



SIUXLAND ETHANOL LLC UPDATE

Spring 2017

Siouxland Ethanol • Jackson, NE • siouxlandethanol.com

Green Grass Growing Gallons

An Overview from Nick Bowdish

President & CEO



Siouxland Ethanol is proud to report another quarter of production growth and record conversion rates. As you'll see in the Financial Report, production

averaged 228,170 gallons per day for the quarter, which equates to an annual rate just greater than 80 million gallons per year. The operations team raised the bar higher by converting each bushel of corn into 3.0 gallons of ethanol in two consecutive months.

Siouxland Ethanol continues its relentless pursuit of perfection that makes these types of achievements possible. It would not happen without the commitment to excellence that each and every employee has made along with our strong partners that supply us ingredients and collaborate with us to achieve new standards. Congratulations and thank you!

Construction Wind-down

We took our maintenance shutdown the week of April 17 and made the final tie-ins for the new cooling tower. Construction activity continues onsite with our energy efficiency project that

will recover heat from the thermal oxidizer. We anticipate commissioning this system around the first week in May. At that time, we plan to help our contractors demobilize, perform a fair amount of grounds keeping from all the construction activity, and reassess our next constraints on production growth.

It's been a constant construction site since June 2016 here in Jackson and the team assures me if it's quiet onsite for a month or two that will be okay. We are most grateful that all of this construction activity has been completed safely thus far, both incident and injury free. Siouxland Ethanol will strive to see that continue.

E15 Progress

From an industry perspective, we're pleased to see Casey's General Stores announce that they will start offering E15 at 17 stores in the Midwest including stores in Illinois, Iowa and Kansas. It is expected that 1,200 other stations will be offering E15 nationwide by the

end of 2017. Pam Miller and I traveled to Washington, D.C. this past quarter to advocate for the RVP waiver on E15. Our industry associations continue to make this a top priority.

Wishing you a safe Spring Season and a weekend journey fueled by ethanol!



This additional new cooling tower is part of the expansion work to boost capacity and create more shareholder value.

Got Corn?

To sell corn or buy DG products,
call Susan.

402-632-6205

Getting the Word Out About Ethanol



Ethanol is my passion. What started out as an economic development project for Dakota County has become my life. I was happy to see a strong economic development project start up in Siouxland and provide great jobs with excellent pay and benefits and help to expand the tax base as well. But I quickly became aware of all of the other benefits of an

ethanol plant and the industry in general.

As I was writing the business plan for Siouxland Ethanol in 2004, I was intrigued with the clean air benefits of ethanol. I researched the use of Methyl tertiary-butyl ether (MTBE) in gasoline and the harmful effects of that product on our water supply. Ethanol was being heralded as the replacement for MTBE. I saw that as a sign of a prosperous future for the ethanol industry as well as a positive for our environment.

Researching further, I found the strong support for ethanol in the Clean Air Act Amendment of 1990 that was championed by former U.S. Senator Tom Daschle.

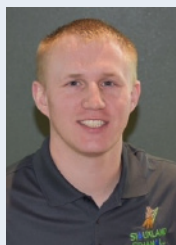
The ability of ethanol to replace toxic emissions caused by aromatics used in gasoline is something in which we should all take pride. Here in the Siouxland area, we take clean air for granted. But air quality issues are as close to us as Omaha where the city leaders have to be careful of their expansion of business and industry. Because of the pollutants in the air Omaha is on the verge of becoming a "non-attainment area", an area considered to have air quality worse than the National Ambient Air Quality Standards.

We know that higher blends of ethanol, specifically E30, can help clean up their air. We also know that the air in Omaha can and does travel up the I29 corridor to the Sioux City area and north to Sioux Falls. We need to push E30 to protect our air quality now and in the future.

I recently traveled to Washington, DC for a couple of opportunities to speak to congressmen and their staff about the issues we face on the national level with being able to offer E15 all year round. I attended the Renewable Fuels Association meeting in Washington and worked with other board members to push for the acceptance of E30 as the bright future for the ethanol industry.

Pam Miller

Board Chair and Director of Industry and Investor Relations



Rathke is New Commodity Manager

Kasey Rathke has been named commodity manager of Siouxland Ethanol.

In his new position he oversees the process of buying corn from local producers and elevators and helps sell the DDGs and modified products to local feedlots and feed mill customers.

Rathke comes to Siouxland Ethanol from the Scoular Company in Venango, Neb., where he most recently worked as a grain merchandiser for a group of six grain handling facilities. He is experienced in agriculture futures and options, risk management and product sales.

Rathke earned a degree in agricultural economics from University of Nebraska Lincoln in 2012.

"I hope to originate more farmer-direct grain and expand our customer base at Siouxland Ethanol," he says.

