		2012	
	Amount	Change(1)	Amount	Change(1)	Amount	Change(1)
Revenues	$13,361	(5.4)%	$14,129	(11)%	$15,954	13%
Operating earnings (loss)(2)	(7,510)	181.4%	(2,113)	42%	(3,632)	(74)%
Depreciation and depletion	7,573	1.1%	7,494	(15)%	8,848	7%
Producing property impairments	(4,001)	77.6%	1,373	(71)%	4,699	(34)%

(1) Represents the percentage increase (decrease) from the prior year.
(2) Includes gains from property sales of $2.5 million and $2.2 million in 2014 and 2012, respectively.

As shown in the table below, declining crude oil prices and natural gas volumes acted to reduce oil and gas earnings for the comparative years presented. Such volume decrease resulted from normal production declines as persistently low prices curtailed the development of natural gas properties in recent years. Contributing to operating losses were producing property impairments as well as increased prospect impairment expense as shown above and in the second table below. Property impairments resulted in 2014 following a fourth quarter decline in crude oil prices while impairments in 2013 followed adverse drilling results and the 2012 impairments followed declines in the then current and forward price for natural gas.

Comparative volumes and prices were as follows:

	2014		2013		2012	
Production Volumes						
- Crude oil	127,300	Bbls	102,300	Bbls	98,100	Bbls
- Natural gas	1,133,000	Mcf	1,608,000	Mcf	2,608,000	Mcf
Average Price						

- Crude oil(1)	$63.64	Bbls	$79.15	Bbls	$84.39	Bbls
- Natural gas	$4.65	Mcf	$3.75	Mcf	$2.94	Mcf

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(1) Crude oil prices and volumes include the sale of associated natural gas liquids production.

Comparative exploration and prospect impairment costs were as follows (in thousands):

	2014	2013	2012
Dry hole expense	$1,034	$233	$43
Prospect impairment	4,008	1,257	856
Seismic and geological	12	129	252
Total	$5,054	$1,619	$1,151

During 2014, the Company participated in the drilling of 53 wells with seven dry holes. Additionally, the Company had 25 wells in process on December 31, 2014 with completion of two such wells being held pending crude oil price improvements while completion of the other 23 wells should occur during 2015. Converting natural gas volumes to equate with crude oil volumes at a ratio of six to one, production volumes and proved reserve changes summarize as follows, on an equivalent barrel (Eq. Bbls) basis:

	2014	2013	2012
	(Eq. Bbls.)	(Eq. Bbls.)	(Eq. Bbls.)
Proved reserves – beginning of year	1,416,000	1,779,000	1,907,000
Estimated reserve additions	131,000	267,000	537,000
Production volumes	(316,000)	(370,000)	(533,000)
Producing properties sold	(104,000)	(5,000)	(71,000)
Revisions of previous estimates	126,000	(255,000)	(61,000)
Proved reserves - end of year	1,253,000	1,416,000	1,779,000

For 2014 and for the three year period ended December 31, 2014, estimated reserve additions represented 41 percent and 77 percent, respectively, of production volumes. Such reserve additions resulted from active drilling efforts during the periods presented.

The Company's current drilling and exploration efforts are focused in West Texas where the Company holds an approximate 2 percent working interest in 49,015 gross acres located in Irion and Crockett Counties, Texas for the purpose of developing the Wolfcamp Shale. A total of 234 wells have been drilled through December 31, 2014 with 222 wells on production and 12 wells awaiting completion. Production from the Wolfcamp area is oil-rich with large amounts of gas and natural gas liquids. With the present low price environment for both crude oil and natural gas, a reduced level of Wolfcamp drilling is anticipated in 2015 with seven wells scheduled for drilling during the year.

In addition to the continued, but reduced, Wolfcamp development effort, the Company believes that conventional oil and gas drilling opportunities may materialize during 2015 in Texas, Kansas, Wyoming and North Dakota. The Company also holds an interest in approximately 46,000 acres in Fayette and Lavaca Counties, Texas with a goal of extending the producing area of the Eagle Ford Shale trend. However, given the current price environment, significant development of this property is not likely at present. The Company also maintains a fractional interest in 98 wells on approximately 76,157 acres in the East Texas – Haynesville trend. The Haynesville program is a natural gas development play with all acreage currently held by production. Further development of this property is contingent on increased natural gas prices.

