



Big River *The Value Adder* Resources

August 2004

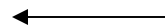
The official Newsletter of Big River Resources

Volume 3, Issue 2

Open House Set for August 28th...



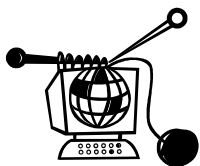
Aerial View of Big River Resources, LLC
Ethanol Plant



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WELCOME ONE, WELCOME ALL! Come and visit us, invite your family, friends, and neighbors too. Big River Resources, LLC would like to cordially invite you to the open house set for Saturday, August 28, 2004 from 8:00 a.m. until 5:00 p.m. We are asking everyone to meet at Southeastern Community College in West Burlington, Iowa. Burlington Trailways will bus groups to and from the plant for a tour. Remember, you invested in an ethanol plant and SAFETY FIRST is a strong belief. We would appreciate you avoiding wearing shorts, sandals, and sleeveless shirts.



Internet Site

We are now web updated!! Check us out at www.bigriverresources.com. You can find updated grain bids, feed prices, pictures, timelines, plant information, newsletters, and more.

The Team . . .



Stan Janson
Plant Manager

Stan Janson joins the Big River team with a Bachelor of Science Degree in Biology from Bradley University with over 20 hours of MBA courses. Stan previously worked for Phibro North America as a Marketing and Technical Manager where he managed marketing, technical, and support activities for antimicrobial products used in the ethanol industry. Phibro gave him the opportunity to see many different ethanol plant designs and processes. Previous to Phibro, Stan worked at Williams Ethanol, an ethanol plant in Pekin Illinois. At Williams Ethanol, he filled positions such as Fermentation/Aquaculture Marketing Manager, Technical Support/Product Development Manager, Quality Control Manager, Shift Coordinator Conversion -Fermentation-Dry House Manager, Microbiology/Fermentation Lab Supervisor, and Microbiological plant microbiologist. Stan resides in Burlington, Iowa with his wife Marta.



Larry Brees
Controller

Larry Brees joins the Big River team with a Bachelor's Degree in Accounting from Illinois State University. He has taken additional MBA courses with concentration in accounting from the University of Phoenix. Larry previously worked for Aventine Renewable Energy, Inc (fka Williams Ethanol), Pekin, Illinois as accounting supervisor. As accounting supervisor, he was responsible for cash, accounts payable, accounts receivable, tax reporting, sales tax issues, fixed asset additions, and general supervision of the accounting department personnel in a large ethanol production facility. Larry resides in West Burlington, Iowa with his wife Sherrill and children.



Rich Grasso
Maintenance Manager

Rich Grasso previously work with Roquette America, a wet milling corn operation plant in Keokuk, Iowa. He was the Project Engineer. As Project Engineer, Rich assisted in the implementation of new products through software revisions, E & C Supervisor, supervised 4 electrical and control technicians, instrument, control, electrical, and mechanical upgrades of existing equipment and processes, and financial procurement for projects. Rich's additional experience includes Maintenance Specialist, Genencor International, Cedar Rapids, Iowa, Project Engineer, Exide Battery , Burlington, Iowa, Electrical Tech, Fort Dodge, Iowa, Senior Tech, Troy, New York, Electronic Tech, Charles City, Iowa and Staff Sergeant, United States Air Force. Through all theses jobs Rich has a variety of experience and has traveled the world. Rich resides with his wife Vera in Farmington, Iowa and children.



Brian Schasel
Technical Manager

Brian Schasel has a Bachelor of Science Degree in Chemistry from the University of Wisconsin. Brian previously worked as a quality Systems Engineer for Preco Electronics and in various technical and quality positions at Williams Ethanol. Through these companies he has over 14 years of technical and manufacturing experience in various aspects of quality management including control and Pareto charts, problem solving methods, and focus team leadership; and experience working with many different types of analytical lab instrumentation. His manufacturing background includes work in both the ethanol and electronics manufacturing industries. Ethanol process experience includes steeping and milling, conversion and saccharification, fermentation and distillation, and wastewater treatment. Brian resides in Burlington, Iowa with his wife Beth and son Adam.

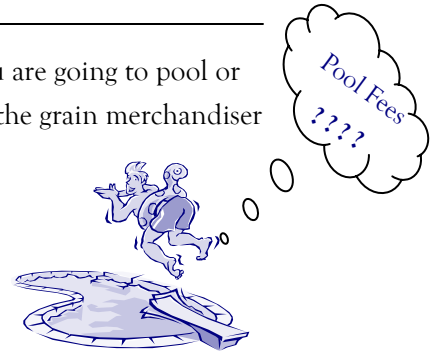
Grain Information

Delivery Agreement Reminder

The new trimester begins September 1, 2004 which means it is time to declare whether you are going to pool or deliver your committed bushels. The delivery agreement letters have been mailed out and the grain merchandiser needs them returned prior to September 1, 2004 to know your committed bushel intentions. If you have not mailed yours back, please do so as soon as possible. Thanks

Pool Fees

If you choose the pool option for the third trimester of 2003, the invoices have been mailed. Please do not mail a check until you receive the invoice.



