



Glacial Lakes Energy, LLC

CREATING ECONOMIC VALUE FROM CORN

NEWSLETTER

March - May 2015

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The Renewable Fuels Standard: Government policy done right **Jim Seurer, Chief Executive Officer of Glacial Lakes Energy, LLC**

President Barack Obama is visiting South Dakota today, saving the best for last as he checks the 50th and final state off his trip list. The purpose of his visit is to honor the students and faculty of Lake Area Technical Institute for making LATI one of America's best community colleges. All of us in Watertown are grateful the President is going to recognize LATI as a national success story. The honor is well-deserved, as Glacial Lakes Energy has learned firsthand by partnering with LATI to train interns, hire graduates, and support one another's missions.

While the President is in Watertown, he'll witness that we are exceptional in other ways and proof of what can happen when governmental policy is done right.

Anyone with close ties to our region knows that rural America has seen many challenges. In 2008, after Glacial Lakes Energy experienced devastating losses, our local and Main Street investors stepped-up to restore our working capital and bring us back from near-extinction. Thanks to the leadership of our Board of Directors and the continual pursuit of excellence by our 120 member employee team, Glacial Lakes Energy has not only fully recovered from the financial crisis of the past, but we have reduced our debt load by nearly \$170 million and paid out nearly \$60 million to our owner-investors who, in turn, re-invest in the surrounding region. And we are positioned to continue that success with the recent announcement to pay another \$18.0+ million this September.

Our remarkable recovery and success story was supported by a pro-competition free enterprise policy called the Renewable Fuel Standard (RFS). The RFS gave Watertown and places like it across the country a platform to grow a new clean energy industry: renewable American fuel. More than 4,000 farmers and local investors built and own Glacial Lakes Energy which creates high-octane ethanol, high quality livestock feed, and secure-skilled job opportunities.

The benefits to Watertown are clear. Today, building permits, tax receipts, and real estate values are on the rise. Our school district is expanding to better accommodate and educate our growing population of students, and our families will have more things to do thanks to the planned recreation center. Residents of Watertown can buy ethanol produced by their neighbors, instead of old petroleum-based fuels often imported from dangerous parts of the world.

But the benefits of ethanol go well beyond South Dakota. Since the enactment of the RFS, drivers from California all the way to Maine are saving millions every day by filling up with ethanol blended fuels. Ethanol also reduces pollution and cuts our dependence on foreign oil. In 2014, the RFS helped reduce motor fuel greenhouse gas emissions by nearly 40 million tons, and America's dependence on imported oil is down to 28 percent from 60 percent in 2005 when the original RFS was signed into law.

Here at home, it is evident what happens when fuel markets are truly competitive and fair. The so-called E10 "blend wall" doesn't exist in Watertown because the RFS frees convenience store owners up to offer E15, E30, E85 and other blends. Residents are free to choose from these clean octane ethanol blends or fuel without ethanol. Most station owners report that drivers appreciate the additional choices at the pump.

The President's visit to Watertown comes at a critical time. Last year, the Environmental Protection Agency (EPA) unwisely caved to oil company-demands to limit ethanol use under the RFS, getting the program off-track. By June 1st, EPA will announce its proposed ethanol blending levels for the next two years. The President can help get the RFS back on track by making sure EPA holds oil companies legally accountable for making ethanol blends such as E15, E30, and E85 available across the country just like they are here in Watertown.

The employees and shareholder-members of Glacial Lakes Energy welcome President Obama to Watertown and thank him for this visit. We also hope the President remembers we are an example of the good things that can happen when policy is done right. A new chapter of prosperity has unfolded around the Watertown region. We have new houses and businesses that would not have been possible without the support of jobs and markets created by the RFS. By visiting our exceptional community to see these advantages for himself, the President can write the final chapter of his clean energy and economic legacy by helping get the RFS back on track.