- Oil and gas property sales

During 2014, the Company sold, to third parties, its interest in certain Oklahoma and Texas properties for proceeds totaling $2,553,000 and half of its interest in certain South Texas (Lavaca County) properties for proceeds totaling $1,509,000. Combined, the Company recorded a $2,528,000 pre-tax gain from these transactions. The Company retained an interest in the South Texas properties as development of such project continues, although the Company

chose to reduce its level of risk associated with the development. The other Texas and Oklahoma properties were sold because they were nearing the end of their economic life.

In 2012, the Company sold, to third parties, its interest in two separate oil and gas producing properties. One of the properties was located on-shore in Texas with the second property located in federal waters offshore Louisiana. Proceeds from these two sales totaled $3,049,000 and the Company recorded a $1,728,000 pre-tax gain. Because both properties had depleted substantially from their initial productive period, the sales were consummated before the properties lost further value. Additionally in 2012, the Company sold to a third party fifty percent of its interest in certain Kansas oil and gas properties in order to spur further development on the properties. Total proceeds were $578,000 and the Company recorded a $475,000 pre-tax gain on this sale.

- General and administrative expense, interest income and income tax

General and administrative expenses and interest income were generally consistent during the periods presented. 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.

- Discontinued operations

During 2012, the Company sold contracts, inventory and certain equipment associated with its former refined products marketing segment and discontinued that operation. A 2012 pre-tax gain totaling $808,000 net of wind-down costs, resulted from this sale. In 2014, the Company sold the warehouse and real estate used by this former operation for $664,000 in cash resulting in a pre-tax gain on sale of $533,000, with such gain reported in discontinued operations for 2014. Additionally, effective October 31, 2013 the Company completed an orderly wind-down and closure of its natural gas marketing segment due to inadequate earnings. The Company incurred employee severance and other shut-down costs totaling $416,000 as a result of this event. All obligations were satisfied and no further matters are anticipated. See also Note (9) – Discontinued Operations" to Consolidated Financial Statements.

- Outlook

Recent declines in crude oil prices could adversely impact the crude oil marketing operations as the Company's suppliers curtail drilling efforts. Although the goal is to at least maintain current supply volumes. such effort may be at the expense of reduced unit margins. Demand for transportation services remains strong but driver shortages and persistently high operating costs have limited profitability within this segment. For the oil and gas production business, declining volumes and reduced prices will suppress earnings. However, the periodic charges for depletion and amortization expenses will be reduced in 2015 following the write-down of oil and gas property costs in 2014.

The Company has the following major objectives for 2015:

- Manage declining marketing segment unit margins to maintain operating earnings at the $25 million level exclusive of inventory valuation gains or losses.

- Solve the driver shortage problem and establish transportation segment operating earnings at the $5 million level. This initiative may be aided by the expected slowdown in the 2015 demand for oil and gas field services.

- Restrict oil and gas segment operating activity to limited development drilling and only those projects that are economically viable in the current low price scenario. Given the present low price environment, an operating loss at the $2 million level is anticipated in 2015 for this segment.

Liquidity and Capital Resources

The Company's liquidity primarily derives from net cash provided from operating activities, which was $47,133,000, $43,976,000 and $54,494,000 for each of 2014, 2013 and 2012, respectively. As of December 31, 2014 and 2013, the Company had no bank debt or other forms of debenture obligations. Cash and cash equivalents totaled $80,184,000 as of December 31, 2014, 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 $82,342,000 as of December 31, 2014. The Company relies on its ability to obtain open-line trade credit from its suppliers especially with respect to its crude oil marketing operation. In this regard, the Company generally maintains substantial cash balances and avoids debt obligations. Cash balances were increased during the current period from $60,733,000 as of year-end 2013 when the Company was able to reduce prepayments and early payments for crude oil supply consistent with the reduced year-end 2014 commodity value for crude oil.

