



## Glacial Lakes Energy, LLC

CREATING ECONOMIC VALUE FROM CORN

# NEWSLETTER

September - November 2015

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## GLE's Investment in the Future

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

*"It is not the strongest of the species that survives, nor the most intelligent. It is the one that is most adaptable to change."...Charles Darwin.*

This quote sums up the recent announcement by Glacial Lakes Energy that a major improvement for the Watertown plant has been initiated. The project, which will add unit train shipping capability, will mitigate the risk of production interruptions, open new market opportunities, and, most importantly, better position us to adapt to an evolving rail transportation arena.

One of the most important aspects of our business is the role that transportation plays. We play a high volume, low margin game in which the most efficient producer, carrier, and blender has competitive advantages. Transportation efficiency is critical to our success and our carrier, the BNSF Railway, realizes this and works hard to develop efficiencies across its system. In a recent letter to the Mayor of Watertown, the BNSF states that "the efficiencies of unit train operations can strengthen competitiveness by significantly cutting freight costs and shipment times. With our two plant configuration, we can see the differences between Watertown and Mina as we experience railcar turn times that are TWO times faster in Mina than Watertown. Theoretically, this means that we need twice as many railcars in Watertown than Mina to handle the same amount of finished product. This project is one way to help manage what appears to be a continual escalation of costs over which we have little control. However, this project goes beyond this.

The BNSF Railway as well as other railroads continue to develop unit train destination facilities in major US metropolitan areas that will eventually lead to low market values (or no market) for the single car shipper. In addition, reaching the growing and, often times, more lucrative overseas export markets is nearly impossible without unit train capability. Although we have experience with producing export grade ethanol in Watertown, we cannot ship it to an export facility due to the lack of unit train capability. With what appears to be an increasing inability of our industry to "knock down" the US blend wall, it is critical that we reach export markets from Watertown. It could be a matter of our future survival or, at the very least, missed opportunities as foreign governments continue to increase their demand for US ethanol at the same time that stagnant demand is present here in the US.

Since our inception 13 years ago, we are proud of the fact the production at the Watertown plant has tripled from 40 million to 120+ million gallons annually. This increase has come despite minimal investment in finished storage and rail handling capacity, both of which would be expanded with this \$16.0 million project. Additionally, the Watertown production facility is one of only a few of its size in the country without unit train capability and, as we found out several winters ago, extremely vulnerable to prolonged adverse weather conditions. Currently, we have less than 5 days of finished product storage and no room in our current tank farm to add storage. Our current railyard configuration has been leveraged to the greatest degree possible. Any modifications on our current site will either be impossible or, at the least, very expensive.

Bottom line...no matter what option we select, even if we do nothing at all, there is a high cost to our decision. We have chosen to take control of this situation and "adapt" to the evolving trend within the transportation industry.

## GLE Declares A \$0.15 per Share Dividend

In case you missed it, the Board of Directors declared a second patronage (cash) dividend of \$0.15 per share to shareholders of record as of August 31, 2015, which will be paid in early January 2016. This will result in a total distribution of \$27.8 million in cash and will increase the amount of cash paid out since January 2014 to just under \$93.0 million.

After a record setting 2014 and one which will be difficult to repeat, fiscal year 2015 turned out to be the second best year in our company's history! Our plants performed well and the margins held up until the latter part of the year. Your Board of Directors and Management Team continues a balanced strategy of paying a competitive dividend while reinvesting a portion of our earnings back into the plant operations to remain competitive, capitalize on market opportunities, and maintain our current production success.



## What Needs to be Fixed Isn't Ethanol

*By Bobby Likis, President and CEO of Car Clinic*  
*Bobby Likis is a car expert & the only car-talk host on commercial radio named to the "Talkers 250," the list of the top 250 talk-show hosts in America, 5 times. Bobby's answered over 100K car questions live on air!*

Yes, something needs to be fixed. And it's not ethanol.

