



Fuel & Ethanol NEWSLETTER

301 20th Ave. SE • P.O. Box 933 • Watertown, SD 57201 • 605.882.8480



Glacial Lakes Energy, LLC

www.glaciallakesenergy.com

APRIL 2007



From the Desk of the CEO

Tom Branhan, Chief Executive Officer

America's ethanol industry is growing at an unprecedented rate, providing the country with a renewable fuel source while bringing back economic prosperity to so many rural communities. This success has not come overnight and its continuation will take the continued determination of farmers, ethanol producers and political leaders like President Bush and Senator Thune.

That is why President Bush's recent trip through Latin America was so important. It was a recognition of America's position as the world's largest producer and user of ethanol and its role in continuing to advance the renewable fuels industry both in the country and around the world. But, by telling the Brazilian president that talk of America's incentives for ethanol use were not up for discussion, President Bush put the world on notice that America is committed to renewable fuels, both at home and around the globe, but not at the expense of American taxpayers or our domestic industry.

Let me explain: the U.S. makes available a tax incentive for all sources of ethanol, foreign and domestic. To prevent American taxpayer dollars from subsidizing heavily supported foreign sugarcane and ethanol production, a credit offset in the form of a tariff has been put in place. The result has been the ability of foreign ethanol companies to export more than 650 million gallons of ethanol in 2006 without asking America taxpayers to subsidize these industries.

The foresight to put these initiatives in place has proven to be prophetic, as America is starting to take those important steps down the road to greater energy independence thanks in large measure to ethanol.

But soon, ethanol will have achieved its primary goal of being a blending component in every gallon of gasoline. By most estimates, that is around 14 billion gallons a year. We must work to expand the infrastructure and acceptance of higher blends, beyond the 10 percent with which most South Dakotans are familiar. We must look to 15, 20, 30 and 85 percent blends.

Today's current gasoline infrastructure, including the fuel pumps and automobiles, can comfortably handle blends of 15 percent and perhaps more. But getting the car companies, gasoline suppliers and the federal government to go along with it is an uphill battle.

Fortunately, leaders like Senator Thune are calling on the government to explore the possibilities of increasing the ratio of ethanol blends. Following the lead of our neighbors in Minnesota, Senator Thune is asking the government to keep him informed of Minnesota's progress to get a waiver from the Environmental Protection Agency to use 20 percent ethanol in every gallon of gasoline sold in the state.

No doubt, ethanol is turning out to be one of the great stories of the 21st century. But our success will be limited if we don't think outside the box and look for new opportunities, new technologies and new markets.

The future of this industry and all those who are a part of it is bright. The horizons we face today were unthinkable just a decade ago. By continuing to provide the right atmosphere for our industry to grow, ethanol from all feedstocks will truly be a fuel for the future.

PRODUCTION Tidbits



Dave Culver, Director of Operations

It promises to be busy these next few months at our ethanol facilities. Glacial Lakes Energy is involved in the process of expanding the ethanol plant here in Watertown. We currently have fermentation tanks being built, an additional cooling tower is almost completed and plans are being made for initial ground work so we can begin pouring the concrete foundations. Meanwhile we are also planning for a shutdown in mid April that will allow us to fix some current maintenance issues, and allow us

to set up some of the long term tie-ins needed for the expansion of the facility.

In Redfield, we are preparing to start the plant in the mid April. Training has gone well as everyone continues to become more knowledgeable on process and the duties associated with their jobs. Of course the true test and the real learning will occur when we start the plant.

There is always a lot of prep work needed to make sure everything is ready to go for start up. This includes everything from establishment of procedures, ordering of supplies, ordering of spare parts, last minute small modifications, and many other items as well. Gary Bentzin, RE Plant Manager, continues to do an outstanding job of getting everything organized and in sync.

We have an excellent staff at Redfield and in Watertown so I expect start up to go well. With any plant during the first few months of operation, we will be faced with some challenges and opportunities however our staff welcomes the chance to learn and grow from working through these situations.

On a different note, I'm pleased to announce that Chad Brenden has been promoted to Plant Manager at GLE. Chad began at GLE in 2002 as a plant operator then was promoted in 2005 to Production Manager. Brenden is a native of Watertown, SD and attended Mount Marty College in Watertown, SD. Before joining the GLE team, Chad was employed by Fagen, Inc during the actual construction of GLE.

