



2010 Annual Meeting

June 8, 2010

- Welcome, Chairman Bill Schueller
- Introduction of Directors/Officers
- Vote on Election of Directors
- Management Results, Tom Brooks
 - Operations results to include Quality & E.H.S.
 - Financial
 - RFS 2 (Our Future)
- Q&A, Bruce Klostermann
- Report of Election Results

- **William G. Schueller, Chair**
 - **Bruce Klostermann, President**
 - **Joyce Jarding, Secretary**
 - **George Davis, CFO, Treasurer**
 - **Craig J. Breitbach**
 - **Warren L. Bush**
 - **Jack Friedman**
 - **Denny Mauser**
 - **David P. O'Brien**
- Farley**
Dubuque
Farley
Dubuque
Farley
Wall Lake
Dyersville
Early
Epworth

- Resolution passed at 2007 Annual Meeting to reduce board of directors from thirteen to eleven.
- Last Year we further reduced the board of directors from eleven to nine
- No changes for this year

- The proposal is for the election of the following nominees to serve on the Board of Directors of the Company for the term provided in the Proxy Statement:
 - Bruce Klostermann
 - Joyce Jarding
 - Jack Friedman
 - Craig Breitbach

2010
Annual Meeting
Management Report

EHS Results

- No Workmans' comp injuries or accidents
 - Reduced fees by \$ 50,000 annually
- No Lost Time injuries
 - New Mod rating for 2010 (three years)
- No nonconformities during DNR Audits
- NIOSH & OSHA Inspections for 2009/2010
 - Very favorable with no recordable findings

Quality Results

2009/2010 BQ 9000 Audit

No nonconformities & recertified w/ BQ 9000

No rejected loads or customer complaints

Certified 18 Lots (all met spec 1st Time)

Financial Results

- **Fiscal Year 2009 vs 2008 Results**

- Revenues were \$23,361,586 vs \$50,109,136
- EBITDA of \$369,847 vs \$2,569,595
- Net loss increased to (\$2,336K) or (\$78.43) per diluted share compared to a net loss of (\$1,249K) or (\$41.96) per share for 2008

