



President's Report

April 9, 2008

Plant Update - Total number of on-site workers = 200

Estimated Grind = 12-15-08

- Grain handling: Todd and Sargent 95% complete. T&S has been on time and on budget from the start.
- Tank progress: Ethanol storage tanks complete. Floating roofs being installed.
- Process building: Structural steel progress continues-40% complete. Pipe Rack (forms to process area; connects tanks to equipment) installed. Installing heat exchangers & pumps. Electrical cable tray being installed.
- North and South Rail line: Loop tracks 40% complete. Pony Creek bridge is complete. Rail connections to bridge to start later this month.
- Wells: 3 Process water wells have been drilled. Flow testing complete on one well. We are permitted for a 1.6 mgpd rate.
- Weather: Muddy conditions causing some delay but not interfering with critical path items.
- Steam Pipeline: Foundations poured- 33% complete. Turbine building floor has been poured – actual turbine delivery scheduled for April 15th. NCRA easement approved. 404 permit approved. These clear the way to complete the steam line through MidAm's property.
- DDG Dryers: 3 on site, 3 more next month.
- Energy center: First dryer arrived and being installed this week.
- Wet cake pads: Concrete complete, awaiting mechanical installation.
- Cooling Tower: Structure complete - fans installed.

Management

- SIRE held our annual members meeting on April 3rd at the MAC Center. Nearly 200 people were in attendance. Thanks to those that attended. The local Council Bluffs newspaper, The Daily Nonpareil, covered the meeting and published a favorable article on April 4th. The only official action at the meeting was to re-elect Mr. Ted Bauer to a second term as Director. SIRE management and the Board are grateful to retain Ted. All information presented at the meeting is posted on our website.
- In March, we closed our bridge loan with Commerce Bank at a favorable rate based on credit from Bunge and ICM. Our project lender, AgStar, has begun to disburse funds from our senior loan. Our goal is to replace the bridge loan amount with additional equity in the coming months. This will include an opportunity for additional member participation. Details to follow.
- We have interviewed several plant manager candidates and have narrowed the group down to two. Both candidates are well qualified, having ICM plant experience, and will interview with the Bunge team this week. We plan to have our PM hired in 30-45 days.
- We negotiated a service and supply agreement with Northern Natural Gas. Constellation Energy is working on our behalf to arrange gas transportation and manage supply.
- We have selected National Quality Inspections (NQI) as our third party grain inspection company. They are headquartered in Oregon but have been doing business at the Bunge plant in Council Bluffs for many years.

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

Mark Drake

A handwritten signature in black ink that reads "Mark Drake".

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