



Glacial Lakes Energy, LLC

CREATING ECONOMIC VALUE FROM CORN

NEWSLETTER

June - August 2015

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The New Fuel: E15 Prime the Pump Program Gives Consumer's Access

By: Mark Schmidt, Board of Director Chairman

If E10 is good for farmers, consumers, the environment, and national security, then E15 is even better...right? That's the position taken by the ethanol industry with a program called 'Prime the Pump' in which Glacial Lakes Energy is one of many multi-year sponsors.

The objective of the Prime the Pump program is the advancement of ethanol blends to 15 percent and higher which, in turn, would increase the demand and use of ethanol. The numbers can be staggering. If the entire country were to move from an E10 to an E15 blend, ethanol demand would increase from approximately 14.0 to 21.0 billion gallons. This

would be especially good news for corn producers as it would create a domestic demand for another 2.5 billion bushels of corn.

To support this effort, E15 has been extensively tested and has full Environmental Protection Agency approval for use in vehicles with a model year of 2001 and newer which represents about 80 percent of the auto fleet today. Perhaps the best example of the use of E15 today is the NASCAR racing circuit where it is used exclusively in cars running in the Sprint Cup Series.

Two important aspects of Prime the Pump are self-help and unity. Ethanol producers and agricultural organizations nationwide are united in this effort to promote our own product by offering cost-share financial incentives to fuel retailers and convenience store chains to increase flex-fuel infrastructure all across the nation. The program targets retailers that have high volumes of business at multiple locations in highly populated areas.

Although the program intentionally kept a low profile in its first year preferring not to stir up attention from ethanol opponents, it has quickly picked up steam since then. To date, the program is working with numerous large convenience store chains around the eastern half of the United States. Chains such as Cenex, Murphy USA, Sheets, Kum & Go, Racetrac, and MAPCO have all demonstrated a commitment and interest.

Project partners have contributed \$26 million to install flex fuel pumps for retail fuel chains that agree to sell E15 for five years. More than \$20 million worth of grants are being awarded. The program is looking to raise additional funds to continue to expand.

With the federal Renewable Fuel Standard (RFS) under attack, Prime the Pump is a worthy, alternative course of action to offset any potential rollback of RFS required levels. If we provide higher blends of ethanol fuels and it is priced competitively, the consumers will buy it. The statement, "if you build it, they will come", from the popular movie, *Field of Dreams*, comes to mind.



How Serious Are We About Ethanol?

By: Jim Seurer, Chief Executive Officer of Glacial Lakes Energy, LLC

This question has become more important recently as we hear from our adversaries that the Renewable Fuel Standard ("RFS") volume obligations should be lowered or flattened because today's "blend wall" of roughly 14-15 billion gallons is a reality that will never increase. In other words, ethanol has reached its pinnacle and consumers simply will not increase their blend usage beyond the current E10 level.

So back to my question...which I feel is a fair one. If those of us (you and I) who have a legitimate vested interest in our company's success and the success of our industry cannot move ourselves, our local businesses, and our friends and neighbors beyond an E10 blend, then why would we expect other parts of the country, where hardly anyone has as much at stake as we do, to do this for us?

Case in point, on separate occasions in the past six months, I witnessed two very large and completely -dependent-upon-agriculture Watertown businesses refuel their gas-powered company vehicles with E10 when higher blends were available at the very same pump!!! Adding "fuel" to my frustration...in both cases, the vehicles being refueled were Flex-Fuel Vehicles (FFV) meaning that they could have been refueling with a blend as high as 85% (E85)!!! If the owners and employees of these businesses happen to be reading this and are feeling "called out"...that's okay. After all, their paychecks and their families' livelihood are completely dependent upon the success and prosperity of the farmer and the ethanol industry, especially if they are personally invested in Glacial Lakes Energy...

Even though I brought this to their attention, in one case at the pump, and, in the other case via an e-mail to the business owner, I wonder if it had any long term impact?