What needs to be fixed is the egregiously incorrect perception of ethanol like that perpetuated by Lauren Fix, whether spurred by naiveté, ignorance or special interest. Fix's mutations of the truth are analogous to clinging to "the world is flat" and are so insidiously woven through her interview that extracting and correcting all of the fallacies would take more than Columbus and his three little ships. So I'll tackle the ones that should be torpedoed first...in my experience as a 44-year, award-winning automotive service shop owner with more than 200,000 vehicles (from classics to hybrids) rolling through the bays; rear-end dragster/engine builder; car-talk host answering more than 100,000 car questions live on radio, television, web and social media.

**1. Perception/Myth/Ms. Fix:** Corn was not designed to run through engines; ethanol-blended fuels must have fuel additives to ensure burn (mentioning three brands specifically and stating that car owners need to add one of these additives to every tankful of E10); ethanol is so damaging that it is not used in racecars.

**FACTS:** These overwhelming no-merit statements are not based on fact. Henry Ford's first car "1896 Quadricycle" ran on E100 (100% ethanol). And Mr. Ford's 1908 Model-T was America's first Flex-Fuel car. E15 is the most tested fuel ever, to the tune of the equivalent of 12 round trips to the moon (6 million miles). No discernable difference was found in engine wear between E15 and other test fuels in the tested model years (2001 and later). NASCAR powers its cars with E15 fuel (85% gasoline with 15% ethanol). Indy racecars run E98. Why 98% rather than 100%? Glad you asked. By adding 2% gasoline, pit crews would be able to see smoke in case there's a fire. Ethanol burns so cleanly that 100% would be all but invisible to spot if a fire did break out, which can happen when cars going 225 mph run into each other or the wall. Speaking of clean burning, ethanol replaced MTBE (which replaced lead in gasoline) as an oxygenate. By adding 10% ethanol to gasoline, many cities are able to reach clean air requirements that otherwise would not be possible. Ford's EcoBoost and GM's Ecotec engines thirst for high octane and ethanol delivers. Thousands of car owners across America who drive high-performance (but non-flex-fuel) vehicles on the street want an E85 option. One example is my general manager who owns a 2015 Subaru WRX STI diligently searched for E85. Why? E85 adds another 70 HP and 100 lbft torque to the existing 346 HP, all-wheel vehicle. Ethanol, with its 113 octane rating, is an enabler of power and performance.

**2. Perception/Myth/Ms. Fix:** Ethanol destroys air mass sensors and O2 sensors.

**FACTS:** This statement is not only false, it's impossible. Mass air flow sensors and oxygen (O2) sensors were developed and designed to measure the total amount of AIR flowing into an engine and the amount of OXYGEN leaving an engine through the exhaust, respectively. AIR and OXYGEN...gases, not fuel/liquid. Neither are part of the liquid fuel system. The mass air sensor is mounted outside the engine and has absolutely no physical connection with its liquid fuel system. Nothing other than fresh-filtered air touches the mass air flow sensor. Simplified, this sensor's job is analogous to that of ticket-takers at the theater. They count the number of heads entering the theater while others (O2 sensors) count the per-ticket cash. Heads-

in/cash-out should balance. By measuring how much air goes in and at what temperature, the vehicle's on-board computer can compare how much air leaves the engine and adjust fuel flow volume. It's that simple. And to underscore the ridiculousness of the "damage" myth is that an ethanol molecule itself contains 35% oxygen and it evaporates at 174 degree F, leaving zero trace of emissions.

