



General Managers Report

October 2, 2007

Plant Update - Total number of on-site workers = 150

- Todd & Sargent completed work on the roofs for the silos. Silo forms are stripped. Rail loading/unloading area foundation poured. Conveyor work to begin this week. Grain handling electrical/motor control center design ongoing.
- DDG building sides are in progress; roof to start this month. The building can store up to 9000 tons of distiller's grains.
- Tank progress: Two 1.5 million gallon ethanol storage tanks are 80% complete; denaturant, 190, and 200 proof tanks are 10% complete; 8 fermentation tanks are 30% complete.
- 8 evaporators are set in place.
- North rail sub-ballast is 90% complete; south is 85% complete.
- 2 steam tube dryers will be delivered in October (There will be a total of 6).

Management

- Our new CFO is working on closing our fiscal year. We are preparing updated financial statements, SEC documentation, and getting a final tally on total project costs.
- The bankers involved in our project will be in Council Bluffs for a site tour and construction review on November 7th. Bunge, ICM, and MidAm will assist us with our presentation.
- To assist us with engineering duties and project cost analyses, we've contracted Dehn Peterson as a part-time project engineer from Bunge. He travels from St. Louis every other week and is a welcome addition to the team.
- CYC was awarded the concrete work for our administration building. We continue to finalize the building design with HGM.
- Laura Schultz and Max Harris attended an ICM seminar on environmental compliance. This prepares us to comply with all EPA and DNR requirements before, during, and after start-up. We are also looking into a similar safety program to ensure OSHA compliance.

PLEASE NOTE: Important tax information

Due to certain IRS regulations, SIRE will need to change its tax year end to December 31. We will retain our fiscal year end of September 30 for financial reporting purposes. Because of this, most members will receive two Schedule K-1's for 2007. One will cover the fiscal year October 1, 2006 through September 30, 2007 and the other will be for the three months ended December 31, 2007. Our plans are to wait and distribute the K-1's to you when they are both available. You should receive these by February 15, 2008.

SIRE will keep you updated with any changes or projections for your tax planning purposes and give you a more accurate projection as the calendar year approaches. At the present time, it is anticipated that the above mentioned K-1s will reflect very little taxable activity.

As always, please contact me directly if you have any issues or concerns regarding the project.

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