UNITED WISCONSIN GRAIN PRODUCERS, LLC

Friesland, Wisconsin

Condensed Financial Statements

September 30, 2011

UNITED WISCONSIN GRAIN PRODUCERS, LLC

C O N T E N T S

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Condensed Balance Sheets

ASSETS	September 30, 2011 (unaudited)	December 31, 2010
Current Assets		
Cash	$ 19,037,320	$ 5,769,196
Restricted cash - commodity margin account	2,720,770	8,078,952
Commodity derivative instruments	256,965	-
Accounts receivable, net of allowance for doubtful accounts of $53,000	4,213,460	3,947,061
Prepaid expenses and other current assets	135,253	272,716
Inventory	4,945,115	4,567,285
Total current assets	31,308,883	22,635,210
Property, Plant and Equipment, net	39,316,013	44,247,822
Total Assets	$ 70,624,896	$ 66,883,032
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt	$ -	$ 837,825
Commodity derivative instruments	-	5,456,654
Accounts payable	1,339,853	2,764,280
Accrued liabilities	1,051,318	330,303
Total current liabilities	2,391,171	9,389,062
Long-Term Debt, less current maturities	-	1,107,862
Members' Equity, 28,346 multiple class units authorized, issued, and outstanding at September 30, 2011 and December 31, 2010	68,233,725	56,386,108
Total Liabilities and Members' Equity	$ 70,624,896	$ 66,883,032

Notes to the Condensed Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Condensed Statements of Operations
(Unaudited)

	Quarter Ended September 30, 2011	Quarter Ended September 30, 2010
Revenues	$ 45,655,827	$ 24,150,697
Cost of Goods Sold	41,651,007	29,552,022
Gross Margin	4,004,820	(5,401,325)
Operating Expenses	828,415	616,971
Operating Income (Loss)	3,176,405	(6,018,296)
Other Income, Net	23,701	25,482
Net Income (Loss)	$ 3,200,106	$ (5,992,814)
Weighted Average Units Outstanding - Basic and Diluted (Class A, B, C)	28,346	28,434
Net Income (Loss) Per Unit - Basic and Diluted (Class A, B, C)	$ 112.89	$ (210.76)
Distributions Per Unit (Class A, B, C)	$ 100.00	$ -

Notes to the Condensed Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Condensed Statements of Operations
(Unaudited)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Revenues	$ 131,289,974	$ 88,757,658
Cost of Goods Sold	111,346,783	84,596,318
Gross Margin	19,943,191	4,161,340
Operating Expenses	2,509,585	2,263,133
Operating Income	17,433,606	1,898,207
Other Income, Net	83,211	38,469
Net Income	$ 17,516,817	$ 1,936,676
Weighted Average Units Outstanding - Basic and Diluted (Class A, B, C)	28,346	28,461
Net Income Per Unit - Basic and Diluted (Class A, B, C)	$ 617.96	$ 68.05
Distributions Per Unit - Basic and Diluted (Class A, B, C)	$ 200.00	$ 200.00

Notes to Condensed Unaudited Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Condensed Statements of Cash Flows
(Unaudited)

		Nine Months Ended September 30, 2011		Nine Months Ended September 30, 2010
Cash Flows from Operating Activities				
Net income	$	17,516,817	$	1,936,676
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation		5,344,670		5,335,471
Change in fair value of commodity derivative instruments		4,374,006		(2,262,625)
Changes in assets and liabilities:				
Restricted cash - commodity margin account		5,358,182		2,509,553
Commodity derivative instruments		(10,087,625)		3,188,268
Accounts receivable		(266,399)		(651,608)
Inventory		(377,830)		115,823
Prepaid expenses and other current assets		137,463		182,959
Accounts payable		(1,424,427)		(1,814,236)
Accrued liabilities		721,015		223,272
Net cash provided by operating activities		21,295,872		8,763,553
Cash Flows from Investing Activities				
Capital expenditures		(301,762)		(85,415)
Payments for construction in process		(111,099)		(50,888)
Repurchase of membership units		-		(209,500)
Net cash used in investing activities		(412,861)		(345,803)
Cash Flows from Financing Activities				
Payments on long term debt		(1,945,687)		(584,202)
Payment of member distribution		(5,669,200)		(5,695,000)
Net cash used in financing activities		(7,614,887)		(6,279,202)
Net Increase in Cash		13,268,124		2,138,548
Cash – Beginning of Period		5,769,196		10,464,988
Cash – End of Period	$	19,037,320	$	12,603,536
Supplemental Cash Flow Information				
Cash paid for:				
Interest	$	75,527	$	146,744

