



June 6, 2008

Dear Valued Investor:

Springtime is always an exciting time of year, trees are turning green, crops are being planted, and nature is on the move. We have many exciting things going on at United Ethanol, as well.

Our production continues to increase. We produced approximately 9,544,700 gallons of ethanol in the first quarter of 2008. In addition, we produced 31,287 tons of dry distiller's grain and 4,100 tons of wet distiller's grain. First quarter, un-audited net income totaled more than \$2.67 million. In January, we budgeted to have \$6.3 million net income for this year. Only time will tell us if our budget is conservative or not. If current economics continue for the remainder of the year, we will surpass our budgeted net income. Let's hope they do!

In April, United Ethanol hit record ethanol production, 3,742,421 gallons. This is more than name-plate capacity. After a long year of start-up hurdles, we're thrilled to see production levels finally start to come around. Once a few 2008 projects are complete, we should be able to run on a much more consistent level.

United Ethanol has purchased a larger, multi-chamber regenerative thermal oxidizer (RTO) which will out-perform the existing unit. This new RTO is guaranteed to handle a capacity of 55 million gallons of ethanol production per year. We're excited about this opportunity and feel we can produce up to 48 million gallons of ethanol per year without any other physical changes to the facility. Parts for the RTO have started to arrive, and the plan is to have it up and running by midsummer, barring any permitting hurdles.

As you're aware, United Ethanol signed an agreement with EPCO Carbon Dioxide, Inc., Monroe, La., for the purchase of approximately 250 tons per day of our carbon dioxide production. The CO₂ facility construction was recently finished and brought online. This will add some additional income to the plant.

Per a previous newsletter, United Ethanol has signed a contract with GS-Clean Tech, Chicago, Ill., to install a corn oil extraction system which will remove corn oil from the process stream prior to entering the distiller's grain dryer. Several system tie-ins have already been completed, and the current plan is to start construction this fall.

We've also had some changes in our management team. Joe Johanson has resigned his position to pursue a different opportunity in the Minneapolis area. I wish Joe and his family the best in the future. It has been a pleasure working with him. Mike Opdahl has been promoted to general manager of ethanol operations. Mike has been with us for most of the construction period and brings more than 10 years of ethanol experience to the team. Dan Shickles has been promoted to assistant manager of ethanol operations. Dan also brings more than 10 years of experience in ethanol related industries to the team. Jan Moyer has assumed the additional role of marketing ethanol and distiller's grain for the plant. Jan has more than 30 years of commodity marketing experience. Doug Marshall will be contracting our natural gas needs. Doug has more than 20 years of commodity marketing experience. Cindy Haberman has also taken on some additional responsibilities as our office manager. I feel very comfortable with these changes. All of these individuals are very good at their jobs and together they form a very strong team.

As you can see, this spring has brought about many exciting changes and plans for future endeavors. I look forward to the positive affects these changes will have on United Ethanol.

Sincerely,

David Cramer, president and CEO