

The following sets forth our unaudited consolidated balance sheet as at March 31, 2007 and our audited consolidated balance sheet as at December 31, 2006, and the unaudited consolidated statements of operations and statements of cash flows for the three-month periods ended March 31, 2007 and March 31, 2006.

Additional information regarding these financial statements may be found in the Amendment No 3 to Form 10-12G filed with SEC. This Form 10-12G may be reviewed at <http://ir.futurefuelcorporation.com/sec.cfm>.

FutureFuel Corp.
Consolidated Balance Sheets
As of March 31, 2007 and December 31, 2006
(Dollars in thousands)
(unaudited)

	(Unaudited) March 31, 2007 (Restated)	December 31, 2006 (Restated)
Assets		
Cash and cash equivalents.....	\$ 61,818	\$ 63,129
Accounts receivable, net of allowances of \$42 and \$42, respectively.....	20,728	23,903
Inventory.....	18,950	22,582
Current deferred income tax asset.....	1,218	70
Prepaid expenses.....	927	1,248
Other current assets.....	1,385	3,131
Total current assets.....	105,026	114,063
Property, plant and equipment, net.....	86,013	82,626
Restricted cash and cash equivalents.....	3,164	3,127
Intangible assets.....	520	548
Other assets.....	3,086	2,765
Total noncurrent assets.....	92,783	89,066
Total Assets	\$ 197,809	\$ 203,129
Liabilities and Stockholders' Equity		
Accounts payable.....	\$ 10,330	\$ 12,945
Accounts payable – related parties.....	207	112
Income taxes payable.....	544	1,916
Short term contingent consideration.....	202	191
Accrued expenses and other current liabilities.....	2,392	1,717
Accrued expenses and other current liabilities – related parties.....	63	40
Total current liabilities.....	13,738	16,921
Long term contingent consideration.....	2,144	2,168
Other noncurrent liabilities.....	1,109	914
Noncurrent deferred income taxes.....	21,702	21,970
Total noncurrent liabilities.....	24,955	25,052
Total Liabilities	38,693	41,973
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding.....	-	-
Common stock, \$0.0001 par value, 75,000,000 shares authorized, 26,700,000 issued and outstanding.....	3	3
Additional paid in capital.....	158,436	158,436
Retained earnings.....	677	2,717
Total stockholders' equity.....	159,116	161,156
Total Liabilities and Stockholders' Equity	\$ 197,809	\$ 203,129

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

FutureFuel Corp.
Consolidated Statements of Operations
For the Three Months Ended March 31, 2007 and 2006
(Dollars in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2007	2006
	(Restated)	(Restated)
Revenues	\$ 37,506	\$ -
Cost of goods sold.....	39,658	-
Distribution	296	-
Gross loss	<u>(2,448)</u>	<u>-</u>
Selling, general and administrative expenses		
Compensation expense.....	317	-
Formation expenses and canceled offering costs	-	303
Other expense	454	-
Related party expense	30	-
Research and development expenses	991	-
	<u>1,792</u>	<u>303</u>
Loss from operations.....	<u>(4,240)</u>	<u>(303)</u>
Interest income.....	940	1
Interest expense.....	(5)	-
	<u>935</u>	<u>1</u>
Loss before income taxes	(3,305)	(302)
Benefit for income taxes	(1,265)	(114)
Net loss	<u>\$ (2,040)</u>	<u>\$ (188)</u>
Loss per common share		
Basic	\$ (0.08)	\$ (0.01)
Diluted	\$ (0.08)	\$ (0.01)
Weighted average shares outstanding		
Basic	26,700,000	26,700,000
Diluted	26,700,000	26,700,000

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

FutureFuel Corp.
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2007 and 2006
(Dollars in thousands)
(unaudited)