Also joining the GLE team is Terry Fleming, Maintenance Manager. Terry was born and raised near Florence, SD. He attended O'Gorman High School in Sioux Falls, SD and graduated from Lake Area Technical Institute in Watertown, SD with a degree in Machine Tool Technology. Prior to joining the GLE team, Fleming was employed for 20 years at Minnesota Rubber in Watertown, SD in various positions; most recently as the Maintenance and Safety Manager.

Both Chad and Terry are a welcome addition to our team and bring years of knowledge and experience to the team to their respective positions.



Bert Magstadt, Energy Commodities Manager

In the energy markets, things are starting to look up. Historically, over the winter months, energy prices are poorer for ethanol plants due to winter weather increasing our natural gas costs and lower gasoline consumption, affecting our netback on ethanol sales. Now that the winter is over, the energy market is starting to reverse itself with natural gas prices starting to retreat while the ethanol, unleaded gasoline and crude oil markets are starting to go up due to the upcoming driving season.

In natural gas, we have 90% of our needs hedged through this summer that allows us to benefit if the markets move lower. We are currently looking at hedging next winter in the near future as well.

In ethanol, spot prices have increased the last month by \$0.25 per gallon. Some of this is due to barge traffic being halted by the freezing of rivers from the latest cold snap in late January. In Texas, some ethanol is being trucked in as far away as Kansas to meet the demand. This upcoming summer market prices are also increasing, with ethanol in the \$2.00 - \$2.20 per gallon range. I feel the market will continue to increase as the driving season starts in late May. Looking out past this summer, the futures market currently has ethanol in the \$1.90 - \$2.00 per gallon range.

Aventine, our ethanol marketer, has around 50% of our ethanol contracted from April through June and over 25% of our ethanol contracted from July through September. Historically, Aventine has a larger percentage of our ethanol contracted at this time of the year, but they felt that ethanol prices were too low and would increase this spring. So far, this strategy has worked in our favor by allowing us to capitalize on the recent increases in ethanol prices due to the large volume still available to be contracted.

Looking at energy needs for our new plants under construction and our expansion, all of the electricity contracts have been finalized with the natural gas contracts being complete in the next month or so. In addition, Redfield Energy has all of the electricity and natural gas facilities in place and is ready when the plant starts production.



**James A. Seurer,
Chief Financial
Officer**

Hello, I joined the GLE team as Chief Financial Officer on

March 1st and I am fortunate to be on board with such a dedicated group of employees and officials. Some of you may recognize my name from my previous service in the same capacity with South Dakota Soybean Processors and Minnesota Soybean Processors. GLE shares many investors with those two entities and I am anxious to deliver the same dedication and service to this dynamic organization.

As one of the new kids on the block, I have been busy learning about GLE's strategic advantages and its challenges and forming ideas of how we can be more responsive to the ever-changing financial environment in which we operate. Given the exciting future of GLE and the number of projects, I sometimes compare this to "drinking from a fire hydrant". With CEO Branhan's input as well as that of the staff reporting to me and others on the senior management team, we have already developed a long list of priorities. Our primary goals are to improve upon the financial discipline already established and to provide timely and relevant financial information and profitable returns to you, our investor-owners.

The ethanol industry is a fast moving and vibrant industry that changes daily. As GLE moves toward major expansion of ethanol production, there will be many challenges as well as some setbacks. These will be offset by accomplishments from a dedicated GLE team who truly exhibits, as its sole mission, a drive to provide you with a maximization of your investment.

I enjoy hearing from you. If you ever have a question about the financial side of GLE, please pick up the phone and call me. If I can't answer your question, I'll find someone who can. Have a safe planting season and I look forward to the opportunity to serve you.



Pete Bullene,
Environmental Health & Safety Manager

The Glacial Lakes Energy Air Quality Permit was approved and reissued by EPA and the State of South Dakota on December 22, 2006. The new permit was updated and revised to reflect the addition on to the current facility. The permit also allows Glacial Lakes Energy to increase production to 104 million gallons per year when the plant addition is complete.

