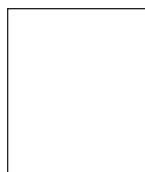


GLACIAL LAKES ENERGY, LLC

P.O. Box 933
Watertown, SD 57201



NOVEMBER 2006



Micheal Nealon, Director of Finance

As can be seen in the results below, we had an outstanding quarter that ended on May 31, 2006. We are now showing our share of the earnings of Granite Falls Energy, which started up operations on November 13, 2006. Please note that the line item "Investment in GFE & RE" combines (a) our share of earnings in Granite Falls Energy and Redfield, (b) the fee of 5% of the outstanding units of Redfield Energy for developing the project and (c) the management fees we receive from both.

With our current level of profitability, we have been paying down more of the debt. On June 20, 2006, we paid down our long-term debt by an additional \$3,300,000, which was designated as part of the "excess cash flow" payment that will be due for the year ending August 31, 2006.

In June 2006, GLCP declared and paid a dividend of \$15,476,628 (\$0.1111 per share) based on FY 2006 operations. In August 2006, GLCP received a cash distribution from Granite Falls of \$2,086,240 based on its FY 2006 operations.

With the \$95 million raised from the equity drive, we will have discussion with various potential lenders for the financing needed for the expansion of the Watertown plant, the construction of the Mina / Aberdeen plant, the construction of the Meckling / Vermillion plant and the construction of the Madison, MN plant. With respect to the Madison, MN plant, we will have an equity drive in the spring of 2007 to sell GLCP shares in that area.

Summary Financial Data for May 31, 2006

Income Statement:	<u>Q3 2006</u>	<u>Q3 2005</u>	<u>YTD 2006</u>	<u>YTD 2005</u>
Net Sales	\$28,520,053	\$18,025,517	\$70,663,758	\$58,526,056
Costs and Expenses	17,446,043	16,926,657	50,784,607	52,689,294
Income from Operations	11,074,010	1,098,860	19,879,151	5,836,762
Investment in GFE & RE	4,693,796	9,000	5,773,310	27,000
Gov't Programs & Other	146,944	61,571	777,055	693,027
Net Income	\$15,914,750	\$ 1,169,431	\$26,429,516	\$ 6,556,789
Shares Outstanding **	139,298,212	139,289,652	139,292,537	139,289,652
Net Income per Share**	\$0.114	\$0.008	\$0.190	\$0.047

** Reflects 9-for-1 stock split declared during July 2006.

Balance Sheet:

Working Capital	\$16,610,600
Total Assets	\$77,198,815
Long-Term Debt	\$20,312,965
Stockholders' Equity	\$54,433,309



From the Desk of the CEO
Tom Branhan, Chief Executive Officer

Wow, what a wild year this has been. The ethanol industry is growing at an unprecedented rate and GLE is forging its place in the industry as a significant leader. There were so many new projects and accomplishments that I thought you would like to hear about so I've included the major ones in this newsletter.

The crowning accomplishment was in concluding our recent equity drive which generated \$95 million from South Dakota residents in just three days and with only three meetings. We held meetings in Watertown, Ipswich and Vermillion on three successive days and now Glacial Lakes Corn Processors has over 3700 members in our cooperative. This new equity will help fund the expansion of our Watertown plant as well as other new construction projects.

Glacial Lakes Energy is currently expanding from a 50 MGY (million gallons per year) plant to 100 MGY facility. ICM out of Colwich, KS will provide the technology and engineering to expand our plant and GLE Management will oversee construction and act as the General Contractor for the project. We expect the expansion to be completed at the end of 2007 which will then increase our corn appetite to 35 million bushels per year. In preparation for the additional corn requirement, we are installing a large ground corn bunker. The new bunker is being constructed to the north of the existing steel tanks with a capacity of over 2 million bushels and a reclaim system to transfer the corn from the bunker back into our plant.

Aberdeen Energy, our new 100 MGY ethanol plant just had its official ground breaking ceremony with Governor Rounds and other industry dignitaries in attendance. It was a cold windy day in northern South Dakota on that day, but the cold did not dampen the spirit of those in attendance that this was a great event for GLE and the surrounding community. Aberdeen Energy has started the initial dirt work in a couple of weeks ago and Fagen Inc. will begin construction of the plant in January 2007.

