



Fuel For THOUGHT

August 2005

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

GLCP President

Each day Glacial Lakes Energy (GLE) staff sends out a daily update on how the plant is running, any issues that may need to be addressed, daily corn grind, and production numbers to the board of directors. Up until the annual spring plant maintenance shut down in April of this past year, operations were consistent at 47 million gallons annualized rate. During shutdown, modifications were made to the equipment that was believed to improve production which proved to be true as the plant began production at a 50 million gallon per year rate. However, by increasing capacity we tax our three fermentation tanks to the maximum which causes loss in production and efficiency.

At the July board of director meeting for GLE, the board made a motion to add a fourth fermentor at an estimated cost of \$1.5 million. By adding the additional fermentor, we will be able to capture all of the ethanol we can by allowing the sugars longer fermentation time thus increasing the ethanol per bushel ratio. It is also believed that this will allow the plant to achieve an even greater production level which will make the return on investment for the fermentor less than two years. We hope to have the fermentor operational within the next six to eight months.

On a different subject, GLE has an agreement to develop and manage a 50 million gallon per year ethanol plant in Redfield, SD named Redfield Energy, LLC (RE). RE was formed by a group of area investors who serve on a nine person board, one of which is a GLE representative. GLE will be involved with this project from the developmental stages, construction phase, through operation with a five year management agreement. We are moving forward with the next stage of developing a prospectus followed by a fund drive. We will send out a mailing informing our members of the dates and locations of the equity



Jon T. Anderson

drives in the next month or so.

GLE/GLCP is also involved in a new developmental production facility for bio diesel called SunSource BioEnergy. This new company will process the corn oil derived from ethanol production which will be manufactured into bio diesel. This will prove to be an excellent source of additional revenue. We should begin seeing profit from this new venture in the next year or so.

GLCP stock shares have completed two tri-semesters of trades with AgStockTrade.com (aka Variable Investments) of Sioux Falls, SD. This past trade, we saw shares sell from \$2.72 up to \$3.11 per share. As we go along, we try to identify and eliminate any issues that may affect the ease of buying and selling shares. We have had one challenge which is corn commitment. Therefore, the GLCP Board of Directors made a policy that upon selling of shares; the buyer must fulfill the corn commitment associated with those shares by accessing the pool. Upon sale of shares, the buyer will be invoiced by GLE for the undelivered committed bushels of the sold shares unless the commitment has already been fulfilled for the current fiscal year. The buyer's corn commitment will begin at the beginning of the next fiscal year (September 1). This policy will clear the confusion should there be committed corn to deliver on shares purchased.

August 31, 2005 will mark the end of another fiscal year for both GLE and GLCP both financially and in regards to corn commitment. Shortly after the first of September, GLE will be invoicing pool fees for any undelivered bushels. We will begin our yearly audit and upon completion declare a dividend probably around the first of the year depending on how efficient the process works. Remember that your annual corn commitment begins again September 1, 2005 to August 31, 2006.

Please remember to use E10 and E85 to the fullest extent possible. We must all promote the product we process and profit from it.

Jon T. Anderson
GLCP President

Interested in Buying or Selling GLCP Stock?

Log on to AgStock Trade's website at

www.agstocktrade.com

or call them at

1-800-859-3018 or 605-361-8230

**AgStock Trade will handle all of the stock trades, however family transfers, gifting of shares, etc. will be exempt from the system and will be by Board approval. Should you need to transfer shares, contact the GLCP office at 605-882-8480.*



Colonel John Phillips (left) broadcasted live from Glacial Lakes Energy on May 20th to help promote the sale of GLCP stock and the ethanol industry as a whole. Jim Thorson (right) was also on site broadcasting the "KWAT Ag Hour" at GLE.

GLCP Trading Price History

Date of Trade	Average Selling Price	High Selling Price
November 2002	\$3.50	\$3.66
February 2003	\$3.36	\$3.51
May 2003	\$3.06	\$3.45
August 2003	\$3.55	\$3.67
February 2004	\$3.10	\$3.61
* May 2004	\$3.38	\$3.60
October 2004	Stock Split (2-1)	
February 2005	\$3.03	\$3.03
June 2005	\$2.89	\$3.11

*Trading suspended from June 2004 to January 2005

GLCP Phone Number

As of September 1, 2005, GLCP will be changing their phone number to 605-882-8480, which is Glacial Lakes Energy's phone number. Marcy Kohl, GLCP Membership Services Coordinator, can be reached at this number at extension 1044.

When Can I Buy/Sell Stock?

Trimester Date	Event Description
September 1	The first day that Sellers and Buyers may post their Offers to Buy and Offers to Sell common stock.
45 days from Initial Posting Date	The last day for Sellers to post Offers to Sell on AgStockTrade.com.
September 15 (5:00 p.m. C.T.)	The first day that matching can occur between eligible Offers to Buy and Offers to Sell.
60 days from Initial Posting Date (5:00 p.m. C.T.)	The last day that Buyers may post to AgStockTrade.com offers to Buy. The last day that matching can occur between eligible Offers to Buy and Offers to Sell.
60 days from Initial Posting Date (5:00 p.m. C.T.)	The day that all matched or unmatched Offers to Sell or Buy are removed from the website.
60-120 days from Initial Posting Date	The first and last day the Board can approve a match and Contract for Sale.
60-120 days from Initial Posting Date	The first and last day that the Escrow Agent can release and transfer funds from a Buyer to a Seller, provided the Board has approved the sale.