

Glacial Lakes Corn Processors
Condensed Consolidated Balance Sheet (Unaudited)
May 31, 2009

ASSETS:

Current Assets:

Cash and Cash Equivalents	\$	12,627,678
Restricted Cash		3,598,318
Trade and Accounts Receivable		16,447,461
Inventories		15,151,942
Hedge Accounts		1,127
Prepaid Expenses		1,310,207

Total Current Assets 49,136,733

Property and Equipment:

Existing Facilities		288,263,875
Less: accumulated depreciation		(62,213,716)
Total Property and Equipment, net		<u>226,050,159</u>

Other Assets:

Financing Costs - net of accumulated amortization		1,560,285
Investment in Granite Falls Energy, LLC		7,515,527
Investment in Redfield Energy, LLC		2,555,024
Goodwill		-
Other Assets		1,155,250

TOTAL ASSETS \$ 287,972,978

LIABILITIES AND MEMBERS' EQUITY:

Current Liabilities:

Trade and Accounts Payable	\$	1,389,567
Corn Payable		9,680,877
Accrued Expenses		4,211,665
Accrued Interest Payable		2,321,988
Taxes Payable		-
Revolving Line of Credit		7,120,000
Other Debt		3,370,008
Current Maturities of Long-Term Debt		15,457,399

Total Current Liabilities 43,551,504

Long-Term Liabilities:

Total Long-Term Debt (less current maturities)		145,953,847
Interest Rate Swaps		9,788,716

Deferred Taxes 2,049,997

Total Members' Equity 86,628,914

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 287,972,978

Period end shares outstanding 185,478,152

Glacial Lakes Corn Processors
Condensed Consolidated Statement of Operations (Unaudited)
Nine Months Ended May 31, 2009 and May 31, 2008

	May 31, 2009	May 31, 2008
SALES:		
Fuel Ethanol	\$ 200,834,951	\$ 116,842,217
Hedging - Ethanol	71,874	(1,138,158)
Distiller's Grain	43,499,432	17,926,895
Corn Oil	702,600	740,921
Net Sales	<u>245,108,857</u>	<u>134,371,875</u>
COST OF SALES:		
Corn	193,290,982	94,776,427
Hedging - Corn	44,684,138	(22,191,835)
Chemicals	14,715,066	7,460,692
Change in Inventory	2,286,622	(3,939,827)
Utilities	30,030,434	16,592,146
Depreciation	21,866,384	8,606,250
Other	5,405,571	3,436,135
Cost of Sales	<u>312,279,197</u>	<u>104,739,988</u>
GROSS PROFIT/(LOSS)	<u>(67,170,340)</u>	<u>29,631,887</u>
ADMINISTRATIVE EXPENSES:		
Administrative Wages and Benefits	1,796,985	2,742,150
Other	6,084,566	3,516,365
Total Administrative Expenses	<u>7,881,551</u>	<u>6,258,515</u>
INCOME/(LOSS) FROM OPERATIONS	<u>(75,051,891)</u>	<u>23,373,372</u>
OTHER INCOME (EXPENSE):		
State Ethanol Producer Program	416,667	416,667
Net Interest Income/(Expense)	(8,927,434)	162,810
Hedging - Interest Rate Swaps	(4,871,946)	(2,119,660)
Gain/(Loss) on Sale of ME	1,595,652	-
Other Income/(Expense)	99,677	92,355
Investment and Management Income/(Loss)	(1,644,976)	1,400,138
Total Other Income (Expense)	<u>(13,332,360)</u>	<u>(47,690)</u>
NET INCOME/(LOSS) BEFORE TAXES	<u>(88,384,251)</u>	<u>23,325,682</u>
INCOME TAX PROVISION	<u>(613,200)</u>	<u>291,900</u>
NET INCOME/(LOSS)	<u>\$ (87,771,051)</u>	<u>\$ 23,033,782</u>
WEIGHTED AVG SHARES OUTSTANDING	<u>186,960,837</u>	<u>188,032,749</u>
NET INCOME/(LOSS) PER SHARE	<u>\$ (0.469)</u>	<u>\$ 0.122</u>
Production Statistics:		
Ethanol (Gallons)	136,356,697	60,753,587
Corn Ground (Bushels)	48,904,540	21,879,957
DDG's (Equivalent Dry Tons)	388,351	181,216

Glacial Lakes Corn Processors
Condensed Consolidated Statement of Operations (Unaudited)
Three Months Ended May 31, 2009 and May 31, 2008