The Wastewater and Stormwater permits were also updated and are currently out for public notice. Glacial Lakes Energy has met all of our requirements with EPA, South Dakota Department of Environmental and Natural Resources (DENR) and the City of Watertown. The State of South Dakota DENR completed our annual Air Quality evaluation inspection and was very pleased with our operation, maintenance and recordkeeping as required in our permit.

As of March 31, 2007 Glacial Lakes Energy had logged 1608 days with No Loss Time Accidents at the facility. This accomplishment has only been achieved by limited number of ethanol facilities. This is a huge accomplishment for everyone at Glacial Lakes Energy not to mention it shows the commitment put forth by the Board of Directors, Management and Employees.

GLE will continue to provide ongoing safety training sessions for all employees. Glacial Lakes Energy implemented a computer based Safety Training program which has been a valuable tool in educating our employees. This program will enable the staff to stay current with the required safety training in a very proficient and productive manner. Glacial Lakes Energy, Redfield Energy and Madison Energy have tallied over 700 hours of safety training sessions since the beginning of 2007.

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 April of 2007 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.

As the planting and field work season is rapidly coming upon us PLEASE remember to use common sense and practice safety on the farm. Weather it is operating machinery, entering bins or just driving the truck to the facility you must remember you are responsible for your safety and the safety of others around you.



Tami Schaefer,
*Grain
Commodities
Manager*

Greetings from the Grain Department!

The report is out!

What a surprise on the increase in acres that USDA is estimating. An increase of 12.1 million more corn acres in the US with South Dakota increasing corn acres by 400,000, North Dakota increasing by 910,000, Minnesota by 600,000, Nebraska by 900,000 and Iowa by 1,300,000. According to the USDA most of these acres are coming from beans acres. There are some factors that are going to affect the carry out for the 2007 crop year. The weather both in the spring and summer months will probably be the biggest factor. The spring weather will determine how many corn acres will get planted. The summer weather will affect the yield. The exports for the balance of 2006 and 2007 will also determine the final carry out in the 2007 crop year. One other factor is the ethanol plants that will be running prior to the 2008 crop year and their usage.

Spring is here. Don't forget to keep an eye on those bins. When the spring planting season starts everybody gets busy and checking the bins gets put on the back burner, checking them and making sure that they stay in condition affects your bottom line.

Until next time, have a safe and prosperous spring!

South Dakota Blender Pump Locations

Please support Blender Pumps and the ethanol industry by considering using a blended fuel such as E30, E20, E10, or E85. A study done by Al Kasperson (retired Automotive instructor from Watertown, SD) shows that E30 is the best blend for mileage and cost. To read more on this study, please visit our website at www.glaciallakesenergy.com

DEUEL COUNTY CENEX

222 3rd Avenue S
Hwy 15
Clear Lake, SD
605-874-2428

CLARK COMMUNITY OIL COMPANY

100 N Cloud Street
Clark, SD
605-532-3694

4 SEASONS COOP

604 Vander Horck Street
Britton, SD
605-448-2214

CENEX CONVENIENCE STORE

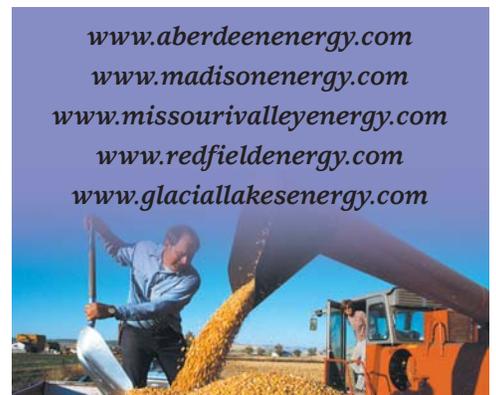
11 W Hwy 12
Webster, SD
605-345-3549

SIOUX VALLEY COOP

220 10th Street NW
Hwy 212
Watertown, SD 57201
605-886-5829



Wimbc0, Inc. installs the lid for one the additional fermentors needed for plant expansion at GLE.



www.aberdeenergy.com
www.madisonenergy.com
www.missourivalleyenergy.com
www.redfieldenergy.com
www.glaciallakesenergy.com

Glacial Lakes Corn Processors Board of Directors

In January 2007, the Glacial Lakes Corn Processors held their Annual Membership Meeting at the Watertown Event Center. There were 600+ members present and an election of officers was held. Each elected director will serve a three year term with the exception of Jongeling who will serve a one year appointed term. Below are the biographies of the elected directors.



