



THE PIPE LINE

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THE OFFICIAL NEWSLETTER OF BIG RIVER RESOURCES, LLC
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WHO Tractor Ride



Tractors....Tractors....Everywhere!!!

Big River Resources had the privilege to be part of the 9th annual WHO Radio great Iowa Tractor ride. There were 500 plus tractors that drove through the West Burlington ethanol facility the evening of June 22, 2010. The tractors, 400 plus family members and nearly 750 participants traveled the surrounding Burlington area over three days before they moved to their next destination. Many spectators watched as they journeyed through the ethanol facility. It is amazing how times change. These used to be the primary tractors that harvested the fields which now supply our main ingredient for ethanol. Yet today, some of these tractors are still used for many useful tasks around the farm. A wonderful event for the corn belt!

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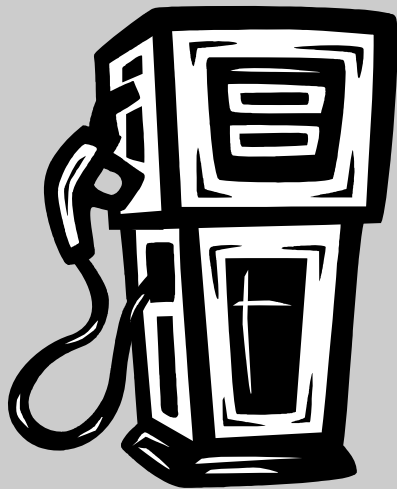
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Chad Carter and Steve Rosacker were the winners in last issue's leprechaun hat contest.



GRAIN ELEVATORS

The purchase of the Edgington, Illinois and the Aledo, Illinois grain elevator facilities is going well and final transition will be September. All positions are opened for these facilities and applicants can apply online at bigriverresources.com. The grain elevator facilities are being upgraded and construction should all be completed to receive corn this harvest. Big River Resources is excited to have these facilities to assist with corn procurement for the ethanol sites. Ethanol facilities have limited corn storage and no drying capabilities. The grain elevator facilities help us assist our customers who want to deliver corn to Big River, but may otherwise be unable to without a grain facility. Corn supply is a major factor in ethanol production and having the facilities are an excellent tool for all involved.

GROWTH FORCE

There was a friendly competition between the Big River facilities to get the most Growth Force pamphlets signed for new members to receive updates on the ethanol industry. The Galva facility were fierce competitors and they all worked together to end the competition with over 300 pamphlets. A donation was made to St. Jude's from Growth Force for the new members added during the competition. Every facility participated and showed their passion for getting the word out about ethanol.

BUZZ INTO WELLNESS



Employees are in the middle of a twelve week Buzz into Wellness Competition. Participants get points for activities. Points can be general activities, fruit and vegetables, water intake, the environment, and each week an additional item is added which points can be earned. Participating employees are also tracking their miles with pedometers. Bzzz...THE BEST WAY TO STAY WELL...LIVE WELL...BE WELL

COMPANY UPDATE

The front page shows the proud history of agriculture. It has been many years since loading natural fertilizer with an 8N Ford tractor loader, spreading on the fields with a Farmall Super M, and spending each summer on an open tractor with a 4 row cultivator to stay ahead of the weeds on 400 acres of corn and soybeans. Big River is proud to have had the opportunity to participate with WHO in its annual tractor ride event and all the great people that make it special.

Big River Resources continued with an exceptional performance record through the second quarter of 2010 finishing with record production for the year of 164 million gallons of ethanol, 781,000 tons



COMPANY UPDATE CONT...

of DDGS, and 1.8 million gallons of non food grade corn oil from 58.7 million bushels of Iowa and Illinois corn. The ethanol plants completed routine spring maintenance shutdowns in April and May to return to record production levels through June. The plants continue to provide quality fuel to markets on the East Coast, Chicago, St Louis, Florida and South Eastern destinations with DDGS feed product making its destinations to nearby farms and as far away as Asia and China in box containers and bulk ship deliveries. Corn oil provides feedstock for bio-diesel and heating oil on the east coast and livestock energy for feed in the Midwest. Big River Resources prides itself on providing the best quality product available in the markets served. Employees show commitment as they work to meet and exceed requirements on a daily basis.

New Growth and Projects

The Big River Resources grain facilities construction projects are taking form with the new grain dryer and conveyors nearing completion in Monmouth and foundations poured in Gerlaw and Aledo for additional receiving and drying capacity. The early planting date may lead to an early harvest so we continue to work with contractors to ensure timely completion.

The Galva facility will soon be modifying operational parameters as undenatured ethanol is produced to ship into export markets such as Europe and Asia. This market will provide a small additional margin while reducing the oversupply of ethanol on the market in the domestic fuel supply.

Big River United Energy is moving forward with additional loading equipment to fill 40 foot containers for export to China and Asian markets. This will improve the revenue on DDGS sales and allow Big River to enter new export market channels.

Industry News

Politically there continue to be many issues the industry is contending with as the economy, environmental and energy arenas influence the direction ethanol programs may go. RFS2 has been implemented with the increased blending requirements while the current 10% blend is nearing the 90% saturation point throughout the country's fuel pool. This situation creates what is known as the "Blend Wall" limiting the amount of consumption and demand for ethanol as a fuel component. Growth Energy filled for a waiver to allow for increased blending up to 15% in 2009 with the EPA continuing to delay beyond required re-

sponse times in the name of ongoing and seemingly never ending testing of 2001 and newer vehicles for any issues that may develop from higher blends. This situation creates an oversupply of ethanol in a market place that would otherwise utilize as an economic fuels source for additional blending. The EPA has indicated a two phase waiver should be forthcoming as initially 2007 or newer vehicles and secondly 2001 vehicles finish the testing phase this fall. Opposition remains high from the environmentalist groups, small engine manufacturers, big oil, and the grocers manufacture organizations. Big River anticipates implementation but in a phased in approach as infrastructure and liability issues are resolved to protect fuel blenders, retail marketers and auto manufacturers. The ethanol industry is simply asking for this change to provide the market demand necessary for the production capacity mandated by the RFS2 renewable fuel standards. Another political issue currently on the forefront is the renewal of the VEETC 45 cent tax credit put into place to support infrastructure cost for ethanol blends. This credit is critical to continued investment in distribution and systems expansion to meet the RFS2 goals and support the ethanol industry that has been developed over the past 5 years. We believe over time this support can begin to be phased out but continue to stress we have not yet reached the goal necessary to provide what is needed to attain the RFS2 blend mandates.

Your support in communicating to legislators on both of these important issues is critical to our success as an industry. More information is available at www.Growthenergy.com, Ethanolifa.org and www.ethanol.org.

Big River Resources thanks you for your continued investment and support of the ethanol industry.

**Let's Add Value
Ethanol Is America Friendly**

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Every available tool is needed in these volatile markets!

International Guests

Big River Resources and DDGS marketer Hawkeye Gold hosted a visit by Costa Rican's to discuss how the facility can help Costa Rica's shortage of corn, soybeans, and DDGS. The trip was coordinated by the U.S. Grains Council. The meeting was successful and ended with a beneficial relationship between both groups. It is unknown the full impact of the meeting, but both parties are certain something will come from the meeting of the two groups.