At various times during each month, the Company makes cash prepayments and/or early payments in advance of the normal due date to certain suppliers of crude oil within the marketing operations. Crude oil supply prepayments totaled $7,872,000 as of December 31, 2014 and such amounts will be recouped and advanced from month to month as the suppliers deliver product to the Company. In addition, in order to secure crude oil supply, the Company may also early pay" its suppliers in advance of the normal payment due date of the twentieth of the month following the month of production. Such early payments" reduce cash and accounts payable as of the balance sheet date and totaled $35,500,000 as of December 31, 2014. The Company also requires certain counterparties to make similar early payments or to post cash collateral with the Company in order to support their purchases from the Company. Early payments and cash collateral received from customers increases cash and reduces accounts receivable as of the balance sheet date. Early payments received totaled $57,404,000 and cash collateral held by the Company totaled $8,594,000 as of December 31, 2014, respectively.

The Company maintains a stand-by letter of credit facility with Wells Fargo Bank to provide for the issuance of up to $60 million in stand-by letters of credit to suppliers of crude oil. The issuance of stand-by letters of credit enables the Company to avoid posting cash collateral when procuring crude oil supply. As of December 31, 2014, letters of credit outstanding totaled $15.3 million. The issued stand-by letters of credit are cancelled as the underlying purchase obligations are satisfied by cash payment when due. Management believes current cash balances, together with expected cash generated from future operations, and the ease of financing truck and trailer additions through leasing arrangements (should the need arise) will be sufficient to meet short-term and long-term liquidity needs.

The Company utilizes cash from operations to make discretionary investments in its marketing, transportation and exploration businesses, which comprise substantially all of the Company's investing cash outflows for each of the periods in this filing. The Company does not look to proceeds from property sales to fund its cash flow needs. Except for commitments totaling $18,273,000 associated with barge affreightment contracts, storage tank terminal arrangements and office lease space, the Company's future commitments and planned investments can be readily curtailed if operating cash flows contract.

Capital expenditures during 2014 included $22,592,000 for marketing and transportation equipment additions, primarily consisting of truck-tractors, and $7,931,000 in property additions associated with oil and gas exploration and production activities. For 2015, the Company anticipates expending approximately $3.5 million on oil and gas development and exploration projects and approximately $4.6 million within the transportation segment for facilities expansion and upgrades. Capital expenditures in 2015 for the marketing segment will in large part depend on the evolving situation for crude oil prices. Opportunities exist for expansion of both the trucking and barging aspects of the Company's marketing business and such capital expenditure decision will be made at the time of implementation.

Funding for 2015 projects will be from operating cash flow and available working capital.

Historically, the Company paid an annual dividend in the fourth quarter of each year, and a $.62 per common share dividend or $2,615,000 was paid to shareholders of record as of December 3, 2012. On June 17, 2013, the Company initiated a quarterly dividend of $.22 per common share or $928,000. Quarterly dividends of $.22 per common share or $928,000 were also paid during both the third and fourth quarters of 2013 and during each of the four quarters of 2014. 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").

Off-balance Sheet Arrangements

The Company maintains certain operating lease arrangements with independent truck owner-operators for use of their equipment and driver services on a month-to-month basis. In addition, the Company has entered into certain lease and terminal access contracts in order to provide tank storage and dock access for its crude oil marketing business. Such contracts require certain minimum monthly payments for the term of the contracts. All operating lease commitments qualify for off-balance sheet treatment. Rental expense for the years ended December 31, 2014, 2013, and 2012 was $9,755,000, $8,281,000 and $8,110,000, respectively. As of December 31, 2014, rental commitments under long-term non-cancelable operating leases and terminal arrangements for the next five years are payable as follows: 2015 - $6,075,000; 2016 - $6,118,000; 2017 - $4,106,000; 2018 - $1,666,000; 2019 – $308,000 and none thereafter.