Terry Little
District 1

After growing up on a farm south of Watertown, Terry attended South Dakota State University and Iowa State University receiving a degree in Veterinary Medicine.

After a brief career in medicine, Terry returned to the family farm. He currently operates a grain and livestock operation in partnership with his brother Gordon Little.

He and his wife Carina have four children; Emily, David, Dylan, and Jordan.



Jon T. Anderson
District 2

Jon graduated from Hamlin High School in 1980 and a 1982 graduate of the Ag Business Program at Lake Area Technical Institute.

Jon farms in the Bryant area with his father. The farm consists of corn, soybeans, wheat and a cow/calf operation. He is married to Deborah and they have two children and two step-children.

In the past, Jon has served on the church council and the Cenex board in Bryant.



Leland Roe
District 2

Leland and his wife, Gail, have five grown children. He farms the land where he grew up, and is in partnership with his son, Paul.

Leland has lived in Hamlin County all his life, and has served on the Hamlin School

Board for 15 years, and also for several years on the Hamlin County Soil Conservation Board.

As a life-long member of New Hope Lutheran Church, he has served on the church council in various offices over the years.



Mark Schmidt
District 3

Mark Schmidt grew up in Marietta, MN. He graduated high school from Marietta Public School and then received a degree in Animal Science

Business from South Dakota State University. After graduation Schmidt was in the Ag banking industry for eight years in South Dakota and Montana. For the past thirteen years he owned and operated a full time farm/ranch operation consisting of grain, cow/calf, and alfalfa hay.

Schmidt currently lives in rural Gary, SD with his wife Lorie who is the Deputy Auditor for Codington County. They are the parents of three grown children and presently have three grandsons.

Schmidt has been active in the community serving as chairman for Stateline Farmers Cooperative Board of Directors, Glenwood Township Supervisor, and past Director for State Bank of Marietta. Mark and Lorie are members of St. Paul's Lutheran Church.



Craig Johnson
District 3

Craig Johnson, a native of Vermillion, SD, graduated from Vermillion High School and received a degree in Diesel Technology from the University of

South Dakota. Johnson currently owns and operates a farming operation raising corn, soybeans, alfalfa, and raises purebred Berkshires from farrow to finish. He is active in the Farm Bureau, SD Corn Growers Association, and the SD Soybean Growers where he currently serves as president. He was named the Clay County Jaycees Outstanding Young Farmer in 1997 and the DuPont Young Leader for South Dakota in 1999.

Johnson and his wife, Chris have three

children and reside near Vermillion, SD.



Todd Jongeling
District 3

Todd Jongeling, a native of Estelline, SD, graduated from Estelline High School and received a degree in Diesel Mechanics from Lake Area

Technical Institute in Watertown, SD. Jongeling currently owns and operates a farming operation raising corn, soybeans, wheat and alfalfa. He also owns and manages a cow-calf operation. He is a member of the South Dakota Corn Growers, the Coteau Hills Cattlemen's Association, and the South Dakota Soybean Association where he served as President in 2005 and currently serves as Chairman. Jongeling also represents SDSA on the Ag United for SD Board of Directors. In 1997 he was chosen as an Outstanding Young Farmer by the Watertown Area Jaycee Chapter. Outside of his agricultural commitments, he has been on the Estelline School Board since 1998, and represents Estelline High School on the East Central Multi-District Board, currently serving as Chairman.

Todd and his wife, JodyAnn, have two children, Marissa and Parker, and reside on a farm near Estelline, SD.

Other board members include: Larry Kahnke, Florence; Mark Tetzlaff, Clear Lake; Roger Fritz, Hazel; Terry Mudgett, Clark; Steve Owen, Henry; Ron Thyen, Hayti; and Richard Wiarda, Castlewood.