Missouri Valley Renewable Energy is our new 60 MGY ethanol plant located near Vermillion, SD. We have purchased the land and the preliminary engineering work is nearly complete for this site. Initial dirt work has begun with construction of the plant starting sometime this winter while expecting an early 2008 start up date.

Madison Energy will be a 50 MGY plant located in Madison, MN. We have purchased the land for the plant and have done some of the initial site work. In early 2007 GLE will conduct a smaller equity drive in the Madison area to give the local community a chance to invest in this plant. We intend to do the engineering work this winter and start dirt work early in 2007, with construction immediately following. A couple of weeks ago, GLE was the successful bidder for the State Line Farmers Elevator located in Madison, MN. Ownership of this operational elevator will not only provide additional corn storage capabilities, but also over three miles of rail track that we will need for the plant.

Needless to say, we have a lot on our plate and we are staffing up in critical sectors to meet this challenge head on. GLE is growing very quickly in more ways than one in order to take full advantage of this great market with our great products. Our growth is coupled with sound decisions, competent engineering, great construction companies and a management team that intends to maximize our potential in order to maximize returns to our members. You should be very proud that you are a part of GLE/GLCP, as I am.

Until next time, be safe and healthy.



Dave Culver, Director of Operations

Both Watertown and Granite Falls are and have been running well despite the challenges of this past hot summer. The hot temperatures often bring more of a challenge than the cold of winter because of the increased susceptibility to bacterial infections to the fermentation system. There were minimal problems this year and for the most part the plants proceeded in operation well.

We are currently in progress with various expansion projects at the Watertown facility. If you come to the plant you will see start to see the beginnings of our work to double capacity. We hope to be done with these projects and be able to increase production sometime late next year. The most immediate project this year will be a corn flat storage facility that will allow us to store some 2 million more bushels of grain. We will have this done in time for harvest.

If you visit the Granite Falls ethanol plant you will see another construction project in progress that is being put in place to allow us to meet water regulatory requirements. The project is a Calcium Lime Softening system that will allow us to recycle a significant larger portion of the water that we use in the plant and therefore decrease water usage and emissions. This project should be operational at the end of this year.

On another note, Doug Reisdorfer, our plant manager at Granite Falls since before startup, has decided to move on to new opportunities in the industry. He has left us with a well trained crew that despite missing his presence should, with very little time, be able to fill in the gap that he has left. His leaving will create a bit more work for me in the short term, but it is a challenge that everyone has expressed the willingness to meet. I wish Doug well in his new endeavors and hopefully he does as good of a job in those projects as he did in ours. Robin Spaude our previous Maintenance Manager at the Granite Falls facility has now taken on the role of Plant Manager.

Gary Bentzin has been steadily staffing up for the management positions at Redfield Energy. He has now hired Malvin Westfall as the Maintenance Manager and has hired Charles Stremick as the Production Manager for Redfield. He is in search of a person for the Lab Supervisor. A job fair has been set up on November 15th at the Redfield High School Gym where we will be actively looking for the hourly positions that will be open at Redfield.



Mike Kludd, Director of Purchasing

Hello.

Four months ago I joined the Glacial Lakes team as director of purchasing. With over twenty five years of experience in purchasing and materials management, I come ready to dig in and apply these lessons to help grow and improve the procurement process at GLE.

My focus these first months has been to learn the Ethanol business, introduce myself to our supplier base, and to start building a foundation to a computerized purchasing and inventory management system. We have already started to standardize products and suppliers between plants. This allows for volume discounts and cost reductions. With the implementation of sorted items numbering configuration and a computerized purchasing system, we will have a much better ability to know what we have for inventory and where it is. This will allow us to reduce the inventory levels on some product, but also give visibility of inventory between plants.

I had the pleasure of talking with some of you during the equity drive. Thank you for the opportunity to serve and assist in the growth and excitement of Glacial Lakes Energy.