General Manager's Notes

On April 12, 2004, Big River Resources began grinding local corn and producing ethanol. The facility came on line nearly 10 weeks ahead of schedule and has been performing well. The plant's nameplate capacity is 40 million gallons of ethanol per year or 3.33 million gallons per month, and for the first 3 ½ months of operation, we have managed an average production rate of 42 million gallons per year or over 3.5 million gallons per month. Essentially, we are operating consistently at 5% over nameplate. We have operated over short periods at significantly higher rates and continue to increase the output of the plant. The facility is also operating while consuming less energy per gallon than originally anticipated. The energy guarantee for natural gas consumption was for a maximum of 37,000 Btu's per gallon, and the facility is operating while consuming on average less than 30,500 Btu's per gallon.

All of our corn has been delivered by trucks at this point. We have the ability to receive corn by rail and barge, but we have had no need to venture into these areas at this time. The corn delivered into the plant continues to be very high quality, and we have incurred no problems in procuring grain for the facility. The two pit unloading facility has helped to minimize corn unloading time. We continue to get very positive comments from drivers that are delivering grain, particularly, when they compare our unloading facility to some of our local competitors.

We are transporting our finished products to market by truck, rail, and the Mississippi River. Our ethanol is moving by truck, over 300 trucks in July, to the St. Louis and Chicago markets. We are moving ethanol to other regions of the country by rail, with a significant volume going to California. Our DDGS, feed product, is moving to market by truck, rail, and barge. We continue to grow sales in the local truck market for DDGS. Rail DDGS shipments are moving to the west coast and southwest markets, including Mexico. The barge loads of DDGS move down the Mississippi River into Latin American and South American countries.

Through the end of July, the plant has ground a total of over 4,467,000 bushels of corn while producing over 12,167,000 gallons of ethanol and 38,532 tons of distillers dried grains with solubles (DDGS). We continue to look for opportunities to increase the throughput and efficiency of the processing facility.

The staff and I encourage your feedback and comments regarding the ethanol facility and our performance. We are working hard to ensure that your investment in value added agriculture will continue to offer rewards long into the future. Also, I would like to mention the open house scheduled for August 28, 2004. This will be a good opportunity to see your investment in action.

Sincerely,

Edgar Seward, General Manager

Plant Manager's Notes

Just wanted to drop a note to everyone and explain how we turn a kernel of corn into ethanol and DDGS (Distillers Dried Grain with Solubles). There are 10 steps that are necessary by which this is achieved. These steps are listed in order below.

> Grain Receiving > Grain Storage > Grain Cleaning and Grinding > Cooking > Fermentation > Distillation > Evaporation / Centrifugation > Drying > Final Product Storage > Final Product Load out

In future newsletters, each one of these processes will be explained in further detail. For now a brief synopsis is given. Corn is received and graded by our scale operator. Corn is then dumped in our receiving pits, which is taken to storage. After passing through our scalper, which takes out large foreign material; the corn is ground into corn meal.

This is transferred to our process building where water is added and the entire slurry is heated. Also enzymes are added to break down the starch in the corn to sugar. This is known as cooking. After the cook, the slurry is cooled and added to the fermenters along with another enzyme and yeast. This enzyme further breaks down the starch to simple sugar. The yeast consume this simple sugar and produce carbon dioxide and ethanol. Once this takes place, the slurry in the fermenters is now called beer.

The beer is then pumped to distillation, where the ethanol is separated from the beer. The ethanol is further concentrated to 200 proof or 100% ethanol and denatured by adding gasoline and is stored for final load out into tanker trucks or railcars.

The whole stillage, what's left of the beer after the ethanol has been removed, is pumped to our centrifuges to remove the solids. The liquid from the centrifuges is pumped to our evaporators for further removal of water. The syrup from evaporation is then put back on the solids and sent to the dryers.

After drying to moisture of ~ 10.0% the DDGS is transferred to flat storage to our DDGS building to be loaded into either trucks or railcars. Keep an eye on future "Value Added" Newsletters for more in depth explanations of our process.

Sincerely,

Stan Janson, Plant Manager



Big River Resources

15210-103rd Street