



Glacial Lakes Energy, LLC

CREATING ECONOMIC VALUE FROM CORN

NEWSLETTER

September - November 2014

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Ethanol IS Rural Economic Development

James A. Seurer, Chief Executive Officer

Considering the \$0.07 dividend (\$15.8 million) that we paid out in early September and the declaration of an additional \$0.18 dividend (\$36.2 million) to be mailed out next month, the significant role that Glacial Lakes Energy ("GLE") and the ethanol industry plays in the health of hometown economies around the area has never been more evident. The cash generated and churned out by GLE over the past twelve months is nothing short of remarkable and goes well beyond the economic boost that the normal 110 employee business would normally bring to the area.

Over the past ten years, our industry has effectively shifted a substantial portion of wealth away from our radical Middle Eastern enemies and toward hard-working Americans with South Dakota and Midwestern addresses. This was the vision that the founders of our company had back in the early 2000s and their plan is working exactly as they had planned. GLE and the ethanol industry has given investors and farmers a built-in opportunity to convert abundant, locally grown corn into a higher valued commodity that is in great demand around the world each and every day, clean-burning renewable fuel.

As we consider the full impact of the aforementioned \$52.0 million in dividend payments we have or will make to GLE investors, I couldn't help but wonder what this amount means in terms of specific payments to rural areas where high concentrations of our investor/shareholders reside. Here is the total dividend tied to fiscal year 2014 that will be distributed to the top five counties (in millions).

Codington	= \$13.1 million
Hamlin	= \$10.0 million
Clark	= \$4.2 million
Spink	= \$3.0 million
Minnehaha	= \$2.7 million

Please understand that this is related only to the success that GLE teams have worked hard to create and only for the current year...our successful neighboring ethanol plants are not included here nor are previous or future financial results. When the full direct and indirect impact of our success is considered over multiple years, the economic payday grows exponentially. It's no wonder that the findings of an economic impact study commissioned several years ago by the South Dakota Ethanol Producers places a \$3.8 BILLION direct and indirect economic value on the South Dakota ethanol industry. Glacial Lakes Energy is proud to contribute our portion of this benefit to the people of our great state.

North Dakota has its oil fields and South Dakota has its corn fields. Both are huge economic engines but only one is more environmentally friendly, not to mention the extensive societal issues that our northern neighbors have to manage. Personally, I'll take the corn fields over the oil fields every day of the year. Please choose higher ethanol blends the next time you're at the pump to keep this economic development train rolling. **You CAN make a difference.**



GLCP Annual Shareholder Meeting

Mark J. Schmidt, Chairman of the Board

I'd like to extend a personal invitation to all GLCP investor-members for the annual GLCP shareholder meeting December 11, 2014, at the Codington County Extension Complex in Watertown.

We've moved the date to December to be more timely in communicating our financial results with you, our shareholders. Lunch will be served beginning at 12:00pm, and the meeting will begin at 1:00pm. The meeting will include the cooperative's financial results for the past fiscal year, the results of board of director elections and other important business. The guest speaker will be Marty Ruikka, Principal of the ProExporter Network®. The ProExporter Network® provides economic research and analysis to major agribusiness firms and investors including GLE. The firm's research focuses on U.S. grain flows, transportation demand, and the impact of these items on cash grain markets. There will also be a question and answer session.

In the last newsletter, I discussed the adopted bylaw change that eliminated board member term limits. This year, four director seats are open for election. Board members Dale Christensen (District 1), Terry Mudgett (District 1), Brent Gabler (District 2), and Todd Jongeling (District 3) are up for election and all incumbents have chosen to seek re-election.

The District 1 and 2 incumbents are all unopposed and, therefore, will automatically be elected to a three year term at the Annual Meeting.

In District 3, we had three nominees; Greg Card from Vermillion, Todd Jongeling from Estelline, and Richard Wiarda from Castlewood. In order to narrow the nominees to two for the general election, we held a District 3 Meeting in mid November. The two candidates receiving the most votes proceed on to the general election. They are Todd Jongeling and Richard Wiarda.

I hope to see all of you at our Annual Shareholder Meeting.

