



Glacial Lakes Energy, LLC

CREATING ECONOMIC VALUE FROM CORN

NEWSLETTER

December 2015 - February 2016

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Are You Ready For The E30 Challenge?

By: Dave VanderGriend, Technical Manager, Fuel & Engine Technology, Urban Air Initiative

Urban Air Initiative is a social welfare organization that is determined to educate the public concerning the health threats posed by domestic use of petroleum-based fuels, and to take positive steps to reduce the threat to public health by encouraging a change in the additives used in such fuels.

Who would have ever thought that a little place like Watertown, South Dakota might be a trend setter for the rest of the nation? No, not for the latest fashion or a new dance craze, but for a fundamental change in the way we fuel our automobiles.

Watertown is challenging conventional wisdom in order for biofuels like ethanol to finally realize their true potential. That conventional wisdom is that our non-flex autos can only operate on 10% ethanol blends and at most, 15%. But those of us in the ethanol industry are well aware of the fact that the original Model T built by Henry Ford was designed to run on high blends of ethanol. Its high octane would allow for higher compression and increased efficiency, an elusive brass ring we continue to reach for today, more than 100 years later.

It took the Iranian oil embargoes of the late 1970s to spark a renewed interest in ethanol and "gasohol" was born as a mix of 10% ethanol and 90% gasoline. But 10% volume blends should never have been the baseline - cars then and now are capable of using much higher blends and the auto industry knows it. In fact the optimum blend to maximize octane and energy content is in the 25 - 40% volume range, according to the Department of Energy.

So what does this have to do with Watertown? Well, a revolution has to start somewhere and Glacial Lakes Energy, a local ethanol plant, is spearheading an "E30 Challenge" by encouraging everyone to use blends up to E30 regardless of whether they have a flex fuel vehicle.

The goal of the E30 challenge is to increase the amount of ethanol that is chosen at the local blending pump and show the EPA that mid-level blends are proven to work in non-flex vehicles.

Education and promotion is focused on the community with print and radio ads, as well as seminars with dealerships, technical colleges, city police and fleet managers, farmers unions, and mechanics. The retailers are also educated on the value of octane, clean air, and local jobs. At the Urban Air Initiative we are actively engaged in this project as it completely supports our push for higher ethanol blends to improve fuel quality, reduce emissions, and protect public health.

First and foremost, we want to demonstrate that the so-called blend wall, is a myth and auto makers are helping us prove that point. For instance, in its 2016 owners' manual, BMW's Mini Hardtop recently endorsed the use of E25 higher octane blends in its standard (non-flex fuel) vehicles. Mercedes-Benz engineers have urged the EPA to approve the use of high octane E30 blends because they have "ridiculous power and good fuel economy". All gasoline-powered vehicles in Brazil efficiently operate on blends of at least 27% ethanol (E27). A recent study by Ford, GM, and Chrysler found that E30's higher octane could improve vehicle performance and mileage and that even non-calibrated standard vehicles could benefit from ethanol's superior octane properties.

So why don't American motorists have access to these higher blends? Because the EPA refuses to certify E30 test fuels for commercial use, and prohibits the use of E30 blends in standard vehicles, even though many experts confirm that such vehicles are identical to so-called "flex-fuel" vehicles (FFVs).

Andy Wicks, a local legend in the auto world has led the effort to educate his fellow mechanics in Watertown about the value of E30. Wicks makes a great point when he says "If you've ever dealt with an engineer, they are very quick to tell you something is not possible simply because they do not have sufficient test data. It has been instilled in them to never apply a stamp of approval to a limited knowledge basis. The testing we have done leads us to believe blends up to E30 will not only be tolerated, but embraced by our vehicles we drive every day."

With a focused message to dealers, mechanics, and employees at auto parts stores, the E30 Challenge will continue to provide positive and accurate information. Once this education method is refined, Urban Air Initiative intends to take the package to the next town, and the next.