Bert Magstadt, Energy Commodities Manager

Natural gas futures continue to go lower as the hurricane threat goes away. We could still see a major hurricane in the Gulf of Mexico, but the odds are getting low. Large energy hedge funds are also affecting the natural gas market. These funds didn't anticipate the sudden downturn in the market due to weather and storage conditions and they are being forced to sell their positions, pushing gas prices down even further. Currently, we are covered for all of our natural gas through March 2007 at a price that we can continue our profitability.

Unleaded gasoline futures also continue to go lower. Historically, once Labor Day is over, unleaded gasoline starts to drop. We have a portion of our ethanol contracts hedged to protect this historical downturn. That hedge is turning out to be valuable and is in place through 2006. The reason we follow the unleaded gasoline market is that a portion of our ethanol sales are tied to the unleaded market. To date, unleaded gasoline futures have dropped \$0.85 / gallon since the first of August. I anticipate that at the first of the year, unleaded gasoline futures will turn around and start to go up due to the upcoming summer driving season.

Ethanol prices have a tendency to follow the unleaded gasoline market since it is blended with unleaded gasoline. Aventine, our ethanol marketer has the majority of our ethanol contracted for through 2006 at favorable prices. As for our 2007 volumes, we are starting to see more activity in contracting volumes. We currently have over 1/3 of our production contracted in some months with numerous contracts being added every week. Like the unleaded gasoline market, this downturn is perceived as a historical trend and I anticipate that at the first of the year that the market will start to go up. Next summer ethanol prices are still holding nicely in the \$1.80 range. That range still maintains our profitability.

As for the new plants we are building, we started to negotiate electricity and natural gas contracts. I anticipate having contracts in place by the first of the year. That will allow the various utility companies plenty of time to order and install the necessary facilities before the plants start operation.



Missouri Valley Renewable Energy, LLC Site



Todd Elmslander, Director of Technology and Bio Diesel

Let's just say that we have no shortage of active projects. By the end of the year Glacial Lakes Energy will have three new plants at Redfield, Aberdeen, and Vermillion and one plant expansion in Watertown under way. If that is not enough, there will another new plant starting shortly thereafter in Madison, MN. 2007 is shaping up to be a very exciting year.

Let's start with the Watertown facility. We are currently expanding to 100 mg. I have been very fortunate to be able to work with both Reed Storley and David Culver. Reed has been spearheading this project and is doing a great job. We have secured a spot with ICM to complete the distillation and evaporation portions of the project. We will be contracting the balance of the expansion on our own. Currently the fermentor and warehouse concrete is complete. We have also finished the cooling tower basin concrete. Both the fermentation and tower construction groups have been secured. Construction of the fermentor steel will begin in early December. Grains will be done by McCormick Construction and they plan to begin early next spring. Our goal is to operate at expanded capacity by the end of 2007.

Both Aberdeen Energy and Missouri Valley Renewable Energy projects for now are at the same place in the construction process. All of the land has been purchased and engineering work continues. We hope to start moving dirt by mid October on both sites. We anticipate working through the winter on each project so it is important to get started with the dirt work as soon as possible. We can hopefully complete all of the deep foundation work this winter to get a jump start on the 2007 construction season.

Even with over 2 inches of rain that we received over the last two weeks construction at Redfield Energy is going very well. Almost all of the equipment is on site and ready for installation. Most of the large equipment has been set. The energy center structural steel is being installed. More and more pipe is showing up on site everyday, piping crews will start the first part of October. The four fermentation tanks have been erected and are near complete. The beer well sidewalls have been started. The south steel corn storage bins is finished the second has started and should be done by the end of September; the electrical and conveyer installation has started. Railroad grading is complete. The actual rail spur construction will begin the first part of October. The administration building is complete and we are waiting on utilities. Manpower on site will be steadily increasing in the next couple of months as the electrical and piping work ramps up through the duration of the project.

As you can see we have a very aggressive plan in place. Fortunately we have the quality people and resources to make all of these happen. Once we get these started we will have webcams at each site for anyone to view the progress of any of these projects.



Pete Bullene, Environmental Health & Safety Manager

On the safety side we have just surpassed 1480 days with out a loss time injury. This is an accomplishment that only a handful of ethanol facilities have achieved. Such an accomplishment shows the commitment put forth by the Board of Directors, Management and Employees.

