



President's Report

December 8, 2008

Plant Update - Total number of on-site workers = 50+

Estimated Grind = 12-18-08

- Construction workers are beginning to complete their jobs and demobilize from our site. ICM continues to work toward a December 18th grind date. They have two of their most experienced start up engineers slated to head the start up team.
- Grain handling: This system is complete. We have brought in 960,000 bushels as of mid-November and expect the silos to be 100% commissioned on December 15th. Thanks to all who trucked grain into our partially completed plant!
- Storage tank progress: Hydro testing completed and approved.
- Process building: Roof work completed. Electrical/instrumentation terminations ongoing. Installing remaining roll up and walk through doors.
- North and South Rail line: Rail tracks 100% complete. Tampering and finishing ballast nearly complete. The SIRE locomotive will be delivered next week and railcars (that have been stored locally) will be delivered shortly thereafter.
- Water: RO system complete.
- Steam Pipeline: Construction of the steam line is complete. SIRE is working with Hydro Chem to clean the inside of the line and with MidAm on training their operations staff. We have an IDNR-approved trailer mounted package boiler on site to expedite the water trial phase of testing the plant prior to production.
- Back-up boilers: Our revised air permit is expected to be awarded to SIRE in mid-December allowing us to complete construction of our permanent back up boiler system. This back-up system is expected to be operational by Feb 1st and will have the capacity to supply 100% of our plant's steam needs in the event of a MidAm shutdown.
- Energy center: Final electrical/instrumentation terminations ongoing.
- Wet cake pads: Final electrical/instrumentation terminations ongoing.
- DDG: Conveyor work is complete inside of Storage Building. Conveyors between Storage and Energy Center ongoing.
- Cooling Towers: Complete.
- Natural gas pipeline: Natural Gas onsite. Connections will be made to the back-up boilers later this month.
- Scale/Probe buildings: Scale building complete. Probe building operational.
- Site paving: Paving 85% complete – All main roads complete except North/West corner. Expected completion, weather permitting, within 2 weeks.

Management

- The 10 week employee training period is complete. The group is highly enthusiastic about our start up as they begin shift work this week. They are an impressive group – our management team is very proud.
- Even though the institutional investment markets are currently very challenging, we continue to evaluate institutional investor prospects to replace our bridge loan. With our legal firm, Husch Blackwell, we are continuing to evaluate the potential of an additional equity offering to current members and those not able to participate in 2006.
- SIRE will lease the Bunge-Council Bluffs grain elevator beginning this month. This will increase our corn storage from 1.0 M bushels to 2.8 M bushels and allow us to take advantage of seasonal market carry. SIRE will supply the labor and manage the elevator during the lease term. Please continue to contact Chuck Peterson at 712-352-5008 for corn pricing and Kristan Barta at 712-352-5010 for DDGS sales. We intend to have corn bids posted on our website this week.
- SIRE will have a grand opening celebration sometime in the early spring. We'll plan it during good weather.

As we leave the final stages of construction and enter into operations, I'd like to offer thanks to all for having the patience of seeing this project to completion. This is truly a plant to proud of! As always, please contact me directly at (712) 366-0392 if you have any issues or concerns regarding the project.

Mark Drake

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