



SIUXLAND ETHANOL LLC UPDATE

Fall 2018

Thankful for a Successful Year

An Overview from Nick Bowdish President & CEO



Siouxland Ethanol relentlessly pursues excellence and the fiscal year just completed demonstrates that commitment to our unit holders. The company produced over 86 million gallons for the

first time in its history and the denatured ethanol yield of 3.012 gallons per bushel for the fiscal year smashed previous marks. Ethanol prices were down and corn prices were steady in 2018 as compared to 2017. Distillers' grains revenue per gallon was up almost entirely offsetting the decline in ethanol prices. The resulting crush margin was therefore similar year-over-year

and the improved bottom line came from additional volume.

Siouxland Ethanol sent out over \$17M to its 715 unit holders based upon FY 17-18 earnings, over \$95M in payments for corn to farmers/local elevators and \$2.5M in wages to its 40 employees who are all within a short radius of the plant. Please be reminded of the economic impact of your local ethanol plant and choose ethanol blends of 15, 30 or 85 percent to enhance this impact in the future!

We completed our fall maintenance shutdown and successfully executed on a full 'rip and replace' of our distributive control system – the main computer system that controls all the equipment in the plant. All onsite capital projects have now been completed and the team is using this time to baseline our new normal operating conditions. The offsite retrofit of the tank cars is underway to bring them

into compliance with the Department of Transportation's HM-251 final ruling. Approximately 12 of the 175 cars have been completed with the balance to be done by May 2019.

Siouxland Ethanol has decided not to pursue the expansion of its private rail yard at this time. After reviewing the costs associated with the project and corresponding returns, we decided it was not prudent to proceed. Since making that decision, the marketplace has confirmed its appropriateness as facilities with the ability to ship unit trains are actually breaking those trains up and shipping single manifest cars due to better economic values achieved. This dynamic is very unusual in the transportation sector but is being driven by large ethanol price spreads as a result of California's low carbon fuel standard policy and an abundant nationwide supply of ethanol.

Siouxland Ethanol is busy evaluating other opportunities and continues to seek growth. We are excited to begin a new fiscal year and thank you all for your support!

Kevin Erickson Receives Award for Quality Assurance



Kevin Erickson was presented with the AFQA award from Compli Associates. AFQA stands for Animal Food Quality Assurance. This

program is required under the new FSMA Law (Food Safety Modernization Act) and is regulated by the FDA. With help from the team, Kevin directly oversees this program to ensure the food we provide to animals is safe for consumption.

It is also important that this program is robust and has all of the record keeping in place in the event a compliance audit is conducted by FDA. This award was presented by Pat Baker, Plant Manager to Kevin on behalf of the audits that were conducted at Siouxland and the demonstration that our program exceeds the standard. Thanks, Kevin, for all of your hardwork!!!

Trump rally in Council Bluffs



Nick and Lisa Bowdish had their picture taken with President Trump at the Rally in Council Bluffs on Oct. 9. Nick capitalized on the moment to engage President Trump in a quick conversation about ethanol. Trump asked Nick, "Why 15? Why not something more than E15?" Nick responded by saying, "Mr. President, some people don't think as big as you!"

Good news for Ethanol!

Pam Miller

Board Chair and Director of Industry and Investor Relations



The ethanol industry and consumers alike got good news from President Trump. On Oct. 9 he signed an order to the

EPA to begin the process to allow E15 to be sold year round. This will correct an inaccurate interpretation by the EPA of the Clean Air Act Amendment of 1990. This was a campaign promise that the President then repeated during this past year. After intense pressure from ethanol interests and our Congressional leaders from Iowa, Nebraska and South Dakota, among others, we are very certain that we will have this barrier removed and the retailers will be able to offer a product year round that is good for your vehicle's engine, costs less and is better for the air and our health. E15 has been thoroughly

tested by the EPA and approved seven years ago for all vehicles that are 2001 and newer. This means that 9 out of 10 vehicles on the road today can use E15. Car manufacturers have been updating their owner's manuals to reflect this. Millions of miles have been driven using E15 – all with no engine trouble. E15 typically costs \$.05/gal less than E10. It is a better fuel meaning it has a higher octane (88 vs. 87) which allows it to burn cleaner and cooler in your engine. We are working with retailers to join the other 1,400 convenience stores across the country that are offering E15. If your local convenience store doesn't offer E15, let them know you want this better fuel at a lower price.