	Three Months Ended March 31,	
	2007	2006
	(Restated)	(Restated)
Cash flows provide by (used in) operating activities		
Net loss	\$ (2,040)	\$ (188)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation.....	974	-
Provision (benefit) for deferred income taxes.....	(1,416)	-
Change in fair value of derivative instruments	2,817	-
Losses on disposals of fixed assets	44	-
Noncash interest expense.....	5	-
Changes in operating assets and liabilities:		
Accounts receivable.....	3,175	-
Inventory.....	4,243	-
Prepaid expenses.....	320	-
Other assets.....	(322)	92
Accounts payable.....	(2,615)	-
Accounts payable – related parties.....	95	-
Income taxes payable.....	(1,371)	-
Accrued expenses and other current liabilities.....	675	-
Accrued expenses and other current liabilities – related parties	23	-
Other noncurrent liabilities	190	-
Net cash provided by (used in) operating activities.....	4,797	(96)
Cash flows provided by (used in) investing activities		
Restricted cash	(37)	-
Collateralization of derivative instruments	(1,071)	-
Contingent purchase price payment.....	(13)	-
Capital expenditures.....	(4,937)	-
Net cash provided by (used in) investing activities	(6,058)	-
Cash flows provided by (used in) financing activities		
Financing fee.....	(50)	-
Net proceeds from long term debt - related parties.....	-	500
Net cash provided by (used in) financing activities	(50)	500
Net change in cash and cash equivalents	(1,311)	404
Cash and cash equivalents at beginning of period	63,129	28
Cash and cash equivalents at end of period.....	\$ 61,818	\$ 432
Cash paid for interest	\$ -	\$ -
Cash paid for taxes.....	\$ 1,380	\$ -

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

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

1) Nature of operations and basis of presentation

Viceroy Acquisition Corporation

Viceroy Acquisition Corporation (“Viceroy”) was incorporated under the laws of the state of Delaware on August 12, 2005 to serve as a vehicle for the acquisition by way of asset acquisition, merger, capital stock exchange, share purchase or similar transaction (“Business Combination”) of one or more operating businesses in the oil and gas industry. On July 12, 2006 Viceroy completed an equity offering.

On July 21, 2006, Viceroy entered into an acquisition agreement with Eastman Chemical Company (“Eastman Chemical”) to purchase all of the issued and outstanding stock of Eastman SE, Inc. (“Eastman SE”). On October 27, 2006, a special meeting of the shareholders of Viceroy was held and the acquisition of Eastman SE was approved by the shareholders. On October 31, 2006, Viceroy acquired all of the issued and outstanding shares of Eastman SE from Eastman Chemical. Immediately subsequent to the acquisition, Viceroy changed its name to FutureFuel Corp. (“FutureFuel”) and Eastman SE changed its name to FutureFuel Chemical Company (“FutureFuel Chemical”).

Eastman SE, Inc.

Eastman SE was incorporated under the laws of the state of Delaware on September 1, 2005 and subsequent thereto operated as a wholly-owned subsidiary of Eastman Chemical through October 31, 2006. Eastman SE was incorporated for purposes of effecting a sale of Eastman Chemical’s manufacturing facility in Batesville, Arkansas (the “Batesville Plant”). Commencing January 1, 2006, Eastman Chemical began transferring the assets associated with the business of the Batesville Plant to Eastman SE.

The Batesville Plant was constructed to produce proprietary photographic chemicals for Eastman Kodak Company (“Eastman Kodak”). Over the years, Eastman Kodak shifted the plant’s focus away from the photographic imaging business to the custom synthesis of fine chemicals and organic chemical intermediates used in a variety of end markets, including paints and coatings, plastics and polymers, pharmaceuticals, food supplements, household detergents and agricultural products.

In 2005, the Batesville Plant began the implementation of a biobased products platform. This includes the production of biofuels (biodiesel, bioethanol and lignin/biomass solid fuels) and biobased specialty chemical products (biobased solvents, chemicals and intermediates). In addition to biobased products, the Batesville Plant continues to manufacture fine chemicals and other organic chemicals.

