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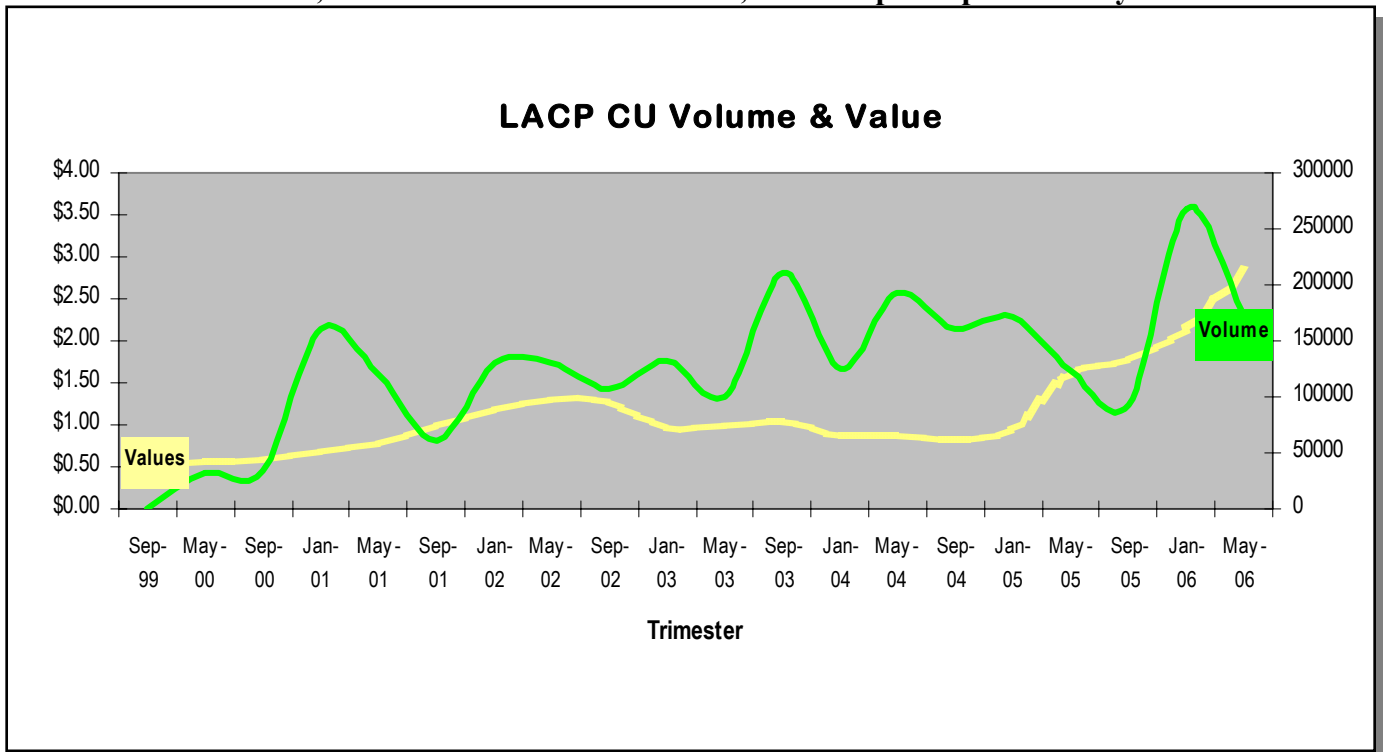
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## Lake Area Corn Processors, LLC

**Enclosed please find a disbursement** declared by the Lake Area Corn Processors, LLC Board of Managers on April 11, 2006. This disbursement is \$0.10 per capital unit of ownership to members of record as of January 1, 2006. The total disbursement to all Lake Area Corn Processor, LLC members for this disbursement is \$2,962,000.00. This is the 2nd disbursement paid in 2006 [previous disbursement was in February] with a total for 2006 of \$5,924,000.00. Thank you for your trust and investment in Dakota Ethanol, LLC and Lake Area Corn Processors, LLC.