Ethanol Supporters Make Their Voices Heard in Washington



H. Oscar Schlenker, Glacial Lakes Energy Board Director, traveled to Washington, D.C. in September to meet with Congressional officials to highlight the important role ethanol plays in reducing our dependence on foreign oil and revitalizing the American economy.

Schlenker joined Growth Energy leaders for a series of meetings with bipartisan Congressional delegations from six states, including South Dakota. American ethanol supporters discussed the current state of the industry and stressed the importance of protecting the Renewable Fuel Standard (RFS), our nation's most successful energy policy to date, and increasing market access for E15, a fuel blended with 15% ethanol. Schlenker emphasized how the RFS has bolstered the economy in Aberdeen, Brown County, and South Dakota by encouraging the growth of the American ethanol industry.

"Our message on Capitol Hill was clear — the RFS is working and there is no need for Congress to repeal or reform this successful energy policy," Schlenker said. "I was pleased to join several other ethanol supporters in Washington to meet with Congress about our nation's energy security and future. America's energy independence, economic prosperity and communities like ours are moving forward thanks to the renewable fuels industry. These face-to-face meetings with our lawmakers are an important opportunity for them to hear directly from their constituents about the issues that matter most."

Furthermore, Schlenker expressed concern with the proposal from the Environmental Protection Agency (EPA), which significantly reduced the RFS volume obligations for 2014. Biofuel supporters noted that the rule, in its current form, would freeze innovation and investment in next-generation biofuels, reduce production of conventional biofuels, harm our environment and jeopardize savings to consumers.

During these meetings, Schlenker met with several senators and representatives, clarified misinformation on the ethanol industry and reiterated how the RFS has helped Glacial Lakes Energy. He stressed the importance of enhanced infrastructure to offer consumers higher blends, such as E15.

"It's crucial that our representatives in Washington understand the benefits of ethanol. That it creates jobs in South Dakota, keeps gas prices down and contributes to our rural economies," said Schlenker. "It's essential that we work with our lawmakers to take the steps necessary to maintain the RFS, get E15 and other ethanol blends into the marketplace. American consumers deserve a choice at the pump."

Another Round of Successful Annual Shutdowns

This quarter, Glacial Lakes Energy (GLE) held a successful 5-day shutdown at both the Watertown and Mina plants. The shutdowns, which include routine maintenance, cleaning and equipment replacement, play a vital role in keeping the plants operating at peak efficiency.

Director of Operations Frank Moore stated that the positive financial performance GLE has been experiencing allows for additional capital to be reinvested into the facilities to keep them operating at peak capacity and efficiency. "We've been able to tie in a number of capital projects in both of our facilities that will upgrade the plant and improve the production potential in both of our facilities," Moore states. "These projects allow us to improve efficiencies and bring technology up to current levels."

As an example, during the shutdown in Watertown, operating technology software at the 12-year-old plant was updated to a state-of-the-art control system. Internal components in distillation columns were replaced at both Watertown and Mina and three large heat exchangers that are key in recovering heat loss were replaced at Mina. Moore commented that improving starch conversion processes in the facilities is a main focus because it'll provide high returns to shareholders.

"We've added several million dollars worth of yield improvement projects that we're already starting to see the benefits from," Moore says. "Those benefits will continue to multiply in the months ahead. The main goal with these shutdowns is determining how we're going to continue to improve what we're doing to provide significant returns on the capital we invest in these facilities, because that is the objective: To increase returns that we provide to shareholders."

Growth Energy – FFA Partnership

In late October, during the 2014 Future Farmers of America ("FFA") National Convention, Growth Energy announced a new partnership with the national FFA organization to build out critical projects that prepare today's students to become tomorrow's leaders in American agriculture.

The multi-year sponsorship was launched with a teacher and student workshop titled "Ethanol — Past, Present, and Future" presented by Doug Berven, Vice President of Corporate Affairs at POET. We are thrilled to sponsor several important programs for FFA, including expanded opportunities to continue to educate FFA's members on critical issues like the important role that biofuels and energy play in American agriculture. Together we will continue to build a robust networking system to attract new agricultural teachers and highlight the opportunities FFA members have as they enter the workforce. It's critical that the next generation of farmers learns the best ways to provide both food and fuel, and understands the significant role biofuels are playing in the ag community.

