



GLACIAL LAKES ENERGY, LLC
GLACIAL LAKES CORN PROCESSORS

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April 3, 2007

Dear GLCP Member:

We wanted to set the record straight.

- We are not “out of money.”
- We are not abandoning our Vermillion or Madison ethanol projects.

To the contrary, 2007 continues to be an exciting time for the growth and future of Glacial Lakes Corn Processors and its members. We have achieved a number of milestones this year toward our expansion plan:

- ✓ We have fully-funded the \$71,800,000 equity requirements of Aberdeen Energy to construct our 100 mgy ethanol facility in Mina, South Dakota in a separate construction account for Aberdeen Energy. This is a Fagen/ICM plant, and our total estimated project cost for this plant is \$161,800,000. We have delivered the “Notice to Proceed” to Fagen, Inc and it was accepted on March 17, 2007. Fagen is on-site now, and we expect to complete Phase I site work in the next fifteen days. We are looking at April-June of 2008 as an estimated plant start-up date.
- ✓ We have fully-funded the \$22,000,000 additional equity requirements of Glacial Lakes Energy to increase the annual production capacity of our Watertown facility by 50 mgy in a separate construction account for Glacial Lakes Energy. This is a New Mech Companies/ICM expansion project, and our total estimated project cost for the 50 mgy expansion is \$87,000,000. Both New Mech and ICM are on-site now, and we are targeting December 2007 as the completion date of the expansion.
- ✓ We continue to work with First National Bank of Omaha to close on the debt financing commitments for the Aberdeen facility and the Watertown expansion. We expect to close on the financing within 45-60 days. The total amount of construction financing commitments we are closing on is \$90,000,000 for Aberdeen Energy and \$65,000,000 for Glacial Lakes Energy, plus working capital revolving lines of credit for each facility of \$10 million. In addition, as part of the financing, we will re-finance the remaining \$15,000,000 of long-term debt we have at Glacial Lakes Energy into the Glacial Lakes Energy financing.
- ✓ Our financing plan for these two projects keeps our debt financing below a \$1.00 per gallon of capacity, and maintains equity to assets ratio above 40%.

- ✓ We have hired two new management persons to bring additional depth and strength to our management team. James A. Seurer, Chief Financial Officer and Sarah. A. Morrow, Human Resource Manager. (Please see newsletter for more information.)
- ✓ We continue to manage the Redfield Energy project, and we expect that plant to come on line in April 2007.

As you know, the ethanol industry is undergoing rapid change and growth. We at Glacial Lakes are responding to those changes, in an effort to maintain our leadership position in the ethanol industry. Upon completion of our Aberdeen facility and Watertown expansion, we will have 200 million gallons of ethanol production under management and 100% ownership. In addition, we own approximately 15 million gallons of production through our 20.9% ownership interests in Granite Falls Energy and our 8% ownership interest in Redfield Energy, bringing our estimated 2008 production capacity to a total of 215 million gallons.

In addition to managing this growth, we also paid \$28,706,012 in cash patronage dividends to our members last year, bringing our total cash patronage dividends to our members since inception to \$39,617,034. We believe in the ethanol industry, and we look forward to continuing our track record over the coming years as one of the leading locally-owned ethanol companies in the United States.

One of the effects of the substantial growth in the ethanol industry, along with other hurricane and related labor and construction materials shortages, has been a dramatic increase in construction costs. We have not been immune to these increases from our original financing and capitalization plan and original cost estimates from last summer.

As a result of the increased costs of construction, we have had to re-evaluate the timing of our financing plan for our Vermillion and Madison projects. We expect to finalize our 2007 financing plan over the next 60-90 days. Be assured that our financing plan will be based on prudent financial parameters and equity to debt ratios. At this time, we expect our financing plan for our Vermillion and Madison projects will require additional equity. We plan to update you on our 2007 financing plan once completed, subject to applicable federal or state securities laws restrictions.

As stated, we have not abandoned any project or plan to construct. Our number 1 goal following closing on our debt financing will be to complete the financing for our Vermillion project. In that regard, we have completed the following:

- ✓ We have acquired the 60-acre site near Vermillion (in Meckling, South Dakota) and are approximately 85% complete with the initial site work and grading necessary to begin construction. As a result of the need to re-evaluate the timing of our financing of this project, we have put further dirt work on hold temporarily, pending completion of our revised financing plan.
- ✓ We have completed the initial design and engineering for the Meckling facility with our design build team New Mech Companies and Praj Industries. The facility will be a 60 mgy nameplate capacity plant. Based on those contracts, we are estimating our total project cost at approximately \$120,000,000 or approximately \$2.00 per gallon of nameplate capacity.
- ✓ We expect to secure final cost-competitive firm price contracts for the construction of the Meckling facility within 60 days.

- ✓ Our goal is to complete our financing for the Meckling project over the next 90-120 days (obtain required additional equity and commitments for debt financing), to complete all initial site work within that time frame or shortly thereafter, and to commence construction this summer. Our goal is to have the Meckling facility operational for 2008 new crop corn.

We also intend to re-evaluate the timing of the Madison project financing once we have completed financing on the Meckling project. Again, prudent financial parameters will guide our financing decisions on the Madison project. In the meantime, we have completed the acquisition of State Line Elevator facility adjacent to our planned Madison ethanol project. This elevator facility gives us an important corn origination and storage location east of our Watertown facility, which we believe will position us competitively for corn origination in the future at all of our locations. We continue to negotiate on a letter of intent for the construction of the Madison facility.

Redfield Energy Update

After a number of months of discussions, Glacial Lakes Corn Processors and Redfield Energy have mutually agreed to suspend discussions concerning a full merger of the two companies. We remain committed to maintaining and fostering a strong cooperative relationship with Redfield Energy. There were several factors led to this mutual decision, with timing of the transaction being chief among them. Given the tax and legal complexities of the proposed merger transaction, we determined that our top priorities for the first half of 2007 were to close on our construction debt financing and to complete the financing plan for our Vermillion project. Given these priorities, as well as the structuring and tax considerations that were being raised in our merger discussions, we felt that continuing merger discussions would actually be counterproductive to our efforts to close on our debt financing and to finalize our financing plan for our Vermillion project. We also felt that our completion of these priorities would assist both parties evaluate the proposed merger consideration and would better allow our respective financial advisors to update and/or complete their evaluation of the merger consideration for fairness to our members. Given all of these factors, we felt it was prudent to suspend discussions until after we complete these financing priorities. Once completed, we intend to re-visit our discussions with Redfield Energy if they are willing to do so.

Granite Falls Update

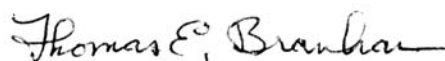
As many of you know, we have are involved in a dispute with Granite Falls Energy over the management of the facility. As a result of this dispute, we no longer manage the Granite Falls facility. We are actively investigating this matter with our legal counsel, and we will aggressively pursue all legal actions and recourse that we have available to us. In the meantime, we are a 20.9% owner of Granite Falls Energy and intend to pursue all rights we have as an owner-member as well. We will keep you updated on this situation.

We look forward to continuing to serve our members, and wish everyone a successful planting season!

Sincerely,



Jon T. Anderson, Board of Directors President



Thomas E. Branhan, Chief Executive Officer

On Behalf of the Glacial Lakes Corn Processors & Glacial Lakes Energy Board of Directors and Management Team