Contractual Cash Obligations

The Company has no capital lease obligations. The Company has entered into certain operating lease arrangements and terminal access agreements for tankage, barges and office space. Funding for these obligations will be from general working capital. A summary of the lease payment periods for contractual cash obligations is as follows (in thousands):

2015	2016	2017	2018	2019	Thereafter	Total
$6,075	$6,118	$4,106	$1,666	$308	$-	$18,273

In addition to its lease obligations, the Company is also committed to purchase certain quantities of crude oil in connection with its marketing activities. Such commodity purchase obligations are the basis for commodity sales, which generate the cash flow necessary to meet such purchase obligations. Approximate commodity purchase obligations as of December 31, 2014 are as follows (in thousands):

January 2015	Remaining 2015	2016	2017	Thereafter	Total
$172,883	$420	$-	$-	$-	$173,303

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 workers’ compensation, automobile and umbrella coverage for its trucking fleet and medical insurance for its employees. During each of 2014, 2013 and 2012, insurance costs totaled $14.8 million, $14.9 million and $11.5 million, respectively with 2013 costs elevated due to adverse claims experience. Insurance costs may experience rate increases during 2015 subject to market conditions and claims experience. Because the Company is generally unable to pass on such cost increases, any increase must be absorbed by existing operations.

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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, as well as 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.

Critical Accounting Policies and Use of Estimates

Fair Value Accounting

The Company enters into certain forward commodity contracts that are required to be recorded at fair value and such contracts 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 2014, 2013 and 2012.

The Company utilizes a market approach to valuing its commodity contracts. On a contract by contract, forward month by forward month basis, the Company obtains observable market data for valuing its contracts that typically have durations of less than 18 months. As of December 31, 2014, all of the Company's market value measurements were based on either quoted prices in active markets (Level 1 inputs) or from inputs based on observable market data (Level 2 inputs). See discussion under Fair Value Measurements" in Note (1) to the Consolidated Financial Statements.

The Company's fair value contracts give rise to market risk, which represents the potential loss that may result from a change in the market value of a particular commitment. The Company monitors and manages its exposure to market risk to ensure compliance with the Company's risk management policies. Such policies are regularly assessed to ensure their appropriateness given management's objectives, strategies and current market conditions.

Trade Accounts

Accounts receivable and accounts payable typically represent the most significant assets and liabilities of the Company. Particularly within the Company's energy marketing, oil and gas exploration, and production operations, there is a high degree of interdependence with and reliance upon third parties (including transaction counterparties) to provide adequate information for the proper recording of accounts receivable or payable. Substantially all such third parties are larger firms providing the Company with the source documents for recording trade activity. It is commonplace for these entities to retroactively adjust or correct such documents. This typically requires the Company to absorb, benefit from, or pass along such corrections to another third party.

Due to the volume and complexity of transactions and the high degree of interdependence with third parties, this is a difficult area to control and manage. The Company manages this process by participating in a monthly settlement process with each of its counterparties. Ongoing account balances are monitored monthly and the Company attempts to gain the cooperation of such counterparties to reconcile outstanding balances. The Company also places great emphasis on collecting cash balances due and paying only bonafide and properly supported claims. In addition, the

Company maintains and monitors its bad debt allowance. Nevertheless a degree of risk remains due to the custom and practices of the industry.

Oil and Gas Reserve Estimate

The value of the capitalized cost of oil and natural gas exploration and production related assets are dependent on underlying oil and natural gas reserve estimates. Reserve estimates are based on many subjective factors. The accuracy of these estimates depends on the quantity and quality of geological data, production performance data, reservoir engineering data, the pricing assumptions utilized as well as the skill and judgment of petroleum engineers in interpreting such data. The process of estimating reserves requires frequent revision (usually on an annual basis) as additional information becomes available. Calculations of estimated future oil and natural gas revenues are also based on estimates of the timing of oil and natural gas production, and there are no assurances that the actual timing of production will conform to or approximate such estimates. Also, certain assumptions must be made with respect to pricing. The Company’s calculations assume prices will remain constant from the date of the engineer’s estimates, except for changes reflected under natural gas sales contracts. There can be no assurance that actual future prices will not vary as industry conditions, governmental regulation, political conditions, economic conditions, weather conditions, market uncertainty, and other factors, impact the market price for oil and natural gas.