Glacial Lakes Corn Processors and Glacial Lakes Energy Board of Director Officers for 2007:

Jon T. Anderson, Chairman
Larry Kahnke, Vice Chairman
Leland Roe, Secretary
Mark Tetzlaff, Treasurer

E85 Dumps in South Dakota

Airport Travel Center/Cenex
4707 E Hwy. 12
Aberdeen, SD 57401
605-725-9100

C-Express
2303 SE 6th Ave.
Aberdeen, SD 57401
605-229-5482, Open

Gas N Goodies Phillips
1106 S 5th St.
Aberdeen, SD 5740
605-226-1944

Britton C-Store
604 Vanderhorck
Britton, SD 57430
605-448-2214

BP of Brookings
2420 6th St.
Brookings, SD 57006
605-692-6880

Schoon's Pump N Pak
202 Main Ave. S
Brookings, SD 57006
605-697-5700

Kones Korner
Hwy. 81 and Hwy. 22
Castlewood, SD 57223
605-793-2347

Burke Oil
1200 E. King Ave.
Chamberlain, SD 57325
605-734-6905

Ampride
200 SD Hwy. 44
Chancellor, SD 57015
605-647-2700

Deuel County Cenex
222 3rd Ave. S
Clear Lake, SD 57226
605-874-2428

Northern Plains Cenex
817 Main St.
Faulkton, SD 57438
605-598-4381

Country Pride Co-op
803 N Hwy. 81
Freeman, SD 57029
605-925-4254

Cenex
209 W Hwy. 18
Gregory, SD 57533
605-835-9656

Ken's Foodfair and Shell Express
Hwy. 12 & 37
Groton, SD 57445
605-225-3572

North Central Farmers Elevator
US Hwy. 83
Herreid, SD 57632
605-437-2415

DJ's Travel Center
457 Custer Ave. NE
Huron, SD 57350
605-352-7435

West Park Travel Center
2369 Old Hwy. 14
Huron, SD 57350
605-352-3877

Buffalo Station Sinclair
5 - E Hwy. 12
Ipswich, SD 57451
605-426-6288

North Central Farmers Elevator Farm Store
Hwy 12
Ipswich, SD 57451
605-426-6021

Lake Preston Farm Supply
101 Main
Lake Preston, SD 57249
605-847-4844

F & M Cooperative
W Hwy. 34
Madison, SD 57042
605-256-4516

MidWest Cooperative
102 Bennett
Martin, SD 57551
605-685-6711

Mellette Travel Plaza
38620 S Dakota Hwy 20
Mellette, SD 57461
605-887-3364

Big Stone Co-Op Cenex
901 E 4th Ave
Milbank, SD 57252
605-432-5666

Stobbs Oil Company
120 SE 3 Ave.
Miller, SD 57362-1701
605-853-2434

Cenex C-Store
1000 S. Burr St.
Mitchell, SD 57301
605-996-9632

Highland Travel Plaza
2160 Highland Way
(I-90 & Hwy. 37)
Mitchell, SD 57301
605-995-5091

