



July 6, 2009

Dear Members:

Please excuse us for not providing you a newsletter over the last several weeks. As we have ramped the plant up to full capacity we have had more than our share of opportunities that have kept us occupied. As an operating company, in the future we will be providing updates in conjunction with our quarterly SEC reporting. Please see the following listing of activities over the past few months:

- We have received the voluntary resignation of Cindy Patterson as Chief Financial Officer effective July 10. The Company appointed Karen Kroymann as the Company's Controller on June 15, 2009. Effective July 13, 2009, Ms. Kroymann will serve as the Company's principal accounting officer. Ms. Kroymann, 48, has worked as a contract employee with the Company since early 2009, in the capacity of Senior Staff Accountant. Prior to working with the Company, and during 2007-2008, Ms. Kroymann worked as a controller for Transgenomic, Inc., a public company which provides services for DNA lab testing and manufacture-analysis equipment. During 2006-2007, Ms. Kroymann worked as a controller for TTI Technologies, which is a synthetic coal manufacturer. From 1999-2006, Ms. Kroymann worked as assistant controller for Future Foam, a manufacturer and fabricator of polyurethane foam. Ms. Kroymann received a Bachelor's of Arts degree from Mt. St. Clare College and an M.B.A. from the University of Nebraska and is a Certified Public Accountant. We wish Cindy well in her future and are pleased that Karen chose to join us.
- During May and June, while there have been a number of start-up issues, on most days we have run near or at 100% of name plate capacity. . At this rate we produce an average of 1000 tons of DDGS and 320,000 gallons of denatured ethanol per day. Our employees continue to adjust to operating the facility at full capacity and all are progressing well in their areas of responsibility.
- Our commercial teams are doing an excellent job of forward booking for all commodities, with corn secured and DDGS sold into mid July. We continue to ship most of our DDGS via truck .While we initially shipped all of our ethanol by rail, we also have loaded our first ethanol trucks. This will be a promising market in the future.
- Our steam source at Mid American Energy was down for scheduled bi-annual maintenance during the month of May. We utilized our back-up boilers during this time. During the period of running only on our natural gas boilers, a number of mechanical issues have been addressed. The cost of natural gas was favorable during this period.
- The last item in our steam line system is commissioning a turbine, which is owned by Mid American Energy, but is part of the steam system design. This commissioning is scheduled for June 22-23. Once installed and commissioned, we will begin a seven (7) day proving period running at nameplate capacity on the complete steam line system.
- We have been working to close out various contractor projects, finalizing all contracts, completing final acceptance of the projects and moving construction trailers and equipment to the gate.
- On the site we are working on finishing touches, final drainage and general ground cover.
- Bunge continues to work on handling our Risk Management, this includes grains, DDGS, ethanol and natural gas.
- The firm Kincannon & Reed has been engaged for the General Manager/CEO search. They have an office in Des Moines and a presence internationally. They have visited with the members of the board involved in the selection committee, and came to the office to meet with the management staff.
- Bunge has stepped forward with assistance in a variety of areas to assist the project. Individuals in the areas of engineering, computer support, and production have been out to assist our staff on various projects. They have generously shared their experience and knowledge. The extra hands and eyes have been invaluable.

SIRE Newsletter – Volume III Issue 5

This newsletter contains forward-looking statements. We undertake no responsibility to update any forward-looking statement. When used, the words, "believe," "expect," "will," "can," "estimate," "anticipate" and similar expressions are intended to identify forward-looking statements. Readers should not place undue reliance on any forward-looking statements and recognize that the statements are not predictions of actual future results, which could and likely will differ materially from those anticipated in the forward-looking statements due to risks and uncertainties, including those described in our Securities and Exchange Commission filings.



- We have an open position for a Plant Engineer. The applicants should have experience with operating a manufacturing or production facility, experience with steam and utility systems is a plus. The position description is posted at www.SIREethanol.com. Applications should be submitted on line.
- The accounting department is working with AgStar to convert our construction loan to a term loan with an operating line of credit. A number of amendments to our credit facilities are being made at the same time.
- We have an average of 175 trucks crossing the scales daily, and hit a high of 250 on June 5th. Our Material Handlers work hard to keep this process moving. We have worked out the process communications issues with the computer system, and we have strived to ensure a timely turn around for trucks coming to the facility.
- Production continues to smooth out systems as the plant runs at a consistent rate, we are fine tuning the inventory reporting process and doing additional staff training.
- Maintenance is fully functional with the MapCon/Parts and Preventative Maintenance system. This will assist with maintaining parts inventory, as well as, track repair requests and completion.
- The lab is working diligently on our water treatment. Our wells pull high iron water, as is typical of river wells. We have a water treatment consultant, Mike Fehr, Fehr Solutions, assisting our newly created Water Treatment Coordinator position. They are making quick work of the issues and establishing good protocols for going forward.
- Human Resources coordinated the completion of evaluations for all the staff, and worked with our lead positions with issues related to supervision of and communication with staff. They also issue a daily newsletter and plant calendar to assist in keeping us all on the same page.
- Additional information about SIRE is reflected in our second quarterly statement filed with the SEC on May 15th. You can view this report from our website under Investor Relations.

Thank you for your continued support, and I look forward to meeting everyone at the annual meeting.

ANNUAL MEETING

The annual meeting for 2009 is will be held at the plant on July 17th at 1p.m. Plant tours will be available at the conclusion of the meeting; see Website for additional details. The Annual Report and Proxy can be printed from the website.

Please remember, our Annual meeting is for SIRE members only and is not an open house for the general public. Also, due to safety concerns and at the recommendation of our insurance company, only those over the age of 14 will be able to take the plant tour which is being offered to members in connections with the membership meeting..

Grain delivery hours are Monday through Friday. Saturday deliveries will be scheduled on an as needed basis. Check the website, www.sireethanol.com, for details and up-to-date hours. Chuck Peterson (712-352-5008) and Kristan Barta (712-352-5010) are our on-site merchandisers for corn and DDGS. The afterhours grain bid line can be reached at 712-366-0392/ 877-366-2480, selection #1.

Please contact me directly at (712) 366-0392 if you have any issues or concerns regarding the project or our operations.

James “Mickey” Lay,
Interim General Manager

SIRE Newsletter – Volume III Issue 5

This newsletter contains forward-looking statements. We undertake no responsibility to update any forward-looking statement. When used, the words, “believe,” “expect,” “will,” “can,” “estimate,” “anticipate” and similar expressions are intended to identify forward-looking statements. Readers should not place undue reliance on any forward-looking statements and recognize that the statements are not predictions of actual future results, which could and likely will differ materially from those anticipated in the forward-looking statements due to risks and uncertainties, including those described in our Securities and Exchange Commission filings.