Today, all vehicles are approved for E10 blends, nearly 80% are approved for 15%, and we may be on our way to 30%, thanks to a little place called Watertown.

Are you ready for the E30 Challenge in your town?



E30 - Pushing Over the Blend Wall



Andy Wicks, A native of Watertown, SD, founded DynoTune Speed and Performance in Watertown, SD in 2003, a business which specializes in enhancing high performance fuel injected vehicles. Wicks has dyno tuned over 15,000 cars from all over the US and developed a Flex Fuel conversion kit for non-flex vehicles which he marketed and installed 3,000 kits.

There seems to be many misconceptions and inaccuracies related to the use of higher ethanol blends in the late model vehicles we have in our garages. Much of this has arisen due to limited information, misinformation, or just simply “SWaGs” (stupid wild guesses) coming from ill-informed individuals, industries, and governmental entities. Unfortunately, this has been very limiting and problematic for the ethanol industry. Ethanol is a great fuel alternative, additional supplement, or blending agent for our country and it needs to be fully utilized as such.

The ethanol industry's main challenges lie with the original equipment manufacturer (“OEMs”) and the EPA's hesitancy to embrace the higher blends for use in non-flex fuel vehicles. The auto manufacturers typically look FORWARD several years to new model designs and they are currently finishing up calibrations and platforms for vehicles that will be built in 2017-2018 and beyond. The ethanol industry is asking OEMs to acknowledge higher ethanol blends in vehicles that were engineered five, ten, or maybe even TWENTY years ago upon which they have little or no research. Typically, OEM engineers are hesitant to endorse higher ethanol usage until they have completed their research and testing.

Ethanol blended at higher rates creates no internal engine compatibility issues as it has been proven many times in the past that most vehicles built in the last 20 years have components that will easily handle higher ethanol blends. The concern seems to lie with the “check engine (CE)” or “service engine soon (SES)” warning light or other similar dashboard service indicators. For years, the general public has been taught that this light means there is a problem and rightly so. However, there are over 2,500 codes that can illuminate a warning light on a vehicle, and somehow, once repair technicians that become aware of the usage of higher ethanol blends, they seem to convince themselves (and us) that ethanol is the ONLY reason the warning bulb illuminates which is simply not the case.

Many times over, we have found those using higher ethanol blends with lighted CE or SES lights are, in reality, vehicles with higher mileage or other vehicles with maintenance issues that appear at the same time or thereafter. We have done a fair amount of **UNBIASED**

research on this and have yet to find dispute with this finding with blends up to E30 on most vehicles 1996 or newer.

In the past several months, GLE and I have been working hard to educate the auto repair service shops about this by showing how E30 affects the fueling strategies on fuel injected vehicles and what ACTUALLY causes the lights to trigger. There are many well educated and informed auto technicians and shops that can repair these cars, although there simply is little to no information to help them in the diagnostic process; making it easiest to blame the variable that has the least amount of information available: ethanol.

During our testing process, we have found how E30 blends can actually INCREASE available horsepower and torque, with fuel economy being maintained or slightly changed (increased or decreased depending on the vehicle). For example, a Ford F150 EcoBoost 3.5 liter could easily see a 30+ horsepower gain over regular 87 octane gasoline as measured on a rear wheel chassis dyno-meter. This is a 10% gain in power by just changing fuels. This allows the engine to do more work with less pedal effort, giving fuel economy advantages as well. Similarly, a 2015 Dodge Ram Hemi 5.7 liter gained 8 horsepower and 9 ft lbs of torque with the same E30 fuel. Neither vehicle experienced an engine warning light trigger with all engine parameters closely monitored.

E30 is a high octane, premium fuel that will be the automotive industry's DREAM in the future. High compression ratios, twin turbos, and direct injection previously were exotic race-car technology but not anymore. Now, most likely at least one of these phenomenon is sitting in your garage and octane is extremely beneficial to these technologies. E30 offers significant octane advantages over its gasoline counterpart. OEMs actually have many limitations designed and installed on these engines due to the normally insufficient octane in our “pump” gasolines that are available- adding significant cost and complexity. As E30 becomes more widely recognized (and available), car manufactures will realize the compatibility of this fuel for most vehicles on the road today and tomorrow.