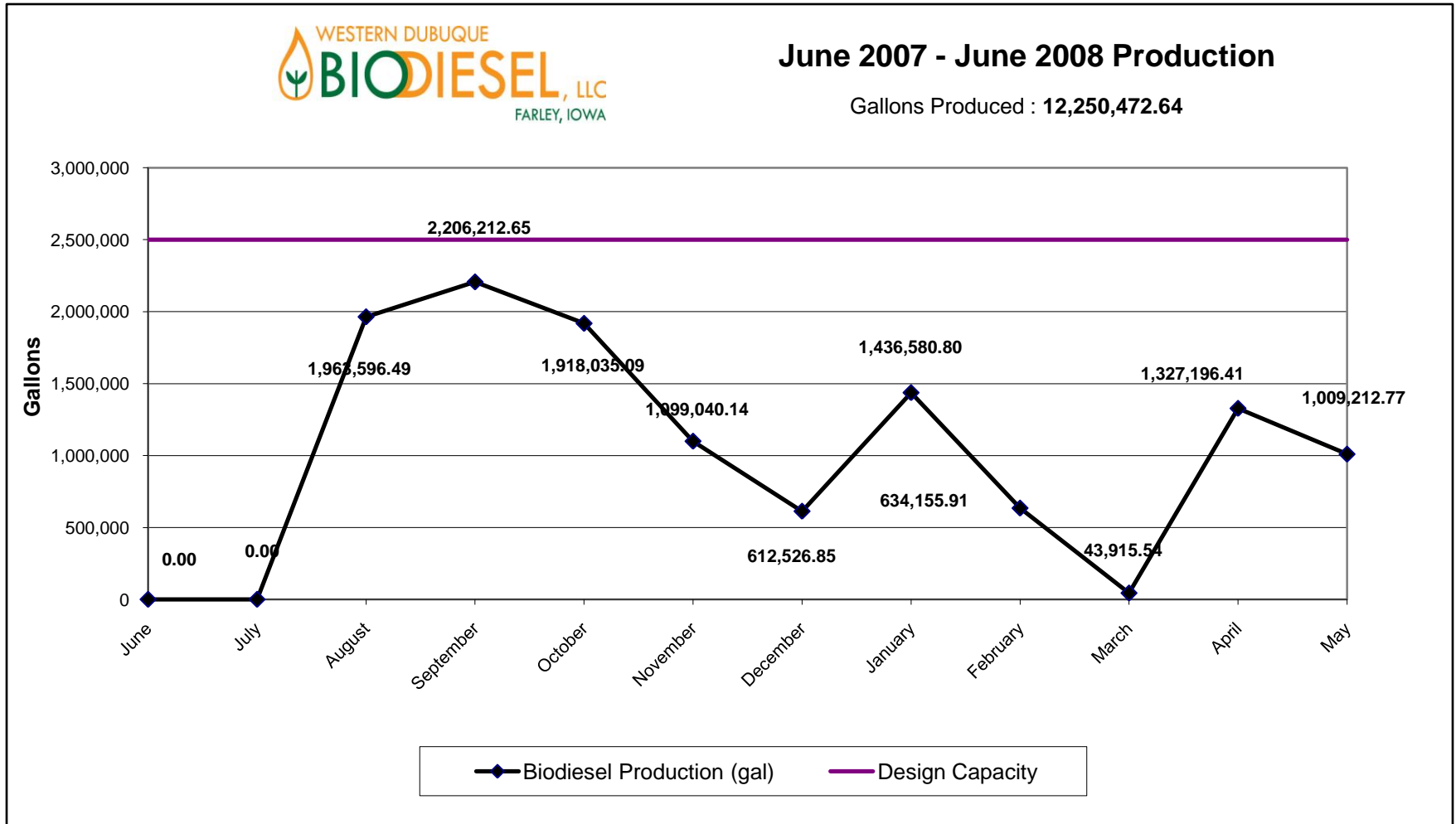
Financial Performance

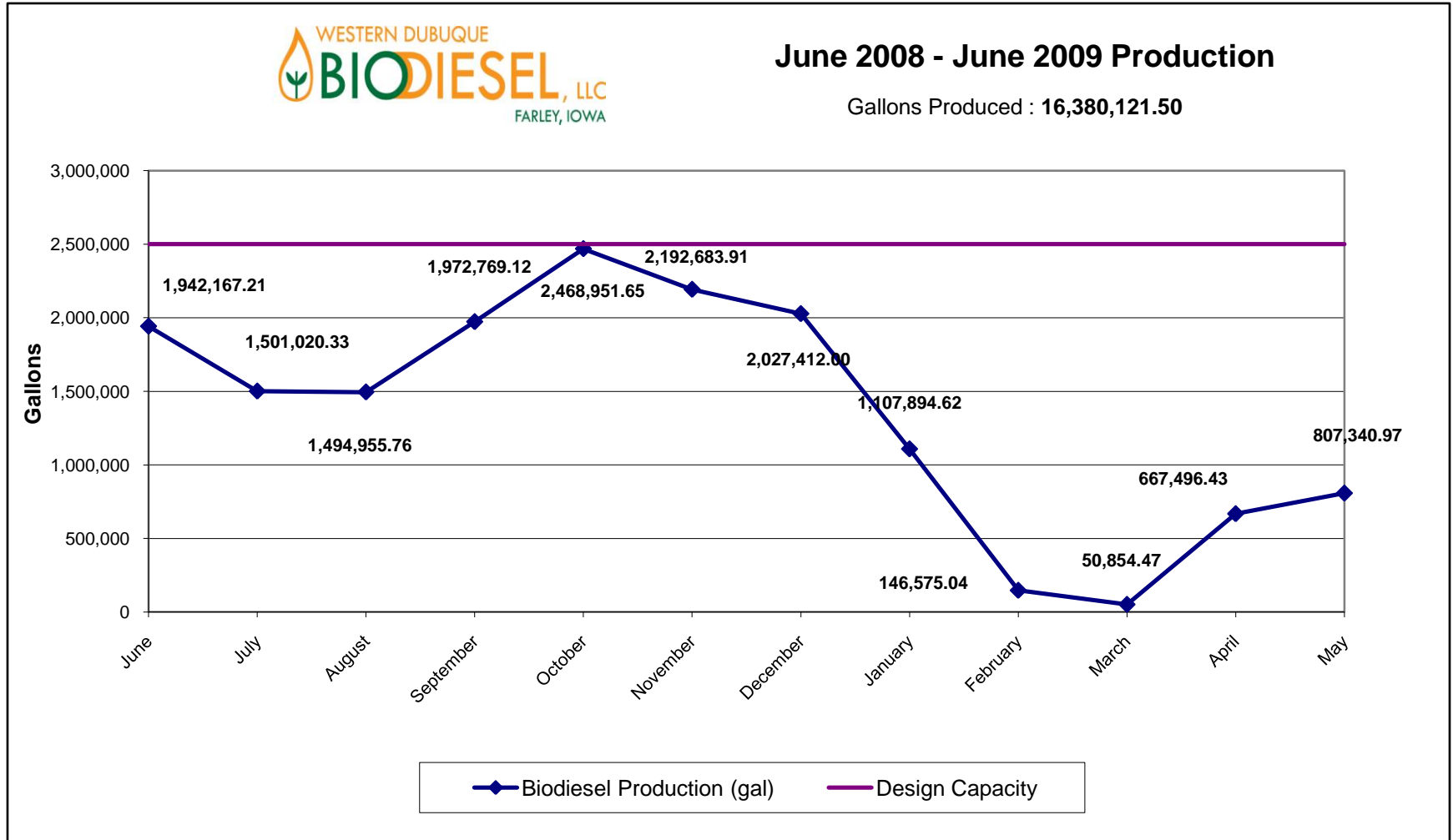
(In \$000's) Except per Share Data

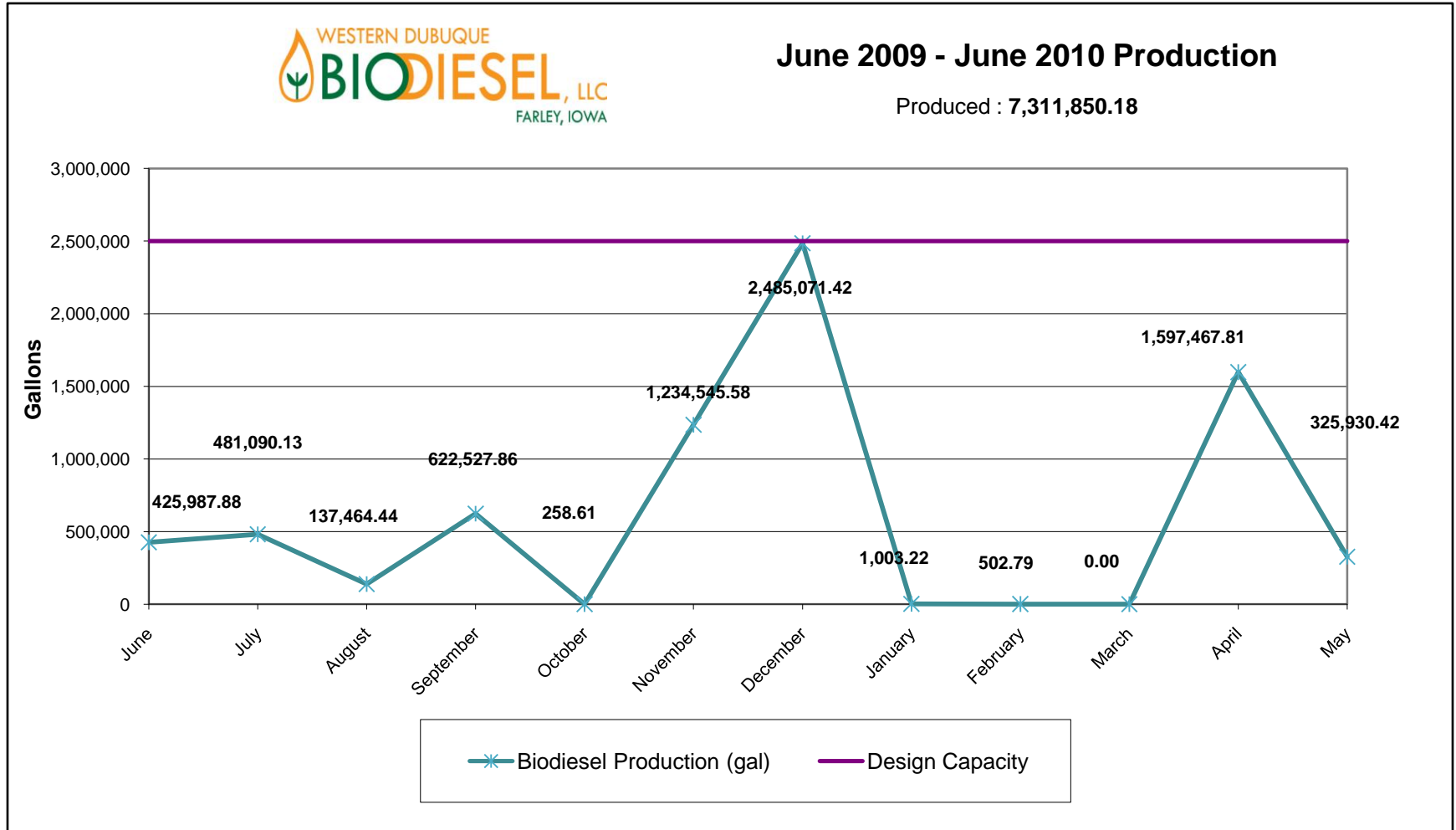
	Year Dec 31, 2009	Year Ended December 31, 2008
Revenue	23,362	50,109
Net Loss	(2,336)	(1,249)
EBITDA	370	2,570
Net Loss per diluted Share	(78.43)	(41.96)