So now let's turn the question back on ourselves...how serious are we about ethanol? Do we use E85 in our FFV and E30 in our non-FFV vehicles religiously? Do we make certain that every tankful contains some blend of ethanol? Have we asked businesses that we do business with about their fleet fuel preferences? Just how are we doing at promoting our own livelihood and/or our own investment? It all begins with you and me...if we can't proclaim to be the staunchest of ethanol users, than why would we expect others to do this for us?

Biofuel Industry Voices Support for RFS as Comment Period Ends

Erin Voegelé, Associate Editor

Readers Note: Units for all volumes are ethanolequivalent, except for biomassbased diesel volumes, which are expressed as physical gallons.

July 27 was the final day members of the public could weigh in on the U.S. EPA's recently released renewable fuel standard (RFS) proposal. As the comment period came to a close, supporters of the biofuel industry were actively making their voices heard.

The EPA released a prepublication version of the rule making on May 29. On June 10, the agency published the proposed rule in the Federal Register, officially opening the public comment period.

According to information posted to Regulations.gov, approximately 47,634 comments had been filed on the proposal as of 11:59 p.m. July 26. As the final day of the comment period came to a close, that numbers increased significantly.

Fuels America alone announced it delivered more than 200,000 comments to the EPA in support of the RFS on July 27.

Fuels America wasn't the only organization delivering large volumes of comments to the EPA. VoteVets.org announced it submitted nearly 47,000 petition signatures to the EPA, asking the agency to issue a rule that strengthens the RFS. "It is absolutely crucial, for the wellbeing of our military, and our national security, that we lessen our dependence on oil," said Jon Soltz, Iraq veteran and chairman of VoteVets.org. "A strong RFS is a key part of that equation. It is very simple—every drop of renewable fuel in our gasoline means one less drop of oil. The EPA should listen to those who love and support our military, and care about our national security, and strengthen the RFS."

In its comments to the EPA, the Renewable Fuels Association (RFA) urged the agency to implement the RFS as Congress intended, and to abandon its proposal to substantially slash the amount of biofuels that are to be blended with gasoline.

In a letter accompanying the written comments, RFA President and CEO Bob Dinneen called the agency's proposal to

substantially reduce the 2014, 2015, and 2016 RVO surprising and imprudent. Dinneen charged the agency with buying into the oil industry's false narrative regarding the so called blend wall, and by doing so, he wrote, "EPA has unnecessarily and illegally curtailed the unprecedented evolution occurring in the transportation fuels market that was delivering technology innovation, carbon reduction, and consumer savings."

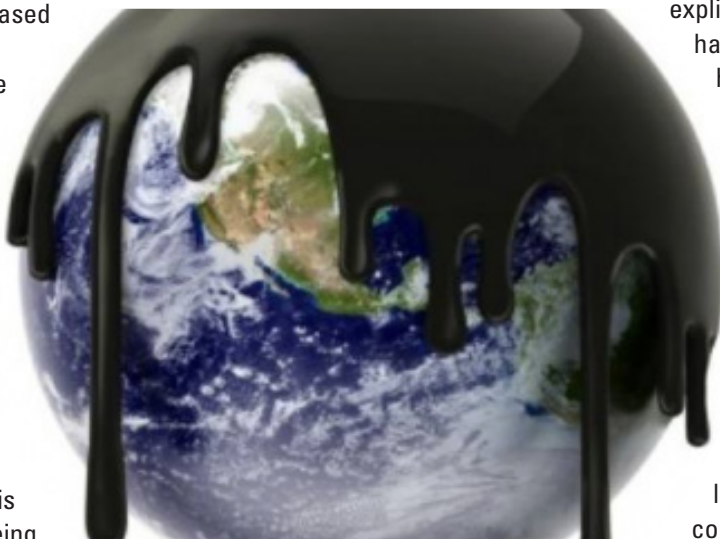
"By failing to consider carry over [renewable identification numbers] RINs in the assessment of available supply; by miscalculating RIN retirement from ethanol exports; by underestimating gasoline demand; and, most importantly, by deliberately misunderstanding the statute's general waiver authority to infuse consumption, infrastructure, and demand considerations into a provision designed explicitly for lack of supply, the agency has turned this important program on its head, rewarding oil companies for their steadfast refusal to allow renewable fuels access to the consumer—the very problem the RFS was designed to address," Dinneen wrote.

