



United Ethanol • Growing To Meet Your Needs

Ethanol News

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November 2015

Greetings from the CEO



David Cramer
President and CEO

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In the month of October, we hit our seventh month this year of over four million gallons of un-denatured ethanol produced. We expect to hit four million gallons in November and December as well to close out the year with our highest production ever. In September, we had our fall shutdown for repair, maintenance, and cleaning. During this outage we rebuilt the internal trays inside of our first distillation column. This has increased our average daily production and also netted a significant annual energy savings.

The autumn season hasn't been favorable to co-product margins. Corn oil values have been dropping alongside the value of diesel fuel. Dried Distillers Grain (DDG) exports have nearly stopped, which has flooded the local market with DDG supply and ultimately lowered the price. DDG was 120% the value of corn for most of the year until this fall. Now it is around 90% the value of corn. We have offset those losses by producing more gallons of ethanol. This has reduced our per gallon cost of production and improved our net profit, increasing our overall profitability. We expect margins to stay where they are for the rest of the year. Entering into the fourth quarter, United Ethanol is meeting its projected budget expectations.

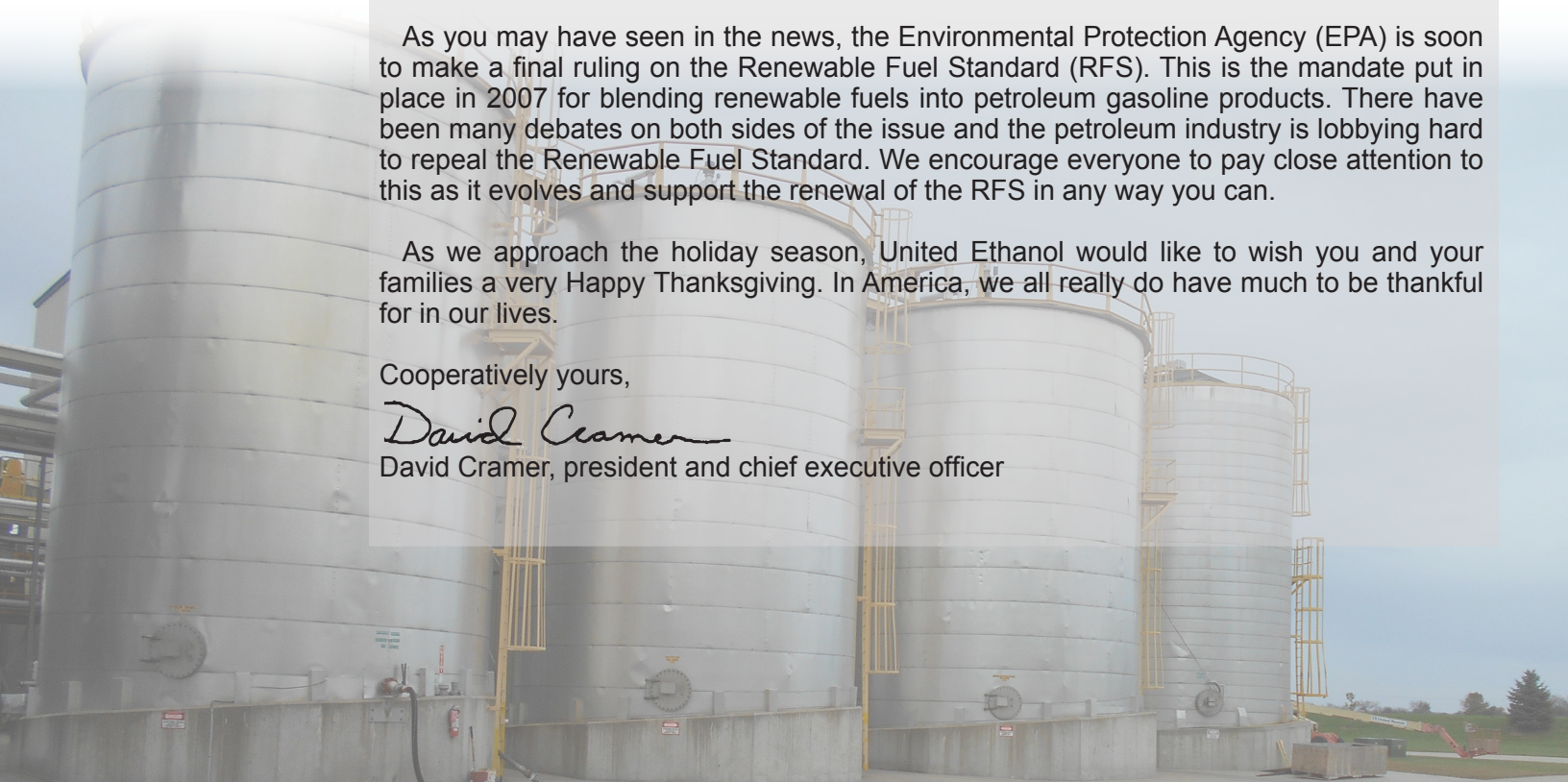
The new corn crop is excellent quality. We have had a lot of truck traffic at the plant during this harvest season. The test weights are good, and the plant is already processing some of the new crop corn. The USDA Crop Progress report showed the national corn crop was 85% harvested as of November 1st, and right on track with estimates.

As you may have seen in the news, the Environmental Protection Agency (EPA) is soon to make a final ruling on the Renewable Fuel Standard (RFS). This is the mandate put in place in 2007 for blending renewable fuels into petroleum gasoline products. There have been many debates on both sides of the issue and the petroleum industry is lobbying hard to repeal the Renewable Fuel Standard. We encourage everyone to pay close attention to this as it evolves and support the renewal of the RFS in any way you can.

As we approach the holiday season, United Ethanol would like to wish you and your families a very Happy Thanksgiving. In America, we all really do have much to be thankful for in our lives.

Cooperatively yours,

David Cramer, president and chief executive officer





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Update from United Ethanol

By: Chad Campbell, Chief Operating Officer



We safely completed our second shutdown of the year in September. Dan Shickles, plant manager notes, "Our operations group continues to work diligently on improving plant procedures to ensure safety and productivity during plant outages." The plant was ready for a shutdown after having record producing months in the two months prior. Our process has been refined, optimized, and well controlled to have us averaging over four million gallons per non-shutdown month this year. Ben Fallon, United Ethanol operator, says, "Whether new or experienced, everyone here cares about this place." That is one of the secrets to the recent success. The plant staff has taken the capital additions put in place over the last year and quickly maximized their returns to the plant.

To prime for an even stronger 2016, plant capital was spent this year on improving our beer column operation during our shutdown. We installed all new trays in our beer column to improve the vapor separation from the liquid beer feed. This has led to a reduction in energy needed for current rates of production, and an opportunity to see improved average rates going forward.

With our co-product margins declining across the board, our emphasis is on making more ethanol out of every bushel of corn. The team is doing great at controlling our yield and capturing ethanol yield improvement opportunities. DDG exports to China have been very slow for the last couple of months, which has led to a drop of over \$40.00 per ton and DDGs price.

United Ethanol has also rolled out a new, updated website! It still has the same address at www.unitedethanol.com. Stop by to read our newsletter, blog, and get other useful industry information! We are also on Facebook - feel free to check out the page to see regular updates.

The United Ethanol team would like to wish everyone a Happy Thanksgiving and a Merry Christmas! We are looking forward to a great 2016!