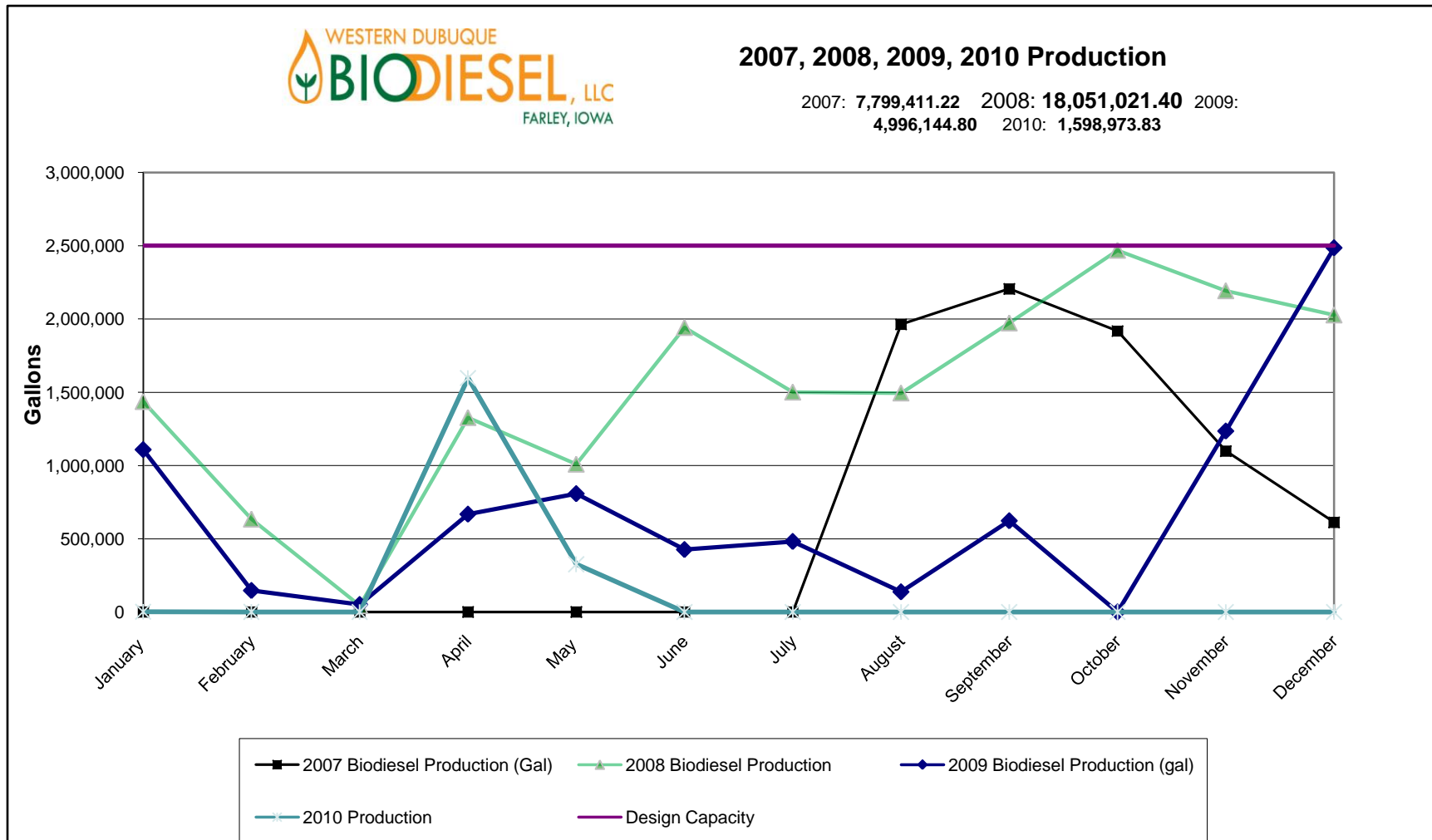
	2009 Fundamentals	Current Fundamentals
Biodiesel Revenue per gallon (Including \$1/gl. blenders credit)	\$2.64	\$2.51
Animal Fat / Canola Oil Cost per gallon	\$2.96	\$3.27
Gross Spread per gallon	-\$0.32	-\$0.76