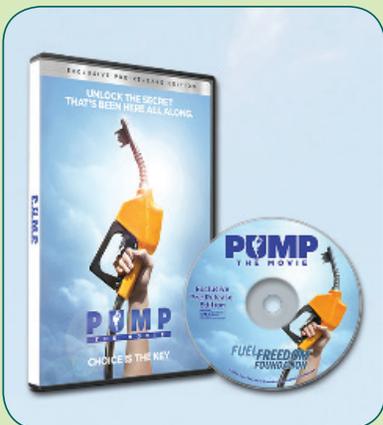
PUMP - The Movie that will change your attitude about fuel forever

PUMP the movie jump-started a national conversation about our dependence on oil.

PUMP is an inspiring, eye-opening documentary that tells the story of America's addiction to oil, from Standard Oil's illegal tactics to the monopoly oil companies enjoy today. The film explains clearly and simply how we can end this monopoly — and finally win choice at the pump.

The movie features a wide variety of people that we believe are the Fuel Freedom Fighters: They're engineers, writers, gearheads, academics, executives, policy wonks, innovators. And they've thought about the issues related to fuel freedom for a very long time.

According to the Washington Post, *“the movie makes compelling points. More important, the film suggests both long-term and short-term solutions. “...if consumers hate oil so much, why aren't there more readily available alternatives? That's the question the documentary keeps circling back to, which is a smart approach because it's aimed at appealing to both eco-conscious liberals and fiscal conservatives.”*



Ethanol's True Impact on Reducing Tailpipe & Evaporative Emissions

Steve VanderGriend, Technical Manager, Fuel & Engine Technology, Urban Air Initiative

Ethanol is a cleaner burning fuel that helps reduce tail pipe emissions, yet you may have heard about numerous recent studies that say ethanol raises emissions and hurts the environment.

The misinformation contained in these studies about ethanol can be traced directly back to the method of fuel blending. The key to getting an accurate portrayal of ethanol related emissions is to first understand the way fuels are blending. "Splash blending" is simply adding ethanol to finished gasoline; this practice is generally recognized and supported by the auto industry. Then there is "match blending", which begins with a lower grade gasoline and is intended to hold the end fuel properties consistent. All of the aforementioned studies that show ethanol increases harmful emissions were "match blended". When fuels are "match blended", whoever decides the desired end fuel parameters really controls the outcome of the study and this leads to testing results that can be misleading.

A review of dozens of automotive studies shows a clear distinction that when "splash blending" or simply adding ethanol to gasoline, tailpipe emissions improve. This is because ethanol dilutes the worst components of gasoline, which are harmful and toxic aromatics. In "match blending", the aromatics are held constant while increasing volumes of ethanol. When this happens, the highest quality and best components of gasoline are removed. This can lead to misleading test fuel's distillation and density results from these studies. The same dysfunction of "match blending" also occurs

in vehicle evaporative studies which hide the fact that aromatics increase permeation rates, which leads to higher contribution to ozone formation.

Obviously, our oil company foes pitch the "match blending" concept and our industry pitches the "splash blending" concept. Here are some problems caused by using higher levels of toxic aromatics rather than ethanol.

Aromatics have the highest rate of toxic emissions of any component of gasoline (3 to 4 times higher than Ethanol).

Aromatics lead to higher benzene emissions even with no increase of benzene in the fuel as well as being the primary source for harmful Polycyclic Aromatics Hydrocarbons (PAH) and Ultra Fine Particulates (UFP's).

Aromatics are the most carbon intensive to produce and, due to high carbon content, increase CO2 emission at the tailpipe

When blended correctly through "splash blending", ethanol blends will reduce the problems caused by aromatics while providing a clean octane. Simply adding ethanol to a current E10 blend is a win for both consumers (lower cost) and for the environment (lower tailpipe and evaporative emissions).