American Coalition for Ethanol Executive Vice President Brian Jennings stressed that promises "to get the RFS back on track and USDA funding for flex fuel pumps are appreciated, but EPA is yet again proposing to circumvent the RFS by limiting ethanol use to the amount oil companies are willing to blend with the gasoline they refine and not one gallon more," said Jennings.

Several state officials from across the country also sent letters to President Obama and EPA Administrator Gina McCarthy encouraging the administration to revise its RFS rule.

The EPA is expected to release a final version of its rule by November 30.

Erin Voegelé currently serves as an Associate Editor for Ethanol Producer Magazine, Biomass Magazine, and Pellet Mill Magazine, and has written for several other BBI International publications in the past. Voegelé has been with BBI International since 2008. She earned a bachelor's degree in Mass Communication from North Dakota State University



Support Ethanol, Join South Dakota Farmers Union

South Dakota Farmers Union (SDFU) was founded in 1915 to promote the interests of farmers and ranchers through their cooperative. Their support of the ethanol industry through various media campaigns, including two billboards along I29 and their yellow dime days is greatly appreciated.

Glacial Lakes Energy is a member of SDFU, and we encourage you to learn more about SDFU and consider becoming a member yourself.

By becoming a member, you will receive numerous discounts and benefits such as discounted hotel rooms, roadside service, and more. Join SDFU today and support ethanol!



Consider Gasoline's Health Hazards

Orrie Swayze, longtime ethanol supporter and advocate

When it comes to gasoline, you may think, "I don't see any health problems caused by auto emissions in my community."

However, UCLA medical research reports that emissions from gasoline can be the equivalent to cigarette smoke. And, those health problems do exist in your community.

"The time between conception and birth is the life stage most vulnerable to environmental exposures such as gasoline's benzene and other known human carcinogenic tailpipe emissions," says Dr. Beate Ritz, M.D, who leads a team researching the impacts of auto air pollution on women, infants, and children.

"It is no surprise we see more than the expected normal cases of birth defects, pre-term births, childhood heart disease, cancers, asthma, brain damage, learning disabilities, and behavioral problems," Dr. Ritz continues. "And these outcomes are not rare, translating to relatively large numbers for a community especially for our most vulnerable or our smallest children."

Also, these impacts are often described as killing them softly, by many, including research done by the Clean Fuels Development Coalition.

The advent of crude oil production by fracking has created a very persuasive, successful television ad campaign. The focus of the ads is the future of energy and the colors red, white, and blue are used. This skillfully implies that America's energy future is petroleum. Petroleum's other propaganda has successfully elevated gasoline's image to America's fuel—even here in South Dakota.

Ironically, petroleum interests brag that gasoline is America's fuel. However gasoline's primary emission is benzene plus other known human carcinogens and DNA mutagens identical to those found in cigarette smoke. Tailpipe emissions contain daily poison, especially for small children.

The 1990 Clean Air Act banned the use of lead as a gasoline octane enhancer. To avoid creating even greater health risks, the Clean Air Act also required the EPA to substantially reduce poisonous benzene related octane called BTX (benzene, toluene, and xylene). These emissions then often escape the catalytic converter at start, idle, and acceleration.

Instead, the EPA aligned with petroleum interests and only reduced benzene content 1% to .5%. It then used this meager half percent reduction in gasoline benzene content as an excuse to allow gasoline's BTX content to increase to almost 30%. Contrary to the Clean Air Act directives, this trade off created a substantial net increase in benzene emissions.

Unlike BTX, octane ethanol does not contain or produce benzene or other known human carcinogenic emissions. Yet today, the EPA deceptively claims it is illegal for standard auto owners to protect their children by fueling with E30.