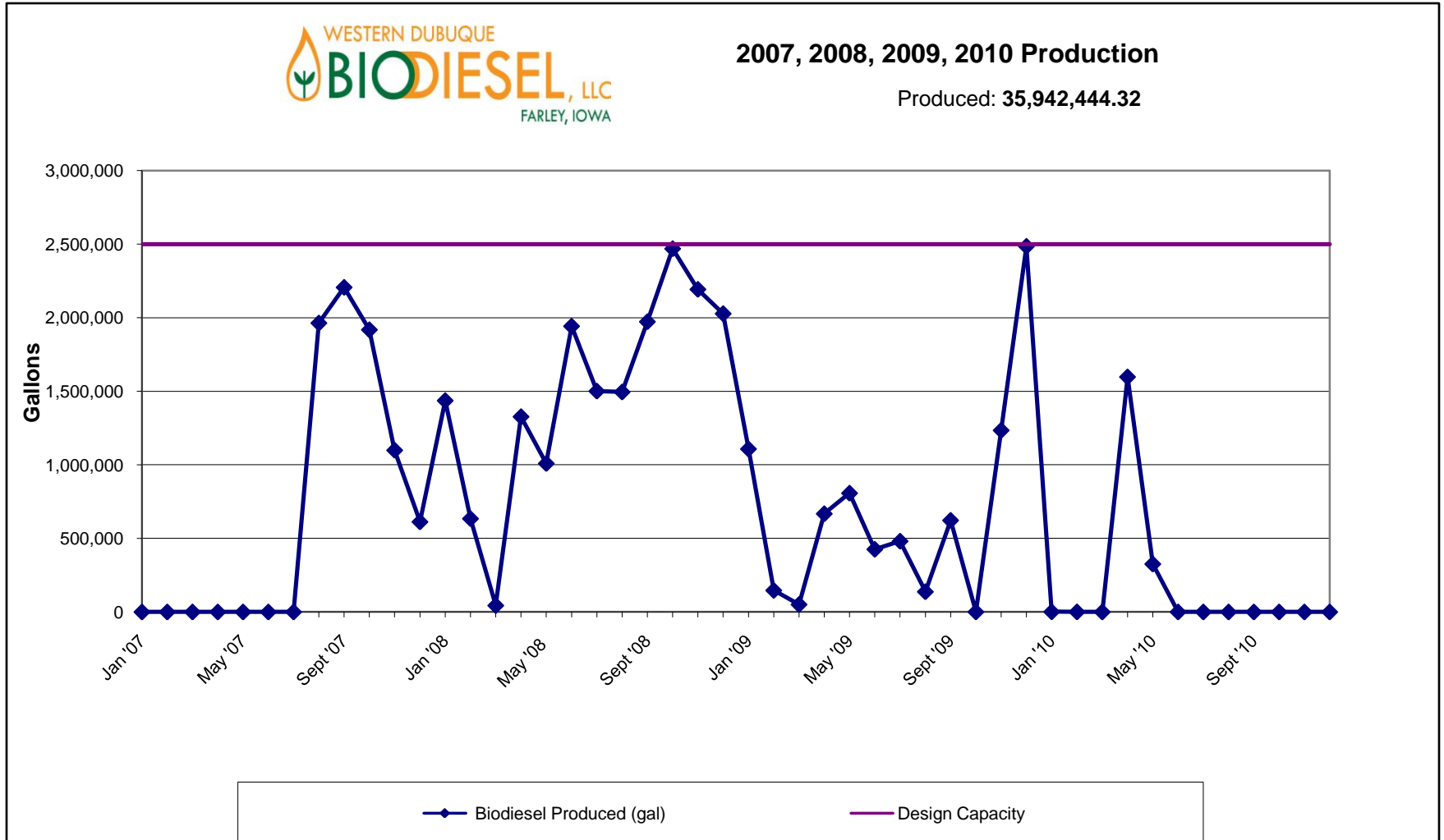
Operations Update



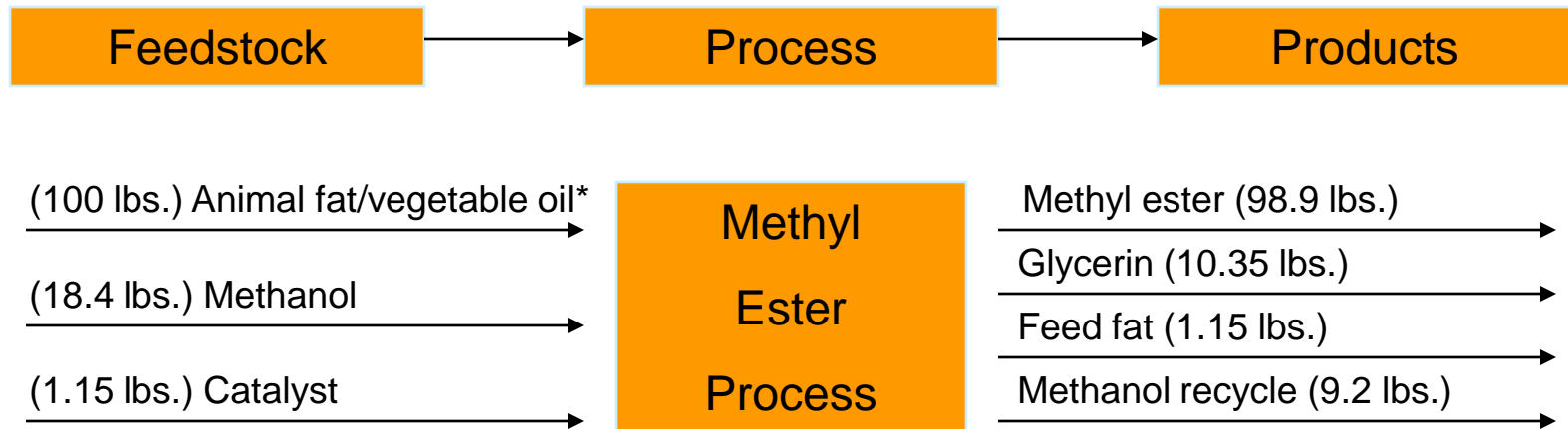








Biodiesel Process



* Assumes all of the feedstock is reacted with the methanol. Note that an excess amount of methanol is added to insure complete reaction of the triglyceride compounds. The excess, unreacted methanol is recycled to reduce costs.

- **7.3 million gallons produced in the past 12 months**