The "E30 Challenge"

Technology continues to change the world, and nowhere else has that been more evident lately than in today's ethanol industry. Only four years have passed since the U.S. Environmental Protection Agency (EPA) approved the sale of E15 gasoline, a mixture of 15 percent ethanol and 85 percent gasoline. Today, continued advancements in ethanol production have evolved an even higher blend of fuel that many in the ethanol industry say is an even more effective and safer for the air we breathe.

For years using E15 in your vehicle instead of regular gas has been touted as a method of reducing both greenhouse gas emissions and the United States' dependence on foreign oil, and the EPA has said that virtually all vehicles built in 2001 or later can safely run on it. But now, according to Brad Brunner, Ethanol Marketing Manager for Glacial Lakes Energy in Watertown, "E30 has taken its place as the most effective blend, giving drivers more benefits than ever before." And like E15, others in the ethanol industry believe that E30 can also be safely used in those vehicles built before 2001.

Why E30? The benefits of using E30 over regular gasoline are many. Regular gasoline is made up of numerous carcinogens; too many to list. By using a blend of E30, Brunner says it emulates into a considerable reduction in those harmful chemicals and nearly eliminates the harmful chemical known as benzene created by your vehicles engine and other known carcinogenic emissions into the air, destroying brain matter in growing children.

In addition to cleaner air, how your engine uses that fuel is also important. As fuel efficiency requirement standards continue to increase for new cars, the best way to meet them is to cut their weight and turbo charge their engines, and to turbo charge the engines, more octane is needed and octane is a natural property of ethanol. This was the message that was passed on to area automotive students

and local dealerships as representatives of GLE recently set out to educate them on ethanol use. Many engine and fuel experts like the idea of an E30 blend because the EPA is inviting the auto companies to take advantage of the good characteristics of ethanol, including an octane rating that is well over 100.

In fact, the National Renewable Energy Lab (NREL) now classifies E30 as a super-premium fuel; the ethanol runs cooler and provides better combustion, offering more power. Brunner said, "Using blends of E30 lowers the amount of sulfur in gasoline by two-thirds, so clearly the answer is higher blends of ethanol, like E30. It's a win – win; consumers get a choice and savings at pump as well as better performance and no loss of mileage per gallon."

But is it safe to use in my vehicle? You might find it surprising to know that there are many people who use E30 regularly in their vehicles. One example, Marcy Kohl, Manager of Corporate Administration points out, is business owner Andy Wicks of DynoTune. "Wicks has been performing some of his own studies and wrote an article on using E30 in his own fleet. He has run the fuel in his trucks and says that their performance has actually increased and he has seen no damage done to the vehicles engines."

The use of ethanol as a vehicle fuel has been a concept since the days when Henry Ford and other early automakers suspected it would be the world's primary fuel before gasoline became so readily available. Today, it looks like the industry is going to hit that mark much sooner as many researchers agree ethanol could substantially offset our nations petroleum use. Studies estimate that ethanol and other biofuels could replace 30% of the U.S. gasoline demand by 2030.

If you would like to try E30 in your vehicle, Check at your local station or ask for E30.

Q1 Financial Results are Lower

Financial Report for Quarter Ended November 30, 2015 (Unaudited)

Dollars In Millions

Total Assets	\$278.3	Current Assets	\$151.4
Total Liabilities	\$89.9	Current Liabilities	\$74.5
Net Worth	\$188.4	Working Capital	\$76.9
Net Income for Quarter	\$0.6	Net Income for Year	\$0.6

The good news is that even with planned maintenance shutdowns at each plant affecting the first quarter of FY 2016, production levels were still higher than the same quarter last year. Another bright spot during the quarter is that the company also declared a \$0.15 per share dividend (\$27.8 million) paid in January 2016.