The Company follows the successful efforts method of accounting, so only costs (including development dry hole costs) associated with producing oil and natural gas wells are capitalized. Estimated oil and natural gas reserve quantities are the basis for the rate of amortization under the Company’s units of production method for depreciating, depleting and amortizing oil and natural gas properties. Estimated oil and natural gas reserve values also provide the standard for the Company’s periodic review of oil and natural gas properties for impairment.

Contingencies

AREC is named as a defendant in a number of Louisiana based lawsuits involving alleged environmental contamination from prior drilling operations. Such suits typically allege improper disposal of oilfield wastes in earthen pits with one suit alleging oil and gas production subsidence contributing to the formation of a sink hole. AREC is currently named as a defendant in three such suits. While management does not believe that a material adverse effect will result from the claims, significant attorney fees will be incurred to defend these items. As of December 31, 2014 and 2013, the Company has accrued $500,000 and $200,000, respectively, of future legal and/or settlement costs for these matters.

From time to time as incident to its operations, the Company becomes involved in various accidents, 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 or other items of general liability as are typical for the industry. In addition, the Company has extensive operations that must comply with a wide variety of tax laws, environmental laws and labor laws, among others. Should an incident occur, management evaluates the claim based on its nature, the facts and circumstances and the applicability of insurance coverage. To the extent management believes that such event may impact the financial condition of the Company, management will estimate the monetary value of the claim and make appropriate accruals or disclosure as provided in the appropriate accounting literature guidelines.

Revenue Recognition

The Company’s crude oil marketing customers are invoiced monthly based on contractually agreed upon terms. Revenue is recognized in the month in which the physical product is delivered to the customer. Where required, the Company also recognizes fair value or mark-to-market gains and losses related to its commodity activities. See discussion under Revenue Recognition” in Note (1) to the Consolidated Financial Statements.

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

Recent Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (FASB") issued updated guidance changing the criteria for reporting discontinued operations including enhanced disclosure requirements. Under the new guidance, only activities representing a strategic shift in operations are presented as discontinued operations. Such strategic shifts are those having a major effect on the organization's operations and financial results. The Company adopted the new guidance effective July 1, 2014 and the adoption did not have a material effect on the Company's Consolidated Financial Statements.

In May 2014, the FASB amended the existing accounting standards for revenue recognition. The amendments are based on the principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance is effective January 1, 2017. Early adoption is not permitted. The amendments may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. Management is currently evaluating the impact of these amendments on the Company's Consolidated Financial Statements and the transition alternatives.

In August 2014, the FASB issued guidance requiring management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. The standard also provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new guidance is effective for the annual period ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. Management does not expect the adoption of this guidance to have an impact on the Consolidated Financial Statements.

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.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's exposure to market risk includes potential adverse changes in interest rates and commodity prices.

Interest Rate Risk

The Company had no long-term debt outstanding at December 31, 2014 and 2013. A hypothetical ten percent adverse change in the floating rate would not have a material effect on the Company's results of operations for the fiscal year ended December 31, 2014.

Commodity Price Risk

The Company's major market risk exposure is in the pricing applicable to its marketing and production of crude oil and natural gas. Realized pricing is primarily driven by the prevailing spot prices applicable to oil and gas. Commodity price risk in the Company's marketing operations represents the potential loss that may result from a change in the market value of an asset or a commitment. From time to time, the Company enters into forward contracts to minimize or hedge the impact of market fluctuations on its purchases of crude oil and natural gas. The Company may also enter into price support contracts with certain customers to secure a floor price on the purchase of certain supply. In each instance, the Company locks in a separate matching price support contract with a third party in order to minimize the risk of these financial instruments. Substantially all forward contracts fall within a six-month to eighteen-month term

with no contracts extending longer than two years in duration.

Certain forward contracts are recorded at fair value, depending on management's assessments of numerous accounting standards and positions that comply with generally accepted accounting principles in the United States. The fair value of such contracts is reflected in the balance sheet as fair value assets and liabilities and any revaluation is recognized on a net basis in the Company's results of operations. See discussion under Fair Value Measurements" in Note 1 to the Consolidated Financial Statements.