- **Primary feedstock canola & soy bean oil**
- **Since January 2010**
 - **We have been producing Biodiesel with soy oils because of economics and availability**

Biodiesel Economics as of 6/01/2010

assuming **12 Million gallons produced in 2010**

S.B.O. .3865 F.O.B. WDB

Biodiesel Feedstock .3865 X 7.50 #'s per gallon

Feedstock 2.90

Chemicals .22

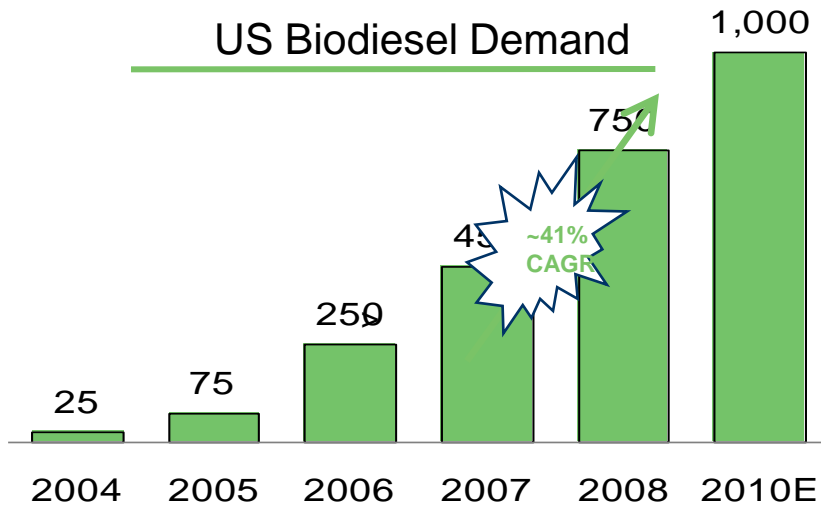
Fixed, Var., Int., Dep., .55

3.67 vs ULSD ?

