



Membership Unit Trades & Transfers:

All unit trades completed by March 17, 2008 through Alerus Securities, and private transfers submitted to our office by that same date, will be submitted to the board for approval on March 24th. Once these trades and transfers have been approved, they will be effective April 1, 2008. New certificated will be issued on that date. Please visit the Alerus Securities website (www.alerusagstock.com) for CE units available for sale, offers to purchase, and recent sales; or you can call Alerus Securities toll free at 800-279-3200, ext. 3402. You can also access Alerus using the link on our CE website: "Trading Membership Units" in the "Investor Info" tab.

Ethanol Industry Update:

According to the Renewable Fuels Association there are (as of 2/22/08) 143 ethanol plants operating in the United States with production capacity of approximately 8.16 billion gallons per year. In addition, there are 57 new plants under construction along with 7 plants expanding production for a combined total of an additional 5.25 billion gallons per year capacity. For more information about the ethanol industry and the industry outlook for 2008, please see the RFA website at www.ethanolrfa.org and look for the "Ethanol Industry Outlook 2008".

"Stopping at third base adds no more to the score than striking out." ~ E. Joseph Cossman

Construction Progress Update:

Administration Building - The administration building should be completed by April 1, 2008. We have been looking at office furniture and phone systems and interfaces to the plant. We will be ordering some computer equipment to comply with requirements for grant funds. **Septic System** - We are gathering the bids for the installation of the septic system. Installation of the system and inspections will need to take place as the area dries up. **Water Main** - The water main has been completed up to our property. Final pump and distribution equipment should be completed by March 31, 2008. **Electric** - AEP substation work has started. Easements are in place. Backup power poles have been installed along Co. Rd. 600. Placement of permanent transmission poles has begun. Energizing is scheduled for April 1, 2008 with permanent power available to the plant by July 1, 2008. Power will be transferred to Cardinal per our agreement regarding start-up procedures and requirements. **Fermentation/Process Building** - Interior tanks in the process building have been set. Structural steel is continuing to be placed. Crews are working at getting the distillation area ready for concrete. Piping, electric, and insulation work began in February. **Energy Center** - The dryers, boiler, and thermal oxidizer are set. Cyclones on driers A & B are being installed as are some of the DDG conveyors. The upper deck mezzanines are being poured to allow for addition energy center work to be completed. **Water Treatment Area** - The cooling tower construction was started in February. The fire water tank is erected as are the backwash tanks and blow down water tank. The liners for the stabilization pond will be installed later this month. The survey for the water discharge has been complete and the remaining engineering will take approximately 3 - 4 weeks. **Tank Farm** - Painting has been completed on the primary tanks. Footing for the pipe racks began in February. **DDG Area** - Silos are completed, DDG building finished, and installation of the DDG hopper in the DDG building is being completed at this time. Part of the electrical conduit has been installed into the tunnels of the DDG areas. **Grain Receiving Area** - The steel structure for the grain receiving area is being placed. Tunnels are lined with some of the electrical conduit and part of the conveying system has been set in place. The rail scale is in place and part of the unloading equipment is in position. The grain silo has the interior floors poured and some of the transitions and equipment set. Electrical components have been placed in the grain silo motor control center. **Rail Loop** - Amtrac of Ohio is approximately 75% complete with the rail loop. Final approval for the rail design and construction has been granted by the CSX railroad. We do not have the side track agreement as of yet. We are waiting for the CSX to approve the budget for the project (internal CSX activity). We need the budget approved and a number assigned to the project before they can issue the side track agreement and order equipment and materials. They are estimating this to take 6 weeks to build and then they will schedule main line down time for installation.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

Any statements in this communication that are not historical or current facts are forward-looking statements. All forward-looking statements in this communication are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements express or implied by the forward-looking statements. Certain of these risk and uncertainties are described in the "Risk Factors" section of the final prospectus relate to our recent offering as filed with the SEC, as well as in our subsequent reports filed with the SEC which are available at the SEC's website www.sec.gov.

Amended Indiana K-1s:

We will be providing you with your amended Indiana K-1 statements for the short period Oct-Dec 2007 as soon as we receive the award letter from the state. The award letter will outline the amount we are awarded for the Hoosier Business Investment Tax Credit, which will then be applied to your K-1s. You might also speak with your tax advisor to see how this credit will affect your tax return, if at all. The amounts listed in Part 2 of the K-1 you already received will not change, only a credit will be applied in Part 3 of the K-1. Please call our office with any questions you have.



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We'll be at Randolph
Co. Ag Days March
19th & 20th, so stop by
and say Hi!

Fueling Energy Independence

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Have a Safe & Happy
Planting Season this
Spring!!



Hats for Sale!

We have Cardinal Ethanol hats available for sale at the Cardinal office. For more information about the hats, please see the link on our website or contact Heather at hrcraig@cardinalethanol.com.

NOTE ABOUT CONSTRUCTION SITE ACCESS:

Please be respectful of the construction crews as they do their best to provide Cardinal with a top-of-the-line ethanol plant. **Site access is restricted to construction employees and Cardinal employees only!** We are concerned with your safety and the uninterrupted progression of construction. Please DO NOT enter the plant site under any circumstances until you are invited to do so. We appreciate your cooperation and understanding!