

Backfill, ground prep work on track

In late February the large backfill operations for the process, evaporation, and fermentation structures and adjacent exterior tanks were completed for Ringneck Energy's Onida, S.D. plant.

This will be the first 70 million gallon/year plant constructed by Fagen with an ICM design. The facility, in addition to manufacturing ethanol and dried distiller grains (DDGS), has a specific marketing goal of higher wet-cake sales to accommodate local markets, with an emphasis on reduced fuel resources required while producing high protein feed stock. This should be a significant advantage for local ranching and livestock production.

Accommodating design

One of the interesting design changes for a 70 mgpy production plant is the location of the beerwell, which will be just east of the partially enclosed traditional fermentation structure. The enclosed fermentation area will have six large fermentation tanks prior to delivering fermented product to the exterior beerwell. Due to the heavier loading requirements, the soils were removed and engineered fill was brought in and compacted beneath all the structures. This will be the first area Fagen starts construction on because it will require the most time to complete.

This work, while performed in the



Areas that have been filled and compacted for the base of the first structures on the Ringneck Energy site can be seen to the left in the photo. The enclosed fermentation structure will be the first constructed, as it has the most complex internal components and will take the longest to complete.

frigid winter, accompanied by portable ground thaw machinery, reduced ground water challenges dramatically.

Next phase

After a brief pause in March, the project will begin installing storm water and drainage controls.

The remaining work on roads and laydown areas will resume, as will finalization of the temporary construction power that was incomplete due to over-excavation activities. Additionally, the over-excavation of the energy center will begin, taking a similar approach to what was done in the process area.

By the end of spring, we hope to begin subgrade foundation work in grain storage, grain receiving and the dried distillers grains (DDGS) building.

The primary construction of concrete foundations will begin after the receipt of the air permit.

—Tim Griffin, Fagen Inc. project manager

Paperwork, funding coming together

While dirtwork shows the physical progress being made on Ringneck Energy's plant, there is lots of behind-the-scenes progress in recent months as well.

The company has been working diligently to put into place needed agreements and permits, along with securing grants, and no- or low-interest loans to assist in construction and preliminary operation of the plant.

As of March 18, the following permits and agreements are in place:

- South Dakota Intrastate Pipeline Transportation Agreement
- Mid-Dakota Rural Water Agreement for 555 gallons per minute
- Rail Design Plan approved by RCP&E
- Rail Infrastructure Loan For \$5 million approved by Sully County Rail Authority Board and forwarded to the state for its approval
- Oahe Electric REC and East River Electric for Substation and Distribution System (not finalized, under review)
- Draft Title V air permit from the SDDENR for 100 MGY; permit is out for 30-day public comment
- Efficient Producer Pathway Program (EP3) from the EPA
- Conditional Use Permit from Sully County
- Storm Water Pollution Plan for construction of an ethanol facility
- Building permit from Sully County
- Approval from the Federal Aviation Administration

Grants and loans that have been approved or are under consideration:

- USDA Value Added Producer Grant – \$250,000
- SD DOT Local Infrastructure Improvement Grant (LIIP) – \$400,000
- SD Corn Utilization Council Grant – \$50,000
- SD GOED Infrastructure Grant – \$400,000
- Rural Energy for America Program Grant – \$500,000 (applied for, not finalized)
- SD Reinvestment Payment Program – \$1,184,000-\$2M (pending final negotiations)
- SD Value Added Sub Fund (VASF) – \$22,500
- USDA Rural Economic Development Loan Program (zero interest loan through the local Rural Electric Cooperatives) – \$1.3 million (application in process)
- \$40 million REAP and B & I Loan Guarantee (not finalized, under USDA review and subject to approval)

Opportunities still available for investors

The board is reaching out to possible major investors, but opportunities still exist for anyone to join Ringneck Energy at the minimum investment level. Direct anyone you know who is interested in investing in our plant to the company website at www.ringneckenergy.com, or call Walt at 641-420-5890 or Hillary at the Ringneck Energy office at 605-258-2900.

