



[www.ringneckenergy.com](http://www.ringneckenergy.com)

[info@ringneckenergy.com](mailto:info@ringneckenergy.com)

605.258.2900 • Onida, SD

## Equity closing could come soon

Ringneck Energy investors are encouraged to keep an eye on the mailbox in the next few weeks, as the company may soon call for the remaining 90 percent of equity and close the offering. Earlier this month, a new major investor committed to the project, bringing the equity offering close to our goal.

The latest major investor is another South Dakota agricultural industry leader, adding to Ringneck Energy's roster of investors with experience and confidence in agriculture and the ethanol industry, which includes Granite Falls Energy, Fagen Inc., Sukup Manufacturing Co., Oahe Grain, and ICM.

While the latest investment commitment brings us close to the total equity goal, and other major investors have indicated interest in closing the gap, there is still opportunity for additional investments. If you are interested in investing in Ringneck, now is the time to do so, as once we complete our equity drive, the opportunity to invest will end. Do not delay your decision. Refer to the company website for a prospectus or call the company office at 605-258-2900. The minimum investment level is \$50,000.

Thanks to advance site work at Ringneck's Onida, S.D., location over the last year, Ringneck is ready to begin facility construction as soon as the equity goal is met. We are looking forward to an exciting spring and summer.

## Reports showcase renewable fuels industry Ethanol profits, exports both on the rise

The Food & Agricultural Policy Research Institute at the University of Missouri predicts in its 2017 U.S. Baseline Briefing Book: Projections for Agricultural and Biofuels Marketings that ethanol will continue to show steady growth in production and exports, and a gradual increase in prices after recent drops.

The FAPRI briefing predicts that ethanol rack prices will increase slowly over the coming years, reaching \$2/gal by 2026, with flat corn prices resulting in modest gains in dry-mill net returns.

With those increased returns, FAPRI expects ethanol production to continue to grow, reaching nearly 17 billion gallons by 2026 from corn-based ethanol, with non-corn sources adding another 0.4 billion gallons. Ringneck Energy will be a part of that 17 billion gallons in production.

An ever-increasing portion of that production is expected to be exported, with FAPRI predicting ethanol exports to more than double by 2026, reaching 2.5 billion gallons. This level of export demand is supported by rising crude oil prices and represents a significant market for Ringneck Energy's anticipated low-cost production.

## Ringneck poised to use ICM's latest innovations

With a significant decrease in the electrical load requirement, same production yields and new opportunities for improved operations, ICM is proud to announce a new advanced design of ICM's Selective Milling Technology™ (SMT™).

This proven technology allows plants to produce increases of up to 3% ethanol yield and up to 15% distiller's oil recovery, and ultimately, increased revenues. Now with this technological advancement, ICM's new design provides up to a 50% reduction in SMT™ system connected horsepower, while providing an opportunity to dramatically change the grind profile and to reduce suspended solids throughout the plant.

SMT™ is a platform technology that frees more starch critical for enzyme conversion to sugar by selectively targeting and flaking larger starch particles into smaller ones; or separating starch away from fiber, protein, or fats. Using a newly designed proprietary milling device, the new and improved SMT™ allows plants to take advantage of these benefits while also maximizing efficiencies by reducing the added energy needed.

## 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 second quarter 2018.
- 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

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*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.*

## Less corn nationally won't cut local supply

USDA on March 31 released its 2017 prospective plantings report for major crops as well as quarterly grain stock numbers. At 90 million acres, prospective corn planting will be down 4 million acres from 2016, but still 2% higher than 2015 planted acres.

South Dakota's corn acreage is also expected to be slightly lower than last year, predicted in the report at 5.4 million acres for 2017, down from 5.6 million acres of corn planted in 2016. The 2017 projection matches the corn acres planted in the state in 2015, showing that there will still be more than adequate supply to meet demand in-state for industrial uses such as ethanol.

The plentiful supply becomes even more obvious when looking at the March stocks report. USDA projects 4.91 billion bushels were stored on farms, up 13% from a year ago. Off-farm stocks were pegged at 3.71

billion bushels, up 6% from a year ago. Of those stocks, 478 million bushels are in South Dakota, with 310 million bushels on-farm, and off-farm stocks reported at more than 168 million bushels.

Ringneck's location puts it in position to make the most of a still-strong supply and favorable basis for buying corn for ethanol production, as evidenced by an April 10 DTN blog post.

Tim Luken, manager Oahe Grain in Onida, told Mary Kennedy, DTN basis analyst, "Basis here is always very wide. This is the worst part of the state for growing corn because of location and freight charges. Basis of -75 to -85 is pretty common here. Sometimes we can get basis in the -60s, but not very often. With the wide basis we have in this area, that is why a new ethanol plant is going up, and this should help increase basis 10 to 15 cents."

## Corn ethanol supports more than 28,600 direct jobs

*(From Renewable Fuels Association)* The US Department of Energy released its second annual U.S. Energy and Employment Report (USEER), which provides direct employment estimates from analysis of energy employment and wages data.

DOE determined the overall biofuels industry in 2016 supported 104,663 direct jobs. This number includes 28,613 jobs from the corn ethanol sector, representing about 3% of the domestic fuels workforce. This DOE estimate is quite conservative when compared to the January 2017 ABF Economics analysis, conducted on behalf of RFA, which reported that direct employment from ethanol production supported 74,420 full-time jobs.

Half of total corn ethanol employment is concentrated in the agriculture sector, with 31% from the wholesale trade, 11% professional services, 8% manufacturing, and 1% other. Almost 8% identify as union members. One-fifth (19%) of the workforce identify as veterans.