



Show Me Ethanol LLC Production Update

Show Me Ethanol LLC completed the first full month of at its 55 mgpy dry corn mill ethanol plant in Carrollton, Missouri the end of June with total production of over 3.8 million gallons of ethanol or 81% capacity. In discussing start up efficiency with some industry people we are advised this is well above normal levels usually reached by start ups in the first month of operations. We are pleased to report that June financials did show a profit per our expectations. Final numbers will be posted after July 15.

Start up operations were routine and went better than expected. The worst situation occurred the evening of June 12th at approximately 11pm the site took nearly direct hit from lightning during a thunderstorm resulting in a total power outage. When power was restored it took approximately 72 hours to regain full operating authority over the plant as much of the plant instrumentation was adversely affected and required recalibration and retuning before operations could resume normal speed. Employees showed that the extended training time provided by Show Me was well worth it as no incidental damage occurred to any equipment as it was restarted. Our understanding is that is more often the case than not that "rookie" crews sometimes do not follow all proper restart procedures. Our thanks to our employees.

Ethanol economics continue to be mixed. Corn prices accelerated to over \$8 in the '09 futures but have retreated the past two days on better than expected crop and weather reports. We do not for see an extended down turn in the price of corn given current forecasts on supply, demand and carry out. We were able to make some critical purchases during the downturn which will benefit is in the last quarter of 08. We will continue to execute purchases if we feel we can do so at a profitable return. Ethanol continues to sell at nearly a dollar a gallon discount to gasoline. Five 100 mgpy plants have not come on line the last ninety days due to economic factors. Three more have been cancelled due to permitting or financing problems.

DDGS markets have been very soft. With higher corn prices they have firmed some but DDG continues to be priced well below the value of corn.

Natural Gas has been a bright spot. Our marketer has been successful at bringing us gas to the plant on our pipeline at significantly lower prices than futures.

The disinformation and fear mongering by politicians and media continue to hamper and distort the positive aspects of ethanol. We at Show Me take every opportunity possible to enlighten those who skew the facts or make blatant misstatements about our product.

The open house is scheduled to be held August 23rd from 10am to 2pm. A light lunch will be served. Plant tours will be available. However, due to safety rules all tour participants should wear a short sleeve shirt and jeans. No sleeveless tee shirts or shorts can be allowed for your safety. We look forward to seeing everyone then.

Gregory E. Thomas
General Manager