Advocacy in Washington D.C.

Pam Miller visited with Nebraska leaders in Washington D.C. the last week of April, including U.S. Senator Deb Fischer, who introduced a bill in the Senate to allow a Reid vapor pressure waiver to allow E15 and E30 be sold at gas pumps year round. U.S. Representative Adrian Smith introduced an identical bill in the House.



From left are Pam Miller, U.S. Senator Deb Fischer, Carl Sitzmann with E Energy of Adams, Neb.; Charlie Wilson, Trenton AgriProducts of Trenton, Neb.; and Neil and Tom Koehler of Pacific Ethanol of Aurora, Neb.

SAVE THE DATE
Celebrate
Siouxland Ethanol's
10th Anniversary
Tuesday, June 13, 2017
12 Noon
Siouxland Ethanol
See Progress in Plant Tours
Enjoy Free Barbecue



Welcoming Featured Speaker
Nebraska Governor
Pete Ricketts

Board Member Uses E30 on His Nebraska Farm

Craig Ebberson is true to his roots. He is a large corn producer and raises cattle not far from where he grew up. As a sophomore in high school at Belden Neb., he rented 80 acres and began farming in Cedar County and then expanded into Knox County in northeast Nebraska.

Ebberson is a strong supporter of the ethanol industry and joined the board of directors of Siouxland Ethanol in the early days. He hosted a steak fry at his shop in 2005 to give fellow farmers and interested residents a chance to purchase units in Siouxland Ethanol.

Ebberson believes in buying his own product produced from the corn he raises and sells to the ethanol plant. He feeds his cattle distillers grain from Siouxland Ethanol on a daily basis. He also uses E30 in all of his vehicles, including old tractors and pickups and



cars from the 70's up through today's models. The long-time board member has E30 delivered to his farm by Jerry's Service of Hartington, Neb. He orders a load of 3,000 gallons of E30 about every

other month and fills up the onsite tank. Jerry's offers farmers a fuel that costs 30-40 cents less than regular gas. In fact, Jerry's price at the Ebberson farm for this story was \$1.63 a gallon for E30 compared to \$2.20 a gallon for E10, a difference of 57 cents per gallon.

Ebberson did his research before committing to using E30 exclusively. He used his Ford F150 Eco-boost pickup (non-flex fuel vehicle) and ran two tanks of E0, two tanks of E10 and two tanks of E30. He calculated the mileage and found no mileage difference. No engine issues resulted from his test and no check engine lights have ever come on from using E30.

"It's a cleaner fuel and it's cheaper. It saves money," Ebberson says. "Why wouldn't I use it and support the agricultural and ethanol industry?"

Jackson Express Hosts Ethanol Promotion

Siouxland Ethanol hosted an ethanol promotion April 21 at Jackson Express and offered \$.15 a gallon off E15 and \$.30 a gallon off E30.

Plant officials welcomed a great crowd and answered many questions about the suitability of ethanol in the consumers' vehicles. And, of course, everyone loved the free air freshener! Thanks to staff members of the American Coalition for Ethanol (ACE) for helping out at the pumps and the Nebraska Ethanol Board for providing educational material and promotional swag.



Motorists lined up for a doggone good deal of low cost E15 and E30 at Jackson Express April 21. At right, they also learned from ethanol promoters from left: Doug Nelson, Amy Williams, Aimee James, Pam Miller and Taylor Nelson.

Annual Meeting Showcases Success, Points to Opportunities

A record crowd of 325 investors applauded progress reports of Siouxland Ethanol at the March 7 Annual Meeting and heard about ethanol's history from a champion, former U.S. Senator Tom Daschle. See page 5.

General Manager Nick Bowdish told investors that the \$11.6 million net income of the 2016 fiscal year was the second best year on record in the ethanol plant's 10 years of operation. He reported that the recent \$8.5 million expansion, including the new cooling tower and third corn oil centrifuge, will continue to power increased production.

"This is a total tribute to the nearly 40 staff members who work to drive the success of Siouxland Ethanol to bring value to

you, our investors," Bowdish said.

On the national level U.S. exports have been steadily growing, he added. Exports of both ethanol and DDGs are the second highest levels in the past 10 years. In addition the profit opportunity of higher crush margins had been consistently increasing (Crush margin is the difference between the combined calculated sales value of ethanol and DDGs and the price of corn.)

"Ethanol is the greenest fuel in the United States and the cheapest source of octane in the entire world," he said. "If you look at ethanol's markets – ethanol, feed and exports – mid-level blends will ensure future prosperity."



Board members celebrated progress with their spouses: Darrell and Doris Downs and Ronnie and Sandra Wetherell.



A record crowd of 325 attended the Annual Meeting.



