

Happy Holidays from all of us at:

**Newsletter
December 2007**

Cardinal



Ethanol

Year End Change for Income Tax Purposes

Cardinal Ethanol uses a fiscal year ending September 30 and will continue to use the September 30 fiscal year for financial reporting. However, for 2007, the company will use the calendar year (December 31) for income tax reporting purposes. This change is required by the Internal Revenue Code. Because a sufficient percentage of the members of Cardinal Ethanol, LLC are pass-through entities (such as other LLC's), the tax code does not allow the company to elect a tax year-end other than the calendar year. To make the change, the company will file two tax returns for 2007: one return for the 12-month period ending September 30, 2007 and one return for the three-month period covering October - December of 2007. This will mean that the members will get two Schedule K-1's for 2007, reflecting their share of the company's income for these two periods. The sum of the amounts from these two K-1's should be reported on the members' 2007 income tax returns. For 2008 and future years, only one Schedule K-1 will be issued for each member covering a calendar year period. We expect these K-1s will be mailed to the member by February 12, 2008.

1st Annual Membership Meeting

The Board of Directors has set the date for the 2008 Annual Meeting of the Members to be held on Wednesday, January 9, 2008. The alternate (snow) date is Wed., Jan. 23. The meeting will be held at the Winchester Community High School Auditorium. Registration will begin at 5:00 pm with the meeting to commence at 6:00 pm. Directions and a detailed agenda can be found at the Cardinal Ethanol website. Please RSVP your intentions for attendance to hcraig@cardinalethanol.com or by returning your enclosed RSVP form.

*Generosity is
giving more than
you can, and
pride is taking
less than you
need.*

~Kahlil Gibran



Construction Progress Update

Construction is going great, and the weather has been cooperating. Crews are working five day weeks, 10 to 11 hours each day, and every other Saturday. Over half the concrete has been poured. The Iron Superintendent arrived in late October. Process steel has all arrived. In the next month, the three elevated decks in the process area should be erected. Work on the concrete decks in the Energy Center has started and the heaters have been set in place. The dryer group from ICM has arrived. Culy Construction is working on the fire loop. The DDG building is done and the exterior lights are in place. Several loads of pipe have been delivered ahead of time. Tanks in the tank farm will be painted soon. Cooling tower pipe and five loads of stainless steel has arrived. 60% of the pumps have been delivered. The millwrights and pipe fitters have arrived. The cooling tower area is currently being excavated and construction in the area has begun. Slip form pouring of the DDG silos is complete.

The corn silos foundation has been poured and the slip form pouring should start very soon.

Foundation work for the administration building is done and the building is being erected. Amtrac of Ohio is making really good progress on the rail. The first of three rail loops, along with the second set of ties, are almost complete. Work on the county road repair is underway. The State permit for work on State Highway 32 arrived for the turn lane and passing blister; that work will start in the spring.

American Electric Power has started on the electrical pad, with a March 31st completion date.

Please keep your eye on our website for more construction photo updates www.cardinalethanol.com

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.

Note about 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 assistance and understanding!



Now Seeking Chief Financial Officer

Cardinal Ethanol LLC is seeking a qualified person for the position of Chief Financial Officer. Please see the website for the job description and further details.



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We hope you all have a wonderful & safe Holiday Season & a Happy New Year!