**3. Perception/Myth/Ms. Fix:** Ethanol causes phase separation (free-standing water in fuel).

**FACTS:** Ms. Fix states that ethanol falls to the bottom of the fuel tank. Incorrect. When condensation occurs with temperature changes, WATER can (unlikely, but theoretically can) fall to the bottom of the fuel tank in an event called phase separation (water separating from fuel). Know which fuel best solves phase separation? Ethanol. All-hydrocarbon gasoline with no ethanol can suspend about 0.15 teaspoon of water before it separates. E10 can suspend about 4 teaspoons – that's more than 26 times more – reducing the chance for water-related corrosion and engine misses. Yes, ethanol is the solution to the problem. Ironically, Ms. Fix refers to several companies offering fuel additives that keep condensation from freezing in very cold climates. Guess what the fuel additives are? Like ethanol, they're alcohol-based compounds. Yes, really! Now that we've gotten to the details, let's go back to the 10,000-foot view. Phase separation isn't even an issue with today's cars. At 70 degrees F and 70% relative humidity, it takes almost three months for pure gasoline to phase separate. The danger of ethanol – with 26 times more water-suspending capability – phase separating in any practical environment is ridiculous. The math indicates that more than 5.8 years storage with "open" fuel caps would be required to cause phase separation with ethanol (compared to 2.7 months with pure gasoline). In any case, today's secure gas caps (check-engine light warns if leaking) seal fuel vapors from escaping the tank and allow only the amount of air into the tank that is required to fill the void as the engine burns fuel from the tank. Even Mercury Marine states that "after the transition period from E0, E10 may actually be a superior marine fuel as it tends to keep low levels of water moving through the fuel system, keeping the system dry."

**4. Perception/Myth/Ms. Fix:** Ethanol destroys engines.

**FACTS:** Forty-four years as an automotive service shop owner, mechanic and engine builder with 200,000 vehicles in my ASE-Certified technicians' bays, and not one engine was ruined because of ethanol. Verifiable fact. I suggest Ms. Fix read her history on fuels, specifically ethyl (GM Kettering), Sir Harry Ricardo's ethanol racing fuels and John D. Rockefeller's avid participation to rid the country of ethanol so his Standard Oil could become the fuel supplier for America. Yes, prohibition was more than simply taking whiskey off the streets; it was also about taking alcohol (ethanol) off the streets. I could say it's a shame Ms. Fix is so uninformed, but shame doesn't quite fit her obvious lack of basic knowledge regarding ethanol, or gasoline for that matter. What was especially disturbing to me during this interview was that both host and guest made statements about "single women getting hurt" and breaking down in not-so-friendly neighborhoods. Cars break down, machines break down, but not because ethanol is in the tank. As for women, in my award-winning automotive service shop (proudly enjoying 44 years success), almost 55% of our customers are women, and not one takes the above position. Rather, our women customers ask questions and are always interested in why their vehicle failed or what they might do today to help ensure their cars stay healthy/roadworthy tomorrow.

So, the world is not flat. And egregiously incorrect perceptions of ethanol need to be fixed. We as a country need to be power-moving toward economic independence, superior engine design, cleaner air and fuel economy, a future which facts show that ethanol enables.



## We Just Want to Be Loved. Is That So Wrong?

Ron Lamberty, Senior Vice President, American Coalition of Ethanol

Don't stop me if you've heard this one... It's a marketing story. Really. A moth goes into a podiatrist's office.

The podiatrist greets him and asks, "How can I help you?"

"Geez, Doc - I don't know if you can help me," the moth answers. "I don't know if anyone can help me..."

"Well, what seems to be the problem?" the podiatrist asks. "Why don't we just start with that?"

"That's the problem, Doc. I don't know. I feel like I don't know anything. I'm lost. I've got no confidence," the moth explains. "I got fired from my job, and actually, I think my boss was right to fire me, because I didn't know what I was doing there. My wife and I are constantly fighting, I'm worried she's going to leave me..."

The podiatrist, feeling uncomfortable, tries to interrupt, "Oh, sir, I understand.. but-"

"...and frankly, I'd leave me, too. I mean, she's tried to be supportive, but she's been so busy with the kids... and those kids - don't even get me started on the kids. I really have no control there. But I get it. It's because -"

"Sir." The podiatrist interrupts, this time more forcefully, "It's clear that you need help, but you need to talk to a psychologist. I'm a podiatrist..."

"See? I can't even get that right... Sorry I wasted your time..." the moth replied.

