



The CORN Connection

Central Iowa Renewable Energy

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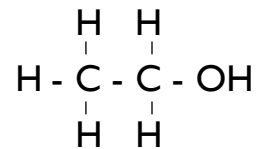
Construction On Schedule

Construction of the ethanol plant continues to move along at a rapid pace. Changes in the landscape can be seen daily as the plant's layout starts to take shape. Dirt work began in late October with excavation followed by sand and rock being hauling for compaction. Rock was also hauled for roads that run throughout the plant. Right after the New Year Fagen began to mobilize and started construction on January 10th. Construction started with the 4 fermentation tanks and the one larger beerwell. Fermentation is a batch process where yeast is added to the slurry and the product begins to ferment. After fermenting for about 48 hours, the tank is emptied into the beerwell where the mash begins to vaporize and forms alcohol. A slab of cement was then poured between the tanks which will be part of the processing building. The process building runs between the tanks and extends out on the north side. Work continues on this building with footing and foundations being poured, as well as underground plumbing and drains being installed. Cement is also being poured for more process tanks and also for the energy center located north of the processing building. Once cement work is completed for

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CORN Breaks Escrow

Central Iowa Renewable Energy broke escrow on Friday, March 25. A sequence of events were required to take place prior to us being able to break escrow. First and foremost we were required to find ample financing to cover the cost of the project over and above what was raised from the equity drive. Financing of the project began in September when Oppenheimer & Co. was engaged to act on behalf of Central Iowa Renewable Energy as investment banker and placement agent. As placement agent it was Oppenheimer's job to go out and sell our loan to the banking industry. All the banks participating in the loan together make up a consortium of banks that are represented by one "lead bank." On Tuesday, March 15, Central Iowa Renewable Energy signed loan agreements with Stearns Bank, the lead bank, at the Malloy Law Firm in Goldfield, Iowa. With financing in place the Iowa Securities Bureau could be notified that we had obtained minimum subscriptions and sufficient debt financing to construct and operate the ethanol plant. Upon receiving written consent from the Iowa Securities Commissioner we were able to terminate the escrow agreement and release funds.

CORN, LP

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Project Timeline

06/11/04	Articles of Incorporation filed with Iowa Secretary of State
06/18/04	Signed letter of intent with Fagen
07/30/04	First equity drive meeting held in Goldfield
08/18/04	Last equity drive meeting
09/04/04	Signed contract with AGP to market DDGS
09/08/04	Signed letter engaging Oppenheimer & Co. to act as investment banker / placement agent
10/27/04	Peterson Contractors began dirt work
10/29/04	Ground Breaking Ceremony
11/18/04	Signed Electric Service Contract with MidAmerican Energy
11/23/04	Equity drive officially closed by Board of Directors
11/23/04	Signed Corn Procurement & Management Agreement with Gold-Eagle Cooperative
11/23/04	Signed contract with Eco-Energy for ethanol marketing
12/13/04	Signed construction contract with Fagen
01/10/05	Fagen started construction of plant
01/25/05	Certificate of Limited Partnership filed with Iowa Secretary of State
02/17/05	Received air permits from State
03/15/05	Signed loan agreements
03/25/05	Broke escrow and wired escrow to lead bank

CORN Receives Air Permits

The Iowa Department of Natural Resources delivered air permits to Central Iowa Renewable Energy on Thursday, February 17. Along with this came the designation that Central Iowa Renewable Energy will be a minor source of emissions. The latest technological developments have been incorporated into this plant to make it environmentally friendly. The production of distiller's dried grains with solubles has been one area for potential odors. To combat this, emissions from the dryers will be routed back through the furnace where the carbon monoxide and organic carbon compounds which cause the odors can be cooked and eliminated. Not only does this practice comply with permitting requirements, it also respects our neighbors rights to clean air. Coal and grain dust are another area for potential emissions. To offset these dangers negative air flow will be installed to suck dust back into the bins. Carbon dioxide produced in the fermentation process is the only emission that will be vented off to the atmosphere. But before its release, the carbon dioxide will first be run through a scrubber. We are happy to have these permits in place so we can move forward with plant designs.



Foundation walls are erected for the processing building. Photo taken 4/05/05.

Construction Schedule

Continued from page I

the energy center, crews will move on and begin pouring cement for the maintenance building followed by the tank farm. When everything is completed we will have an estimated 4 million dollars in concrete alone. Once enough concrete has been poured crews will begin to erect steel. The first place steel will be erected is the fermentation tanks. Erection of the fermentation tanks will begin sometime in May followed by the process and energy centers. After the tanks have been framed welders will construct the rest of the tanks on site. Welders must be certified as any pits in the steel can give bacteria a place to grow and would thus contaminate the whole batch. Once contaminated the entire tank would have to be emptied and disposed of.

We are optimistic that construction of the plant will stay on pace with completion scheduled for December 15th. The Fagen crews have been working long and hard taking advantage of the wonderful weather we've had through the winter and into the spring. We will continue to update you on the progress of the plant as we move forward.



View of plant site from the top of the grain bins.
Photo taken 3/23/05.



Fermentation tanks and beerwell located on the south side of the plant. Processing Building will connect on the left side and run through the center of the 4 tanks. Photo taken 3/25/05.



Future site of the Energy Center located on the north side of plant.
Photo taken 3/25/05.

Indy Cars to Use Ethanol in 2006

The Indy Racing League (IRL), home of the Indianapolis 500, announced it will power its race cars with ethanol beginning in 2006. The announcement came on March 3rd at Union Station on Capitol Hill in Washington D.C. Currently the cars run on 100% methanol. In 2006 they will run on a blend of 90% methanol and 10% ethanol. In 2007 the series will run on 100% fuel-grade ethanol. The IRL had been in discussion with a coalition of companies from the ethanol industry for several years. The coalition was led by major ethanol engineering and construction firms Fagen, Inc., ICM, Inc. and Broin Companies. Despite being competitors in the marketplace, these compa-

nies have pooled their resources to launch this marketing partnership. The IRL is expecting a smooth transition to ethanol. Engines running on ethanol have demonstrated excellent performance and ethanol's high octane has helped engines resist detonation so they can run higher compression ratios. To further build awareness of ethanol, the ethanol industry is sponsoring the No. 91 Ethanol Hemelgarn Dallara/Toyota/Firestone car driven by Paul Dana.



Ethanol Futures Begin Trading

Wednesday, March 23 marked the first time that ethanol futures were traded on the Chicago Board of Trade. The June contract opened at \$1.19 per gallon with the bid price at \$1.19 and the ask price at \$1.23. Traders said that dealings were slow but that it was expected since the contract is new to the U.S. ethanol and gasoline refining industry. A competing ethanol contract

will also be launched by the Chicago Mercantile Exchange on March 29. These contracts allow for a change from pricing ethanol using long-term cash contracts versus users and producers offsetting their price risk using an exchange-traded product. Most companies currently hedge cash ethanol by hedging against the New York Mercantile Exchange unleaded gasoline contract.

Central Iowa Renewable Energy's Mission Statement::

To successfully add value to locally grown grains which will profit our investor owners and area grain and livestock producers while benefiting our local communities through economic growth.



Visit Our Web Site

www.cornllc.com

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