Importantly, if you replace benzene based octanes with E30 with 93 octane, we can reduce our medical costs billions of dollars annually. Auto manufacturers also endorse E30, and the Department of Energy endorses it as a super premium fuel. Most importantly, for more than five years, thousands of standard auto owners have daily access to E30 at blender pumps. Auto owners that have selected E30 often report more power with no mileage difference.

As we quickly transition away from benzene related octane to ethanol octane, the biggest winners will be our children. Visit a children's hospital. It will remind you to think of cigarette smoke when fueling your auto.

Orrie Swayze of Wilmot, S.D., is a graduate of South Dakota State University who majored in general chemistry. He served as an FVC pilot in the Vietnam War before returning to farming. He is also a founding board member of the South Dakota Corn Growers Association, serving as president.



Building Relations in the Philippines

Brad Brunner, Ethanol and Transportation Manager at Glacial Lakes Energy, recently traveled with the Renewable Fuels Association to the Philippines to build relations regarding ethanol exports.

Brad Brunner, Ethanol and Transportation Manager, recently traveled to the Philippines with the Renewable Fuels Association (RFA) trade delegation for the purpose of promoting ethanol exports. The RFA did an excellent job of coordinating meetings and tours through our U.S. embassy personnel.

Upon arrival, the delegation was given background information from the Philippine Department of Energy as well as other support personnel in preparation for rapid fire business-to-business meetings which were held throughout the day.

The ethanol industry in the Philippines is sugar cane based and very inefficient. The government has mandated land ownership at no greater than 12.5 acres. Nearly all the cane is still harvested by hand. The price relationship to gasoline is reverse to ours. Ethanol is trading at a 20% premium domestically to gasoline vs our discount. However, all of the product is used because the government has mandated that the obligated parties must use all of the domestic ethanol prior to importing. Currently, the national mandate is E10 and scheduled to jump to E20 in 2020.

There are eight plants with a capacity of 59 million gallons but they are only producing 33 million gallons or less due to production inconsistencies and severe infrastructure bottlenecks both agronomically and logistically.

The ethanol industry will continue to be a protected industry with the mandate of 100% use of local production prior to allowance of imports. However, there is still evident opportunity for imports given the infrastructure limitations and the pricing relationship.

The delegation also toured the largest ship container terminal facility in the Philippines in Manila Bay. Here they were given some history regarding the major congestion at the ports and progress that has been made to date.

Brunner stated he fully expects South Dakota ethanol to be shipped to the Philippines at increasing levels in months and years to come. GLE has always viewed production of ethanol to meet export specifications as an opportunity given the premium that is attached to these gallons at certain times.



Third Quarter Margins Were Respectable

Financial Report for Nine Months Ending May 31, 2015 (unaudited)

In Millions

Total Assets	\$261.0	Current Assets	\$134.7
Total Liabilities	\$55.5	Current Liabilities	\$35.5
Net Worth	\$205.5	Working Capital	\$99.2
Net Income for Quarter	\$6.9	Net Income for Year	\$41.8

Note: "Current Liabilities" includes \$18.6 million in dividends declared and payable in September 2015.

Chief Financial Officer Bill Brennan reports third quarter margins for Glacial Lakes Corn Processors (GLCP) as more modest than the first and second quarters.

"We continued to be profitable, avoided borrowing on our revolving lines of credits and declared a \$0.10 per share dividend," says Brennan.

The balance sheet remains strong with:

- \$99.2 million in working capital
- \$18.6 million dividend declared
- Significant liquidity, \$175.4 million of available funds
- Low levels of long-term debt at \$16.5 million
- \$0 borrowed on short or long-term revolving loans

Other contributing factors to GLE's financial profits consist of increased crush margins and production.

"The third quarter was highlighted by excellent values for DDGS with respect to cash corn values," reports Director of Commodities and Risk Management Brad Schultz. "China was a big buyer, and exports led to higher pricing. Most of the exports for the quarter were bulk shipments executed through the Center Gulf."

