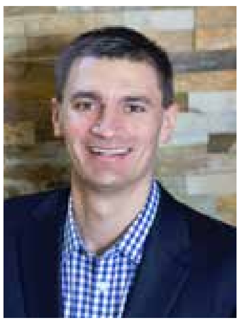
Spring 2020

SIOUXLAND ETHANOL LLC UPDATE

COVID – 19 Pandemic

An Overview from Nick Bowdish

President & CEO



Siouxland Ethanol suspended production on April 17, 2020 amid an abundant supply of all liquid transportation fuels and in the face of nationwide gasoline consumption cratering to less than half of what it was just 30 days earlier. The impact of the COVID-19 pandemic on California reduced gasoline demand by 90% - a direct blow to the fuel market supplied by our plant . We intend to keep all employees intact and resume full production as soon as economic circumstances allow.

We consider ourselves fortunate to so far not have had any of our personnel infected by COVID-19 and we will continue to implement policies and do our best to protect the health and wellness of our people. I pray that you find yourself equally as fortunate.

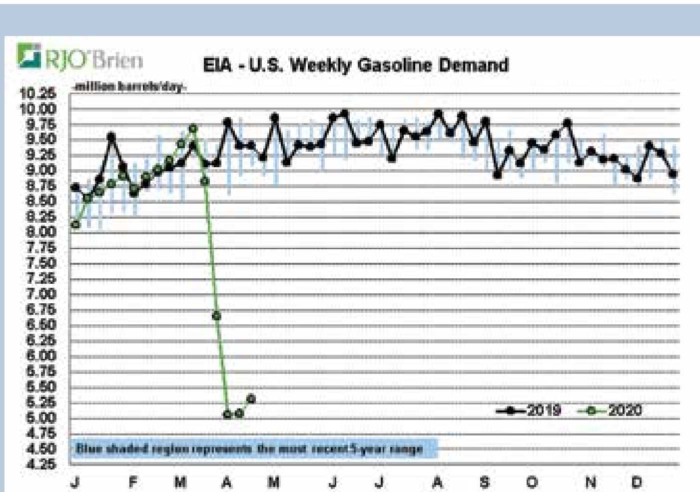
As you can see in the Financial Report on page 3, our company is in a strong financial position with $15M of working capital and no material change in long-term debt as of March 31st. Siouxland Ethanol has a $25M unused line of credit and is pleased to be expanding the unused line of credit to have $40M of availability. It is prudent that decisive actions are taken now and adjustments are made to our business plan to preserve the financial strength for when ethanol and gasoline demand does rebound in the United States.

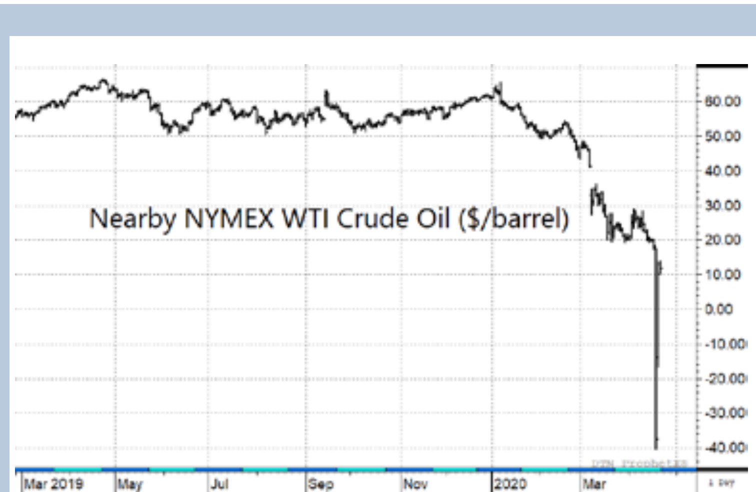
Our company is in the middle of $29M of capital projects this fiscal year with approximately $17.5M left as of March 31, 2020 to have them fully funded. Siouxland Ethanol considered the impacts of suspending the capital projects midstream but deemed the positive impacts on cash flow as insufficient to offset the increase to total project costs. The benefits that the capital expenditures will have on profitability are even more important today than the day we committed to the projects.

Even after the capital expenditures are fully funded, Siouxland Ethanol will have the liquidity in place that it could meet all financial commitments for more than three full years while remaining shutdown. No, we do not expect the pandemic and nationwide shelter-in-place quarantine to last that long. While this paragraph may read as quite sobering, you should understand it is the mindset that we have as we look after your investment.