Growth Energy is an ethanol industry organization whose mission is to nationally increase awareness of ethanol, and improve the product's popularity through the establishment and leadership of the American Ethanol sponsorship of NASCAR.



GLCP's Nets \$107 Million in Fiscal 2014

Financial Report for Three Months Ending August 31, 2014 (unaudited)

In Millions

Total Assets	\$277.7	Current Assets	\$142.7
Total Liabilities	\$59.1	Current Liabilities	\$36.5
Net Worth	\$218.6	Working Capital	\$106.2
Net Income for Quarter	\$34.5	Net Income for Year	\$107.2

Glacial Lakes Corn Processors (GLCP) reported strong earnings for the fourth quarter (June-August) ending August 31, 2014, with net income of \$34.5 million. The 2014 fiscal year ended with a record overall net income of \$107.2 million. A high-margin environment, plentiful corn supplies and competitively priced distillers grains all contributed to the solid financial report.

"While not as strong as the third quarter, the markets continued to be strong, and, as a result, we again experienced strong fourth-quarter results," says Bill Brennan, Chief Financial Officer. "2014 was a very strong year financially, high crush margins allowed us to achieve a level of net income never achieved before."

Going into the new fiscal year, crush margins remained strong driven by good ethanol demand and plentiful corn supplies in the Upper Midwest. Demand for DDGS (dried distillers grains) was weaker during the fourth quarter, primarily from reduced exports.

Director of Operations Frank Moore also credits the positive financials to improved margins resulting from record-breaking production at both the Watertown and Mina facilities. "I've been in the ethanol industry 35 years and this is the best year I've seen in those 35 years," reported Moore. "Looking at year-over-year production of each plant, fiscal '14 was very close to the total production posted in fiscal '13, even with the railroad challenges. Looking ahead to the next quarter, we're very optimistic from the operations side as margins are remaining strong."

Brennan is also optimistic in looking forward to 2015. "While generally lower than the last six months, our current view is that margins are expected to remain respectable as we move into 2015. At this point, we're confident we'll continue to deliver respectable financial performance in 2015."

CEO Jim Seurer couldn't be more pleased with the hard work and efforts that the GLE teams contributed to create this success. "From logistics to production to project management, there are so many successes to talk about that I dare miss one. We are so very proud of our teams' performance and what this means for our shareholder investors." Seurer also reports that GLE's financial performance ranks near the top of an internal benchmarking which compares GLE to other public reporting companies and significantly outranks that of several large public reporting companies. "This proves our teams' exemplary performance and our risk management strategies are right there with the largest ethanol production companies in the country," continues Seurer.

GLCP to Distribute \$46.3 Million Dividend

The Glacial Lakes Corn Processors Board of Directors has authorized two dividend payments totaling \$52.0 million to its shareholders of record as of August 31, 2014.

In September 2014, shareholders received a payment of \$0.07 per share on all outstanding shares as well as an additional \$0.02 per share retainage on original shares. This payment totaled approximately \$15.8 million.

Another patronage dividend of \$0.18 per share has been declared and will be distributed in January 2015 on all outstanding shares as well as the final \$0.02 per share retainage on original shares. This payment will total nearly \$36.2 million

Manager of Corporate Administration Marcy Kohl stated that shares sold or purchased after August 31, 2014 will not receive the September 2014 dividend or retained earnings. "If you are buying shares now (September 1, 2014 to present), the dividend and retained earnings declared to be paid in January 2015 will be paid to the shareholder of record as of August 31, 2014. However, the new shareholder will be eligible for any future declared shareholder dividends."

Those interested in buying GLCP stock can find a sale listing at www.agstocktrade.com, or call Membership Coordinator Jessi Eidson at 605-882-8480 for more information.

Support the Motor Club that Supports ETHANOL!

If you're tired of AAA's continuing attacks on E15 and ethanol, take a look at Association Motor Club Marketing (AMCM) – the auto club that supports ethanol and encourages drivers to try E15.

Last month, AMCM Motor Club and Travelers Motor Club, which have been in business 50 years and have members in all 50 states, announced that in the two years since AAA first warned motorists not to use E15, none of the clubs' 18+ million members had ever reported a service problem due to E15. In a press release, Gene Hammond, co-founder of AMCM Motor Club said "If you drive a vehicle that has been approved for the use of E-15 and want to try it, we encourage you to try it with confidence."