"Wait!" the podiatrist said, "Before you go, if you don't mind, can I ask you how you found us? Was it our ads? TV, radio? Our monster truck sponsorship - 'Big Foot'- clever, right? Or was it Twitter? Our Facebook page? Instagram? What was it that brought you in here?"

## Iowa Report Calls Out Oil and Gas Lobbying Against RFS

Iowa is the top U.S.-producing ethanol state in the country, generating approximately \$5.5 billion in economic activity for the region. However, sources outside the state opposing the Renewable Fuel Standard (RFS) have spent more than \$1 billion since 2007 to lobby against the provision, according to a report by Iowa Pays the Price, a new non-profit group that advocates for campaign finance reform.

Since the Supreme Court's Citizens United decision, the amount of campaign spending in Iowa has exploded, and for the first time ever most of the spending is being done by outside groups rather than candidates according to the report compiled by MapLight.

In this report, MapLight examined whether moneyed interests have leveraged their power to subvert Iowa's interests. The industries we profiled include oil and gas, for-profit colleges, railroads, pharmaceutical and financial services—all interests that have spent heavily in campaigns while pushing an agenda that is against the interests of Iowans.

On ethanol, approximately 47,000 jobs and \$5.5 billion (4% of Iowa's GDP) in economic activity are generated by the ethanol and renewable fuels industry in the state, the report explained. Meanwhile, recent polling by the Iowa Renewable Fuels Association (IRFA) revealed that 72% of voters in the state support the RFS, with only 11% opposed, the report noted.

However, as the report explained, the RFS has been most vehemently opposed by the oil and gas industry, which has made \$174 million in contributions, and spent more than \$1 billion in lobbying and \$40 million in outside spending, all since 2007.

By contrast, the overall renewable energy industry spent \$45

"Dude. I'm a moth," he answered. "Your light was on."

There are a number of lessons one could draw from this story. The most obvious is, despite our best efforts to educate inform and convince people to use our product, sometimes they buy it anyway. We want to believe drivers are inexorably drawn to the "light" of clean, high-octane, renewable, American ethanol - and some are. In reality, however, the majority of them are unavoidably drawn - begrudgingly - to the nearest gas station with the lowest price, by a blinking "low fuel" light on their dashboard.

Ethanol blends are most often the lowest-priced options at the pump, so whether they like ethanol or not, they're buying it. And isn't that what we really want? That's not to say we shouldn't try to educate, inform, and convince people to use ethanol - we have to. Because some people - not very many, but some - want to know what this stuff is that they're putting in their car. We can't concede that job to the same serial mis-informers that are continually misinforming elected officials, media outlets, and the public in general.

Just try to look past the fact that most people don't love ethanol - or even care about it. They use it because they need gas, and ethanol is in there. If it helps, they don't love gas, either. Never have, never will. Oil companies have spent billions advertising premium gasoline over the years, and yet annual sales don't come anywhere close to the amounts that would be sold if people who own "premium only" cars (it's on the gas cap and in the owners' manual) actually put premium in them a fraction of the time. Even requiring branded stations to sell premium for the last 30 years didn't boost sales into the high single-digit percentages. Premium sales are up recently, because the change in base fuel requires stations to blend some premium with it to offer any gasoline without ethanol, or to sell any fuel with an octane higher than 87.

Maybe people don't buy ethanol for the reasons we would like them to buy it. But they buy it. And when we turn the lights on at more stations offering higher blends, they'll be drawn to it. Like moths to a podiatrist.

million on lobbying and campaign contributions during the 2014 election cycle, while the oil and gas industry spent \$350 million on lobby and campaign contributions in that time, the report noted.

It's no surprise that outside special interests are trying to dismantle the ethanol industry," said Growth Energy spokesman Michael Frohlich. "The bottom line is that this is a battle about market share and big oil will do or say anything, and spend whatever it takes to keep our nation addicted to foreign oil and fossil fuels."

Similar comment came from Renewable Fuels Association president Bob Dinneen.