Siouxland Ethanol is pleased to report that our investment in Siouxland Renewable Holdings is still being held in escrow at the time of this writing and that no definitive agreements have been executed by Siouxland Renewable Holdings prior to the impacts of COVID-19 on energy markets becoming apparent. Siouxland Ethanol continues to be supportive of an acquisition whose economic terms reflect the current state of the global economy.

I want to thank all our feed customers for working with our company thru the impacts of this pandemic. Siouxland Ethanol has either filled the contracts early or paid the market price difference to keep our customers whole. Our company continues to accept all previously contracted corn. We understand the terrible predicament that corn farmers are now in with prices below the cost of production and we remain committed to advocating public policy to restore strong markets. Ethanol is a critical public policy for all of agriculture and we are in this together.





COVID-19 Demand Loss

Kasey Rathke
Commodity Manager

It is safe to say the 2020 COVID-19 pandemic has affected every individual in the country in some way. While our local communities in Northeast NE have different experiences than COVID-19 hot spots seen in urban areas, we are not naive to the impact that this virus has had on our commodity markets and economy.

Since the beginning of March, we have seen a 79% drop in Crude Oil prices, along with 60% in Gasoline, 31% in Ethanol, 15.4% in Corn Futures and a 7% drop in Soybeans. Domestically these price drops stem back from the loss of consumer demand. When populous states like California, New York, and Illinois declared stay at home orders in March, supply chains were disrupted immediately. As it relates to gasoline and ethanol, the demand drops were drastic. These liquid fuel supply chains rely on just in time delivery made-up of a system of pipelines, tanks and railcars. There is simply nowhere to go with excess gasoline and ethanol production when demand for these products is cut by 50% in a matter of a couple weeks. This steep demand drop and supply chain disruption is the cause of the price declines we have witnessed.

Taking a step back, it is important to see the effects of consumer demand this pandemic has had on the global economy. While many people look at GPD growth as an indicator, that data lags behind our fast-paced world especially during a fast-moving pandemic. GDP data has to be measured over time such as a 3-month quarter or year period. Global crude oil demand is measured daily as is the output from OPEC countries, Russia, and the US. Prior to the COVID 19 pandemic, there was global usage for 100 million barrels of crude oil per day. Today that number is 70 million barrels per day. While you may be following headlines and see that Russia and OPEC agreed to a 10 million barrel per day production cut that might support the market, we are still producing too much oil globally with our current state of reduced demand.

The corn market in 2020 is tied directly to the demand for liquid motor fuels. On April 9th the USDA released its latest 19/20 corn balance sheet. Corn use for ethanol was reduced by 375 million bushels to 5.05 billion bushels or 36% of total corn usage. This 375 million bushel reduction represents a 1.08 billion gallon reduction in ethanol production directly related to demand loss from the pandemic. This 1.08 billion gallon reduction in ethanol supply might seem like a lot, but the US is still at an all time high for ethanol stocks at 1.163 billion gallons.

The market seems to be throwing new information and statistics at us each day. One might be asking themselves when do we get back to normal? When will ethanol plants start running again? While I am not an expert on global pandemics, I can say we need strong liquid fuel demand to get this ethanol industry back to production levels similar to the last few years. Stay at home orders need to be lifted in the most populous areas of the country and consumer's in those areas need to get back on the road driving!

Trump Administration Ethanol Policy Debacle Continues...

On January 27, 2020, the 10th Circuit Court of Appeals struck down three small refinery waiver exemptions under the Renewable Fuels Standard. The court found that EPA couldn't extend exemptions to small refiners who had them lapse in prior years or never had an exemption to begin with. The ruling - while specific to the 10th Circuit that includes Oklahoma, Kansas, New Mexico, Colorado, Wyoming, and Utah - has implications for the nationwide implementation of the Renewable Fuels Standard.

In the earliest days of March, rumblings began to circle that the Trump Administration was going to appeal the court ruling – a direct blow to corn farmers and ethanol producers who desperately need certainty with the implementation of the Renewable Fuel Standard. On March 10th, the Trump Administration filed for a two-week extension to make its appeal decision. On March 24th, the Trump Administration ultimately decided to not file an appeal.