Notes to the Condensed Financial Statements are an integral part of this Statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed balance sheet as of December 31, 2010 is derived from audited financial statements. The unaudited interim condensed financial statements of United Wisconsin Grain Producers, LLC (the "Company") reflect all adjustments consisting only of normal recurring adjustments that are, in the opinion of management, necessary for a fair presentation of their financial position and results of operations and cash flows. The results for the three and nine month periods ended September 30, 2011 are not necessarily indicative of the results that may be expected for a full fiscal year. Certain information and note disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") are condensed or omitted, although the Company believes that the disclosures made are adequate to make the information not misleading. These condensed financial statements should be read in conjunction with the Company's audited financial statements and notes thereto included in its annual report for the year ended December 31, 2010.

Nature of Business

United Wisconsin Grain Producers LLC is a Wisconsin limited liability company currently operating a 60 million gallon per year ethanol plant located near the town of Friesland in the township of Randolph, Wisconsin. The Company is currently producing fuel-grade ethanol, distillers grains, and crude corn oil and sells these products both domestically and internationally.

Accounting Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The Company uses estimates and assumptions in accounting for the following significant matters, among others: allowances for doubtful accounts, useful lives of property, plant, and equipment, the assumptions used in the impairment analysis of long-lived assets, the valuation of commodity derivatives, inventory costing, the valuation of inventory purchase commitments, and legal contingencies. Actual results may differ from previously estimated amounts, and such differences may be material to our financial statements. The Company periodically reviews estimates and assumptions, and the effects of revisions are reflected in the period in which the revision is made.

Revenue Recognition

Revenues from the production of ethanol and the related products are recorded when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable and collectability is reasonably assured. Title is generally assumed by the buyer at the end of the Company's shipping point. Shipping costs incurred by the Company in the sale of ethanol and ethanol related products (distillers grains and crude corn oil) are included in cost of goods sold. The Company believes there are no ethanol sales during any given month which should be considered contingent and recorded as deferred revenue. Interest income is recognized as earned.

Derivative Instruments

From time to time the Company enters into derivative transactions to hedge its exposures to commodity price fluctuations. The Company is required to record these derivatives in the balance sheet at fair value.

In order for a derivative to qualify as a hedge, specific criteria must be met and appropriate documentation maintained. Gains and losses from derivatives that do not qualify as hedges, or are undesignated, must be recognized immediately in earnings. If the derivative does qualify as a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will be either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. Changes in the fair value of undesignated derivatives are recorded in revenue or cost of goods sold based on the commodity being hedged.

Additionally, the Company is required to evaluate its contracts to determine whether the contracts are derivatives. Certain contracts that literally meet the definition of a derivative may be exempted as "normal purchases or normal sales." Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Certain corn and distillers grains contracts that meet the requirements of normal purchases or sales are documented as normal and exempted from the accounting and reporting requirements and therefore, are not marked to market in the financial statements.

Fair Value of Financial Instruments
The Company's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adhere to the Financial Accounting Standards Board (FASB) fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The carrying value of cash, restricted cash, accounts receivable, accounts payable, accrued liabilities, and other working capital items approximate fair value at September 30, 2011 and December 31, 2010 due to the short maturity nature of these instruments.

Subsequent Events
The Company has evaluated subsequent events through October 10, 2011, the date the financial statements were available to be issued.

2. RISKS AND UNCERTAINTIES

The Company has certain risks and uncertainties that it experiences during volatile market conditions. These volatilities can have a severe impact on operations. The Company's revenues are derived from the sale and distribution of ethanol and distillers grains to customers primarily located in the United States. Corn for the production process is supplied to our plant primarily from local agricultural producers and from purchases on the open market. Ethanol sales average approximately 82% of total revenues and corn costs average approximately 81% of cost of goods sold.

The Company's operating and financial performance is largely driven by the prices at which it sells ethanol and the net expense of corn. The price of ethanol is influenced by factors such as supply and demand, the weather, government policies and programs, and unleaded gasoline prices and the petroleum markets as a whole. Excess ethanol supply in the market, in particular, puts downward pressure on the price of ethanol. Our largest cost of production is corn. The cost of corn is generally impacted by factors such as supply and demand, the weather, government policies and programs, and our risk management program used to protect against the price volatility of these commodities.