RFS2

What Does It Mean To Us

Biodiesel industry growing rapidly



- Demand grew by 200% from 2004 to 2005
- Demand grew by more than 233% to >250 million gallons/year during 2006
- RFS of 500 million gallons biodiesel in 2009, increasing to 1 billion gallons in 2012
- Strong average annual growth of ~41% is expected to continue, with demand projected to reaching over 1 billion gallons/year,
 - Less than 2% of projected petroleum diesel demand

Source: FC Stone, Jan 2008 and NBB estimates.

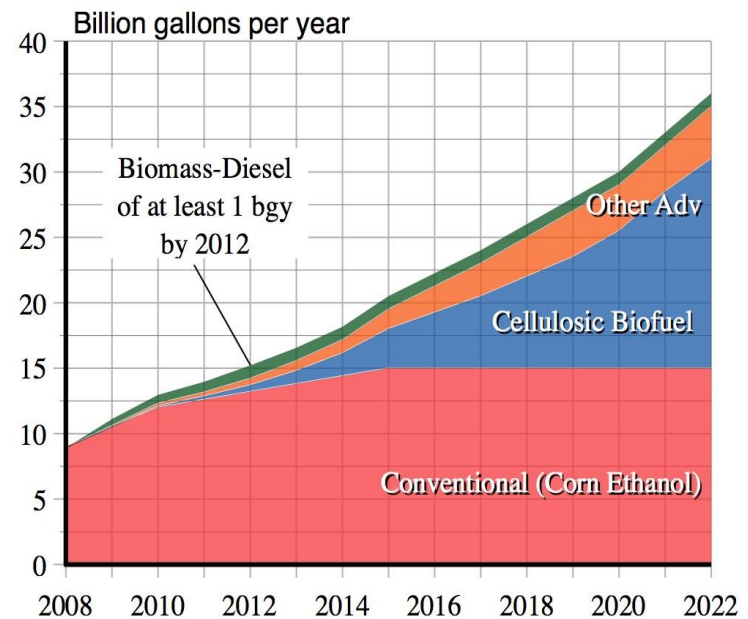
RINS Background Information

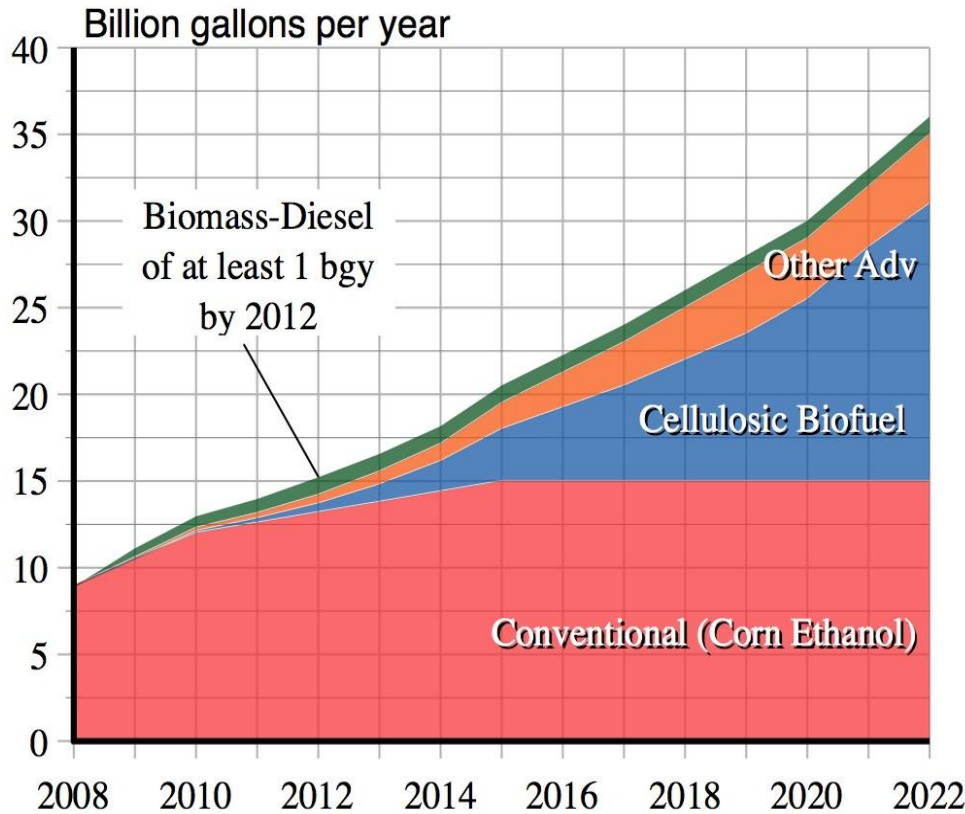
- In 2005, Congress passed Energy Policy Act of 2005, legislation focusing on America's energy needs and enhancing our energy security.
- Renewable Fuels Standard (RFS) was a significant component of that legislation.
- Environmental Protection Agency responsible for implementation of RFS and ensuring compliance requirements are met.
- One of the key requirements, Renewable Identification Number (RINS) is central to RFS program administration.
- RINS is the basic currency for the RFS program for credits, trading and use by obligated parties to track the volumes of renewable fuels.

