



SIOUXLAND ETHANOL LLC UPDATE

Team Effort

An Overview from Nick Bowdish President & CEO



The floods of 2019 wreaked havoc on our state and most directly impacted our plant by disrupting the shipping lanes for our products. The mainline railroad from Sioux City to

Fremont was out of service from March 12th through the first days of April. Numerous distillers' grain customers navigated challenging road conditions to feed livestock. Siouxland Ethanol was fortunate in that our plant property remained dry, the BNSF railroad was able to access our plant by routing empty cars through Illinois, Wisconsin, Minnesota and South Dakota to reach us from the north, and and South Dakota to reach us from the north.

The plant operations team worked around the clock to load cars whenever they arrived and we sustained full production through the entire time period. This is a true testament to the grit of our team and the extra effort of our commodity staff and logistics partners at RPMG, BNSF and local trucking companies. I'm very proud of this quarter's financial results because I witnessed the drive in our people that delivered them for our unit holders.

Our spring maintenance outage was completed safely the week of April 15th. We committed significant resources to the upkeep of our thermal oxidizer, which generates the majority of the steam for the plant. We thoroughly cleaned our evaporators, beer column and other process units. The scope of work included repairs to spouting coming off our corn receiving legs, electrical breaker testing, and replacement and repair of conveyors that operate 24/7 in the energy center.

The ethanol business continues to chug along with plentiful stocks and robust production levels. Despite some

reports of significant flood-driven pull-backs, production was only off 6% in the toughest week. Like our staff, the industry is resilient, competitive, and full of ingenuity when pressed with obstacles. All of this demonstrates the reliable supply of renewable fuels we have to offer.

Speaking of renewable, a USDA study recently released found US corn ethanol GHG emissions are 39% better than the baseline gasoline. We continue to engage with environmental groups to make them aware of the achievements of today's industry. Siouxland Ethanol is a prime example of an ethanol plant continuing to improve its environmental performance. Two years ago, we consumed 24,356 BTUs of natural gas to produce one gallon of ethanol. Today, we consume 20,900 BTUs. That's a drop of 14% in just the past two years.

Thank you to all of you who attended our annual meeting – we appreciate your support and interest in Siouxland Ethanol!



Siouxland Ethanol honored those employees who have been with Siouxland Ethanol for ten or more years with a plaque and a gift of appreciation at the annual meeting on March 27. Many of these employees have been with the company since the beginning in 2007. Their hard work, strong skills, and dedication to the company are valued by the the Company.

Left to right: Bruce Hallman, Mark Rolfes, Abby Rastede, Tina Langseth-beacom, Kevin Erickson, Pat Baker, Eastley Bolton. Not pictured is Mike Brewer.

ETHANOL AND THE ENVIRONMENT

Pam Miller *Board Chair and Director of Industry and Investor Relations*



When I speak to groups about ethanol, my biggest challenge is how to tell them about all of the great things about ethanol, from ethanol being a renewable and clean transportation fuel to the most affordable source of high octane to the health benefits of preventing cancer and other diseases by replacing aromatics with higher levels of ethanol. As you can see, the list is long and the message could get muddled.

I've learned it's important to know your audience and focus on one or two things. What is the audience most concerned about? What are their 'hot buttons'? I start out by addressing these topics first and then love it when the Q&A starts and I can answer their specific questions and have a dialog.

The opportunity to have a dialog with people who are concerned about

the environment is something that I look forward to. The Siouxland Earth Day celebration on April 28 is a great opportunity to share information and educate people on the truths and the science behind our industry's claim to be 'environmentally friendly', even necessary and extremely important in ensuring clean air and a lower greenhouse gas emissions. As I have worked with people from the environmental community in planning this celebration, it has been interesting to discuss the thoughts that exist today because of some false assumptions from 20 years ago. This includes everything from land use being converted into more cropland to the high amount of water used in an ethanol plant to the pollution that an ethanol plant produces. All of these issues have scientific studies to prove that these assumptions are false.

I'll be making another trip to Washington, DC in early May to visit with more members of the US Senate and House of Representatives. Having a positive environmental impact is important to many legislators. It has

helped to get in the doors of many offices that have concerns about the environment because they are from Michigan or Florida where boating is popular. Being able to talk about the non-toxic compound that is ethanol and how it doesn't harm fish or people like oil spills do also allows us to have a dialog about the true facts of using ethanol in boats. (Mercury and other companies approve E10 in all marine engines.)

Our message again on this lobbying trip will focus on continuing to apply pressure on the EPA and the Trump Administration to approve E15 year round. We are pressing for EPA to agree to the legal argument that any fuel with 10% or higher amount of ethanol is approved for use year round. This would give us the approval for E15 and it gets us down the road on seeking approval for that sweet spot known as E30.

Thank you for your support of the ethanol industry and being advocates for using higher blends of ethanol. A grassroots effort backed by good science and truth will win every time.

ETHANOL IS ENVIRONMENTALLY FRIENDLY!

Siouxland Ethanol is one of the major sponsors for Siouxland Earth Day, being celebrated in South Sioux City at the Delta Hotels Center on Sunday, April 28 from 1pm – 5pm. The Ethanol Education Mobile Unit will be on display. American Coalition for Ethanol (ACE) will be sharing information about



the low carbon value of ethanol. Siouxland Ethanol staff will be holding a corn hole tournament with specially designed boards featuring ethanol. Pam Miller takes the stage at 3:30 pm to present the impact of using higher blends of ethanol to ensure clean air and a lower greenhouse gas emissions.