Schultz also noted a number of other contributing factors to the crush margin including crude oil prices stabilizing, which led to higher prices in the energy sector. Very strong domestic gasoline demand combined with a moderate ethanol export program kept ethanol stocks at a manageable level.

Weakened corn prices, reflecting poor demand both domestically and in the export sector and ample world stocks including a strong U.S. dollar both contributed to the situation.

"On the operations side of the business, production gallons continued to increase." "We continue to invest in projects that enhance the performance of the plants and our operational investments of the past are paying off too," explains Chief Executive Officer Jim Seurer. "Production increased approximately 4 million gallons over the same quarter in the previous year and almost 10 million gallons year-to-date. Increased production adds to our bottom line and enables us to continue our dividend strategy."

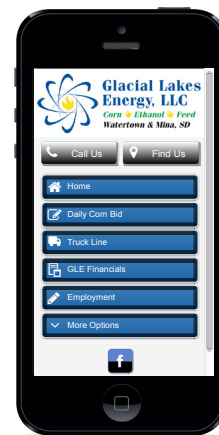
E85Prices.com

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Want the best priced fuel in your area? Go to www.e85prices.com to find blended fuel prices for gas stations in your area. Information is updated every Friday.

Go Mobile with GLE

Now you can easily find information about Glacial Lakes Energy (GLE) from your smartphone or tablet. Our new mobile site allows users to pull up the video of our truck lanes, daily corn bids, information on stock and employment. You can even call us from the site by clicking on our phone number. Go to www.glaciallakesenergy.com on your smartphone or tablet today!



Gasoline's Toll on Babies



Dale V. Christensen, Longtime Watertown Resident, Glacial Lakes Energy Board of Director, Investor, and Ethanol advocate

I have always been optimistic about ethanol's potential especially from my vantage point serving on the Glacial Lakes Energy's Board of Directors. Recent AMA research, reported in the American Medical Association Journal, headlined "Pollution's Double Toll on Babies' Brains". This shocking research measured the destruction of babies' brain matter caused by 'PAH' or simply put - benzene and benzene associated gasoline emissions. Brain damage was most significant before and up to five years after birth.

The primary source of benzene our children must endure, is gasoline from tailpipe emissions. Benzene, also found in cigarette smoke, is the world's most toxic air pollutant by consensus. The EPA and the World Health Organization agree there is no safe level of exposure to airborne benzene.

It's obvious our government regulators, teamed with petroleum's propaganda that "E30 is illegal and ruins standard auto engines, intent is to lock ethanol out of meaningful octane market participation. This team has poisoned our children and successfully strangled free enterprise's role in gasoline markets since lead was introduced. Does it surprise you lead's replacement is refinery produced benzene related octane? Octane that produces benzene in your engine and catalytic converter that often escapes out the tailpipe as you park your car in your attached garage which later moves into your home.

Remember ethanol does not produce benzene evaporative or tailpipe emissions. E30 is the sensible solution to cleaner air and higher octane.

Like with blender pumps, South Dakota can set a new National precedent by allowing our babies' entire brain to survive. We can expose petroleum's propaganda by all standard auto owners, lawn mower owners, state government etc. We must spread the word about premium E30. In SD alone, thousands of pioneering standard auto owners have not surrendered to petroleum's propaganda and already are. I use PREMIUM E-30 in my 2014 Equinox, which isn't a flex fuel vehicle.

USDA Offers Funds for Flex-Fuel Pumps

The U.S. Department of Agriculture (USDA) will award up to \$100 million in grants for flexfuel pumps. The grants are available through the Biofuels Infrastructure Partnership competitive grant program.

The USDA and Secretary Vilsack should be commended for outstanding leadership and commitment to increasing the market for renewable fuels.

By offering competitive grants to eligible states, with a goal to match funds on a one for one basis, and encouraging public private partnerships to ensure these infrastructure projects can be completed in the shortest amount of time possible, this program has incredible potential to strengthen our rural economy and bring more renewable fuels into the marketplace.