The accompanying consolidated financial statements have been prepared by FutureFuel in accordance and consistent with the accounting policies stated in FutureFuel’s 2006 audited financial statements and should be read in conjunction with the 2006 audited consolidated financial statements of FutureFuel. Certain prior year balances have been reclassified to conform to the current year presentation.

In the opinion of FutureFuel, all normal recurring adjustments necessary for a fair presentation have been included in the unaudited consolidated financial statements. The unaudited consolidated financial statements are presented in conformity with generally accepted accounting principles (“GAAP”) in the United States and, of necessity, include some amounts that are based upon management estimates and judgments. Future actual results could differ from such current estimates. The unaudited consolidated financial statements include assets, liabilities, revenues and expenses of FutureFuel and its wholly owned subsidiary, FutureFuel Chemical. Intercompany transactions and balances have been eliminated in consolidation.

2) Restatement of consolidated financial results

On October 31, 2006, FutureFuel acquired Eastman SE. For purposes of preparing its financial statements, FutureFuel accounted for the acquisition as a reverse acquisition; FutureFuel did not apply purchase accounting to the transaction. Upon further review of the accounting for the acquisition of Eastman SE in connection with the filing of its Form 10 registration Statement, FutureFuel reassessed its accounting for

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

the acquisition and determined that FutureFuel's financial statements should be restated to apply purchase accounting to the acquisition.

The consolidated financial statements, more specifically the consolidated balance sheets of FutureFuel and its subsidiary as of December 31, 2006 and March 31, 2007 and the related consolidated statements of operations and cash flows for the quarters ended March 31, 2007 and 2006 contained herein represent the financial statements of FutureFuel restated to account for the acquisition of Eastman SE utilizing purchase accounting. The restatement also affected the accompanying notes to the financial statements; the affected figures have been denoted as being restated.

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

The following table sets forth the consolidated balance sheet for FutureFuel, showing previously reported and restated amounts, as of December 31, 2006:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Assets			
Cash and cash equivalents	\$ 63,129	\$ -	\$ 63,129
Accounts receivable, net of allowances of \$42 and \$42, respectively	23,824	79	23,903
Inventory	11,591	10,991	22,582
Current deferred income tax asset	68	2	70
Prepaid expenses	1,248	-	1,248
Other current assets	3,131	-	3,131
Total current assets	<u>102,991</u>	<u>11,072</u>	<u>114,063</u>
Property, plant and equipment, net	97,761	(15,135)	82,626
Restricted cash and cash equivalents	3,127	-	3,127
Intangible assets	-	548	548
Other assets	2,764	1	2,765
Total noncurrent assets	<u>103,652</u>	<u>(14,586)</u>	<u>89,066</u>
Total Assets	<u>\$ 206,643</u>	<u>\$ (3,514)</u>	<u>\$ 203,129</u>
Liabilities and Stockholders' Equity			
Accounts payable	\$ 12,945	\$ -	\$ 12,945
Accounts payable - related parties	112	-	112
Income taxes payable	2,264	(348)	1,916
Short term contingent consideration	-	191	191
Accrued expenses and other current liabilities	1,717	-	1,717
Accrued expenses and other current liabilities - related parties	40	-	40
Total current liabilities	<u>17,078</u>	<u>(157)</u>	<u>16,921</u>
Long term contingent consideration	-	2,168	2,168
Other noncurrent liabilities	545	369	914
Noncurrent deferred income taxes	23,503	(1,533)	21,970
Total noncurrent liabilities	<u>24,048</u>	<u>1,004</u>	<u>25,052</u>
Total Liabilities	<u>41,126</u>	<u>847</u>	<u>41,973</u>
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding	-	-	-
Common stock, \$0.0001 par value, 75,000,000 shares authorized, 26,700,000 issued and outstanding	3	-	3
Additional paid in capital	162,995	(4,559)	158,436
Retained earnings	2,519	198	2,717
Total stockholders' equity	<u>165,517</u>	<u>(4,361)</u>	<u>161,156</u>
Total Liabilities and Stockholders' Equity	<u>\$ 207,024</u>	<u>\$ (3,508)</u>	<u>\$ 203,516</u>

