



www.ringneckenergy.com

info@ringneckenergy.com

605.258.2900 • Onida, SD

Ready for construction to begin

Nearing \$61.5m in equity, financing falling into place

Ringneck Energy would like to thank investors for their support in the process of rescinding and extending our equity drive.

“While we are nearing our goal of \$61.5 million in equity investment, we will continue to accept equity until we close our offering,” says CEO Walt Wendland.

Ringneck Energy has also met with representatives from area banks, many of which are willing to provide financing to customers borrowing to invest in the plant. For example, Bank West has indicated its willingness to provide financing for investment in Ringneck Energy, with the units as collateral, for qualified customers providing 25% down payment on their equity investment. For contact information or questions call the Ringneck office in Onida at 605-258-2900.

Recent progress

Much of the work of bringing the plant together is happening in the background. Recent steps taken include:

- Completing soil borings for the grain area and energy center.
- Working with CHS to negotiate rail transportation agreements with Burlington Northern and Rapid City, Pierre & Eastern for transport of ethanol unit trains.
- Securing a bridge loan and beginning construction of 13,000 ft of rail



Railroad lines to transport ethanol and DDGS are the latest visible evidence of what is to come at the site of Ringneck Energy's plant.

at the plant site.

- Finalizing investment by a couple of larger investors and discussions with others
- Approval by the Sully County Board of Commissioners of a tax-increment financing (TIF) district for improvements to 185th Street.
- Discussions with contractors re: installation of underground utilities.
- Design work for administration building.
- Seeding of grass in top soil areas of the site, such as the berm and property outside the construction area

Partners & financing

“We have strong partners in Fagen Inc., ICM, Sukup Manufacturing, Granite Falls Energy LLC and Oahe Grain Corp.,” Wendland said, showing broad-based support across the industry and in the local business community.

Ringneck Energy leadership also continues to explore additional funding sources that may allow construction to begin while still accepting investments. Other capital funding sources that are being developed or already secured include a USDA loan guarantee, tax increment financing for county road improvements, rail loan, REC interest free loan, and possibly municipal bonds.

Additionally, our management is continuing discussions and negotiations with additional investors to obtain the remaining equity financing needed to

Continued on Page 2



While it isn't a record year for South Dakota's dryland farmers, corn harvest so far is already stretching the storage capacity at CHS Midwest Cooperative in Onida. Ringneck's plant will be another option for area farmers looking to sell grain, with plenty of supply easily available.

US corn production expected to reach 15.1 billion bushels, 11% more than 2015

In the crop production report released Wednesday, Oct. 12, the USDA forecast national corn production to reach 15.1 billion bushels this fall, up 11 percent from last year but down slightly from the September forecast. Based on conditions as of October 1, yields are expected to average 173.4 bushels per acre, nationally down 1 bushel from the September forecast but up 5 bushels from 2015. If realized, this will be the highest yield and production on record for the United States. South Dakota's dry weather during the growing year resulted in lower yields than last year, however, with 2016 projected yields of 145 bu/acre compared to the 159 bu/acre realized in 2015.

Grain Council hopes to double ethanol exports

On Oct. 10, Financial Times reported that the US Grains Council, a non-profit export group, is preparing plans to promote American ethanol in a number of countries, with a goal of doubling export volumes, which would boost demand for corn and could help support prices for US farmers. This year, the US is on track to export 891 million gallons of ethanol, with the domestic market nearing saturation point at a 10% ethanol blend rate. Increasing exports to 2 billion gallons would be equivalent to increasing corn demand by almost 390 million bushels, the article reported. (The story is available to subscribers on www.ft.com.)

Plant update — Continued from Page 1

complete funding for our project

Ready to build

In August 2016, the South Dakota Board of Minerals and Environment approved Ringneck Energy's construction air permit, which was issued on September 15, 2016. Additionally, on

September 28, 2016, the South Dakota Supreme Court handed down its decision denying a lawsuit filed against the county regarding the county's approval of Ringneck's conditional use permit. As a result, construction of the plant itself can begin as soon equity and debt financing is finalized.

Ethanol proponents offer case for using renewable fuels to address CAFE-GHG

Both the Renewable Fuels Association and the American Coalition for Ethanol submitted comments last month to the U.S. Environmental Protection Agency (EPA), Department of Transportation's National Highway Traffic Safety Administration (NHTSA), and California Air Resources Board (CARB), calling for a federal pathway to be established enabling automakers to meet future CAFE-GHG standards with high-octane, low-carbon fuels like ethanol. The draft Technical Assessment Report (TAR) of the 2022-2025 model year CAFE-GHG standards is part of an EPA, NHTSA, and CARB Mid-term Evaluation (MTE) of the program, trying to determine if the standards which were originally set in 2012 remain appropriate.