Henry Ford's Vision Helped Fuel NASCAR

Ryan Welsh, Director of Sales & Marketing for American Ethanol

American Ethanol is a collaborative-effort marketing campaign intended to increase awareness of the reliability, performance capabilities and affordability of American-made E15 ethanol. Growth Energy, an ethanol industry group, and the National Corn Growers Association formed the American Ethanol partnership. American Ethanol has been an official partner of NASCAR® since the start of the 2011 racing season. The racing fuel is made up of 15 percent Americanmade, corn-based ethanol. This fuel has been used in all vehicles racing in: NASCAR Sprint Cup Series™, NASCAR Nationwide Series™, and NASCAR Camping World Truck Series™. NASCAR has run more than 6 million miles on Sunoco Green E15 racing fuel.

As I'm watching the NASCAR season race to the finish, I caught a clip of a historic race from the 1980s, and I felt compelled to thank someone for all of the excitement and advancement of the sport. It's come a long way since the short time I've been a fan.

So this "thank you" goes to Henry Ford. Why Henry Ford? He did not invent NASCAR or invent the automobile. He was gone almost two years before the first NASCAR drivers raced in Charlotte, N.C. Ford deserves thanks because of his vision and innovation. Almost every working American could own a car because of him, and he had bigger ideas going forward on how to fuel them.

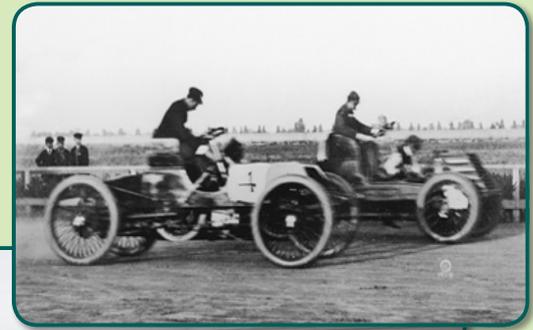
In 1901, immediately after his first automobile company failed, Ford entered an automobile race with a goal to reestablish credibility with investors. He built and piloted a car he named "Sweepstakes" to victory over the most notable race car driver of the era, Alexander Winton. Ford never expected to win, but the prize money and attention of new investors launched the beginning of the Ford Motor Co. and Ford Racing. Ford was smart enough to realize that his driving skills weren't what got him in victory lane. His commitment to engineering and innovation were his key to victory. He gladly hung up his goggles and never drove a race car again. Seven years later, the first Model T rolled off the assembly line in Detroit and forever changed America. Few, however, remember and acknowledge that the Model T was the first production flex-fuel vehicle. Meaning it could run on gasoline, ethanol or both — a monumental example of American innovation and ingenuity.

Ford believed in consumer choice and renewable energy. He famously told the New York Times, "The fuel of the future is going to come from fruit like that of sumac out by the road, or from apples, weeds, sawdust — almost anything. There is fuel in every bit of vegetable matter that can be fermented." Today, American Ethanol producers are using that same innovation and spirit to produce fuel, food and numerous products that you never would believe could come from a kernel of corn and vegetable matter.

If Ford were alive today, I'd like to think he would be an avid NASCAR fan. Not just because of the excitement and extreme competition, but he would find pride in the fact that NASCAR has raced more than 6 million flawless miles on Sunoco Green E15, a high performance biofuel made with 15 percent American Ethanol. He also would applaud the NASCAR Green platform, the most comprehensive initiative of recycling and sustainability in all of sports, in which American Ethanol is a founding partner.

This renewable fuel doesn't just show up in the gas cans, it starts in the field — coming from the great stewards of the land, the American farmers, who are the undisputed champions in the world of agriculture because of their commitment to innovation, ingenuity and sustainability.

Being a competition sponsor in NASCAR guarantees American Ethanol a spot in victory lane every week. However, the real victory will come when the American consumer has a choice of renewable fuel at the pump. Thank you to Henry Ford for his vision, thank you to him for his ideals, and thank you to him for stepping out of his comfort zone and stepping into a race car.



A Scholarship Opportunity Like No Other!

The 'Build Dakota Scholarship' program was created through a \$50 million dollar investment in South Dakota's workforce funded by a generous \$25 million donation from T. Denny Sanford and a \$25 million contribution by Governor Dennis Daugaard from the South Dakota Future Fund. Build Dakota Scholarships will provide people financial assistance and new career opportunities in South Dakota!