Lucky's Gas N More
705 W. Grand Crossing
Mobridge, SD 57601
605-845-3382

EXXON - Goode to Go
1301 Riverdrive North
Sioux City, SD 57049
605-232-4329

Conoco
1619 N Harrison
Pierre, SD 57501
605-224-6706

Cowboy Country Store
6 620 N. Euclid Ave.
Pierre, SD 57501
605-224-1939

Kum & Go
806 W Sioux
Pierre, SD 57501
605-224-9746

Canyon Lake Gas & Auto
3928 Canyon Lake Dr.
Rapid City, SD 57702
605-343-3688

Flying J
4200 N. I-90 Service Rd
Rapid City, SD 57701
605-342-5450

Appel's Quick Stop
23 W 7th Ave.
Redfield, SD 57469
605-472-0136

Quick 66
833 W 3rd St
Redfield, SD 57469
605-472-0136

Central Farmers Coop
131 S Nebraska
Salem, SD 57058
605-425-2691

Get 'N' Go
1500 W 12th St.
Sioux Falls, SD 57104
605-332-6668

Get 'N' Go
611 S Cliff Ave.
Sioux Falls, SD 57103
605-334-8799

Get 'N' Go
600 S Minnesota Ave.
Sioux Falls, SD 57104
605-332-7466

Get 'N' Go
1224 E 57th St.
Sioux Falls, SD 57108
605-357-0880

Get 'N' Go
5100 S Louise Ave.
Sioux Falls, SD 57108
605-362-0504

Get 'N' Go
6729 W 41st St.
Sioux Falls, SD 57106
605-362-0435

Get 'N' Go
2401 S Louise Ave.
Sioux Falls, SD 57106
605-362-5266

The Gas Stop
4600 W 41st St
Sioux Falls, SD 57106
605-361-7965

Kum & Go
#625 7100 W 41st St.
Sioux Falls, SD 57106
605-361-5547

The Gas Stop
7125 W 26th St
Sioux Falls, SD 57106
605-362-0078

The Gas Stop
1927 W 57th St
Sioux Falls, SD 57108
605-336-2506

The Gas Stop
3000 E 26th St
Sioux Falls, SD 57103
605-332-1774

The Gas Stop
415 N Kiwanis Ave.
Sioux Falls, SD 57104
605-334-7052

Cenex Oil Company
2030 Lazelle St.
Sturgis, SD 57785
605-347-3305

North Central Farmers Elevator
10th St and Central Ave.
Warner, SD 57479
605-225-9608

Sioux Valley Coop (Cenex)
220 10th Ave. NW Hwy. 20
Watertown, SD 57201
605-886-5829

Stone's Truck Stop
Intersection of
Hwy 212 & I29
Watertown, SD 57201
605-882-1484

Grossenburg Implement Inc.
31341 US Hwy. 18
Winner, SD 57580
605-842-2040

Prairie Pumper
909 Broadway
Yankton, SD 57078
605-665-7103

Cork 'N' Bottle
1500 Broadway Yankton,
SD 57078
605-665-3881



Fuel *for*



THOUGHT

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

Guest Columnist: *Orrie Swayze, GLCP Investor & Ethanol Advocate*

In January I attended my first annual meeting with Glacial Lakes Energy, LLC as an investor. I was pleased to see the Board's decisive support for new ethanol markets and recognizing that the E10 markets will be saturated by 2010 as ethanol production capacity reaches 12 billion gallons. Our industry will have an even brighter future when other blends such as E20, E30 and E85 are developed sooner rather than later.

It took a long time to get E10 and E85 approved by various government agencies, and I feel E20 and E30 will be just as challenging. But in today's environment, we don't have as much time to get this accomplished due to the extra ethanol capacity coming on line. It could be said that a new RFS will assist getting ethanol into all of the gasoline, but this should be our safety net, not our marketing plan going forward. To profit down the road, we need to take charge of our own marketing destiny, and this means pushing a higher ethanol blend that allows all current vehicles, both flex and non-flex, to use.

That leaves blender pumps as the primary marketing tool for the ethanol industry. These pumps would allow the industry to grow from a 14 billion gallon per year industry to over 30 billion gallons. To accomplish this, we need a national distribution system, not a small, localized distribution system currently in place. Can you imagine the impact on ethanol sales if it could be sold through a national retail gasoline marketer like a Chevron, BP or even a Wal-Mart.? Even if Cenex placed blender pumps at all of their locations, that would impact our demand greatly.

But we can't expect these companies to "just put them in"; we have to make sure that there is political support for blender pumps by getting provisions for their use into proposed legislation. To do this, we must defend our case that blender pumps are the next logical step in adding more renewable fuels into the nations gasoline mix. By using blender pumps, we will have access to various blends of ethanol that meet ALL of our vehicles performance requirements, not just flex-fuel vehicles. This will allow current vehicles to use a greater amount of renewable fuels without having to wait for flex-fuel vehicles to populate our highways.

Here is another benefit the blender pumps offer. Currently, E85 is sold at a \$0.50 per gallon discount to make up for the loss in mileage. With E85 marketed through blender pumps and used to make E20 and E30, the margins will likely increase because E20 and E30 have a minimal mileage penalty and are better for the environment than E10. When looking at GLE's production of 100 million gallons by the end of 2007, if our margins improved by just \$0.10, this would impact our profits by \$10 million dollars for this plant. We would also gain that same margin on our other plants currently under construction.

There is a lot of meaningless political cheerleading that professes support for the ethanol industry. What we need is meaningful political support to get a rapidly expanding blender pump distribution system throughout the nation. Since other states are watching our efforts on blender pumps, we need to focus on the problem at hand and see it through.