"ACE has been in dialogue with automakers, agricultural organizations, and government researchers to develop strategies and action plans to accelerate the transition of North American transportation fuels to higher-octane, lower-carbon renewable fuels such as ethanol," said ACE Executive Vice President Brian Jennings. "If the agencies hope to fulfill the ambitious goals of the CAFE-GHG program going forward, a regulatory framework needs to be initiated immediately for lower-carbon, higher-octane fuel such as ethanol."

RFA President and CEO Bob Dinneen said, "EPA has correctly identified technologies that will effectively improve energy efficiency and reduce greenhouse gases. But the agency has failed to appropriately consider the fuels that will enable those technologies. That is an omission that must be addressed moving forward if future vehicles can in fact help us address climate change without backsliding on other critical air quality and public health priorities."

Board of Directors:

President, CEO, & Chairman

Walt Wendland

Secretary/Treasurer & Director

Janet Wendland

Directors

Ed Eller

Jeff Goebel

Kenton Johnson

Pat Voorhees

Gary Wickersham

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 80 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:

PO Box 68
215A South Main
Onida, SD 57564
605-258-2900

DISCLAIMER

This newsletter is for informational purposes only and does not constitute or form part of, and should not be construed as, any offer for sale, or any invitation to offer to buy, any securities of Ringneck Energy LLC, nor should it be relied on in connection with any purchase or sale of securities whatsoever. Any offer or invitation for offers to buy will be made only by means of Ringneck Energy LLC's official private placement memorandum and only in accordance with the terms of all applicable securities and other laws.

This newsletter contains historical information, as well forward-looking statements about Ringneck Energy LLC and our future performance and prospects, project financing, and expected future operations and actions. All statements that are not historical or current facts are forward-looking statements. In some cases you can identify forward-looking statements by words such as "believe", "hope", "expect", "anticipate" and similar expressions. We caution readers not to place any undue reliance on any forward-looking statements. Forward looking statements are only our predictions based on current information and involve numerous assumptions, risks and uncertainties including, without limitation, changes in the availability of credit, demand and supply of ethanol, corn production, plant operations and the actions of regulatory authorities. Our actual results or actions may differ materially from these forward looking statements for many reasons, including risks associated with the ethanol industry generally, and the ability of the company to timely meet all requirements of financing and construction of the plant. We undertake no responsibility to update any forward looking statement.

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.

Crop numbers highlight ethanol's place in adding value, market options

With 2016's forecast for a record corn crop nationwide of 15.1 billion bushels, and old crop stocks higher on Sept. 1, 2015, than they were a year before, continuing to grow demand for America's corn is one of the greatest benefits of the ethanol industry.

Ethanol production is expected to use 5.2 billions bushels of corn in 2016-17, about 1/3 of total corn production.

"The ethanol industry has been profitable this year, especially in the third quarter," said Walt Wendland, CEO. "A big corn crop just highlights the fact that ethanol production is a great way to add value to the crop and balance supply and demand."

The opportunity to extract greater value from the local corn crop through ownership in ethanol production capacity is especially important for our area in years like this, when a large national crop suppressed prices while local conditions limit the yields for South Dakota dryland farmers.

Increasing local demand means local farmers take less of a discount from the CBOT and have more options for marketing their crop.

Ag Secretary agrees

MorningConsult author Jack Fitzpatrick reported Oct. 3:

"The biobased products industry contributed \$393 billion and 4.2 million jobs to the U.S. economy in 2014, according to a report by the Department of Agriculture.

Agriculture Secretary Tom Vilsack touted the industry as a key contributor to the rural economy at a National Press Club event. The report is an "indication that there is positive

momentum in a rural economy," Vilsack said. "There is a plan, a strategy, investments, and opportunity."

Between 2013 and 2014, the industry was responsible for an additional 220,000 jobs and \$24 billion, according to the report.

Vilsack also said the federal government can help rural areas by investing in the community college system, improving high-speed broadband connection. "It's incumbent on us to make sure that we preserve opportunities and choice for young people who grew up in these small towns and farms to be able to live there if they choose."

"A big corn crop just highlights the fact that ethanol production is a great way to add value to the crop and balance supply and demand."

—Walter Wendland