In an effort to increase the amount of scholarship funds available, Lake Area Technical Institute in Watertown, SD has asked area businesses to also contribute funds of their own to further enhance the scholarship monies available and create what they call 'Stretch the Million' scholarship(s). Glacial Lakes Energy is pleased to co-sponsor two (2) full ride "Stretch the Million" scholarships to students enrolling in Electronics/Robotics and/or Energy Tech/Operations the fall of 2015 at Lake Area Technical Institute.

Applicant Requirements:

- Applicants must be a US citizen or US national,
- Show financial need,
- Both in-state students and out-of-state students are eligible for the scholarships
- Have interest in one of GLE's chosen high-needs workforce areas

These full-ride scholarships support tuition, fees, books, and other required program expenses in the eligible technical institute programs. In accepting scholarship awards, recipients will agree to enroll full-time in a technical institute program determined as a high-need workforce area by GLE in South Dakota. Scholarship recipients must maintain a 2.5 grade point average and complete the program on time. The scholarship recipient is also required to work at GLE for three years following graduation.

For more information or to apply, please contact Katie Mullin, Director of Human Resources at 605-882-8480. Applications will be accepted until July 15, 2015 or until all scholarship money has been awarded.



LAKE AREA
TECHNICAL INSTITUTE

It's your world.

America Coalition for Ethanol's 2015 Biofuels Beltway

By: Shannon Gustafson, American Coalition for Ethanol Director of Strategic Projects

Shannon Gustafson directs the annual American Coalition for Ethanol (ACE) Conference, the ACE Fly-in, assists with state and federal policy issues, outreach with members, and help lead our integrated and strategic efforts to the serve the U.S. ethanol industry.

Glacial Lakes Energy (GLE) board members Terry Schmidt and H. Oscar Schlenker were among the 70 grassroots advocates who participated in the American Coalition for Ethanol's 2015 'Biofuels Beltway March' in Washington, DC. ACE once again emphasized our Power by People strategy by prominently featuring the stories of men and women during the fly-in, people new to the ethanol industry and those with long-term experience, folks with business or technical backgrounds, and those from communities changed for the better by what ethanol has done.

For seven years, ACE's fly-in has demonstrated the breadth and depth of support for ethanol by arranging for people from all walks of life to tell their personal and authentic ethanol success stories to decision makers in Washington, DC. That is why the event is so important. It is your chance to meet face-to-face with the people who enact and implement ethanol policies in our nation's capital.

ACE Executive Vice President Brian Jennings points out that these personal connections are integral for conveying why support for ethanol policy is so important.

"We do our grassroots fly-in because we know lawmakers and their staff want to meet with people with a little dirt or grease under their fingernails who are doing things out in the country that really matter," said Jennings. "We want our grassroots advocates to become the reliable resource Members of Congress and their staff turn to for help or advice on ethanol issues." The group of ethanol supporters who attended the event this year included students, ethanol producers, retailers selling E15 and flex fuels, farmers, accountants, bankers, seed and technology companies, and advanced biofuels supporters.

Each year, GLE plays a valuable role in ACE's fly-in. Over the years, in addition to Terry Schmidt and H. Oscar Schlenker, Harlan Schott, Marietta Lakness, Leland Roe, and Richard Wiarda have represented your company and its shareholders during the event. While in DC this year, Terry and H. Oscar visited congressional offices representing Oregon, Vermont, Arkansas, Delaware, New Mexico, Florida, California, Texas, South Carolina, West Virginia, Louisiana, Nevada, Mississippi, and Wisconsin. That's 14 states.

This year's fly-in participants had nearly 160 meetings with lawmakers or their staff representing 43 states. Add that to the total of 750

Congressional offices representing all 50 states from previous years, and you can see that grassroots advocacy makes a positive difference in making sure our policy priorities are being promoted in Washington, DC. The group's 2015 priorities included keeping the Renewable Fuel Standard on track, the growing retail interest in E15 and flex fuels, and ways ethanol has improved the lives of all Americans. ACE advocates shared a new infographic entitled "Congress Got the RFS Right" which can be seen at www.ethanol.org on both the fly-in and infographic pages. If you'd like to receive print copies of this infographic, contact ACE at 605-334-3381.