USDA Biofuels Infrastructure Partnership

- USDA is investing up to \$100 million in clean energy infrastructure grants that will make more renewable fuel options available to American consumers.
- Through the Biofuels Infrastructure Partnership, USDA funds, administered through competitive grants and matched by states and private contributions, will test innovative ways to distribute higher blends of renewable fuel.
- States that offer a higher funding match will receive higher consideration for grant funds.
- State grant recipients may form public private partnerships to make appropriate infrastructure investments.

This new investment seeks to double the number of fuel pumps capable of supplying higher ethanol blends to consumers, such as E15 and E85.



Meet Our Director of Operations

Pat Hogan has recently joined Glacial Lakes Energy (GLE) in the role of Director of Operations. Hogan, who started in June, comes from a history of working in the Ag manufacturing industry. He says the position at GLE is an opportunity he has been looking for.



“There are not many of these positions within the industry where you have multiplant responsibilities,” stated Hogan. “This is the type of position I’ve been working toward for many years. I had a similar position when I left New Zealand.”

New Zealand is where Hogan began his career in the Ag manufacturing industry, working for Anchor Ethanol as a fermentation operator and working his way up to operations manager of three distilleries. After leaving New Zealand, Hogan has had operational responsibilities in plants in Canada, Kentucky, Nebraska, South Dakota, North Dakota, Iowa, and Tennessee.

Looking forward, Hogan plans to focus on yield improvements at both GLE facilities. For the Mina plant, we are looking to improve upon the fine grinding technology and corn oil separation technology currently in place. In Watertown, he and his team are working on the CO₂ and scrubber replacement and installing BRD gas and a new slurry mixer.

Hogan likes living in the Midwest and is excited to be part of the GLE team.

SDSU Research Offers New Avenue for Distillers Grains

Padmanaban (Padu) Krishnan, Professor at South Dakota State University's Department of Health and Nutritional Sciences has conducted research on cereal chemistry, grains and oilseeds processing and chemistry. Krishnan used science fundamentals to solve everyday problems for food producers.

Research being conducted at South Dakota State University by Food Science Professor Padu Krishnan is showing the potential for distillers dried grains to be used as a food ingredient.

“Corn end use and new use is an important aspect of my research because my mission is to increase the economic and health benefits of agricultural products,” explains Krishnan.

He said corn is not a foreign crop as far as food is concerned. In food processing, food scientists do minimal processing to just about everything before it is consumed. Krishnan uses the example that we don't eat wheat, but wheat products.

After the corn has gone through the ethanol production process, the starch part of the corn is converted into sugar and is fermented. What was 8% protein in the kernel now becomes 36% to 38% protein in the distillers grain. The small portion of fiber increases and becomes 40%.

In his work, Krishnan is using the part of the corn that is not starch. All of the carbohydrates have been removed in the ethanol processing facility.

“We have an ingredient now, which is dried distillers grains, that has protein and fiber in large amounts,” says Krishnan. “Someone needs protein and fiber somewhere in the world. It's very rare to find one ingredient that has all the facets.

“We need fiber because there's not enough fiber in the American diet. The food industry is working overtime trying to put fiber into foods.”

Krishnan has developed a product that is wholesome. It's also tasteless, texture neutral, and aroma neutral. With those assets, his product can be used in a number of formulations. The best use he has found is to include it in making baked goods.

“It doesn't have the aroma of corn or the taste and smell of silage,” he says. “We have used processing to remove those things. The idea is to use the least amount of processing as needed to get there.”

While he has done taste panels and focus groups, more research is still needed and ongoing. He said asking the right questions will get the data needed.

“The whole idea of the research is to ask those difficult questions that can be resolved by time,” states Krishnan. “If you ask the right questions, then you devise those experiments appropriate to those questions and then at the end of those experiments you should have that answer as to whether this product is wholesome, is it tasty, do consumers prefer it, do they accept it.”

Krishnan has a provisional patent for the procedure. He is currently supported by the Minnesota Corn Growers to help him take his product to market.





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:

September 18, 2015 • December 16, 2015



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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 Penni Tuttle, Membership Coordinator at ptuttle@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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