While the agricultural community cheered, just three days later the Trump Administration, on March 27th, declared that it would extend the deadline for small refineries to demonstrate compliance with the Renewable Fuel Standard. The law calls for all refineries to demonstrate compliance for calendar year 2019 by March 31, 2020. Instead, "We're extending the compliance assistance to all the small refineries. Investigating and initiating enforcement actions against small refineries that were previously subject to an exemption is a low priority for the Agency," the EPA said in a press release.

As this newsletter is going to print, the EPA has been petitioned by petroleum interests to consider waiving the entire implementation of the Renewable Fuel Standard. While such an action by the Trump Administration would be in clear violation of the law, President Trump and Administrator Wheeler have yet to publicly declare such a petition dead upon arrival.

As a reminder, from 2016 to 2018 the Trump Administration has handed out 3.2 billion gallons of exemptions to small refineries. That is 1.1 billion bushels of corn that did not get blended into this nation's fuel supply. When compounded by the impacts of COVID-19, it really is not that hard to see why we could have a corn carryout in the United States that exceeds 3 billion bushels and a corn price below $3 per bushel.

FINANCIAL HIGHLIGHTS

Comparison of operations three months ended:

- Ethanol netbacks were down approximately 14% compared to same quarter of the prior year. However, higher plant production along with steady prices received on co-product sales, resulted in total revenues remaining steady.
- Gross profit was down substantially with a nearly 160% decrease over the same quarter of the prior year. Recent severe effects from the COVID-19 pandemic on fuel markets has put significant pressure on ethanol prices and created negative operating margins. These current market conditions also required an accounting adjustment of ~$2.8MM in inventory write downs at current quarter end, a primary factor for the $2.62MM gross loss.

Comparison of operations six months ended:

- Total revenues increased primarily due to the ~6% increase in plant outputs along with slightly better average prices on ethanol and co-product sold over the same prior fiscal period.
- Gross profits down over prior fiscal period, the result of reduced crush margins primarily from higher corn prices, along with inventory write downs in the current quarter noted above.

Working capital and members' equity down due to the two distributions paid to our owners for the six months ended totaling $8.186MM.

Ethanol and corn oil yields continue to show improvement over same quarter 2019.

14 units traded during the quarter ending 3/31/2020 averaging $27,214/unit

Please be sure to keep Siouxland Ethanol updated on your contact information. This helps ensure you receive your distribution check, tax & other pertinent information timely. Thank you!

SUMMARY OF OPERATIONS	3 Months Ended 3/31/2020	3 Months Ended 3/31/2019	6 Months Ended 3/31/2020	6 Months Ended 3/31/2019
Total Revenues	$37,260,546	$37,929,913	$82,320,336	$74,638,560
Gross Profit (Loss)	($2,618,763)	$4,366,014	$2,430,838	$5,852,065
Net Income (Loss)	($3,396,829)	$3,805,169	$940,931	$4,764,306
Net Income(Loss)/Unit	($934)	$1,046	$259	$1,310
Distribution/Unit	$1,000	$750	$2,250	$3,750

BALANCE SHEET	As of 3/31/2020	As of 9/30/2019
Current Assets	$24,951,449	$46,136,579
Total Assets	$95,690,341	$98,763,489
Current Liabilities	$10,049,881	$5,814,060
Long-Term Liabilities	$1,515,054	$1,579,454
Members' Equity	$84,125,406	$91,369,975
Book Value/Unit	$23,124	$25,115

KEY METRICS	3 Months Ended 3/31/2020	3 Months Ended 3/31/2019
Ethanol Yield (Gal/bu)	3.07	3.03
Natural Gas (BTUs/gal)	20,890	20,721
Electricity (KW/gal)	.50	.51
Corn Oil (Lbs/bu)	1.05	.99
Ethanol Production (Gals/day)	273,061	263,092
Ethanol Production MGY	96.4	92.9

Siouxland Ethanol donates to the Cancer Center

Siouxland Ethanol was proud to step up for our community during these difficult times and donate N95 masks to the June E. Nylen Cancer Center. The Nylen Cancer Center has always shown great support for SLE & our mission!

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Our Mission

To be an efficient producer of ethanol and its co-products with a low carbon footprint, and to promote the "clean octane" value of ethanol which will ensure long-term profitability for the industry and the investors in Siouxland Ethanol.

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Siouxland Ethanol Family Fun Day!

Siouxland Ethanol hosted a "Family Fun Day at Cone Park"! SLE was able to rent out the hill in February so the employees and their families could come out and enjoy a beautiful day and tube down a snowy hill. We couldn't have asked for a better day for it! Work hard, Play hard!