Please make plans to join ACE in March 2016 for the next 'Biofuels Beltway March.' Your voice and participation is important. Contact Shannon Gustafson at sgustafson@ethanol.org for more information



Domestic Gasoline Demand

Gasoline demand is one of the recognized drivers of the U.S. ethanol industry. When demand for gasoline is robust, demand for ethanol follows.

GLE recently asked Victor Mims of ECO-ENERGY to comment on gasoline demand for 2015. He stated that a strong base has been built, and looked back to October 2014 when demand broke out of a 5 year trend to the upside. This was followed by a 7 year seasonal high in January 2015. Low unemployment rates have been a factor in the demand.

In general drivers have cash and are driving to work! This, and other strong economic indicators combine with low gasoline prices to create an environment to test peak demand potential.



Ethanol Exports Could Grow

Randy Hascall, Senior Writer for South Dakota Corn Utilization Council

As it looks for places to increase ethanol exports, the U.S. Grains Council (USGC) is focusing primarily on four countries: Peru, China, the Philippines and Japan.

Frank Kralicek of Yankton, a South Dakota Corn Utilization Council director and delegate to the USGC, said the outlook for ethanol exports is particularly promising in Asian nations.

"It's encouraging in Southeast Asia and really all of Asia," Kralicek said. Many Asian countries don't have domestic oil, a fact that could boost interest in ethanol.

In China, the government is looking for solutions to its air quality problems. Some provinces and cities have policies in place for the use of ethanol.

Bryan Lohmar, USGC regional director in China, has a picture in his office of a smog-filled Beijing. He said Chinese professionals want to live in a city with clean air, so he's planning a sales pitch to try to convince those in charge that ethanol use could improve their air quality. Lohmar said he plans to bring in a top official from a major U.S. city, maybe Los Angeles, to tell how ethanol use improved that city's air.

The Philippines has a mandate of 10 percent biofuels and will expand that to 20 percent by 2020. The U.S. has a 25 percent market share in that country, where U.S. ethanol is cheaper than local ethanol.

Japan uses ETBE, a fuel additive made from ethanol. The country's current energy policy says it must use ethanol made from sugar cane, so its supplier is Brazil. However, Japan will update its policy in 2017, at least opening up the possibility that corn ethanol could be allowed.

Ashley Kongs, the USGC's manager of ethanol exports programs, said Peru has a mandate to use 7.8 percent biofuels and is likely to increase that level to 10 percent. The United States currently has a 90 percent market share there.

Ryan Wagner, a USGC delegate and South Dakota Corn Utilization Council director, said he was pleased that the newly founded ethanol action team had a good discussion at the council's recent annual meeting and is developing priorities to increase exports.

"Expanding exports of ethanol could be the key to increasing corn demand in the near future," Wagner said.

FAO's Latest Food Price Report Good News For Ethanol

Tom Buis, Chief Executive Officer of Growth Energy

Tom Buis is a former President of the American National Farmers Union (NFU) and is current CEO of Growth Energy an ethanol industry trade association. Before moving to NFU, Buis served as the Senior Agriculture Policy Advisor for Senate Majority Leader com Daschle (D-S.D.).

As world food prices hit a near five-year low, dropping 1.5% last month according to the United Nations' Food and Agriculture Organization's (FAO) most recent price report, Growth Energy said this is proof that "claims of ethanol increasing food prices do not hold any merit."

According to the FAO, the global food price has been on a downward path since April 2014. It tracks five major food commodity groups internationally: cereals, meat, dairy products, vegetable oils and sugar.

In the latest report comparing February 2015 to March 2015, sugar was down significantly, charting a 9.2% drop; vegetable oil a 3.1% drop; cereal and meat about a 1% drop; and dairy was the only gain, with a 1.7% increase.