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

The following table sets forth the consolidated balance sheet for FutureFuel, showing previously reported and restated amounts, as of March 31, 2007:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Assets			
Cash and cash equivalents	\$ 61,818	\$ -	\$ 61,818
Accounts receivable, net of allowances of \$42 and \$42, respectively	20,649	79	20,728
Inventory.....	9,384	9,566	18,950
Current deferred income tax asset	1,102	116	1,218
Prepaid expenses.....	927	-	927
Other current assets	1,385	-	1,385
Total current assets	<u>95,265</u>	<u>9,761</u>	<u>105,026</u>
Property, plant and equipment, net	99,754	(13,741)	86,013
Noncurrent deferred income tax asset....	409	(409)	-
Restricted cash and cash equivalents	3,164	-	3,164
Intangible assets.....	-	520	520
Other assets	3,086	-	3,086
Total noncurrent assets	<u>106,413</u>	<u>(13,630)</u>	<u>92,783</u>
Total Assets	<u>\$ 201,678</u>	<u>\$ (3,869)</u>	<u>\$ 197,809</u>
Liabilities and Stockholders' Equity			
Accounts payable.....	\$ 10,330	\$ -	\$ 10,330
Accounts payable - related parties	207	-	207
Income taxes payable.....	984	(440)	544
Short term contingent consideration	-	202	202
Accrued expenses and other current liabilities	2,392	-	2,392
Accrued expenses and other current liabilities - related parties.....	63	-	63
Total current liabilities.....	<u>13,976</u>	<u>(238)</u>	<u>13,738</u>
Long term contingent consideration	-	2,144	12,144
Other noncurrent liabilities	551	558	1,109
Noncurrent deferred income taxes	23,586	(1,884)	21,702
Total noncurrent liabilities	<u>24,137</u>	<u>818</u>	<u>24,955</u>
Total Liabilities	<u>38,113</u>	<u>580</u>	<u>38,693</u>
Preferred stock, \$0.0001 par value, 5,000,000 shares authorized, none issued and outstanding	-	-	-
Common stock, \$0.0001 par value, 75,000,000 shares authorized, 26,700,000 issued and outstanding	3	-	3
Additional paid in capital.....	162,995	(4,559)	158,436
Retained earnings	567	110	677
Total stockholders' equity	<u>163,565</u>	<u>(4,449)</u>	<u>159,116</u>
Total Liabilities and Stockholders' Equity	<u>\$ 201,678</u>	<u>(3,869)</u>	<u>\$ 197,809</u>

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

The following table sets forth the consolidated statement of operations for FutureFuel, showing previously reported and restated amounts, for the three months ended March 31, 2007:

	As Previously Reported	Adjustment	As Restated
Revenues	\$ 37,506	\$ -	\$ 37,506
Cost of goods sold	39,557	101	39,658
Distribution.....	296	-	296
Gross loss	<u>(2,347)</u>	<u>(101)</u>	<u>(2,448)</u>
Selling, general and administrative expenses	792	(21)	771
Selling, general and administrative expenses - related parties.....	30	-	30
Research and development expenses.....	1,024	(33)	991
	<u>1,846</u>	<u>(54)</u>	<u>1,792</u>
Loss from operations	<u>(4,193)</u>	<u>(47)</u>	<u>(4,240)</u>
Interest income	940	-	940
Interest expense	(5)	-	(5)
	<u>935</u>	<u>-</u>	<u>935</u>
Loss before income taxes	<u>(3,258)</u>	<u>(47)</u>	<u>(3,305)</u>
Benefit for income taxes.....	(1,306)	41	(1,265)
Net loss.....	<u>\$ (1,952)</u>	<u>\$ (88)</u>	<u>\$ (2,040)</u>
Loss per common share			
Basic.....	\$ (0.07)	\$ -	\$ (0.08)
Diluted.....	\$ (0.07)	\$ -	\$ (0.08)
Weighted average shares outstanding			
Basic.....	26,700,000	26,700,000	26,700,000
Diluted.....	26,700,000	26,700,000	26,700,000