3. INVENTORY

Inventory consists of the following:

	September 30, 2011 (Unaudited)	**December 31, 2010***
Raw materials	$ 1,627,866	$ 2,375,695
Spare parts	681,806	646,753
Work in process	689,207	522,719
Finished goods	1,946,237	1,022,118
Total	$ 4,945,115	$ 4,567,285

***Derived from audited financial statements.

4. DERIVATIVE INSTRUMENTS

The Company from time-to-time enters into ethanol and corn derivative instruments, which are required to be recorded as either assets or liabilities at fair value in the balance sheet. Derivatives qualify for treatment as hedges when there is a high correlation between the change in fair value of the derivative instrument and the related change in value of the underlying hedged item and when the Company formally documents, designates, and assesses the effectiveness of transactions that receive hedge accounting initially and on an on-going basis. The Company must designate the hedging instruments based upon the exposure being hedged as a fair value hedge or a cash flow hedge. While the Company does not typically designate the derivative instruments that it enters into as hedging instruments because of the administrative costs associated with the related accounting, the Company believes that the derivative instruments represent an economic hedge. The Company does not enter into financial instruments for trading or speculative purposes.

In order to reduce the risk caused by market fluctuations, the Company occasionally hedges its anticipated corn purchases and ethanol sales by entering into options and futures contracts. These contracts are used with the intention to fix the purchase price of anticipated requirements of corn in the Company's ethanol production activities and the related sales price of ethanol. The fair value of these contracts is based on quoted prices in active exchange-traded or over-the-counter markets. Although the Company believes its commodity derivative positions are economic hedges, none have been formally designated as a hedge for accounting purposes and derivative positions are recorded on the balance sheet at their fair market value, with changes in fair value recognized in current period earnings or losses. Gains and losses from ethanol related derivative instruments, including unrealized changes in the fair value of these positions, are included in the results of operations and are classified as a component of revenue. Gains and losses from corn derivative instruments, including unrealized changes in the fair value of these positions, are included in the results of operations and are classified as a component of costs of goods sold. The Company records withdrawals and payments against the trade equity of derivative instruments as a reduction or increase in the value of the derivative instruments.

As of September 30, 2011, the total notional amount of the Company's outstanding ethanol derivative instruments was approximately 17 million gallons that were entered into to hedge forecasted ethanol sales through June 2012. As of September 30, 2011, the total notional amount of the Company's outstanding corn derivative instruments of approximately 375,000 bushels that were entered into to hedge forecasted corn purchases through March 2012. There may be offsetting positions that are not shown on a net basis that could lower the notional amount of positions outstanding as disclosed above.

The following tables provide details regarding the Company's derivative instruments at September 30, 2011, none of which are designated as hedging instruments:

	Balance Sheet Location	**Assets**	**Liabilities**
Corn Contracts	Derivative Instruments	$ 83,625	$ -
Ethanol Contracts	Derivative Instruments	173,340	-
Totals		$ 256,965	$ -

In addition, as of September 30, 2011, the Company maintained approximately $2,721,000 of restricted cash related to margin requirements for the Company's commodity derivative instrument positions.

As of December 31, 2010, the total notional amount of the Company's outstanding ethanol derivative instruments was approximately 19.6 million gallons that were entered into to hedge forecasted ethanol sales through December 2011. There may be offsetting positions that are not shown on a net basis that could lower the notional amount of positions outstanding as disclosed above.

The following tables provide details regarding the Company's derivative instruments at December 31, 2010, none of which are designated as hedging instruments:

	Balance Sheet Location	Assets	Liabilities
Ethanol Contracts	Derivative Instruments	$ -	$ (5,456,654)
Totals		$ -	$ (5,456,654)

In addition, as of December 31, 2010 the Company maintained approximately $8,079,000 of restricted cash related to margin requirements for the Company's commodity derivative instrument positions. Based on the valuation of the open positions on hand at December 31, 2010, the Company was required to make an additional margin call payment of approximately $217,000 on January 4, 2011.

The following tables provide details regarding the gains and (losses) from Company's commodity derivative instruments in statements of operations, none of which are designated as hedging instruments:

	Statement of Operations Location	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Ethanol Contracts	Revenue	$ (4,370,919)	$ (7,615,772)	$ (4,430,870)	$ 2,081,982
Corn Contracts	Cost of goods sold	106,322	(1,872,442)	56,864	(4,344,607)
Total Loss, net		$ (4,264,597)	$ (9,488,194)	$ (4,374,006)	$ (2,262,625)

5. FAIR VALUE MEASUREMENTS

The Company obtains fair value measurements from an independent pricing service for ethanol and corn contracts. The fair value measurements consider observable data that may include dealer quotes and live trading levels from the Chicago Board of Trade ("CBOT") and New York Mercantile Exchange markets.