Historically, prices received for oil and natural gas sales have been volatile and unpredictable with price volatility expected to continue. From January 1, 2013 through December 31, 2014, the Company's crude oil monthly average wholesale purchase costs ranged from an average low of $54.60 per barrel to a monthly average high of $105.44 per barrel during the same period. A hypothetical ten percent additional adverse change in average hydrocarbon prices, assuming no changes in volume levels, would have reduced earnings by approximately $2,684,000 and $4,173,000 for the comparative years ended December 31, 2014 and 2013, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES

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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, 2014 and 2013, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2014. 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 13, 2015, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Houston, Texas
March 13, 2015

ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31,	
ASSETS	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents	$80,184	$60,733
Accounts receivable, net of allowance for doubtful accounts of $179 and $252, respectively	144,434	243,930
Inventories	13,481	27,616
Fair value contracts	936	395
Income tax receivable	970	2,097
Prepayments	10,940	16,779
Current assets of discontinued operations	-	180
Total current assets	250,945	351,730
PROPERTY AND EQUIPMENT:		
Marketing	65,865	52,996
Transportation	63,239	59,185
Oil and gas (successful efforts method)	88,661	98,947
Other	186	1,305
	217,951	212,433
Less – Accumulated depreciation, depletion and amortization	(133,080)	(120,568)
	84,871	91,865
OTHER ASSETS:		
Cash deposits and other	4,998	4,487
	$340,814	$448,082
LIABILITIES AND SHAREHOLDERS’ EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$160,743	$266,099
Accounts payable – related party	51	38
Fair value contracts	943	-
Accrued and other liabilities	6,208	5,583
Current deferred income taxes	658	358
Current liabilities of discontinued operations	-	91
Total current liabilities	168,603	272,169
LONG-TERM DEBT	-	-
OTHER LIABILITIES:		
Asset retirement obligations	2,464	2,564
Deferred taxes and other liabilities	12,250	18,664
	183,317	293,397
COMMITMENTS AND CONTINGENCIES (NOTE 6)		
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	145,382	142,570
Total shareholders’ equity	157,497	154,685
	$340,814	$448,082

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

ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Years Ended December 31,		
	2014	2013	2012
REVENUES:			
Marketing	$4,050,497	$3,863,057	$3,292,948
Transportation	68,968	68,783	67,183
Oil and natural gas	13,361	14,129	15,954
	4,132,826	3,945,969	3,376,085
COSTS AND EXPENSES:			
Marketing	4,020,017	3,815,006	3,240,858
Transportation	56,802	56,504	51,009
Oil and natural gas operations	15,826	8,748	12,941
Oil and natural gas property sale (gain)	(2,528)	-	(2,203)
General and administrative	8,613	9,060	8,810
Depreciation, depletion and amortization	24,615	22,275	20,714
	4,123,345	3,911,593	3,332,129
Operating Earnings	9,481	34,376	43,956
Other Income (Expense):			
Interest income	301	198	190
Interest expense	(2)	(24)	(10)
Earnings from continuing operations before income taxes	9,780	34,550	44,136
Income Tax (Provision) Benefit:			
Current	(9,712)	(9,269)	(11,286)
Deferred	6,151	(3,160)	(5,378)
	(3,561)	(12,429)	(16,664)
Earnings from continuing operations	6,219	22,121	27,472
Earnings (loss) from discontinued operations net of tax (provision) benefit of $(163), $275 and $(172) respectively	304	(511)	319
Net Earnings	$6,523	$21,610	$27,791
EARNINGS PER SHARE:			
From continuing operations	1.48	5.24	6.51
From discontinued operations	.07	(.12)	.08
Basic and diluted net earnings per share	$1.55	$5.12	$6.59
Dividends declared per common share	$.88	$.66	$.62

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

ADAMS RESOURCES & ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)

Common Stock	Contributed Capital	Retained	Total Shareholders'