



United Ethanol Growing To Meet Your Needs

Ethanol News

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Greetings from the CEO



David Cramer
President and CEO

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I especially looked forward to writing this article, because so many progressive things have happened recently at United Ethanol, LLC.

Third quarter, 2009, ethanol economics were the best they've been in a year. The demand for ethanol is good on both coasts and at the United States' gulf, which has kept the supply of ethanol from building in the Midwest and the prices firm.

The anticipation of a large corn harvest has kept the price of corn subdued year to date, and the generally weak economy has held all other inputs priced at lower levels than a year ago. The weak U.S. dollar has retained the foreign buyers looking for our dry distiller's grain (DDG). The delayed corn harvest and high soy meal prices have created a steady demand for local DDG and wet distiller's grain (wetcake), also.

We've officially passed all of our required emissions tests. As you already know, the regenerative thermal oxidizer installed last December passed its emission tests in February of this year. Now, recently-released test results show September testing indicated volatile organic compound and emissions from the vent gas scrubber, fermentation scrubber, and boilers were beneath the maximums set forth in our construction permit.

These results were presented to the Wisconsin Department of Natural Resources on Oct. 23, 2009, with copies to the city of Milton. The next task is to officially transition from our construction permit to an operating permit.

In recent weeks, we've also began some extra correspondence with the city of Milton as a result of an odor complaint from this summer that allegedly violated our agreements with the city. We believe we've not violated our obligations to the city or to the community; however, we understand the delicate nature of the topic, and we want to do all we can to address those concerns.

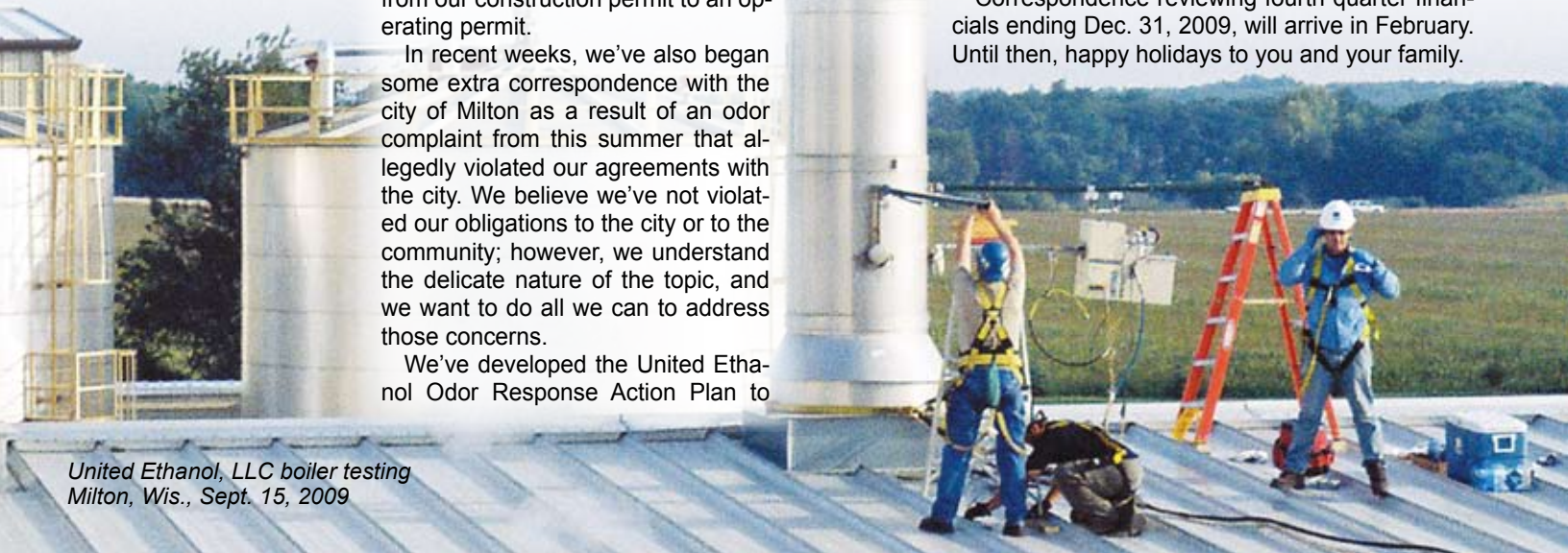
We've developed the United Ethanol Odor Response Action Plan to