No, America's Not 'Off Foreign Oil'

*By Robert White,
VP of Industry Relations, RFA
Published on The Daily Caller website,
March 15, 2016*

The recent article, "America is off Foreign Oil, No Thanks to Ethanol" (<http://dailycaller.com/2016/03/08/america-is-off-foreign-oil-no-thanks-to-ethanol/>) has it all wrong.

First of all, America is not completely "off" foreign oil, as the article claims. According to the latest available data, 47 percent of crude refined at U.S. oil refineries in December came from foreign sources. It is true, America is importing less oil than any time in the last 45 years, but that is thanks to America's successful clean energy policy, the Renewable Fuel Standard (RFS), not in spite of it. Rolling this policy back will only force the demand for foreign oil to reverse course.

When the RFS was signed into law by President George W. Bush – with bipartisan Congressional support – it was envisioned as a two-part strategy: harness the power of homegrown, renewable fuel and wean America off of our dependence on foreign oil from hostile, unstable nations in the Middle East. The law required that each year, an increasing percentage of biofuels be blended into our fuel supply. And overall, the RFS has been a great success.

Today, homegrown ethanol displaces over 1 million gallons of petroleum per day, our dependence on foreign oil is at its lowest rate in years, and ten percent of the nation's fuel supply comes from cost competitive biofuels.

Read more: <http://dailycaller.com/2016/03/15/no-americas-not-off-foreign-oil/#ixzz43GkEoVZz>

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Our Mission:

To produce renewable energy that adds value to grain and livestock production, enhances the income of our investor partners, provides a safe and rewarding work environment that creates economic opportunities for the surrounding area.

Goals for the Company:

- Produce 70 million gallon per year of bio-fuel ethanol focusing on the local, regional and national markets by the spring of 2017.
- Produce a high-protein feed source for the local livestock.
- Return maximum profits to member investors.
- Add value to agriculture in the area.
- Meet the standard 20% reduction in greenhouse gas emissions.
- Improve efficiency with the latest technology.

Address:

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Market cycles the norm for energy

Market observers have seen ethanol prices fall in January, following the lead of oil which dropped to a low of \$26.21 per barrel.

Walter Wendland, president and CEO of Ringneck Energy, says such seasonal fluxuations are to be expected in the energy industry.

“Oil and ethanol go hand-in-hand, typically with lows in December and January every year,” he said. “Often this is attributed to lower demand due to reduced driving in the winter months.”

He also noted that both fuels have already seen prices rebound significantly with the anticipated seasonal increase in demand.

“Christianson and Associates has done the analysis, and even at the low, Ringneck would have been in the black if we had been operating in January,” Wendland said.

Strong forecast for ethanol demand through 2025

ProExporter Network (PRX) predicts that ethanol demand in the next 10 years will rise from the current 15 billion gallons of production to 17.5 billion gallons by 2025.

“PRX sees growth in both domestic demand and virtually doubling export demand in the next 10 years, primarily because of increased corn acres, yield and production,” says Walter Wendland, Ringneck Energy president and CEO.

While some people believe the extra production will come from next-generation renewables, such as corn cob processing, the volume required to produce an appreciable amount of ethanol makes those options unlikely. Just 1 million gallons of ethanol from cobs requires 10,000

tons of the raw material.

“We are still convinced that building in the right place—which Ringneck is doing—will help to match supply and demand in a way that keeps corn values near or above the cost of production,” Wendland said.

Without building new demand corn values are likely to drop below cost of production due to increased carry-overs.

“This is why developing value-added renewable energy is so important to the central South Dakota area,” Wendland said.

“Even at the low, Ringneck would have been in the black if we had been operating in January.”
—Walter Wendland

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Additionally, certain information contained in this newsletter was obtained from own research and other sources believed to be credible and reliable. However, we have not independently verified the information. In particular, we have used information provided by trade organizations for the ethanol industry, which may present information in a manner that is more favorable to that industry than would be presented by an independent source. Although we believe these sources are reliable, we have not independently verified the information and make no guarantees as to its accuracy or completeness.