Round up a Cure for Cancer by using Ethanol



The Cattleman's Ball is June 7-8 in Wauneta, NE this year. There will be an informational table about the benefits of using higher levels of ethanol in order to reduce the risk of cancer. Stop by the Wellness Tent sponsored by the UNMC Cancer Center and learn more.

In order to get the octane/oxygenate that is needed to make gasoline, oil companies use aromatics, a group of cancer-causing chemicals which includes benzene, toluene and zylene. Ethanol is a better choice because it has a higher octane rating so it serves as a better oxygenate. And ethanol does not cause cancer. No level of aromatics is safe from a cancer-risk perspective. We can help prevent cancer now by using higher levels of ethanol in our fuel.

FINANCIAL REPORT

SUMMARY OF OPERATIONS NOTES

- Total Revenues were up slightly compared to same period 2018 due to higher plant production along with better prices received on co-product sales although ethanol netbacks were down approximately 7% compared to same quarter of prior year.
- Gross Profit was down with reduced crush margins, the result of lower ethanol netbacks along with an 8% increase in cost of corn.

BALANCE SHEET NOTES

- Members' Equity and Book Value/Unit down primarily due to the two distributions paid to our owners over the last six months totaling \$13.64MM.

KEY METRICS NOTES

- Ethanol Yield continues strong performance with a slight increase over same quarter 2018.
- Record number of gallons of ethanol produced in the quarter, resulting in almost 93MM gallons of annualized production.

UNIT TRADING NEWS

- 5 units traded during the quarter ending 3/31/2019, averaging \$26,500/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 3/31/2019	3 Months Ended 3/31/2018	6 Months Ended 3/31/2019	6 Months Ended 3/31/2018
Total Revenues	\$37,929,913	\$37,469,800	\$74,638,560	\$71,920,331
Gross Profit	\$4,366,014	\$5,389,163	\$5,852,065	\$8,823,235
Net Income	\$ 3,805,169	\$4,768,410	\$4,764,306	\$7,755,311
Net Income/Unit	\$1,046	\$1,311	\$1,310	\$2,132
Distribution/Unit	\$750	\$1700	\$750	\$1700

UNAUDITED

BALANCE SHEETS	As of 3/31/2019	As of 9/30/2018
Current Assets	\$38,649,264	\$45,102,160
Total Assets	\$94,164,013	\$95,960,464
Current Liabilities	\$13,482,804	\$6,266,432
Long-Term Liabilities	\$1,631,856	\$1,688,249
Members' Equity	\$79,049,353	\$88,005,783
Book Value/Unit	\$21,729	\$24,191

KEY METRICS

	Quarter Ended 3/31/2019	Quarter Ended 3/31/2018
Ethanol Yield (Gal/bu)	3.03	3.00
Natural Gas (BTUs/gal)	20,721	22,621
Electricity (KW/gal)	.51	.53
Corn Oil (Lbs/bu)	.99	.92
Ethanol Production (Gals/day)	263,092	235,803
Annualized Production (Gals/year)	92,900,000	83,200,000



LET'S GO RACING!

In conjunction with RFA, we will be sponsoring a big race at the Onawa Racing and Events Complex just outside of Onawa, IA. This new premier racing track gets a large crowd every weekend. By sponsoring the race on June 8, we'll receive great publicity, the opportunity to interact with the drivers and their mechanics in the drivers meeting and in the pits as well as the general public at an informational booth by the concession stand. (You've got to have a hot dog and a cold one at the races!). We'll also be there on July 20 and August 3. Come by our booth and check out our information about the high octane, great performing and healthier option for fuel for these race cars and for your car.

E85 Motorcycle Designed by Paul Jr. in Sioux City



This awesome bike will be in Sioux City during Awesome Biker Nights on June 7-8. It was designed and built by Paul, Jr. of "American Chopper", a TV series on the Discovery Channel. The design and build was featured on an episode last summer. During this time, Paul Jr. said, "I had just heard things about ethanol in motorcycles that weren't really good. So until we built the bike and we got it running on ethanol,

it wasn't until then that I realized it's actually a really great product for motorcycles; especially the air-cooling ones that I ride and build, because they run so much cooler than pump gas. Not only that, it's sustainable, it's made here, it's supporting the farmers, they support retired military. I started to really do my due diligence about it and realized that not only is there nothing bad about it, but **every attribute of it is good.**



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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.

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.



Meet Luke Moser, New Board Member

Luke Moser is our newest board member for Siouxland Ethanol. He was elected by the unitholders at the annual meeting held on March 27.

Luke is Chief Operating Officer of Western Oil, Inc. based in Valentine, NE. Western Oil is a family owned refined fuels business with operations across wholesale, transportation and retail. Western Oil currently operates 25 retail locations under the SpeedeeMart name.

Luke has worked in management of the Danielski

family of businesses since 1998, coming up through the agricultural side and then transitioning into the refined fuels line of business. He is involved in several local and state boards including Valentine Economic Development, Airport Advisory Board, Cherry County FSA Board, and Nebraska Petroleum Marketers Association Board. In his time away from work, Luke enjoys time with his family: wife, Tygh and sons, Austin, Scott and Matthew. He is a private pilot with a strong passion for all things aviation.



Luke Moser