Bernie Wrede, JB and Kelley Watson



Jeanie Hohenstein with dad Leonard Gill and Beth Noel.



TEEM band members Eric Meek and Eric Tompkins with board member John Meuret and investor Earl Miller.



Our Gift for Your Advocacy

Missed the Annual Meeting but want to declare your support for ethanol? Email us and we'll send you Air Fresheners for your vehicles that represent

the clean air we can experience with increased use of ethanol. To obtain your air freshener contact Amy. Williams@siouxlandethanol.com or call 404-362-6205.

Washington Leader Continues Advocacy



"The greatest ethanol champion our nation has ever seen" was the introduction given for keynote speaker, former U.S. Senator Tom Daschle, and the national leader did not disappoint in his comments.

The long-time member of Congress, instrumental in getting the Clean Air Act Amendments passed in 1990, continues today to work as a strong ethanol industry advocate in Washington D.C.

"In 1990 the Daschle Dole Amendment of the Clean Air Act became transformative," Daschle said. "In 2005 the Renewable Fuel Standard was so catalytic it caused the industry to explode. It's why ethanol plants were built.

There were few people 30 years ago who believed ethanol would be where it is today, Daschle said. "No one fully understood ethanol would be a multi billion dollar industry with global reach, revitalizing rural American and saving 22 million barrels of oil a day.

"Invincible determination helped us overcome the

obstacles. And today ethanol is a billion dollar industry. That's what I call impact."

To ensure the EPA enforces the law and opens the door to high octane E30 blends, we helped form HOLCA -- High Octane, Low Cost Alliance, Daschle said, "We need mid-level blends."

The California Air Resources Board is seeking low-carbon fuels as a solution to climate change, concerning some ethanol producers. Siouxland Ethanol is in a good position because of its use of methane gas to conserve natural gas use, which keeps production more environmentally friendly and the carbon footprint low, Dashle said.

"All of our ethanol is going west," Daschle said. "Only ethanol solves their carbon goals."

Daschle said he is optimistic about Elaine Chao, the new U.S Secretary of Transportation in Washington.

"The ethanol the industry needs four things to get the job done, he said. "Resilience, innovation, collaboration and engagement. We need to make the case every day about lifting regulatory barriers."



Pam Miller visits with U.S. Senator Tom Daschle and David Hallberg at dinner before Dashle's address.



Board members Pam Miller, Shennen Saltzman, Craig Ebberson, and Steve Ausdemore (right) with Daschle and Nick Bowdish.



Doug Nelson and other board members handed out cake celebrating the company's 10th birthday.



At the meeting Nick Bowdish thanked these Siouxland Ethanol employees for their contributions from left: Kasey Rathke, Pat Baker, Mark Rolfes and Keith George.

AMCM IS A PROUD SUPPORTER OF ETHANOL.

Association Motor Club Marketing is America's pro-ethanol motor club. When AAA came out against E-15 blends in December 2012, AMCM started monitoring claims from our 19 million members. We discovered that ethanol did not contribute to a single claim over a two-year period. This is why we help to dispel the propaganda coming from corporations like AAA on ethanol by lobbying congress, making media appearances, and sharing with the community how safe ethanol is to the public.

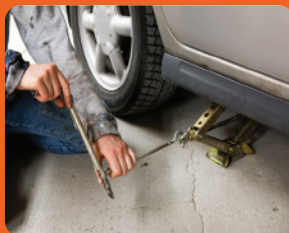
"Education is the most powerful weapon which you can use to change the world." -Nelson Mandela

AMCM HAS...

- ✓ 19 million members
- ✓ 97% customer approval rating
- ✓ #1 rating by service providers
- ✓ 45,000 providers nationwide
- ✓ Industry's quickest response time
- ✓ 50 years in business

Individual Coverage	Family Coverage (up to 4 members)
\$25 Per Year	\$35 Per Year

MEMBERSHIP INCLUDES (up to \$100)



Flat Tire



Fuel



Lock out



Towing



Battery



Travel Discounts

plus Rental Car discounts, Collision Assistance, Trip Routing, \$500 Hit and Run/Theft, and more.