The E15 Now Bus (sponsored by Growth Energy) made a stop at Jackson Express in September. Coming out in support of E15 included Sen. Joni Albrecht (NE-District 17), Nick Bowdish, Larry Mussack, chair of Nebraska Corn Growers Association, Sen. Lydia Brasch (NE-District 16) and Kasey Rathke.



Siouxland Ethanol shareholders, Susan and Steve Von Minden

Siouxland Ethanol hosts Local Fire Departments



Local fire departments received safety training including grain bin recovery at Siouxland Ethanol in October.

Fuel the Cure

Siouxland Ethanol and Pony Express in South Sioux City joined together to raise money for cancer research during October. In a month-long campaign called "Fuel the Cure", Pony Express donated \$.03 for every gallon sold of E15 and higher ethanol blends to the Fred and Pamela Buffett Cancer Center in Omaha. Siouxland Ethanol also made a donation to the June E. Nylen Cancer Center in Sioux City. On Oct. 26, a promotional event was held at Pony Express with KSUX personalities, Tony and Candice, broadcasting live and interviewing Cancer Center staff who spoke about the link between aromatics (benzene, toluene and xylene) in our gas which cause cancer and how we can help prevent cancer by using higher blends of ethanol which then reduce the amount of aromatics.



Amy Williams and Tina Langseth Beacom, Siouxland Ethanol employees helping out at the pumps.

FINANCIAL REPORT

SUMMARY OF OPERATION NOTES

- Revenues slightly higher this quarter compared to same period 2017 due to increased plant outputs combined with higher prices received on distillers grain
- Gross profits down this quarter compared to same period 2017 primarily on higher cost of corn
- Fiscal Year 18 Total Revenues higher as compared to Fiscal Year 2017 due to increased plant production. Received lower average prices for ethanol and corn oil for FY 2018 compared to FY 2017, partially offset by higher average prices received for distillers grains

BALANCE SHEET NOTES

- Working Capital strengthened to \$38.2 million. Nearly a \$11 million increase since the beginning of the fiscal year
- Book value/unit as of September 30, 2018 tops \$24,000 for the first time

KEY METRICS NOTES

- Natural Gas BTUs/gal usage decreased nearly 4% over same quarter 2017
- Ethanol Production rates 5% higher over same quarter 2017

UNIT TRADING NEWS

- 11 units traded this quarter, averaging \$27,068/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!

UNAUDITED

SUMMARY OF OPERATIONS

	3 Months Ended 9/30/2018	3 Months Ended 9/30/2017	Year Ended 9/30/2018	Year Ended 9/30/2017
Total Revenues	\$38,714,191	\$37,154,999	\$150,477,556	\$140,985,081
Gross Profit	\$5,695,487	\$6,964,827	\$24,603,635	\$20,745,597
Net Income	\$5,611,973	\$6,003,971	\$22,693,376	\$18,706,828
Net Income/Unit	\$1,543	\$1,650	\$6,238	\$5,029
Distribution/Unit	\$3,000	\$1,800	\$4,700	\$3,600

UNAUDITED

BALANCE SHEETS

	As of 9/30/2018	As of 9/30/2017
Current Assets	\$44,936,138	\$32,621,323
Total Assets	\$95,799,607	\$84,634,339
Current Liabilities	\$6,737,582	\$5,411,925
Long-Term Liabilities	\$1,688,248	\$1,809,013
Members' Equity	\$87,373,777	\$77,413,401
Book Value/Unit	\$24,017	\$21,279