"The report shines a light on the fact that the oil industry has lots of consumer dollars at its disposal; and it shows that the industry is using those dollars to undermine policies that actually benefit consumers. Unfortunately for the oil industry, consumers know better," he said.

IRFA executive director Monte Shaw also weighed in on the findings. "It's no secret to Iowans that Big Oil spends big to protect its monopoly over our fuel supply. You see it in campaign donations. You see it in the number of high-paid lobbyists they employ. You see it in misinformation ad campaigns they run. And you even see it right here in Iowa with their so-called grassroots groups that spew inaccurate recorded phone calls and emails to Iowa voters," he said.

To view a copy of the aforementioned report, visit <http://iowapaystheprice.org/wp-content/uploads/2015/08/IowansPaysThePrice-Report.pdf>.

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During 2009 and 2010, Big Oil, Gas, and Coal spent \$347 million in campaign contributions and lobbying Congress. They got back \$20 billion in subsidies. See [picoftool.org](http://picoftool.org) for more info.

## USDA Announces 21 States Awarded Blender Pump Funding

U.S. Department of Agriculture (USDA) Secretary Tom Vilsack announced that 21 states, including South Dakota, have been awarded funding to support infrastructure enhancements to increase availability of renewable fuel options (ethanol blended fuel) to American consumers.

The funding is made available through the Biofuels Infrastructure Partnership (BIP) program. It is estimated that the BIP grants will support installation of nearly 5,000 fueling pumps offering intermediate blends of ethanol, mainly E15, at more than 1,400 stations across the country.

"I am confident in the folks who are supportive of this industry and understand the importance of the biofuel industry across the country, and not just in the Midwest ... in all parts of the country. That's one of the good news stories here, that 21 states that are applying for these and receiving these resources are all over the country. They are in the Midwest, but they are also in the Southeast, they are also in the Southwest, and that's a positive sign," Vilsack said.

The state finalists (with estimated pumps denoted in parentheses) are:

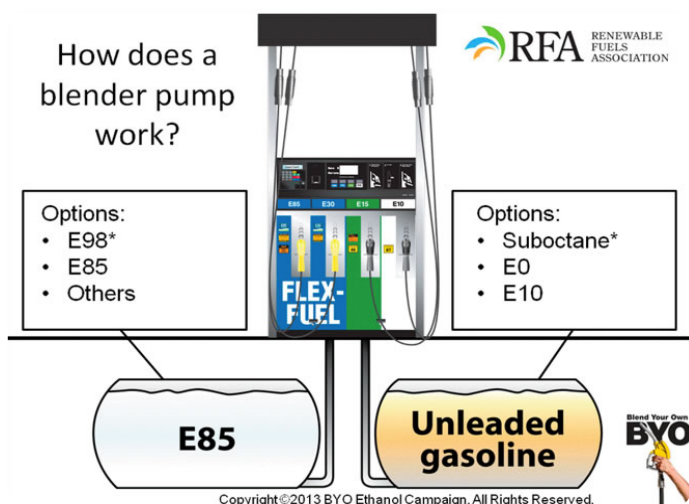
|                 |                      |                     |
|-----------------|----------------------|---------------------|
| Colorado (28)   | Maryland (191*)      | Ohio (148)          |
| Florida (892)   | Michigan (89)        | Pennsylvania (308)  |
| Illinois (428)  | Minnesota (620)      | South Dakota (74)   |
| Indiana (110)   | Missouri (171)       | Texas (763)         |
| Iowa (187)      | Nebraska (80)        | Virginia (191*)     |
| Kansas (174)    | North Carolina (190) | West Virginia (107) |
| Louisiana (110) | North Dakota (90)    | Wisconsin (120)     |

(\*An estimated 191 pumps will be supported between Maryland and Virginia combined.)

"These are the states ... who have applied and these are the states who will receive money from our effort. The specific amount that they are going to receive may be adjusted a bit once all the final paperwork is completed, but these are the 21 states that are going to receive assistance," Vilsack said.