The Fuel of the Future Is Here Today: E30 Premium Gasoline

By: David Hallberg, Technical Advisor, Urban Air Initiative
David Hallberg, Has more than 35 years of experience in the ethanol industry. He has served as legislative director in both the US Senate and House of Representatives and was actively involved

in drafting and enacting much of the ethanol industries formative legislation from 1977 to 1981. Dave founded and served as President/CEO of the Renewable Fuels Association from 1981 to 1985. He currently works with a number of clients in the biofuels arena.

Mercedes-Benz engineers have raved about a new fuel with “ridiculous power and good fuel economy”, and they have urged EPA to approve its widespread use. The fuel: Premium E30, a high octane, cleaner-burning gasoline made with 30% ethanol. With GLE’s leadership, Watertown, SD will be the “E30 Premium Capital of the World”, and more communities are ready to follow.

The time is right. Nearly a century ago, Henry Ford recommended E30 for his higher compression automobiles, warning that the alternatives—tetraethyl lead and benzene-based aromatic hydrocarbons—provided a lower octane kick and contained dangerous poisons and carcinogens.

Unfortunately, millionaire oil-tycoon, John D. Rockefeller, won out. Rockefeller didn’t care about the public health. His goal was to shield his refining business from competition and he saw ethanol as a formidable competitor.

As the great Yogi Berra would say, “It’s déjà vu all over again”. BTX (benzene, toluene, and xylene) enhanced gasoline costs U.S. businesses and families tens of billions of dollars each year, causing respiratory issues and shortening lives. Gasoline BTX is also a major contributor to carbon emissions linked to climate change.

Gasoline’s mixture contains hundreds of organic compounds distilled from crude oil. The worst constituents of gasoline are aromatic hydrocarbons—benzene, toluene, and xylene (BTX). Unfortunately, typical U.S. gasoline contains approximately 30% BTX—which means that 40 billion gallons of BTX are combusted into highly toxic ultrafine-particles, especially in urban areas and near congested roadways.

For 100 years, gasoline has had a lock on the transportation fuels sector. Like Rockefeller, today’s oil industry has a de facto monopoly over gasoline markets. But that stranglehold is beginning to weaken, and Glacial Lakes Energy is helping to lead the charge with the development of the “E30 Challenge” which will be rolled out to Watertown residents soon.

Recently, a diverse group of stakeholders—ranging from auto

Unfortunately, with continuing low oil prices and an over-supply situation, ethanol margins are significantly depressed. With net income of \$0.6MM for the first quarter of FY2016 we are still making money but we’ll have to remain diligent and prudent as we work through this period of low margins.

Fortunately we have focused on sustainability and have prepared for these times by building our financial strength. With only about \$13 million in debt at the end of December 2015 and with a combined access to funds of \$64 million in cash and short term investments after payment of the January dividend as well as \$85 million in borrowing capacity, our company is well prepared to weather depressed margins in the short-term.

In addition, from a cost to produce a gallon of ethanol perspective we are in a low cost per gallon position which helps place us in a competitive position as prices remain low.

We continue to focus on driving down and optimizing our cost structure and, on increasing our exports and to encourage higher ethanol blend rates of E-15, E-30 and E-85 which would increase demand and drive margins higher.

industry scientists to health researchers at major universities—has come to the same conclusion: the U.S needs to make a transition to a high octane E30 transportation system. An incontrovertible body of science says that car makers need E30 to power advanced high compression engines in order to comply with EPA’s new fuel efficiency and carbon standards.

Thus far, EPA has sided with the oil industry, and they have refused to encourage higher octane gasoline. However, by June 2018, EPA and the automakers must make modifications to the current rule, in part because consumers are refusing to make the switch to electric cars. Liquid fuels will dominate for many future years and that puts a premium on the “clean octane” automakers require, that only higher ethanol blends can provide.

Substituting E30 blends for BTX would require the U.S. ethanol industry to double, perhaps triple, over the next ten to fifteen years. The U.S. ethanol industry has already provided a huge boost to the rural economy. A nationwide E30 program would generate tens of billions of dollars in new economic activity, and create hundreds of thousands of new quality jobs. The U.S. would avoid hundreds of billions of oil imports, along with billions of dollars per year in reduced health costs.