In August of 2006 GLE invited the Occupational Safety and Health Administration (OSHA) to the facility for an onsite compliance audit. This governmental agency monitors and regulates the conditions in which employees work. The inspector conducting the audit was very impressed with the current safety programs and training. He commended the facility and staff for their commitment to safety and loss control.

A follow up visit by OSHA is scheduled for December of 2006 which will make GLE eligible to become exempt from further inspections. This will be the first ethanol facility in the State of South Dakota to accomplish this elevated level of recognition.

GLE has continued to implement computerized OSHA training sessions. These training sessions will provide employees with the required OSHA training and also further their knowledge in safety and loss control issues.

Since the announcement of our facility expansion the current Air Quality, Stormwater and Wastewater permits are under review by the State of South Dakota. We fully anticipate receiving the necessary approvals well in advance of the upcoming construction activities.



Allen Wells, Commodity Marketer

Well, summer is over and another harvest is upon us. As you know in some

areas the crops look good and others were left with little or nothing to harvest due to the drought or some devastating summer storms.

The latter of these areas are the ones we have been concentrating on to help these producers stock pile distillers grain. This will give them something to supplement and stretch their short supply of feed stuff. We will only be able to do this until the first of October though, because that is when most of our producer contracts for distillers kick in and we won't have any extra to sell.

If you had a feed contract with Rising Star Feeds last year make sure and renew yours soon to guarantee a supply of quality distillers grain. The demand for wet and dry distillers grain is again very high. We have a long waiting list for both Watertown and Redfield.

We are real excited with Redfield Energy coming on line soon. This will give us a chance to supply Rising Star quality distillers grains to many more producers.

Again this summer I was busy with feed seminars and many state and county fairs. This gives us a chance to educate people on what's new with distillers grain and ethanol. Many people feed distillers grain and use ethanol and many don't. So there are always a lot of questions that need to be answered. Like everything else the more people know about a product the more likely they are to use it.

The next trip for Rising Star Feeds will be to Pierre for the South Dakota Cattleman's Convention. Then before you know it the Watertown Winter Farm Show will be here to start the trade show season. Hope to see you there!

Fuel for THOUGHT

GLACIAL LAKES CORN PROCESSORS
"Let's Add Value!"

P.O. Box 1323 • Watertown, SD 57201 • 605-882-8480



Jon T. Anderson, GLCP President

This past year, the GLCP/GLE Board of Directors along with management have continued to develop a plan for business growth which included the expansion of Glacial Lakes Energy, LLC and the additions of Aberdeen Energy, Missouri Valley Renewable Energy, and Madison Energy. In the world of ethanol, gallons means power and as the largest ethanol cooperative in the United States, GLE needs to be a strong viable force in the ethanol industry in order to continue our success.

Someone made a comment to our staff saying "Wow, GLE is taken off full force and I sometimes wonder if you guys just don't drive around with shovels looking for places to have ground breakings and build plants". I had to chuckle at this comment as it sometimes seems that way. We have a vision for GLE and it's investors and that is to add value to local agriculture and return on investment. We always are looking for new opportunities related to the ethanol industry including the development of bio-diesel.

When all projects are completed Glacial Lakes Energy, LLC will be producing more than 400 million gallons of ethanol each year! I am proud to say that Glacial Lakes Corn Processors is a South Dakota cooperative with more than 3,700 members with a majority of them being South Dakota Residents. That is something we all should take pride in.

On a side note, we also will pay out the remaining Fiscal Year 2005-2006 earnings to the shareholders of record as of August 31, 2006 at our Annual Meeting in January. Watch for details on the date, time, and location of the meeting.

In closing, "Adding value to local agriculture" has been GLCP/GLE mission statement since the beginning. We remain true to this commitment. Have a safe and plentiful harvest.



Nicki Mark, Membership Coordinator

Well, autumn is officially here and it's been a busy first month for me as the new GLCP Membership Coordinator.