In late May, USDA announced the plan to invest up to \$100 million for biofuel blender pumps to help bring about greater access to higher-level ethanol blends. The competitive grants must be matched by states.

USDA's funding effort was announced in conjunction with EPA's rollout of its proposed 2014-2016 Renewable Fuel Standard (RFS2) targets.



## GLCP Ends Second Best Year in Its History

### Financial Report for Year Ended August 31, 2015 (unaudited)

Dollars In Millions

|                        |         |                     |         |
|------------------------|---------|---------------------|---------|
| Total Assets           | \$275.5 | Current Assets      | \$149.3 |
| Total Liabilities      | \$59.7  | Current Liabilities | \$41.1  |
| Net Worth              | \$215.8 | Working Capital     | \$108.2 |
| Net Income for Quarter | \$10.3  | Net Income for Year | \$52.1  |

Glacial Lakes Corn Processors (GLCP) reported strong earnings for their 2015 fiscal year according to Bill Brennan, Chief Financial Officer. "We just came off another tremendous year... the second best year in the history of the company," says Brennan. He went on to say "We have a very strong working capital position to assure we can protect the shareholders' investments, continue to grow and sustain ourselves through business cycle swings, and take advantage of commodity risk management opportunities."

GLCP ended the year with an unaudited net income of \$52.1 million. Debt is at a low of \$15 million, and GLCP paid an early dividend of \$0.10 per share (\$18.6 million) in September and will pay an additional dividend of \$0.15 per share (\$28 million) in January 2016.

With a net income per share of \$0.281, the GLCP share price has appreciated significantly over the last year and half. GLCP implemented an IC-DISC structure at the end of fiscal year 2015. This has no effect on the general operations of the company, but the structure will allow GLE to generate tax savings on its export sales for its shareholders. A mailing on this topic was sent to shareholders in October.

## 2015 Audited Financials Now Available

Our audited financial statements for the year ended August 31, 2015 are now posted on our website and show a consolidated net income of over \$51.0 million and working capital of more than \$105.0 million. As you can see, GLE continues to be a "rock solid" investment with high performance. If you or someone you know is interested in purchasing GLCP shares, go to [www.Agstocktrade.com](http://www.Agstocktrade.com).

## Fiat Chrysler Approval of E15

Fiat Chrysler Automobiles (FCA) recently approved the use of E15 (15 percent ethanol and 85 percent gasoline) in its 2016 model year Fiat Chrysler, Jeep, Dodge and Ram vehicles. The decision means that FCA joins



General Motors and Ford in covering E15 in its warranty statements; GM started covering E15 with its 2012 vehicles, while Ford joined a year later with its 2013 vehicles. More than 12 percent of the vehicles sold so far in the United States in 2015 have been Chryslers.

FCA's decision to join GM and Ford provides clear evidence that the tide on E15 is turning. The automaker's decision not to embrace E15 had been a major point of concern and tension for the last three years. FCA customers will be afforded a benefit that will likely lower their weekly motor fuel bill: the freedom to choose what fuel to put into their vehicles.

## Obama Dials Back Ethanol Fuel Standard

Reprinted from "The Hill" 11/30/15

By Tim Devaney

The Obama administration set new standards Monday for ethanol levels in fuel, enraging competing industries that had battled for months to influence the contentious regulations.

The final renewable fuel standard (RFS) unveiled by the Environmental Protection Agency (EPA) is more stringent than an earlier version of the rule proposed in May but falls short of the threshold set forth in a 2007 law.

Acting Assistant EPA Administrator Janet McCabe defended the standard, which requires oil refiners to mix more biofuel into their gasoline supply, as striking a balance between the ambitious goals of Congress and what is achievable.

### ADVERTISEMENT

"With today's final rule, and as Congress intended, EPA is establishing volumes that grow the amount of biofuel in the market over time, and that go beyond historic levels and those in our proposal," she said. "Our standards provide for ambitious, achievable growth — especially in advanced fuels that maximize carbon pollution reductions compared to gasoline.