KEY METRICS

	Quarter Ended 9/30/2018	Quarter Ended 9/30/2017
Ethanol Yield (Gal/bu)	2.99	2.98
Natural Gas (BTU/gal)	20,108	20,928
Electricity (KW/gal)	.60	.59
Corn Oil (Lbs/bu)	.91	.98
Ethanol Production (Gal/day)	251,372	238,369
Annualized Production (MGY)	87,000,000	84,100,000

Siouxland Ethanol Pays Distributions

A distribution (dividend) was declared at the board meeting on October 22 in the amount of \$3,000 per unit. With 3,638 units, the distributions total \$10,914,000. Checks

have been mailed to all unitholders on record as of September 30, 2018.

Over the history of Siouxland Ethanol, a

total of \$84,320,257 has been paid in cash to unitholders as distributions.

Unitholders have also received a total of \$16,20,083 tax credits. Together this is a total of \$100,340,340 returned to our unitholders. That's a return of over \$27,500 per unit.

Interested in Buying or Selling Units?

Would you like to sell your units in Siouxland Ethanol? Maybe your life circumstances have changed and you need to convert your units into cash. Or maybe you'd like to buy more units. We have a simple process for you to use on our website: www.siuoxlandethanol.com. Under the Investors tab, click on Unit Trading. On there you will see the Unit Trading Bulletin Board. It includes information and instructions on how to transact a purchase or sale of units. If you scroll down and click I agree, you can see current buy offers as well as current sell offers. You are not obligated to use the Bulletin Board but it is a good place to check out to see how much units are trading for. It's also good

to check on the website to see if a distribution is being declared in the near future so you can consider the value of the upcoming distribution in your buy or sell decision.

If you would rather work with someone personally, please contact Mark Rolfes, CFO at Siouxland Ethanol. His phone number is 402-632-2676. He is happy to assist you with any information you need.

In the past, the Company had offered an opportunity to buy back units and expressed then that it was a one time offer. The board does not have any plans to buy back units but hope that you find the website and Mark's assistance

helpful as you contemplate any changes in your ownership of Siouxland Ethanol units.

The board values all 715 unit holders, most of whom have been members in the Company from the beginning. Thank you for your support!





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BOARD OF DIRECTORS

Pam Miller • Dakota Dunes, SD **Chair**
Shennen Saltzman • So. Sioux City, NE **Vice-Chair**
Steve Ausdemore • Wisner, NE **Treasurer**
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Vern Henjes • Dakota Dunes, NE
Tom Lynch • Lincoln, NE
John Meuret • Brunswick, NE
Doug Nelson • Jackson, NE
Ronald Wetherell • Cleghorn, IA

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.

We would be happy to distribute the newsletter and other vital information to you by email if you wish. Please send a note to amy.williams@siouxlandethanol.com with your email address.



USS Nebraska



This autographed picture of the USS Nebraska was a gift to Siouxland Ethanol and hangs in the board room.

A group of Nebraskans led by former Nebraska Secretary of State Allen Beermann (1971-1995), who was raised on a farm in Dakota County, visited the USS Nebraska recently as it surfaced in Puget Sound, Washington. The USS Nebraska is a ballistic missile submarine which recently underwent an overhaul to extend its life for another 20 years.



Shennen Saltzman on board the USS Nebraska with members of the crew. L to R: Commander Jason Geddes, Shennen Saltzman, Commander Jake Wadsley

Among those on the trip was Shennen Saltzman, Vice-Chairman of the board for Siouxland Ethanol. Saltzman said, "The trip aboard the USS Nebraska is a reminder of what sacrifice and commitment look like. The men who serve in the US Navy and specifically the USS Nebraska are amazing patriots who sacrifice so

much for the peace we enjoy.

The commitment they show in the responsibilities they are given is nothing short of perfect precision day in and day out. You walk off that sub being very proud to be an American and even more proud to be a Nebraskan."