FINANCIAL REPORT

FINANCE HIGHLIGHTS

- 2nd fiscal quarter net income down as crush margins quickly retreated
- Quarterly production rates nearly 25% higher than same quarter 2016
- Denatured ethanol yield reached 3.00 gal/bu two of three months in March 2017 quarter
- Fiscal YTD production costs down approximately 8% over same period last year
- Quarter ending 3/31/2017, 2 units traded at \$19,000/unit



Learn about plant and industry news. Like our page, follow us and share at Siouxland Ethanol LLC on Facebook and Twitter.

facebook.com/Siouxlandethanol/
twitter.com/sxlandethanol/

UNAUDITED

SUMMARY OF OPERATIONS

	3 Months ended 3/31/2017	6 Months ended 3/31/2017
Total Revenues	34,255,690	69,080,060
Gross Profit	3,896,449	11,810,168
Net Income	3,575,865	10,470,154
Net Income/Unit	944	2,763

UNAUDITED

BALANCE SHEETS

	As of 3/31/2017	As of 9/30/2016
Current Assets	\$ 25,062,600	\$ 35,063,325
Total Assets	\$ 77,564,287	\$ 83,539,194
Current Liabilities	\$ 3,960,466	\$ 13,188,329
Long-Term Liabilities	\$ 285,594	\$ 682,592
Members' Equity	\$ 73,318,227	\$ 69,668,273
Distributions/Unit	\$ 1,800	\$ 3,000
Book Value/Unit	\$ 19,350	\$ 18,387

KEY METRICS

	Quarter Ended 3/31/2017	Quarter Ended 3/31/2016
Ethanol Yield (Gal/bu)	2.98	2.90
BTU/gal	24,356	24,366
KW/gal	.52	.57
Corn Oil (Lbs/bu)	1.00	.96
Ethanol Production (Gal/day)	228,170	183,107

Reverse Dutch Auction Results

The Board of Directors met on April 17 and reviewed the tender offers presented to Siouxland Ethanol by its unit holders.

Siouxland Ethanol purchased and retired 151 units at a weighted average price of \$27,427 per unit. The remaining unit holders achieved the following as a result of the purchase:

- The price per gallon for this added capacity cost less than the next gallon we could build onsite in Jackson or acquire at another facility.
- The expected return on investment is about 20% for the capital that was allocated for this unit repurchase.

- Every remaining unit owns approximately 21,990 gallons, whereas, prior to the purchase, each unit owned approximately 21,113 gallons.

The Board of Directors was pleased to offer this liquidity opportunity to its unit holders. Thru the process, directors learned that 94% of our current unit holders had no interest in selling their units at any price.

This is a very strong signal to the Board that membership is pleased with the direction of the Company and the Board looks forward to taking that vote of confidence into its future strategic decisions for Siouxland Ethanol.

HELP US CONNECT

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



Meet Board Member John Meuret

Meuret of Brunswick, Neb, the youngest member of the Siouxland Ethanol Board of Directors, was elected at its March meeting. Meuret works for the Meuret Grain Company, a family owned operation that has worked with northeast Nebraska farmers' grain and feed operations since 1923.

Did you grow up on a farm?

Our family grew up around the business. I loved working and would help load rail cars and be with my dad whenever I could. My punishment when I was a kid was I couldn't work. In addition to the grain elevator, we raise turkeys, hogs and operate feedmills.

Turkeys?

My family sold a fertilizer business in 1990 and didn't want to lay off employees so he went into turkeys. We've been very lucky and our birds were not affected when the avian flu got into Nebraska.

Did you meet your wife at Nebraska?

A fellow board member, Craig Ebberson, introduced me to my wife, Kendra. He told me he knew a girl I should call. A few months later he said "Hey you never called her! She'll call you." She did call and I called back. Today we have two daughters and a little boy.

There's a lot of history in your family business.

In the early days they sold coal. When a boxcar of coal came in, they would haul it to people's homes and shovel into their coal bins. My grandfather loves to tell the story of how he started in the business. His father passed away when my grandpa was 15 and his older brother was 16. In order to continue to run the business, one brother would go to school and one brother would go to work. The next day they would switch. At the end of the day they would share their information about their day. For their last year of high school that is how they kept the business alive.

Talk about your job.

My job is to purchase bushels from the farmer, hedge it, and re-sell it when the farmer isn't wanting to sell. We'll ship corn to California, west Texas, Mexico and the Pacific North West. Soybeans are primarily for export off the Pacific Northwest. Nebraska is in a great place with access to all points depending on demand.

How do you and Siouxland Ethanol connect for the Board of Directors?

I'm an investor. I think they liked my diversity and a strong recommendation from fellow board members. I'm excited about it, and look forward to understanding the marketing side of ethanol. Now that E10 is everywhere how do we take it to that next level of E15 and beyond?

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.

OUR BOARD OF DIRECTORS

Pam Miller • Dakota Dunes, SD **Chair**
Shennen Saltzman • South Sioux City, NE
Vice-Chair
Steve Ausdemore • Wisner, NE
Mark Condon • Sioux City, IA
Darrell Downs • Marcus, IA
Craig Ebberson • Belden, NE
David Hallberg • Omaha, NE
Tom Lynch • Lincoln, NE
John Meuret • Brunswick, NE
Doug Nelson • Jackson, NE
Ronald Wetherell • Cleghorn, IA