The standard, announced on the same day President Obama made an impassioned appeal for action to counter climate change at a global summit in Paris, spurred swift criticism back at home. The agency earlier this year proposed requiring oil refiners blend to 16.3 billion gallons of ethanol into their fuel in 2015 and 17.4 billion gallons next year, which means gasoline would have contained about 10 percent ethanol. Those figures jumped to 16.93 billion gallons this year and 18.11 billion next year.

Oil interests argue that increasing the amount of biofuel in gasoline will raise prices at the pump and do further damage to vehicle engines.

"EPA's final rule relies on unrealistic increases in sales of higher ethanol fuel blends despite the fact that most cars cannot use them," Bob Greco, downstream manager at the American Petroleum Institute (API), told reporters. "Motorists have largely rejected these fuels."

The API has long pushed the EPA to recognize the "blend wall," saying that since most cars cannot handle more than 10 percent ethanol in gasoline, the agency ought to mandate slightly less than that in the fuel supply. But Monday's announcement broke that wall, the group said.

The American Fuel and Petrochemical Manufacturers, which represents refiners, said Monday's announcement is another



stark reminder of the essential problems with the renewable fuel standard.

"Today's rule is further proof that the RFS program is irreparably broken and that the only solution is for Congress to repeal it outright," Chet Thompson, the group's president, said in a statement.

Pro-ethanol groups have dismissed the oil industry concerns as overblown, contending modern cars are certified to run on higher ethanol blends.

Bob Dinneen, president of the Renewable Fuels Association, said the EPA gave in to Big Oil's demands.

"EPA's decision today turns our nation's most successful energy policy on its head," he said in a statement.

"Today's decision will severely cripple the program's ability to incentivize infrastructure investments that are crucial to break through the so-called blend wall and create a larger market for all biofuels."

Biodiesel producers, however, broke with their ethanol counterparts, saying that the volume increase the EPA is mandating for biodiesel is acceptable.

"This decision means we will displace billions of gallons of petroleum diesel in the coming years with clean-burning biodiesel," Joe Jobe, head of the National Biodiesel Board, said in a statement. "That means less pollution, more American jobs, and more competition that is sorely lacking in the fuels market."

The debate crosses party lines in Washington, where lawmakers from corn-producing states support a higher ethanol standard. Many Republicans oppose the mandate because of its impact on the oil industry, and some Democrats, who question its environmental impact, are against it as well.

The deadline for the EPA to update the RFS was Monday.

## GLE Production is on a Roll

GLE produced 234.6 million gallons of 200-proof ethanol and ground 86 million bushels of corn, bringing significant economic value to the area. "The grain handling and storage capabilities we invested in are complete and yields have improved year-over-year," Director of Operations, Pat Hogan reported. Hogan said the last quarter of fiscal year 2015 was very productive for both plants, with both producing at or above earlier projected rates.

Mina completed their annual shutdown in late August/September while Watertown's was completed in October, with all work being completed on time and without incident. Both plants made great improvements in their corn oil production, with each achieving a record production day of 10,000+ gallons.

The board has continued to show its support of improved plant efficiency and productivity by approving \$7 million at Mina to install selective milling technology (SMT) to enhance grind capacity. This, in turn, will expose more starch for ethanol conversion and raise yield. This investment will also allow for an upgrade of the current oil extraction system to provide more superior oil extraction productivity and less downtime for maintenance and cleaning.

Both plants will be returning to two shutdowns per year (spring/fall) starting in 2016 now that large projects have been completed.

With further capital improvements completed at Watertown during its annual shutdown last month, both plants will be well positioned to produce ethanol and co-products at higher sustained levels.



# 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](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:

December 28, 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 Penni Tuttle, Membership Coordinator at [ptuttle@glaciallakesenergy.com](mailto: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.

[www.glaciallakesenergy.com](http://www.glaciallakesenergy.com)