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

The following table sets forth the consolidated statements of cash flows for FutureFuel, showing previously reported and restated amounts, for the three month ended March 31, 2007:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Cash flows provide by (used in)			
operating activities			
Net loss.....	\$ (1,952)	\$ (88)	\$ (2,040)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,339	(1,365)	974
Provision (benefit) for deferred income taxes	(1,405)	(11)	(1,416)
Change in fair value of derivative instruments	2,817	-	2,817
Losses on disposals of fixed assets.....	44	-	44
Noncash interest expense	5	-	5
Changes in operating assets and liabilities:			
Accounts receivable	3,175	-	3,175
Inventory	2,819	1,424	4,243
Prepaid expenses	320	-	320
Other assets	(322)	-	(322)
Accounts payable	(2,615)	-	(2,615)
Accounts payable – related parties	95	-	95
Income taxes payable	(1,278)	(93)	(1,371)
Accrued expenses and other current liabilities	719	(44)	675
Other noncurrent liabilities.....	-	190	190
Accrued expenses and other current liabilities – related parties.....	23	-	23
Net cash provided by (used in) operating activities.....	<u>4,784</u>	<u>13</u>	<u>4,797</u>
Cash flows provided by (used in)			
investing activities			
Restricted cash	(37)	-	(37)
Collateralization of derivative instruments	(1,071)	-	(1,071)
Contingent purchase price payment	-	(13)	(13)
Capital expenditures.....	<u>(4,937)</u>	<u>-</u>	<u>(4,937)</u>
Net cash provided by (used in) investing activities	<u>(6,045)</u>	<u>(13)</u>	<u>(6,058)</u>
Cash flows provided by financing			
activities			
Financing fee.....	<u>(50)</u>	<u>-</u>	<u>(50)</u>
Net cash provided by (used in) financing activities.....	<u>(50)</u>	<u>-</u>	<u>(50)</u>
Net change in cash and cash equivalents ..	(1,311)	-	(1,311)
Cash and cash equivalents at beginning of period	<u>63,129</u>	<u>-</u>	<u>63,129</u>
Cash and cash equivalents at end of period	<u>\$61,818</u>	<u>\$ -</u>	<u>\$ 61,818</u>

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

The following table sets for the consolidated statement of operations for FutureFuel, showing previously reported and restated amounts, for the three months ended March 31, 2006:

	As Previously Reported	Adjustment	As Restated
Revenues	\$ 29,937	\$ (29,937)	\$ -
Revenues – related parties	5,117	(5,117)	-
Cost of goods sold	26,510	(26,510)	-
Cost of goods sold - related parties.....	5,117	(5,117)	-
Distribution.....	306	(306)	-
Gross profit.....	<u>3,121</u>	<u>(3,121)</u>	<u>-</u>
Selling, general and administrative expenses.....	1,341	(1,038)	303
Research and development expenses.....	770	(770)	-
	<u>2,111</u>	<u>(1,808)</u>	<u>303</u>
Income (loss) from operations.....	<u>1,010</u>	<u>(1,313)</u>	<u>(303)</u>
Interest Income	-	1	1
	<u>-</u>	<u>1</u>	<u>1</u>
Income (loss) before income taxes	1,010	(1,313)	(302)
Provision (benefit) for income taxes.....	243	(357)	(114)
Net income (loss).....	<u>\$ 767</u>	<u>\$ (955)</u>	<u>\$ (188)</u>
Earnings (loss) per common share			
Basic	\$ 0.03	\$ (0.04)	\$ (0.01)
Diluted	\$ 0.02	\$ (0.04)	\$ (0.01)
Weighted average shares outstanding			
Basic	26,700,000	26,700,000	26,700,000
Diluted	31,818,772	26,700,000	26,700,000

