



## GLACIAL LAKES CORN PROCESSORS

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### **Glacial Lakes Energy, LLC Finalizes Purchase of Advanced BioEnergy Production Facilities**

For Immediate Release

*December 26, 2019 - Watertown, SD* – Through its wholly-owned operating subsidiary and management company, Glacial Lakes Energy, LLC (“GLE”), Glacial Lakes Corn Processors (“GLCP”) announced the completion of its acquisition of the Advanced BioEnergy (“ABE”) ethanol production facilities in Aberdeen and Huron, SD last week. The purchase of the two ABE plants increases GLCP’s ethanol production by over 80 million gallons to more than 350 million gallons annually.

Extensive research went into the decision to expand following a year of difficult market conditions. “Our board of directors and management team did not make this decision lightly; we take a longer view understanding the decisions we make today will impact us well into the future and we see this purchase having a positive impact on the competitiveness of our cooperative. Despite the lower market conditions at the present, we expect demand for ethanol around the globe to grow and this increase helps position GLE to better meet that market expansion,” Chief Executive Officer Jim Seurer says.

“Enhancing shareholder value through growth is part of our cooperative’s strategic initiatives,” stated Seurer. “When markets are robust, opportunities to expand do not always come along. This particular opportunity presented itself in a down market.” Seurer adds. “Strategically, both ABE plants fit well into GLE’s current marketing, operational, and administrative footprint.”

The acquisition increases GLCP shareholders’ ownership of gallons by 32%. “Since this is a purchase rather than a merger, we did not issue any additional shares so there was no dilution,” Seurer explains. “Prior to the transaction, each share of GLCP was tied to 1.37 gallons of production and now each share will be tied to 1.81 gallons of production. Under similar margin conditions, the earning power of the GLCP share has increased.”

The Aberdeen plant, which began operation in 2008, currently produces about 49.0 million gallons per year; it includes unit train shipping capabilities (loop track) and a recent \$9.0 million grain system expansion. The Huron plant, which began operation in 1998 and was retro-fitted in 2006, currently produces about 33.0 million gallons per year; it has achieved a very favorable carbon intensity score on its ethanol production.

“The board of directors believes this purchase makes sense because these plants are within our trade area, the timing was right, and because there are many other aspects which align with our strategic plan,” explains Mark Schmidt, GLE Board Chairman.

With the addition of the ABE plants, Glacial Lakes Corn Processors, the parent company will own 100% of GLE and its three sibling subsidiaries will purchase over 125 million bushels of corn annually to produce nearly 350 million gallons of clean burning ethanol; one million tons of high protein feed; and nearly 100 million pounds of renewable corn oil for local, domestic, and export markets.

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## Cautionary Statements Regarding Forward-Looking Statements

This document contains forward-looking statements by the use of words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “predict,” “hope,” “should,” “could,” “may,” “future,” “continue,” “potential” or the negatives of these terms or other similar expressions. These statements are based on management’s beliefs and expectations and on information currently available to management.

Forward-looking statements are only our predictions and involve numerous assumptions, risks and uncertainties. Important factors that could significantly affect future financial condition and results include, among others, operating margins in the ethanol industry, the rapid pace of expansion in the industry, the cost of corn and the price of ethanol, changes in ethanol supply and demand, changes in current legislation or regulations that affect ethanol supply and demand, disruptions to infrastructure or in the supply of raw materials, the results of our risk management and hedging transactions, and ethanol industry valuation generally.

Our actual results or actions may differ materially from those set forth in the forward-looking statements for many reasons, including events that are beyond our control or assumptions not proving to be accurate or reasonable. We caution you not to put undue reliance on any forward-looking statements, which speak only as of the date of this document. We cannot guarantee our future results, levels of activity, performance or achievement.

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