December 19, 2007: Energy Independence & Security Act of 2007 (EISA) amends RFS (RFS2)

- Requires a “ramp-up” to 36 billion gallons of renewable fuel by 2022
 - 4 “nested” volume mandates: Renewable Fuel, Advanced Biofuel (2009), **Biomass-Based Diesel** (2009); Cellulosic Biofuel (2010)
- 2010 RFS is 12.95 billion gallons (bg) with Biomass-based diesel equal to
1.15bg (sum of 2009 and 2010 standards)
- Broadens program to include diesel fuel and non-road uses (except ocean-going vessels) and to allow for credits for renewable fuel used in jet fuel and home heating oil
- Narrows definition of “**renewable biomass**”
- Includes requirements for **lifecycle greenhouse gas (GHG) emissions** reductions compared to baseline petroleum
- Includes new environmental studies and reports

- Revised Renewable Fuels Standard requires 1.15 billion gallons of biodiesel (2009 + 2010) to be consumed by obligated parties by end of 2010.
- Grows to 1.0 billion gallons annually by 2012
 - Compared to the 350 million gallon domestic market in 2009
- Petroleum majors are the primary “obligated parties”
 - Refiners, Refined Fuel Importers, and Reformulators





Fuel Type	Sustainability Criterion
Conventional Biofuel Ethanol from Corn Starch	20% lifecycle greenhouse gas emission reduction
Advanced Biofuels Anything but corn ethanol, including the following subcategories	50% lifecycle greenhouse gas emission reduction
Bio-based Diesel A Biomass based diesel fuel substitute	50% lifecycle greenhouse gas emission reduction
Cellulosic Biofuels Renewable fuel produced from cellulose, hemicellulose, or lignin	60% lifecycle greenhouse gas emission reduction

The actual Standard is expressed as a % of the nation's total motor fuel consumption which if increased at 30% annually gets the US to 36 BGY in 2022

(Reminder: EPA Sets Standards Each November – These are the standards published in the Act)

Advanced Biomass Based Diesel + Non-Cellulosic Advanced + Cellulosic Advanced = Total Advanced

Year	Conventional Renewable Fuels (Grandfathered Or 20% Reduction)	Advanced Biofuel NESTED STANDARDS			Total Advanced Biofuel	Total Renewable Fuel
		Biomass-Based Diesel (50% Reduction)	Non Cellulosic Advanced (50% Reduction)	Cellulosic Biofuel (60% Reduction)		
2008	9.00					9.0
2009	10.50	0.5	0.1		0.6	11.1
2010	12.00	0.65	0.2	0.1	0.95	12.95
2011	12.60	0.80	0.3	0.25	1.35	13.95
2012	13.20	1.0	0.5	0.5	2.0	15.2
2013	13.80	1.0	0.75	1.0	2.75	16.55
2014	14.50	1.0	1.00	1.75	3.75	18.15
2015	15.00	1.0	1.50	3.0	5.5	20.5
2016	15.00	1.0	2.00	4.25	7.25	22.25
2017	15.00	1.0	2.50	5.5	9.0	24.0
2018	15.00	1.0	3.00	7.0	11.0	26.0
2019	15.00	1.0	3.50	8.5	13.0	28.0
2020	15.00	1.0	3.50	10.5	15.0	30.0
2021	15.00	1.0	3.50	13.5	18.0	33.0
2022	15.00	1.0	4.00	16.0	21.0	36.0