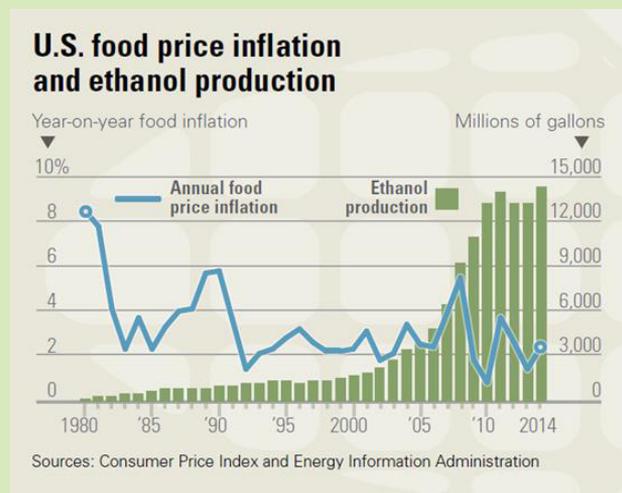
Tom Buis, CEO of Growth Energy, said the report shows the U.S. and other nations are "capable of producing increased quantities of food, feed, fiber and fuel." He noted that global grain stocks increased between 2006-07 marketing year and the 2013-14 marketing year by 160 million metric tons, or 47%. Those dates correspond with the enactment of the Renewable Fuel Standard, he said.

The RFS is a policy that sets the amount of renewable fuels to be blended in the domestic fuel supplies.

Buis said global crop prices have strengthened also, helping farmers invest in new production practices that improve sustainability and productivity.

"The U.S. RFS and other global renewable energy policies have played no small part in stimulating this agricultural resurgence both here and abroad," he said.

While corn trades at roughly the cost of production, and the FAO's report returns an overall lower trend for the Global Food Price Index, "any claim that says we cannot have both food and fuel is simply a self-serving charge aimed at driving a specific agenda with no factual merit."



The Importance of Distiller Grains

Sean Broderick, CHS Senior Distiller Marketer

Cenex Harvest States (CHS) is owned by United States agricultural cooperatives, farmers, ranchers, and thousands of preferred stock holders. Based in St. Paul, Minnesota, it owns and operates various food processing and wholesale, farm supply, Cenex brand fuel, financial services and retail businesses, and is a co-owner of Ventura Foods, a vegetable oil processor.

Distillers grains are a byproduct of fuel ethanol production mainly used for livestock feed. The tremendous growth in fuel ethanol production has greatly increased the supply of distillers grains, resulting in increased interest in feeding them.

Distillers grains have always been an important part of Glacial Lakes Energy's business. In the early days it was marketed almost exclusively to domestic feeders. Within the past few years, the export market has emerged as a new and rapidly growing Dried Distillers Grain (DDGS) market as its livestock, poultry, and aquaculture industries respond to growing consumer demand for meat, dairy, and poultry products.

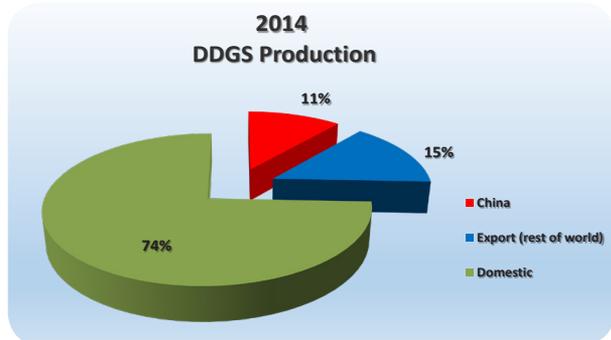
Exports of DDGS have always been an important part of demand for that market, with around 20-30% of it going "offshore" every year. In the past, the two biggest US trading partners have been Mexico and Canada, who in 2011 accounted for about 35% percent of the total DDGS exports, (7.5 million mt) but has since slipped to a collective 15% as the overall DDGS production increased. In more recent years, traders have begun to utilize the phenomenon of cheap container freight to dramatically increase exports to Southeast Asia and China.