GLE shareholders, employees, etc will receive a special membership price of \$25 per year for individuals and \$35 for families (up to 4 individuals). Membership includes the following services:

- TOWING/WINCHING ASSISTANCE
- LOCK-OUT ASSISTANCE
- HOTEL & TRAVEL DISCOUNTS
- RENTAL CAR DISCOUNTS
- BATTERY ASSISTANCE
- FUEL & OIL DELIVERY
- 5% CASH BACK HOTEL PROGRAM
- \$500 HIT & RUN/THEFT REWARD
- FLAT TIRE ASSISTANCE
- FLUID & WATER DELIVERY
- TRIP ROUTING SERVICE

Consider joining AMCM Motor Club today! To sign up or learn more, visit their website www.amcm-online.com and click on the "We Support Biofuels" button at the top of the page.



The Most Affordable Roadside Service in the World Today!



The Most Technologically Advanced Roadside Assistance

Bragg Joins GLE Team

Mr. Howard Bragg has joined Glacial Lakes Energy, LLC commodity team as Commodities Merchandiser. Director of Commodities and Risk Management Brad Schultz, states that GLE recognizes the importance of corn procurement and risk management to the success of ethanol plants. Bragg's experience will bring a stronger focus to those areas and will benefit GLCP shareholders.



"Howard has a unique background because much of his career has been spent at farmer-owned cooperatives, but he also has some experience in ethanol origination," says Schultz.

Bragg brings over 40 years of experience originating and handling corn at various grain elevators in South Dakota and Minnesota. In Madison, MN, he managed a 110-car shuttle facility and he previously worked in Aurora, SD as well. At GLE, Bragg will be reaching out to current customers and prospective producers to procure corn.

"I chose Glacial Lakes because I want to be more involved in the ethanol industry and believe my past work experience will allow me to add value as a grain buyer," Bragg stated. "I enjoy working with the employees and, of course, the customers."

Bragg and his wife, Kathie, have four grown children and six grandchildren. They live on an acreage near Madison, MN, where Kathie works for Family Services. On his days off, he enjoys spending time with his grandchildren and riding horse.

A South Dakota native, Bragg is happy to be back in the state for a new challenge. "I look forward to building rapport with the customers," says Bragg. "I also hope to learn more about the ethanol business from the ground up."

Cummins E85 - Fueled Engine Reduces Emissions 50-80%

Cummins Inc. has developed a new engine that's fueled by E85 and cuts carbon-dioxide emissions by 50-80%, according to the manufacturer.



The ETHOS 2.8-liter engine was designed specifically to run on E85. The company said the engine operates at diesel-like cylinder pressures and incorporates advanced spark ignition technology to deliver the power and torque of gasoline and diesel engines that have nearly twice its displacement.

Additional partners in the project included Valvoline, which provided NextGen engine oils specifically designed for lower CO2 emissions, and Freightliner Custom Chassis Corp. (FCCC), which provided a prototype MT45 Class 5 step-van vehicle.

Currently, this engine is in the final on road validation testing phase, which is taking place in Sacramento, California.

Improvement Projects Completed for Harvest



Just in time for harvest, two significant projects to increase grain-handling efficiency at the Glacial Lakes Energy plants in Watertown and Mina have been completed and are already proving their value. The Watertown project, a \$6.7 million upgrade of the corn receiving area is nearly complete and the Mina project, a \$5.3 million expansion to steel storage capacity is complete. Phase II of the Watertown project will include a complete retrofit of Lane #2 to match the new pit and conveyor capacity of Lane #1. With the record corn yields this harvest, these improvements come at an ideal time and will enhance our customer service.

According to Brad Schultz, Director of Commodities and Risk Management, the Watertown upgrades have drastically sped up the plant's grain unloading process. "For the past seven years, we have struggled with dumping capacity and long lines because the receiving operation was sized for a plant operating at less than half our current production level," states Schultz. "This upgrade has provided a substantial improvement to Watertown's competitive position in the marketplace."

Deliveries are first probed at the new sampling station. Then, they immediately move forward to the new inbound 120-foot scale. From there, they unload in either the Lane #1 (the "super pit") or Lane #2 which is the original pit until Phase II is completed next summer. The new "super pit" and 30,000-bph leg is located north of the old Lane #1 receiving area. All customers will weigh out on the new outbound scale and receive a receipt on the south edge of GLE property.