	May 31, 2009	May 31, 2008
SALES:		
Fuel Ethanol	\$ 68,988,168	\$ 52,383,380
Hedging - Ethanol	-	(165,302)
Distiller's Grain	14,302,102	8,182,612
Corn Oil	235,343	337,106
Net Sales	<u>83,525,613</u>	<u>60,737,796</u>
COST OF SALES:		
Corn	66,533,111	48,732,505
Hedging - Corn	-	(10,548,709)
Chemicals	4,248,934	3,024,575
Change in Inventory	88,411	(1,731,986)
Utilities	7,194,445	7,427,910
Depreciation	7,275,000	3,608,750
Other	2,009,210	1,471,392
Cost of Sales	<u>87,349,111</u>	<u>51,984,437</u>
GROSS PROFIT/(LOSS)	<u>(3,823,498)</u>	<u>8,753,359</u>
ADMINISTRATIVE EXPENSES:		
Administrative Wages and Benefits	582,318	997,744
Other	808,835	1,537,064
Total Administrative Expenses	<u>1,391,153</u>	<u>2,534,808</u>
INCOME/(LOSS) FROM OPERATIONS	<u>(5,214,651)</u>	<u>6,218,551</u>
OTHER INCOME (EXPENSE):		
State Ethanol Producer Program	-	-
Net Interest Income/(Expense)	(2,917,917)	(52,273)
Hedging - Interest Rate Swaps	187,672	2,057,460
Gain/(Loss) on Sale of ME	(168,366)	-
Other Income/(Expense)	183,312	44,504
Investment and Management Income/(Loss)	(55,591)	49,023
Total Other Income (Expense)	<u>(2,770,890)</u>	<u>2,098,714</u>
NET INCOME/(LOSS) BEFORE TAXES	<u>(7,985,541)</u>	<u>8,317,265</u>
INCOME TAX PROVISION	<u>(62,500)</u>	<u>(34,000)</u>
NET INCOME/(LOSS)	<u>\$ (7,923,041)</u>	<u>\$ 8,351,265</u>
WEIGHTED AVG SHARES OUTSTANDING	<u>185,478,152</u>	<u>188,123,152</u>
NET INCOME/(LOSS) PER SHARE	<u>\$ (0.043)</u>	<u>\$ 0.044</u>
Production Statistics:		
Ethanol (Gallons)	47,814,764	25,248,725
Corn Ground (Bushels)	17,150,510	9,092,100
DDG's (Equivalent Dry Tons)	135,968	76,233



Unaudited Financial Report

Nine Months Ended

May 31, 2009 and May 31, 2008

**Additional Information to the Condensed Consolidated Financials Statements (Unaudited)
as of and for the Quarter Ended May 31, 2009.**

Balance Sheet

Cash

- Glacial Lakes Corn Processors (the Cooperative) had \$3.6 million of restricted cash which has been designated as debt service reserve.

Accounts Receivable

- The Cooperative had outstanding receivables totaling approximately \$16 million. Included in this balance are receivables from the following:
 - \$12 million – ethanol
 - \$ 4 million – distillers

Inventory

- The Cooperative had inventory totaling approximately \$15 million. Composition of inventory is as follows:
 - \$7 million – corn
 - \$2 million – ethanol
 - \$1 million – distillers
 - \$5 million – in process and other
- Inventories were reduced by \$640,000 as of May 31, 2009 to adjust for market values which were less than cost. This adjustment was recognized in cost of goods sold.

Corn Payable

- The Cooperative reflected a liability for corn totaling approximately \$10 million. Included, the Cooperative reflected its future purchase obligations at the lower of cost or market in the amount of \$2.6 million.

Other Debt

- The Cooperative is reflecting the current portion of the long term debt as a current liability. As of August 31, 2008, the Cooperative was required according to Generally Accepted Accounting Principles (GAAP) to reflect the entire balance as current due to going concern matters as addressed in footnote 17 of the annual audit report issued by McGladrey & Pullen.
- The Cooperative is reflecting Other Debt in the amount of \$3.3 million. In December 2008, the Cooperative entered into a subordinated note agreement with its broker for the amount of the unfilled margin call (see footnote 18 in the annual report).

Interest Rate Swaps

- The Cooperative has entered into various interest rate swap agreements to reduce the volatility of interest rates under the variable notes. The fair value of these instruments is reflected as a liability on the balance sheet, with changes in the fair value reported in interest expense. As of May 31, 2009 the Cooperative is reflecting a liability of approximately \$10 million.

Income Statement

Loss from Production

- For the quarter ended May 31, 2009, the Cooperative reflected a loss from production totaling approximately \$8.0 million. Production losses were attributable primarily to market conditions relating to prices of ethanol and corn.

	(millions)
Losses from Production	(\$ 8.0)
Interest Rate Swap Losses	.2
Equity in Earnings (RE & GFE)	(.1)
Net Loss	(\$ 7.9)

Corn

- As of February 28, 2009, the Cooperative reflected an obligation for future corn commitments totaling approximately \$1.0 million. As of May 31, 2009 this obligation was \$2.6 million. The difference flows through the income statement in cost of goods sold and had a negative earnings impact to corn cost in the amount of \$1.6 million.

Hedging

- The Cooperative had no corn or ethanol positions in place as of the balance sheet date and reflected no gain or loss for the quarter.

Interest Rate Swaps

- For the quarter ended May 31, 2009, the Cooperative recognized \$.2 million as a reduction of interest expense associated with interest rate swap instruments.

Other

- For the quarter ended May 31, 2009, the Cooperative recognized a loss of \$4 thousand from its ownership interest in Redfield Energy and a loss of \$55 thousand from its ownership interest in Granite Falls Energy.