

## NEDAK ETHANOL, LLC

### Balance Sheets

	<b>December 31,</b>	
	<b>2009</b>	<b>2008</b>
<b>ASSETS (Note 7)</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,853,959	\$ 94,691
Restricted short term investment (Note 6)	1,153,708	1,128,070
Restricted cash (Notes 7 and 8)	997,656	52,866
Accounts receivable	1,149,804	182,152
Commodity broker receivable	94,391	-
Inventory (Note 3)	2,971,319	1,344,018
Inventory - corn contracts	-	300,260
Derivative financial instruments (Notes 4 and 9)	5,325	-
Prepaid expenses and other	622,443	300,552
Total current assets	8,848,605	3,402,609
<b>Property and Equipment</b>		
Land and improvements	4,408,272	4,427,265
Buildings	9,102,173	9,473,978
Plant equipment	73,204,195	76,274,960
Office equipment	200,575	177,894
Vehicles	468,617	468,617
	87,383,832	90,822,714
Less accumulated depreciation	(6,233,212)	(133,932)
Net property and equipment	81,150,620	90,688,782
<b>Other Assets</b>		
Deposits	300,000	-
Deferred offering costs	-	33,033
Restricted cash - TIF (Note 8)	-	599,042
Debt issuance costs, net of accumulated amortization of \$419,256 and \$176,720 in 2009 and 2008, respectively	1,341,979	1,234,514
Total other assets	1,641,979	1,866,589
<b>Total Assets</b>	\$ 91,641,204	\$ 95,957,980
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt (Notes 2, 7 and 8)	\$ 3,205,471	\$ 2,425,002
Accounts payable		
Trade	1,834,787	800,924
Corn	2,663,599	-
Construction payable (Note 10)	-	145,586
Accrued interest and other (Note 2)	2,425,977	1,033,606
Reclassification of long-term debt to current (Notes 2, 7 and 8)	45,873,529	-
Total current liabilities	56,003,363	4,405,118
<b>Long-Term Debt, net of Current Maturities (Notes 2, 7, 8 and 10)</b>	18,750	48,500,783
<b>Commitments and Contingencies (Notes 2, 6 and 10)</b>		
<b>Members' Equity (Note 5)</b>		
Preferred Units, 185.4 units issued and outstanding	1,854,428	-
Common units, 5,233 units issued and outstanding	49,839,281	49,891,449
Accumulated deficit	(16,074,618)	(6,839,370)
Total members' equity	35,619,091	43,052,079
<b>Total Liabilities and Members' Equity</b>	\$ 91,641,204	\$ 95,957,980

See Notes to Financial Statements.

**NEDAK ETHANOL, LLC**

## Statements of Operations

Years Ended December 31,

	2009	2008
<b>Revenues</b>	\$ 67,536,108	\$ -
<b>Cost of Goods Sold</b>	<u>74,528,307</u>	<u>-</u>
<b>Gross Loss</b>	(6,992,199)	-
<b>General and Administrative Expenses</b>	<u>2,596,682</u>	<u>4,755,272</u>
<b>Operating Loss</b>	<u>(9,588,881)</u>	<u>(4,755,272)</u>
<b>Other Income (Expense)</b>		
Gain from litigation settlement (Note 10)	3,766,567	-
Interest income	44,452	82,122
Interest expense	(3,457,386)	(47,156)
Other income	-	478,679
Total other income, net	<u>353,633</u>	<u>513,645</u>
<b>Net Loss</b>	<u>\$ (9,235,248)</u>	<u>\$ (4,241,627)</u>
<b>Weighted Average Common Units Outstanding - Basic and Diluted</b>	<u>5,233</u>	<u>5,231</u>
<b>Net Loss Per Common Unit - Basic and Diluted</b>	<u>\$ (1,764.81)</u>	<u>\$ (810.86)</u>

See Notes to Financial Statements.

## NEDAK ETHANOL, LLC

### Statements of Changes in Members' Equity

	Preferred Units	Common Units	Accumulated Deficit	Total
<b>Balance - December 31, 2007</b>	\$ -	\$ 49,851,449	\$ (2,597,743)	\$ 47,253,706
Sale of 4 common units at \$10,000 per unit, July 2008	-	40,000	-	40,000
Net loss for the year ended December 31, 2008	-	-	(4,241,627)	(4,241,627)
<b>Balance - December 31, 2008</b>	-	49,891,449	(6,839,370)	43,052,079
Sale of 185.44 preferred units at \$10,000 per unit, June 2009	1,854,428	-	-	1,854,428
Cost of raising capital	-	(52,168)	-	(52,168)
Net loss for the year ended December 31, 2009	-	-	(9,235,248)	(9,235,248)
<b>Balance - December 31, 2009</b>	<b>\$ 1,854,428</b>	<b>\$ 49,839,281</b>	<b>\$ (16,074,618)</b>	<b>\$ 35,619,091</b>

See Notes to Financial Statements.

## NEDAK ETHANOL, LLC

### Statements of Cash Flows

	Years Ended December 31,	
	2009	2008
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (9,235,248)	\$ (4,241,627)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation and amortization	6,341,815	123,228
Change in fair value of derivative financial instruments	(5,325)	-
Gain from litigation settlement	(3,766,567)	-
Change in operating assets and liabilities		
Receivables	(1,062,043)	(162,870)
Inventory	(1,627,301)	(1,344,018)
Inventory - corn contracts	300,260	677,772
Prepaid expenses and other	(321,891)	(123,031)
Deposits	(300,000)	-
Accounts payable	3,338,896	513,927
Accrued interest and other	1,396,121	923,181
Net cash used in operating activities	(4,941,283)	(3,633,438)
<b>Cash Flows from Investing Activities</b>		
Payments for construction in process	-	(24,968,329)
Capital expenditures	(181,922)	(455,853)
Net change in restricted cash and investments	(371,386)	(84,770)
Refund of investments	-	1,000
Net cash used in investing activities	(553,308)	(25,507,952)
<b>Cash Flows from Financing Activities</b>		
Proceeds from construction loan	1,700,000	28,758,868
Sale of 185.4 preferred units	1,854,428	-
Proceeds from Delta-T letter of credit	3,995,000	-
Payment on tax increment financing debt	(285,000)	-
Sale of 4 common units	-	40,000
Payments of offering costs	(10,569)	(33,033)
Debt issuance costs	-	(133,947)
Net cash provided by financing activities	7,253,859	28,631,888
<b>Increase (Decrease) in Cash and Equivalents</b>	1,759,268	(509,502)
<b>Cash and Equivalents – Beginning of Year</b>	94,691	604,193
<b>Cash and Equivalents – End of Year</b>	\$ 1,853,959	\$ 94,691
<b>Supplemental Disclosure of Cash Flow Information and Noncash Investing and Financing Activities</b>		
Cash payments for interest	\$ 3,655,215	\$ -
Debt issuance costs in accounts payable	350,000	-
Restricted cash used for interest - capitalized	-	662,948
Construction loan proceeds used for interest	-	1,468,846
Liquidated damages used to reduce property and equipment and note payable construction loan	-	3,453,215
Settlement advance from Delta-T used to reduce property and equipment	228,433	-
Deferred offering costs offset against equity	52,168	-
Deferred offering costs included in accounts payable	8,566	-
Construction costs included in accounts payable	-	145,586
Settlement concession from Delta-T forgiving note payable loan and used to reduce property and equipment	3,246,785	-
Construction costs included in note payable - contract	-	3,246,785
Amortization of debt issuance costs capitalized as Construction in Process	-	154,910
Capitalization of accrued interest on member notes	3,750	-

See Note to Financial Statements.