A truck management system has been very popular with the producers and truckers. Each truck carries a RFID card, which automatically scans and identifies the truck and customer at different locations throughout the unloading process. This card enables producers and truckers to remain in their trucks, speeding up the probing, weighing and unloading process.

"The automation has made us more competitive in the market, especially during busy times such as harvest," says Frank Moore, Director of Operations. "Producers have a lot of grain to move, they can't afford to spend multiple hours onsite waiting for us to unload that corn. This will also reduce the cost of corn coming into our plant."

"This is a perfect example of the value that the ethanol industry brings to our state and region," stated CEO Jim Seurer. "These projects add significant value to our investors' assets as they improve our competitive position and make our company stronger. Unfortunately, due to capital expenditure limitations imposed by our lenders and a strict focus on paying down our debt, our loyal producers have endured some pain and suffering over the past few years until we were able to get this done."

Farm Rescue to Help 300th Farm Family This Year

300. Just a number? Not in this case.

By the end of the year, Farm Rescue will have assisted more than 300 farm families in crisis. Each of these families has experienced an illness, injury or natural disaster that prevented them from planting, haying or harvesting their crop in a timely manner. Farm Rescue stepped in and helped these families when they needed it most.

One of the biggest financial drains on a family is an unexpected medical injury or illness and, of course, a natural disaster. It is even more pronounced on a farm where a family's livelihood depends on the ability to plant, harvest or hay a crop.

Farm Rescue gives families a chance to continue their livelihood by providing the necessary equipment and manpower to plant, harvest or hay their crop, free of charge.

No, in this case, 300 is much more than a number — 300 families in the Upper Midwest are able to continue supporting their communities and feeding America. These families are friends, neighbors and customers. They are the rural community.

This year, Farm Rescue gears up for their eighth harvest season. The nonprofit organization is supported primarily by business sponsors, personal donations and grants from foundations. Glacial Lakes Energy is one of those proud sponsors!

Farm Rescue will help more than 50 families this year. If you know of someone in need of Farm Rescue's help, please contact their office at 701-252-2017 or visit their website at www.farmrescue.org.

Families. Not numbers.



Notice of Delay in Issuing 2014 Standards for the Renewable Fuel Standard (RFS) Program

The Environmental Protection Agency (EPA) Issued this Statement regarding the Renewable Fuels Standard (RFS) on their website. 40 CFR Part 80: <http://www.epa.gov/otaq/fuels/renewablefuels/documents/fr-notice-2014-rf-standards.pdf>

On November 29, 2013, EPA published a notice of proposed rulemaking to establish the 2014 RFS standards.¹ The proposal has generated significant comment and controversy, particularly about how volumes should be set in light of lower gasoline consumption than had been forecast at the time that the Energy Independence and Security Act was enacted, and whether and on what basis the statutory volumes should be waived. Most notably, commenters expressed concerns regarding the proposal's ability to ensure continued progress towards achieving the volumes of renewable fuel targeted by the statute.

EPA has been evaluating these issues in light of the purposes of the statute and the Administration's commitment to the goals of the statute to increase the use of renewable fuels, particularly cellulosic biofuels, which will reduce the greenhouse gases emitted from the consumption of transportation fuels and diversify the nation's fuel supply.

Finalization of the 2014 standards rule has been significantly delayed. Due to this delay, and given ongoing consideration of the issues presented by the commenters, EPA is not in a position to finalize the 2014 RFS standards rule before the end of the year. Accordingly, we intend to take action on the 2014 standards rule in 2015 prior to or in conjunction with action on the 2015 standards rule.²

On November 21, 2014, EPA announced that it will not be finalizing 2014 applicable percentage standards under the Renewable Fuel Standard (RFS) program before the end of 2014. In light of this delay in issuing the 2014 RFS standards, the compliance demonstration deadline for the 2013 RFS standards will take place in 2015. EPA will be making modifications to the EPA-Moderated Transaction System (EMTS) to ensure that Renewable Identification Numbers (RINs) generated in 2012 are valid for demonstrating compliance with the 2013 applicable standards.





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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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