



Oct. 3, 2008

Dear Valued Investor:

The first nine months of 2008 have been very busy at United Ethanol LLC. From record production to the start up of the carbon dioxide (CO₂) processing facility to planning for the new regenerative thermal oxidizer (RTO) installation, these are just a few of the activities going on.

From Jan. 1-Aug. 31, 2008, United Ethanol revenues were \$81,751,000. As of Aug. 31, the plant sold 27,462,000 gallons of ethanol; 84,900 tons of dry distiller's grain; 9,400 tons of wet distiller's grain; and 15,200 tons of CO₂.

Last year, on Aug. 31, 2007, after only four months of production, revenue totaled \$27,799,000 and ethanol production equaled 12,741,000 gallons. On account of not being in production a full year at this time in 2007, you need to divide these numbers out on a month-by-month basis. If you do, you'll find that 2008 revenue and production numbers are well above monthly averages from 2007.

In May, United Ethanol started capturing, liquefying, and selling carbon dioxide. We are also in the process of installing the new RTO, with plans to finish the project by mid-December. The equipment for a corn oil extraction system has been ordered by our partner in this project, GS Clean Tech, Chicago, Ill. Read inside for further information on these projects.

United Ethanol has been conducting some Wisconsin Department of Natural Resources (WDNR)-required testing over the previous year to make sure we're in compliance with our WDNR-issued air permit. The initial testing was completed Oct. 9-12, 2007. All of the emissions from all of the tested stacks were found to be in compliance except for two parameters from the distiller's grain dryer emission control device, the RTO. Changes were made immediately, and subsequent diagnostic tests performed in December showed compliance with numerical emission limitations (unfortunately, the WDNR doesn't recognize a diagnostic test). It is important to note that these tests are completed by an independent contractor approved by the WDNR.

About eight months after the October testing, the WDNR released a Full Air Compliance Evaluation (FCE) report. This report included results from the October testing as well as record keeping comments and other permit topics.

United Ethanol is concerned about some of the characterizations in the WDNR report and has made those known to the WDNR by letter and through a conference on Sept. 17, 2008.

Some of the alleged violations will be positively affected with the installation of the new RTO. All the elements for that device are on site. The new United Ethanol air permit was approved on Aug. 21, 2008, so installation of the RTO began the first week in September.

Secondly, many of the alleged noncompliance notations in the WDNR report are regarding monitoring and data records. United Ethanol has always conducted routine inspection, but only kept records by exception (only documenting when there was a problem), not routinely. The original permit was not specific as to how the WDNR wanted United Ethanol to conduct this documentation. Improvements have

been made in this process, including revising the format of some records as requested by the WDNR, but we are still working with the WDNR to further define all the record keeping that is required of us. To aid in record keeping, United Ethanol is implementing a new electronic Environmental Management System (EMS) that includes calendar alerts for upcoming requirements, tracking for completed requirements, and document archiving.

Some of the alleged noncompliance issues regarding the permit don't apply to the United Ethanol facility because of its construction. United Ethanol has brought this to the WDNR's attention.

WDNR-required retesting was completed the beginning of June. The Nitrogen Oxides (NOx) and Particulate Matter (PM) from the RTO results, detected in the October test, met permit requirements. Tests on the boilers, which burn natural gas, offered results that don't coordinate with the function of boilers. So United Ethanol is in the midst of a series of tests and research to hopefully determine the reason.

United Ethanol officials have been, and will continue to communicate with the WDNR regarding permit requirements and intend to comply to all those permit requirements.

Our goal is, and always has been, to be the best ethanol production facility in the upper Midwest, and we are making very positive strides toward that goal. We will do this without speculative positions on corn, natural gas, and ethanol. These can create short term gains, but also have the potential to destroy the company, if you're on the wrong side of the trade. I'm sure you've all read about the problems VeraSun Energy Corporation, Sioux Falls, S.D., and Aventine Renewable Energy, Inc., Pekin, Ill., are encountering because of speculative positions. We don't want that to happen to United Ethanol.

We're reviewing several energy-saving options. It is too early to comment on them, but they do come with some guaranteed savings that appear to be very positive. So, stay tuned on this front for future information.

If you're interested in buying and selling United Ethanol shares, visit www.unitedethanol.com and click on "Investors" on the left hand side. Also, contrary to popular belief, all investors can buy class C shares in small lots. Stocks have traded from \$13-\$10.25 per share.

At United Ethanol, we're looking forward to a very exciting future.

Sincerely,

A handwritten signature in black ink that reads "David Cramer". The signature is written in a cursive, flowing style.

David Cramer, president and CEO