Glacial Lakes Corn Processors Membership Services



As we continue to grow, we make every effort to utilize our employees talent to be efficient and as effective as we possibly can. Because of this, we are moving Nikki Mark from Membership Services Coordinator to the Accounting Department. Mark was previously employed with Great Western Bank and has a banking background so this proves to be a good fit.

Kathy Jost is transitioning into the Member Services role. Kathy has been with GLE for the past two years as the Feed Assistant. In her new role as Membership Services Coordinator, Kathy will be your primary contact for stock trades and transfers, stock related questions, stockholder communications, etc. Kathy is training with Marcy Kohl during this transition period.

We are excited to have both Nikki and Kathy in these new positions and we believe they will add value to GLE.

In Appreciation



Glacial Lakes Corn Processors Board Chairman Jon T. Anderson presents former GLCP board member Doyle Thompson (left) with a hard hat and watch in appreciation for his six years of service to the GLCP and GLE Board of Directors. Thompson represented District 3.



Todd Elmslander, Director of Technology and Bio Diesel

We continue to stay busy with projects through the spring. Redfield construction is drawing to a close, Glacial Lakes Energy expansion and Aberdeen Energy are all well under way.

Let's begin with the Watertown facility. The goal is to expand plant capacity to 100 mgy. Activity on site includes the building of the fermentation tanks, grading and dirt work to prepare laydown and parking areas. The builder, New Mech Companies has mobilized on site and is focusing on working with ICM finalizing the design. This will spawn a flurry of activity in the next three weeks. Work has already started on the energy center foundations, cooling tower, and process tank foundations. Energy center equipment will begin showing up on site in April. Our goal is to operate at expanded capacity in the first quarter of 2008.

The Aberdeen Energy project is a 100 mgy facility. Construction continues to move forward despite what mother nature throws at us. The severe cold and snows hindered some activities, frost has been observed as deep as five feet. Fortunately the late Fall allowed us to complete 80% of the dirt work. We are continuing dirt work activities as weather permits. Fagen is mobilized on site and has started foundations for the fermentation area. One of the fermentation tank ring walls is complete. Work in the grains receiving area has also begun. We have not received an official start up date as of yet from Fagen, however I anticipate by the end of Q2, 2008 that the plant should be operational.

Redfield Energy inches closer to its start up date. Unfortunately there is an industry wide shortage of construction labor. This is affecting Redfield and its start up date. Start up was on track for the end of March. Currently that has been pushed back until the mid-late April. Fagen is doing everything they can bring in more labor and minimize the delay. The grain receiving area is 95% complete and most equipment has been tested. The railroad spur is complete, we have rail cars on site. The administration building is complete and we have occupancy. We are working closely with David Culver and his staff to put the finishing touches on the plant in preparation for the start up.

Please check out the webcams at Aberdeen and Redfield to view the progress of any of these projects.



Sarah Morrow, Human Resource Manager

My name is Sarah Morrow and I have assumed the position of Human Resource Manager here at Glacial Lakes Energy, LLC. My primary responsibility is to perform the functions that deal with the needs and activities of the organization's people such as employee relations and retention, employee benefits, etc. I also serve as an advocate for both GLE and the people who work in the company.

I grew up near Milbank and have been in Missouri for the last six years. My HR experience includes working for both large and small organizations, all of which were rapidly growing companies. My undergraduate degree is Agricultural Business and I am also a licensed attorney. I am glad to be back in the area and look forward to contributing to the success of GLE!



Tom Heilman, Distillers Sales Manager

Hi, I'm Tom Heilman, Distillers Sales Manager at Rising Star Feeds, a division of Glacial Lakes Energy.

I am originally from Bowdle, SD, and received a Bachelor of Science Degree in Dairy Science from South Dakota State University (SDSU). After graduation, I worked as a production supervisor for Crossroads Farms Dairy in Indianapolis, then as a Quality Assurance Manager for DFA in Winsted, MN. I have been an Outside Sales Rep for Hubbard Feeds, Inc since 1998 and have an extensive background in nutrition, specializing in beef and dairy, which will be an asset to Rising Star Feeds.

I like to hunt and fish and spend time with my wife, Dionne, and our sons, Spencer and Matthew. We live in Watertown. I can be reached at 605-695-6315 or 605-882-8916.