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

The following table sets forth the consolidated statements of cash flows for FutureFuel, showing previously reported and restated amounts, for the three months ended March 31, 2006:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Cash flows provide by (used in)			
operating activities			
Net income (loss)	\$ 767	\$ (955)	\$ (188)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,247	(2,247)	-
Provision (benefit) for deferred income taxes	361	(361)	-
Losses on disposals of fixed assets.....	31	(31)	-
Changes in operating assets and liabilities:			
Accounts receivable	(982)	982	-
Inventory	(585)	585	-
Prepaid expenses	(37)	37	-
Other assets	(23)	115	92
Accounts payable	(878)	878	-
Accrued expenses and other current liabilities	(1,109)	1,109	-
Other noncurrent liabilities.....	269	(269)	-
Net cash provided by (used in) operating activities.....	<u>61</u>	<u>(157)</u>	<u>(96)</u>
Cash flows provided by (used in) investing activities			
Capital expenditures.....	(2,097)	2,097	-
Net cash provided by (used in) investing activities	<u>(2,097)</u>	<u>2,097</u>	<u>-</u>
Cash flows provided by financing activities			
Transfers to parent, net.....	2,036	(2,036)	-
Proceeds from long term debt - related parties	-	500	500
Net cash provided by (used in) financing activities.....	<u>2,036</u>	<u>(1,536)</u>	<u>500</u>
Net change in cash and cash equivalents ..	-	404	404
Cash and cash equivalents at beginning of period	-	28	28
Cash and cash equivalents at end of period	<u>\$ -</u>	<u>\$ 432</u>	<u>\$ 432</u>

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

3) Inventories

The carrying values of inventory were as follows as of:

	March 31, 2007 (Restated)	December 31, 2006 (Restated)
At first-in, first-out or average cost (approximates current cost)		
Finished goods.....	\$ 7,284	\$ 7,943
Work-in-process	1,420	1,750
Raw materials and supplies	10,584	12,894
	<u>19,288</u>	<u>22,587</u>
LIFO reserve	(338)	(5)
Total inventories.....	<u>\$ 18,950</u>	<u>\$ 22,582</u>

4) Derivative instruments

The volumes and carrying values of FutureFuel's derivative instruments were as follows at:

	Asset/(Liability)			
	March 31, 2007		December 31, 2006	
	Quantity (000 bbls) Long/(Short)	Fair Market Value	Quantity (000 bbls) Long/(Short)	Fair Market Value
Regulated fixed price future commitments, included in other current assets	(125)	\$ (2,534)	(250)	\$ (28)
Regulated options, included in other current assets	(100)	\$ (731)	(100)	\$ (419)

The margin account maintained with a broker to collateralize these derivative instruments carried an account balance of \$4,650 and \$3,578 at March 31, 2007 and December 31, 2006, and is classified as other current assets in the consolidated balance sheet. The carrying values of the margin account and of the derivative instruments are included in other current assets and comprise the entire account balance.

5) Accrued expenses and other current liabilities

Accrued expenses and other current liabilities, including those associated with related parties, consisted of the following at:

	March 31, 2007	December 31, 2006
Accrued employee liabilities	\$ 1,264	\$ 773
Accrued property, use and franchise taxes	636	373
Accrued professional fees.....	340	340
Amounts collected on behalf of Eastman Chemical	60	178
Other	155	93
	<u>\$ 2,455</u>	<u>\$ 1,757</u>

6) Borrowings

In March 2007 FutureFuel Chemical entered into a \$50 million credit agreement with a commercial bank. The loan is a revolving facility the proceeds of which may be used for working capital, capital expenditures and the general corporate purposes of FutureFuel Chemical. The facility terminates in March 2010. Advances are made pursuant to a borrowing base comprised of 85% of eligible accounts plus 60% of eligible direct inventory plus 50% of eligible indirect inventory. Advances are secured by a perfected first

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

priority security interest in accounts receivable and inventory. The interest rate floats at the following margins over the London Interbank Offered Rate ("LIBOR") or base rate based upon the leverage ratio from time to time.