Today, standard U.S. gasoline contains 10% ethanol; in Brazil it contains nearly three times that level. Brazil’s nationwide standard is E27.5, with great success. The Brazilian experience confirms what many respected U.S. experts have said for years: standard vehicles operate perfectly well on E30 blends, and EPA is misleading the public when it insists that so-called flex fuel vehicles (FFVs) are necessary. GLE has taken the lead with the “E30 Challenge” project to prove once and for all there is no difference between standard vehicles and FFVs when it comes to E30 usage.

Recently, the U.S. DOE’s influential technology review came down on the side of the auto and ethanol industries: “Currently, the only renewable high-octane fuel available at large scale is ethanol, which makes up 10% of gasoline sold by volume. Increasing this percentage of ethanol can dramatically increase the octane rating of the finished gasoline/ethanol fuel blend, with most of the benefit being around 25 – 40% ethanol by volume.”

E30 blends do more than reduce harmful emissions out the tailpipe. New research by Argonne confirms that high-yield corn acres are major carbon sinks, with each acre capable of sequestering one ton or more of CO2 each year. As new farming practices are adopted, farmers worldwide will rebuild the carbon content of the land, and the already miraculous C4 corn’s yields will continue to climb. In the years to come, the U.S. will be awash in surplus corn starch, which means that corn ethanol will continue to be the most cost effective and renewable way to increase gasoline octane ratings.

Automakers, consumers, and the environment will be the biggest winners from a national E30 “clean octane” program. Combining forces, automakers and ethanol producers can overcome EPA and oil industry opposition, and usher in a new chapter in the amazing corn ethanol industry success story.



SDFU Endorses 93 Octane Premium E30

Doug Sombke, President, South Dakota Farmers Union President

South Dakota Farmers Union President Doug Sombke farms near Conde, S.D., with his wife Melenie. The couple has four grown children, three of which work with Sombke on the farm. Sombke was elected President

of the South Dakota Farmers Union in 2005 and has served three consecutive terms. In addition, he has been a staunch citizen lobbyist for the organization at the local, state and national level.

On December 9th, 2015, the South Dakota Farmers Union ("SDFU") adopted the following Special Order of Business at our 100th Annual State Convention.

Whereas: *Current propaganda incorrectly claims E30 damages standard auto engines and;*

Whereas: *Most standard auto owners actually report better performance when fueling with 93 octane Premium E30, including better than or equivalent mileage per gallon and greater power.*

Whereas: *Thousands of standard auto owners' save money daily fueling with 93 octane Premium E30 and;*

Whereas: *93 octane Premium E30 reduces toxic emissions and;*

Whereas: *93 octane Premium E30's high octane properties can replace the octane in gasoline that produces hazardous carcinogens like Benzene and;*

Whereas: *Benzene is linked to certain birth defects, cancers, and other numerous medical bills and;*

Whereas: *Lead was removed from gasoline after being linked to similar medical conditions;*

Whereas: *The Ethanol industry is the backbone for many rural economies and;*

Whereas: *Rural economies are the backbone for the American economy and;*

Whereas: *93 octane Premium E30 is better for vehicle performance, rural economies, the American economy, the environment, and above all the health of our children.*

Therefore be it resolved: South Dakota Farmers Union challenges its members to use 93 octane Premium E30 in all standard fueled engines.

No one wanted to discuss ethanol when corn prices were \$8 a bushel and, now that commodity prices are down, South Dakotans may be ready to pay attention to ethanol for its performance boosting qualities as well as the economic benefits. This endorsement makes promoting and educating our members and the general public one of this year's main policy objectives for the SDFU explaining the benefits of 93 octane Premium E30.

