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Show Me Ethanol LLC Production Update

Show Me Ethanol LLC completed the second full month of production at its 55 mgpy dry corn mill ethanol plant in Carrollton, Missouri the end of July with total production of over 4.1 million gallons of ethanol or 86% capacity. We shipped over 11,000 tons of DDGS as well. We are pleased to report that July financials did show a profit per our expectations.

Operations continue to become more routine as employees become situated to their positions and equipment gets "dialed in" for long haul operations. The plant was idled and operations curtailed mid August for maintenance repairs but returned to normal rates within hours of the repairs being completed.

Ethanol economics continue to be mixed, sometimes poor. Corn prices took a drastic decline from early July to August 1 with better than expected crop reports and favorable weather conditions. Where we did not see an extended down turn in the price of corn given current forecasts on supply, demand and carry out those projections did not hold. Corn markets have increased the past week from their lows but downward pressure on crude due to a decline in gasoline consumption in the U.S. combined to make for a double impact on ethanol prices. Ethanol CBOT (Chicago Board of Trade) hit a high of 2.899 on June 27 and sank to a low of 2.04 on August 11 and have been unable to find much strength in what is a buyers market. Show Me will continue to operate and grind forward purchase corn at extremely low, possibly negative margins at current ethanol prices. There is some expectations the ethanol market could be in for a fourth quarter rally due to weak buying the past six weeks and shrinking imports at the end of August. However there are rumors that several plants that had not started production when corn was \$8.00 a bushel are now planning to start. This may contribute to continuing downward pressure on ethanol prices. Ethanol continues to sell at nearly a dollar a gallon discount to gasoline. Show Me continues to watch the markets on a hour by hour basis. The bottom line is that these are the most volatile markets that have ever existed in the history of the United States and there are a dozen opinions by different experts as to where the markets are going.

DDGS markets strengthened on the higher corn price and several forward contracts were closed with excellent margins compared to past sales. But DDGS continues to be priced well below the value of corn. Show Me is now selling excess syrup which is extra income with no increased costs and no effect on operations.

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. Show Me is in negotiations with a landfill gas supplier in the Kansas City area that could bring significant long term savings on this commodity if a deal can be reached.

Show Me is pursuing a project to extract the corn oil from the syrup produced by the distillation process. This could present an excellent return on investment and add additional profit to the operation.

Show Me is taking a proactive approach working with Missouri Corn Growers to promote the use of "blender pumps" for flex fuel vehicles to promote the use of higher blends than E10 with the ultimate goal of allowing consumers to voluntarily blend higher blends in non flex fuel vehicles. However this will require changes in legislation. Show Me feels

it is imperative that there be a grass roots movement to encourage lawmakers to pass legislation mandating that all new vehicles built in the U.S. in the near future be flex fuel capable. This alone could dramatically increase the demand for ethanol without the need for additional infrastructure or capital expenditures by service station owners. We urge you to contact your Congressional Representatives and Senators and tell them the U.S must take drastic action to increase the use of American energy and to stop the export of our dollars to nations unfriendly to the U.S.

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.

We would encourage those individuals who may have an interest in purchasing shares in the company to contact Greg Thomas at 660-542-6493 and submit your name and contact information. The same would be true for individuals wishing to sell their shares. Contact Greg Thomas at the same number. He will be keeping a record and will assist you in getting together to discuss possible transfer of shares. Please keep in mind all transfers require prior board of director approval except for transfers to trusts.

On a final note all investors should be aware that Show Me Ethanol LLC is required to report to the Security Exchange Commission due to the number of investors the company has. This is an extremely time consuming and expensive ordeal and adds nothing to the value of your shares or to the company. Continuing implementation of Sarbanes-Oxley legislation will continue to increase our costs and complicate our ability to efficiently run the business. It would be in the interest of all investors if Show Me could de-register with the SEC. A proposal to do so will be presented to the shareholders sometime in the near future.

Gregory E. Thomas

General Manager