Kathy Jost has served as the Feed Assistant for the past two years. She is the voice at the other end of the phone when you call for distillers. Kathy has accepted a different position within the company as the Membership Services Coordinator. Val Nesheim will be Kathy's predecessor as the new Feed Assistant. Val comes to us from Hubbard Feeds and brings a wealth of knowledge to the team.



Allen Wells, Commodity Marketer

Spring is just around the corner and the way it looks this year it's going to be the same as last in the distillers grain world. The demand looks to be very high through spring and summer. With all the new ethanol plants coming on line, many people think there will be a glut of DDG's in the market. However, on the other hand marketing analysts predict that through domestic feed use, exports and non-feed use the potential is there to utilize about 40 million tons per year. In marketing we need to overcome misconceptions associated with DDG's. Marketing, outreach and education are good places to start. More importantly we need to meet customer needs and requirements with consistent high quality distillers grains. Product quality and consistency like we have at Rising Star Feeds is a very powerful marketing tool in itself. Everywhere I go people tell me our DDG's are the best they have used. Talking to some producers, there is concern about oil extraction and distillers grain nutrition. Removing some of the oil creates higher protein concentration and a little lower fat content. This nutritional composition is more desirable by nutritionists. Fat is one of the limiting factors in being able to increase inclusion rates in beef, dairy and swine rations. The oil is degraded in the ethanol process, causing high trans-fats and free fatty acids. Too much of this can disrupt the digestive system in these animals. This year Rising Star Feeds attended new trade shows and visited with many producers. Everyone is either feeding DDG's or wants more or wants to be put on the waiting list to get some. If you know how much need be sure and call to get yours contracted.

REMINDER

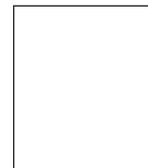
Please please drive slowly and cautiously through Glacial Lakes Energy in Watertown. With our expansion in full swing there are several contractors on site and safety is a top priority here at GLE.



GLACIAL LAKES ENERGY, LLC

P.O. Box 933

Watertown, SD 57201



Micheal Nealon, *Director of Finance*

The financial results for the year ended August 31, 2006 were very good, due to higher ethanol prices and relatively low corn costs. 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. During FY 2006, we paid down long-term debt by approximately \$8,500,000.

In January 2007, GLCP declared and paid a dividend of \$9,178,475 (\$0.0659 per share) based on FY 2006 operations to shareholders of record as of August 31, 2006. Total cash dividends of \$24,655,103 (\$0.1770 per share) were paid related to FY 2006 operations.

With the approximately \$94 million raised from the equity drive last fall, we are in the last phases of discussions with our current lender for the financing needed for the expansion of the Watertown plant and the construction of the Mina / Aberdeen plant. Once we have finalized the costs of construction of the Meckling / Vermillion plant and the construction of the Madison, MN plant, we will discuss the debt and equity needed for these projects.

Summary Financial Data for August 31, 2006 and 2005

Income Statement:	FY 2006	FY 2005
Net Sales	\$103,014,657	\$78,051,987
Cost of Sales	64,350,218	66,829,681
General and Administrative Expenses	4,220,823	1,810,546
Interest Expense	1,500,434	1,943,078
Income from Operations	32,943,182	7,468,682
Investment in GFE & RE	6,850,880	24,643
Gov't Programs & Other	1,059,068	932,882
Net Income before Income Taxes	43,302,299	8,496,207
Income Taxes	1,900,000	-
Net Income	\$ 41,402,299	\$ 8,496,207
Shares Outstanding **	139,320,166	139,289,652
Net Income per Share**	\$0.297	\$0.061

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

Production Data:		
Ethanol Produced (gallons)	49,937,160	48,757,615
DDG Produced (equivalent tons)	153,266	156,838
Corn Ground (bushels)	17,997,999	17,654,289

Balance Sheet:	Aug. 31, 2006	Aug. 31, 2005
Working Capital	\$ 11,550,628	\$ 5,205,387
Property and Equipment, net	37,473,629	37,815,047
Other Investments	14,882,010	6,634,578
Total Assets	76,355,687	61,425,294
Long-Term Debt	\$ 16,071,196	\$ 24,563,981
Stockholders' Equity	54,139,415	32,837,85