The following table provides information on those derivative liabilities measured at fair value on a recurring basis at September 30, 2011:

	Carrying Amount in Balance Sheet September 30, 2011	Fair Value September 30, 2011	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
Financial Assets: Commodity Derivative Instruments - Ethanol	$ 173,340	$ 173,340	$ 173,340		
Financial Liabilities: Commodity Derivative Instruments - Corn	$ 83,625	$ 83,625	$ 83,625		

The following table provides information on those commodity derivative liabilities measured at fair value on a recurring basis at December 31, 2010:

	Carrying Amount in Balance Sheet December 31, 2010	Fair Value December 31, 2010	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
Financial Liabilities: Commodity Derivative Instruments - Ethanol	$ (5,456,654)	$ (5,456,654)	$ (5,456,654)		

6. BANK FINANCING

The Company has a Revolving and Term Credit Agreement with a bank for a revolving line of credit with a maximum availability of $10,000,000. The interest rate on amounts the Company borrows under the line of credit is a variable rate equal to 2% over the highest US prime Rate as published in the Wall Street Journal “Money Table” which was 5.25% at both September 30, 2011 and December 31, 2010. The interest rate adjusts as and when the index rate changes. Interest is due monthly on this revolving credit facility. No prepayment fees exist on the revolving credit facility; however, the Company is required to pay a commitment fee equal to .50% per year of the average daily unused portion of the line of credit. The maturity date of the line of credit is April 1, 2012. At September 30, 2011 and December 31, 2010, the Company had no borrowings on the revolving line of credit.

The Company had a Revolving and Term Credit Agreement with a bank for a $4,000,000 term loan. The Company’s $4,000,000 term loan was at a fixed interest rate of 6.25%. The Company was required to pay a loan origination fee equal to 10 basis points. On March 1, 2011, the interest rate was reduced from a fixed rate of 6.25% to a fixed rate of 5.25%. The term loan required the Company to pay monthly payments of accrued interest until November 1, 2009. Starting on that date, they were required to make equal monthly payments of principal and interest in the amount of $77,975, followed by one final payment of the unpaid principal and all accrued interest remaining on October 1, 2014. With the interest rate change on March 1, 2011 the monthly payments were reduced from $77,975 to $76,656. Although the term loan was in the amount of $4,000,000, as of September 30, 2011, they had been advanced only $2,857,000 of this amount. On May 16, 2011, the Company paid the balance outstanding on the term loan of $1,606,503. The Company was not required to pay a prepayment penalty. At September 30, 2011 and December 31, 2010, the Company had $0 and $1,945,687, respectively, outstanding on term loan.

Borrowing under our revolving line of credit is secured by substantially all of the assets of the Company. Our revolving credit facility is subject to restrictive covenants including, but not limited to, requiring minimum financial ratios and limitations on capital expenditures, investments and distributions. As of the nine month period ended September 30, 2011 and year ended December 31, 2010, the Company was in compliance with these covenants.

7. MEMBERS’ EQUITY

Membership Units

The Company currently has three classes of membership units. There are 17,106 Class A units issued and outstanding, 7,106 Class B units issued and outstanding and 4,134 Class C units issued and outstanding. The total units issued and outstanding were 28,346 at both September 30, 2011 and December 31, 2010. The Company is authorized to issue an aggregate of 28,346 units subject to certain transfer restrictions as specified in the operating agreement and pursuant to applicable tax and securities laws. Income, losses and distributions are allocated to all members based upon their respective percentage units held regardless of the unit classification.

Membership Unit Redemptions

On June 18, 2010, the board approved up to $1 million over the next 18 months to explore/pursue the option of redeeming membership units (Class A, B, or C) offered for sale at the market price. As of September 30, 2011, the board approved membership unit redemptions of 129 units (53 Class B units and 76 Class C units) totaling $218,250 effective on various dates from September 1, 2010 to December 1, 2010. This effort expires on December 31, 2011.

Membership Distributions

On August 12, 2011 the Company approved a member distribution of $100 per unit to members of record on August 12, 2011. The distribution was paid to members on August 16, 2011.