Just a little bit about myself, I was born and raised right here in Watertown, SD and graduated with a BA degree in Liberal Arts with emphasis on Human Resource and Personnel Management from Mount Marty College in Watertown. I most recently worked at Great Western Bank as an Operations/Quality Service Assistant. My husband and I reside in Watertown.

Thank you to all who have helped and continue to help with the Equity Drive and making it successful! We have had several inquiries on the 9-to-1 stock split. Those certificates have been printed and are scheduled to go out within the next week via certified mail. If you have any questions on these certificates, please give me a call at (605)882-8480.



Missouri Valley Renewable Energy, LLC recently held it's Groundbreaking Ceremony October 26 at the Dakota Dome in Vermillion, SD. Among featured speakers included Governor Michael Rounds, Senator Tim Johnson, Senator John Thune, and Miss South Dakota 2006 Callie Bauman as well as the MVRE Board of Directors and the GLE/GLCP Board of Directors.



Marcy Kohl, Executive Administrative Assistant

What a great couple of months we have had at GLE/GLCP! Our equity drive in August was phenomenal with raising \$95 million dollars in just three days all from South Dakota investors. That is truly record setting.

In the past, one of my job duties included Membership Services for the Glacial Lakes Corn Processors. I performed the administrative tasks related to share trading and transfers, dividends, etc. It has been my pleasure working with all of the investors here at GLCP/GLE over the past four years. However with GLE growing in leaps and bounds managing the membership has become a full time position. Therefore, Nikki Mark has been added to the staff as the GLCP Membership Services Coordinator. Nikki came on board the week of the equity drives so she has gotten real "hands on" training! Nikki continues to learn her new position and should become your primary contact for questions regarding stock, dividends, trades, etc going forward. She is more than happy to assist you. I will continue to oversee the GLCP membership services during this transition period however my primary focus will be providing administrative assistance for Tom Branhan, CEO of GLE.

In closing, it's hard to believe that five years ago Tom and I shared an office in a construction trailer and thought a heated porta potty "was all that" and today GLE will become the largest ethanol producer in the State as well as the largest ethanol cooperative with over 3,700 members most of those being South Dakota residents. That is absolutely amazing and something we all should be proud of.



Pictured is Governor Michael Rounds, Ron Fagen of Fagen, Inc., and other officials along with the GLE/GLCP Board of Directors at the Aberdeen Energy, LLC Groundbreaking held last month near Mina, SD.



Dirtwork began at Missouri Valley Renewable Energy, LLC near Meckling, SD and Aberdeen Energy, LLC near Mina, SD earlier this month. Pictured is a scraper removing top soil at MVRE.



Tami Schaefer, Grain Commodities Manager

Harvest is winding up!

The USDA came out with their Production Report on October 12, 2006 with the yield being at 153.5 down 1.2 bushels per acres from their September report. USDA's production was down 209 million bushels from the last report. The USDA pegged the carryout under one billion bushels for the 2006-2007 crop year.

Informa Economics has estimated the U.S. 2007 corn planted acreage at 83.1 million acres, up 3.7 million acres from 2006. Informa decreased bean acres and increased wheat acres for the upcoming 2007 crop year.

This fall we are putting up a 2 million bushel bunker. This will allow us able to dump more corn at harvest to help the producer in the busy time of the year to get unloaded and back to the field as quickly as possible. We will be able to use those bushels in the spring when the producer is in the field planting their next crop.

There has been a lot of question on committed bushel for the plant. Here is an example: If 5000 original shares were purchased (5000 bushels) there was a split 2/1 in 2005-2006 fiscal year which made the commitment of 10,000 shares (10,000 bushels). In July of 2006 there was a 9/1 split which increased the shares to 90,000. The committed bushels in this 2006-2007 fiscal year (September 1, 2006 ñ August 31, 2007) will be 9000 bushels (90,000 shares x 0.1). If additional shares were bought in the new offering they would be added to the original shares. If 5000 shares (\$10,000) were purchased in the new offering the commitment would be 500 bushels (5000 x 0.1). The total commitment for delivery in the 2006-2007 fiscal year would be 9500 Bushels. If you have any questions on committed bushels please give us a call at 1-605-882-8480.

Have a safe and prosperous fall!