Leverage Ratio	Base Rate Margin	LIBOR Margin
> 3	-0.55%	1.70%
≥ 2 < 3	-0.70%	1.55%
≥ 1 < 2	-0.85%	1.40%
< 1	-1.00%	1.25%

There is an unused commitment fee of 0.25% per annum. Beginning December 31, 2007, and on the last day of each fiscal quarter thereafter, the ratio of EBITDA to fixed charges may not be less than 1.5:1. Beginning June 30, 2007, the ratio of total funded debt to EBITDA may not exceed 3.50:1, reduced to 3.25:1 at March 31, 2008, June 30, 2008 and September 30, 2008, and then 3:1 thereafter. FutureFuel has guaranteed FutureFuel Chemical's obligations under this credit agreement.

As of March 31, 2007 no borrowings were outstanding under this credit facility.

7) Provision for income taxes

	For the three months ended March 31,	
	2007	2006
	(Restated)	(Restated)
Benefit for income taxes	\$ (1,265)	\$ (114)
Effective tax rate	38.3%	37.7%

The effective tax rates for the three months ended March 31, 2007 and 2006 reflect FutureFuel's expected tax rate on reported operating earnings before income tax.

FutureFuel adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretations No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48") on January 1, 2007. FutureFuel does not and has not possessed a liability for unrecognized tax benefits, and, as a result, did not recognize any change in this liability as a result of the implementation of FIN 48.

FutureFuel records interest and penalties net as a component of income tax expense. As of March 31, 2007, FutureFuel had no accrual for interest or tax penalties.

FutureFuel and its subsidiary, FutureFuel Chemical, file tax returns in the U.S. federal jurisdiction and with various state jurisdictions. FutureFuel was incorporated in 2005 and is subject to U.S., state and local examinations by tax authorities from 2005 forward. FutureFuel Chemical is subject to the effects of tax examinations that impact the carry-over basis of its assets and liabilities. FutureFuel Chemical's carry-over basis of its assets and liabilities are no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2004.

8) Earnings per share

The computation of basic and diluted earnings per common share was as follows for the three months ended March 31:

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

	2007 (Restated)	2006 (Restated)
Net loss available to common stockholders.....	\$ (2,040)	\$ (188)
Weighted average number of common shares outstanding	26,700,000	26,700,000
Effect of warrants	-	-
Weighted average diluted number of common shares outstanding	26,700,000	26,700,000
Basic loss per share	\$ (0.08)	\$ (0.01)
Diluted loss per share	\$ (0.08)	\$ (0.01)

Warrants to purchase 22,500,000 common shares of FutureFuel were not included in the computation of diluted earnings per share for the three months ended March 31, 2007 as FutureFuel reported a net loss for the period and the inclusion of those securities in the computation would have been antidilutive.

9) **Segment information**

FutureFuel has determined that it has two reportable segments organized along product lines – chemicals and biofuels.

Chemicals

FutureFuel's chemicals segment manufactures diversified chemical products that are sold externally to third party customers and to Eastman Chemical. This segment comprises two components: "custom manufacturing" (manufacturing chemicals for specific customers); and "performance chemicals" (multi-customer specialty chemicals).

Biofuels

FutureFuel's biofuels business segment manufactures and markets biodiesel. Biodiesel revenues are generally derived in one of two ways. Revenues are generated under tolling agreements whereby customers supply key biodiesel feed stocks which FutureFuel then converts into biodiesel at the Batesville Plant in exchange for a fixed price processing charge per gallon of biodiesel produced. Revenues are also generated through the sale of biodiesel to customers through FutureFuel's distribution network at the Batesville Plant and through distribution facilities available at a leased oil storage facility near Little Rock, Arkansas at negotiated prices.