8. COMMITMENTS AND CONTINGENCIES

Ethanol Contracts

In January 2010, the Company began marketing the ethanol produced at the facility directly to fuel suppliers. At September 30, 2011, the Company had forward ethanol sales contracts totaling 14.8 million gallons for various delivery periods from October 2011 to January 2012. The prices on these contracts have a basis level established by the Oil Price Information Service ("OPIS") Chicago ethanol market between -$0.01 and -$0.04.

At September 30, 2011, the Company had forward futures contracts (swaps) to sell 17 million gallons of ethanol for various delivery periods from October 2011 through March 2012. The prices on these contracts range from $2.00 to $2.85 per gallon. The fair value of these contracts is currently recorded as an asset on the balance sheet totaling approximately $173,340.

Distillers Grains Contracts

At September 30, 2011, the Company had forward dry distillers grains sales contracts totaling 21,000 ton for various delivery periods from October 2011 to April 2012 with a price range of $183 to $220 per ton. At September 30, 2011 the Company had forward modified wet distillers grains sales contracts totaling 10,300 ton for various delivery periods from October 2011 to March 2012 with a price range of $82 to $97 per ton.

Corn Oil Contracts

At September 30, 2011 the Company had forward crude corn oil sales contracts totaling 2.8 million gallon for various delivery periods from October 2011 through December 2011 with an average price of $0.48 per pound.

Corn and Natural Gas Contracts

At September 30, 2011, the Company had forward corn purchase contracts with grain producers and dealers totaling 8.1 million bushels for various delivery periods from October 2011 to December 2012. The prices on these contracts range from $3.60 to $7.80 per bushel or have a basis level established by the CBOT futures between $-0.23 and $-0.45.

At September 30, 2011 the Company had futures contracts to sell 375,000 bushel of corn for delivery periods of March through May 2012. The prices on these contracts range from $6.09 to $7.12. The fair value of these contracts is currently recorded as an asset on the balance sheet totaling approximately $84,000.

At September 30, 2011, the Company had forward contracts to purchase approximately 80,000 British thermal units (MMBTU) of natural gas during the month October 2011 at an average price of approximately $4.38 per MMBTU.

Plant Expansion

On June 18, 2010, the Company approved $20.4 million for a feed refining project contingent on financing 80% of the project. As of September 30, 2011, the Company had incurred $29,000 in engineering expense on this project.

As of September 30, 2011, the Company incurred approximately $890,000 on the engineering, design, and support piping of a distillation and evaporation system to increase the capacity of this portion of the plant to 90 million gallons per year, which has been included in property, plant and equipment in the condensed balance sheets. This project is expected to cost $18 million in total but has been placed on hold indefinitely. As of September 30, 2011, management evaluated the amount capitalized and determined that it is not impaired based on its expected use upon reinstatement of the project.

9. LEGAL PROCEEDINGS

From time to time in the ordinary course of business, the Company may be named as a defendant in legal proceedings related to various issues, including without limitation, workers' compensation claims, tort claims, or contractual disputes.

Patent Infringement

A Complaint for Patent Infringement was filed against the Company and certain other parties on May 3, 2010 by GS CleanTech Corporation. The suit is currently being heard at Federal Court in Indianapolis, Indiana. The complaint seeks an award of damages representing a portion of the revenue the Company generated while allegedly infringing on its patent related to a method of corn oil production. The Company has acquired opinions from its legal counsel attesting to their beliefs that none of the claims of the patent are valid. The Company has continued to produce corn oil at the plant and management expects that the matter will be resolved prior to September 30, 2012. The Company is unable to determine at this time if the suit will have a material adverse effect on the Company.

Anti-dumping Investigation

In December 2010, the Ministry of Commerce of the People's Republic of China (MOFCOM) initiated an anti-dumping investigation on imported distiller's dried grains with or without solubles (DDG's) originating in the United States. In February 2011, MOFCOM informed the Company that it was one of three DDG exporters selected as part the fact-finding process in order to determine whether the Company's DDG's export price of the product imported to China was less than its normal value in the ordinary course of trade. The Company has responded to the MOFCOM's request for information and is currently waiting for a response based on their investigation. Based on the results of the investigation, additional duties may be imposed on all DDG imports into China from the United States which could have an adverse affect on the selling price of DDG's in the future. The results of this investigation will not have an impact on transactions occurring prior to the conclusion of this matter.