The base of the SD Farmers Union is Education. Therefore; we feel it's important for everyone to understand the facts from the myths. According to a study published in 2007 by the University of

North Dakota's Energy & Environment Research Center, gas mileage and road performance of some vehicles fueled by 93 octane Premium E30 is equal to or better than vehicles fueled with premium gasoline. There are also the health benefits to consider.

Tomorrow's engines are not today's engines. Automakers are going to need to dramatically change the internal combustion engine in the future to comply with new federal fuel economy regulations that will also limit the emissions of greenhouse gases.

Ethanol is the key to both environmental compliance and performance. Automakers have made it no secret that in order to make those engines work properly and comply with regulations; they will require a new fuel that is not on the market today. The most important ingredient is octane and this is where ethanol comes into play. Ethanol is the cleanest and most affordable source of octane on the planet, without question, nothing else competes. That is why there is so much promise behind a higher blend like 93 octane Premium E30.

According to a 2012 survey conducted by the South Dakota Ethanol Producers Association ethanol is an economic powerhouse here in South Dakota. Each year ethanol has about a \$3.8 billion economic impact statewide.

At SDFU we feel it's important for our members and their communities to know how essential ethanol refineries have become to South Dakota's economy. Currently, more than 1,900 South Dakotans are employed by the ethanol industry earning average annual salaries of about \$60,000. Each year approximately 350 million bushels of corn is processed at ethanol plants statewide producing about 3 million tons of dried distiller's grain livestock feed. All of which support family farmers, local businesses and local school districts in their communities. This is another reason we adopted the special order of business promoting 93 octane Premium E30.

In conclusion, as a family farmer who has been farming all of my life in northeast South Dakota, I see ethanol refineries as a better option to sell my corn locally, support my community and provide a made in America product. This is a far better opportunity than shipping it to another state or country and letting them add value in their communities. With that in mind, unless we begin to use more ethanol right here in South Dakota supporting our own ethanol industry, how can we keep a straight face and advocate others to use one of the best, made in America, renewable fuels like 93 octane Premium E30.

South Dakota Farmers Union President Doug Sombke farms near The mission of Farmers Union is to advocate for the economic and social well-being, and quality of life of family farmers, ranchers, fishermen and consumers and their communities through education, cooperation and legislation. National Farmers Union advocates sustainable production of food, fiber, feed and fuel.



Ethanol Production Trends Higher

Despite both plants completing their annual shutdowns during the month of September and not quite reaching budgeted production levels for the first quarter, we still managed to produce more gallons of ethanol and corn oil compared to the same period last year.

We completed several operational capital projects in the first quarter in Watertown and we began the installation of the Selective Milling Technology and Tricanter Oil Extraction systems at Mina – both should be completed and commissioned by early March 2016 and both are expected to contribute to more efficient production.

We continue our strong focus on improving rate and yield at both plants, while also adding extra attention to chemical and ingredient costs. We have recently changed some of our suppliers and we will continue to analyze all of our ingredient usage looking for opportunities to reduce usage and/or cost.

With very tight operating margins, it will be all the more important to optimize our process to maximize yield and rate while reducing costs.





Glacial Lakes Energy, LLC

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For the latest quarterly financial information, please visit our website at:

http://www.glaciallakesenergy.com/invest_financial.htm

Our quarterly financials will be posted to our web page on or about the following dates for 2016:

March 25, 2016 | June 24, 2016 | September 23, 2016 | December 23, 2016



Stay Up to Date on Your Investment!



Would you like to be kept up-to-date on the latest news about Glacial Lakes Energy and the ethanol industry?

Please send us your e-mail address to receive regular communications, "Like Us" on Facebook, or "Follow Us" on Twitter.

To be added to our e-mail list, please contact Penni Tuttle, Membership Coordinator at ptuttle@glaciallakesenergy.com or 605-882-8480.

Cautionary Statements Regarding Forward- Looking Statements

This document contains forward-looking statements involving future events, future business and other conditions, our future performance and our expected future operations and actions. In some cases you can identify 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 valuations 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 achievements.

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