Summary of long-lived assets and revenues by geographic area

All of FutureFuel's long-lived assets are located in the U.S.

Most of FutureFuel's sales are transacted with title passing at the time of shipment from the Batesville Plant, although some sales are transacted based on title passing at the delivery point. While many of FutureFuel's chemicals are utilized to manufacture products that are shipped, further processed and/or consumed throughout the world, the chemical products, with limited exceptions, generally leave the United States only after ownership has transferred from FutureFuel to the customer. Rarely is FutureFuel the exporter of record, never is FutureFuel the importer of record into foreign countries and FutureFuel is not always aware of the exact quantities of its products that are moved into foreign markets by its customers. FutureFuel does track the addresses of its customers for invoicing purposes and uses this address to determine whether a particular sale is within or without the United States. FutureFuel's revenues for the first three months ended March 31 attributable to the United States and foreign countries (based upon the billing addresses of its customers) were as follows:

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

<u>Three Months Ended</u>	<u>United States (Restated)</u>	<u>All Foreign Countries (Restated)</u>	<u>Total (Restated)</u>
March 31, 2007.....	\$ 32,300	\$ 5,206	\$ 37,506
March 31, 2006.....	\$ -	\$ -	\$ -

Beginning in 2005, FutureFuel Chemical Company began invoicing Procter & Gamble International Operations Mexico, D.F. directly, at which time revenues from Mexico became a material component of total revenues. Revenues from Mexico account for 13% of total revenues for the three months ended March 31, 2007. Other than Mexico, revenues from a single foreign country during the three months ended March 31, 2007 did not exceed 1% of total revenues.

Summary of business by segment

	<u>Three Months Ended March 31:</u>	
	<u>2007 (Restated)</u>	<u>2006 (Restated)</u>
Revenues		
Chemicals.....	\$ 35,654	\$ -
Biofuels.....	1,852	-
Revenues.....	<u>\$ 37,506</u>	<u>\$ -</u>
Segment gross margins		
Chemicals.....	\$ 5,447	\$ -
Biofuels.....	(7,895)	-
Segment gross margins.....	(2,448)	-
Corporate expenses.....	(1,792)	(303)
Loss before interest and taxes.....	(4,240)	(303)
Interest income.....	940	1
Interest expense.....	(5)	-
Benefit for income taxes.....	1,265	114
Net loss.....	<u>\$ (2,040)</u>	<u>\$ (188)</u>

Depreciation is allocated to segment costs of goods sold based on plant usage. The total assets and capital expenditures of FutureFuel have not been allocated to individual segments as large portions of these assets are shared to varying degrees by each segment, causing such an allocation to be of little value.

10) **Recently issued accounting standards**

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, (“SFAS No. 157”) which addresses the measurement of fair value by companies when they are required to use a fair value measure for recognition or disclosure purposes under GAAP. SFAS No. 157 provides a common definition of fair value to be used throughout GAAP which is intended to make the measure of fair value more consistent and comparable and improve disclosures about those measures. With the exception of other non-financial assets and liabilities, SFAS No. 157 will be effective for an entity’s financial statements issued for fiscal years beginning after November 15, 2007. With respect to other non-financial assets and liabilities, the Financial Accounting Standards Board has provided a one-year implementation deferral. FutureFuel is currently evaluating the effect SFAS No. 157 will have on its consolidated financial position, liquidity and results of operations.

In February 2007, the FASB issued SFAS No. 159 *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115*. SFAS No. 159 permits companies to choose to measure many financial instruments and certain other items at fair value at specified election dates. Upon adoption, an entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Most of the

Notes to Financial Statements of FutureFuel Corp.
(Dollars in thousands, except per share amounts)
(unaudited)

provisions apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities with available for sale and trading securities. SFAS No. 159 will be effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. FutureFuel is currently evaluating the effect SFAS No. 159 will have on its consolidated financial position, liquidity and results of operations.