In the past, when the U.S. imported goods from the Pacific rim in containers, they went back empty to the originating countries. But the steamship lines decided to start allowing "reloads" here in the US to get some additional revenue for the container's return. They initially utilized commodities like corn and soybeans for these reloads, but their weight didn't present as much of an opportunity versus what customers had to pay for bulk vessel freight. But because of its lower bulk density, DDGS was an optimal product to use for this process, and began to comprise the bulk of the container loads returning to SE Asia and China. As China ramped up its usage, more and more containers were utilized, especially in the Chicago area, which became a hub for the transloading of bulk trucks and railcars into containers sometimes originating from as far away as western Iowa!

Much has been made about the issues with China's acceptance of genetically modified corn, and everyone was made aware that they were rejecting containers and bulk vessels of DDGS last year. The effect of this was to drop the market value of the DDGS by about 50% in the middle of last summer. Since then, though, they have approved the genetic trait, and are taking it again at a very brisk pace, keeping the local DDGS market valued well above the price of local corn. The per ton price to move DDGS in bulk vessels from the US Gulf to China has dropped nearly 50% from the beginning of last year, and while there is still a lot of it moving via

containers, there is now also a significant amount being moved via barges on the Mississippi River in 1600 ton increments. Much of this so far has been going through St. Louis (one of the northernmost points of the river that is navigable year round-no ice!) but with warmer weather this spring, we are starting to see distillers grains transloaded as far north as St. Paul, MN.

China's usage is expected to continue at a robust pace through the summer. Given its majority status as a primary overseas destination, that usage is good for a plant like Glacial Lakes Energy-Mina, who has the ability to service it both via St. Louis, and through the ports in the Pacific Northwest. And overall demand for the DDGS, whether it comes from exports, or locally down the road, helps to create a great netback for the plant's bottom line.



Kum & Go to Introduce E15 in Seven States

Kum & Go announced that it started offering E15 at its station in Windsor Heights, Iowa, on April 30. The station, located at 7229 University Ave., will be the first of 65 stations where the retail chain plans to make E15 available over the next two years. Consumers with 2001 & newer vehicles can expect to find E15 at Kum & Go stations over this timeframe across seven states: Iowa, Nebraska, Arkansas, South Dakota, Colorado, Oklahoma, and Missouri. With all the recent announcements of stations planning to offer E15 to consumers, today's announcement by Kum & Go will bring the total number of states offering E15 to 20.



Kum & Go is the fifth largest privately held, company-operated convenience store chain in the United States headquartered in West Des Moines, Iowa. Kum & Go has grown to more than 430 convenience stores in 11 states (Iowa, Arkansas, Colorado, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oklahoma, South Dakota, and Wyoming).



Glacial Lakes Energy, LLC

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

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

Our quarterly financials will be posted to our web page on or about the following dates for 2015:

June 19, 2015 • September 18, 2015 • December 16, 2015



Stay Up to Date on Your Investment!



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

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

To be added to our e-mail list, please contact Jessi Eidson, Membership Coordinator at jeidson@glaciallakesenergy.com or 605-882-8480.

Cautionary Statements Regarding Forward- Looking Statements

This document contains forward-looking statements involving future events, future business and other conditions, our future performance and our expected future operations and actions. In some cases you can identify forward-looking statements by the use of words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "predict," "hope," "should," "could," "may," "future," "continue," "potential" or the negatives of these terms or other similar expressions. These statements are based on management's beliefs and expectations and on information currently available to management.

Forward-looking statements are only our predictions and involve numerous assumptions, risks and uncertainties. Important factors that could significantly affect future financial condition and results include, among others, operating margins in the ethanol industry, the rapid pace of expansion in the industry, the cost of corn and the price of ethanol, changes in ethanol supply and demand, changes in current legislation or regulations that affect ethanol supply and demand, disruptions to infrastructure or in the supply of raw materials, the results of our risk management and hedging transactions, and ethanol industry valuations generally.

Our actual results or actions may differ materially from those set forth in the forward-looking statements for many reasons, including events that are beyond our control or assumptions not proving to be accurate or reasonable. We caution you not to put undue reliance on any forward-looking statements, which speak only as of the date of this document. We cannot guarantee our future results, levels of activity, performance or achievements.

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