improve communications and information sharing with the city of Milton and neighbors concerning United Ethanol and address odor issues in a robust way. The plan includes analyzing our odor complaint log, examining dryer maintenance, providing third-party analysis and comment on our DNR-certified test results, enlisting a third-party expert to analyze the odor concerns, and increasing communication to the city and neighbors. We look forward to giving the city of Milton monthly updates on our new plan which will assist us and the city of Milton in ensuring the safe and successful operation of United Ethanol while supporting the local economy.

During the first three quarters of 2009, United Ethanol sold 32,218,869 gallons of denatured ethanol. We also sold 84,042 tons of DDG, 11,108 tons of wetcake, and 35,415 tons of liquefied carbon dioxide.

Enclosed are unaudited financial statements for United Ethanol per section 8.2(b)(ii) of the United Ethanol, LLC Operating Agreement. Our financing department has included the United Ethanol balance sheets as of Sept. 30, 2009, also showing 2008 numbers; the statements of operations for the quarters ending Sept. 30, 2009, and Sept. 30, 2008, with year to date for 2009 and 2008; and the statements of cash flows for the quarters ending Sept. 30, 2009, and Sept. 30, 2008, including year to date for 2009 and 2008.

Correspondence reviewing fourth quarter financials ending Dec. 31, 2009, will arrive in February. Until then, happy holidays to you and your family.



United Ethanol, LLC boiler testing
Milton, Wis., Sept. 15, 2009



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Update from United Ethanol

We are continuing our focus on fermentation. We started tracking our fermentation data electronically with all operations trained on the High Performance Liquid Chromatography instrument (equipment used to monitor analytical data on fermentations), yeast counting, and entering the data into Excel spreadsheets. "This system allows us to get up-to-date fermentation data anytime as it is located on a share drive," commented Dan Shickles, assistant manager of ethanol operations. "Kim Paulson, our laboratory technician, manages the system and provided all the training for operations."

We continue to look at new technology that will increase our fermentation yield and decrease our cost of production. "We have a number of trials planned for fermentation in the upcoming months starting with an enzyme trial from Genencor," commented Shickles. "If this trial proves true, we will increase our yield by 2 percent and decrease our overall chemical costs."

"We have been catching up on our "cogz" list -- our maintenance software system -- which tracks repair work orders and preventative maintenance," commented John Minard, maintenance manager. We have installed a permanent tank and pumping system for our chemical alterations to the scrubbers. We are moving forward on our instrumentation insulation project which will save on unwanted cold weather issues this winter. Our wet cake wall replacement and upgrade is complete and works and looks good. Roof repairs have been made to building number five due to ice build up last winter. We have ordered three variable frequency drives (VFD) for some process pumps; they will assist in reducing power usage. Fifty percent of the cost of adding the VFDs will be paid for with Focus on Energy, and we will save approximately \$2,500 for each VFD,



We continue to look at new technology that will increase our fermentation yield and decrease our cost of production at United Ethanol.

annually, in electrical costs. In late October, we installed a new gas regulator feeding the boilers; this will solve some issues we have with cold weather and unsteady gas pressures.

The grain handling department has been busy. Our dry distiller's grain has been of good quality and inventory has been low; wet distiller's grain has remained steady; corn inventory is adequate, but we're eager for fall harvest to start; and rail alcohol has been busy. We are in the process of installing fall protection in building number one; and, our grain handlers have recently attended the GATX tank car training class as well as an annual update from the federal railroad administration.

"Our staff continues to rigorously update, monitor, and track all plant parameters to make sure we're producing ethanol as efficiently as possible," mentioned Mike Opdahl, general manager of ethanol operations. "I am very pleased with our efforts to make this ethanol production facility the best it can be and look forward to continuing this plan as ethanol and energy technologies improve in the future," he added.