**Capital Unit** trading will begin on May 1, 2006 for the next trimester. LACP capital units are traded on line at [www.agstocktrade.com](http://www.agstocktrade.com) through a qualified matching service conducted by Variable Investment Advisors, Inc. Trading for this trimester will be conducted through June 30, 2006, with the last day to amend or offer capital units for sale being June 15, 2006. The current trimester average per capital unit was \$2.83, with a range of \$2.61 - \$2.96. All matches will occur at 5:00 p.m. central time when eligible. You may also submit a bid by contacting Variable Investment Advisors, Inc. at 1-800-859-3018. Existing members may purchase capital units in multiples of 500; new members must fulfill the minimum requirement of 5,000 capital units. Please evaluate your investment given the return and possibly consider adding to your investment as disbursements have totaled 225% of the original investment and capital units have increased about 5 1/2 times the original price! Needless to say, what an investment Lake Area Corn Processors, LLC has been. Please see the disbursement history below listing average capital unit price and the trading history since the beginning of Lake Area Corn Processors, LLC.

**The base corn price for averaged committed bushels for the May—Aug trimester has been set at \$1.80; the 80% advance rate is \$1.44, which is paid upon delivery.**



*"This newsletter contains forward-looking statements. We undertake no responsibility to update any forward-looking statement. When used, the words "believe," "expect," "will," "can," "estimate," "anticipate" and similar expressions are intended to identify forward-looking statements. Readers should not place undue reliance any forward-looking statements and recognize that the statements are not predictions of actual future results, which could and likely will differ materially from those anticipated in the forward-looking statements due to risks and uncertainties, including those described in our SEC filings."*

## Lake Area Corn Processors, LLC

### Disbursement History

Initial Investment in 1999--\$2.00 per share

September 2001--Commenced Plant Operations

- Disbursement February, 2002.....\$0.55 per share (\$4,072,750.00)
- Disbursement July, 2002.....\$0.55 per share (\$4,072,750.00)

September 1, 2002--re-organized from a Cooperative to a Limited Liability Company

September 1, 2002--Split capital units 4:1

- Disbursement February, 2003.....\$0.05 per capital unit (\$1,481,000)
- Disbursement November, 2003.....\$0.07 per capital unit (\$2,073,400)
- Disbursement May, 2004.....\$0.05 per capital unit (\$1,481,000)
- Disbursement September, 2004.....\$0.09 per capital unit (\$2,665,800)
- Disbursement January, 2005.....\$0.07 per capital unit (\$2,073,400)
- Disbursement February, 2005.....\$0.10 per capital unit (\$2,962,000)
- Disbursement April, 2005.....\$0.06 per capital unit (\$1,777,200)
- Disbursement August, 2005.....\$0.06 per capital unit (\$1,777,200)
- Disbursement December 2005.....\$0.10 per capital unit (\$2,962,000)
- Disbursement February 2006.....\$0.10 per capital unit (\$2,962,000)
- Disbursement April 2006.....\$0.10 per capital unit (\$2,962,000)

Since February 2002: \$33,322,500 in total cash distributions has been made to Lake Area Corn Processors, LLC members.

Since February 2002: 225% of *initial investment* or \$1.125 per share has been disbursed.

**As you can see** from the previous information, the investment in Lake Area Corn Processors, LLC has been nothing short of amazing. While every growing business sector has its' problems, ethanol is the fastest growing sector of the economy. The industry has expanded over 30% annually for several years. I hear talk on a daily basis of how much money can be made if I sell my ownership in LACP, and there is nothing wrong with taking a tidy profit when presented the opportunity. Please be cautioned that merely looking at dollar signs may have hidden ramifications. First of all, be aware of your tax basis and where a capital gain will be calculated from. Secondly, I would think that to find a return on investment that would perform as well as LACP has would be tough to find. Last but not least, it is amazing that 225% of the original investment has been returned in the form of disbursements or dividends in less than 5 years of operation. That's right, the original \$10,000.00 has returned \$22,500.00 in cash while the value of the capital units has appreciated to nearly 6 times the original value. It is no secret that capital units prices have taken a sharp increase in the last year; primarily due to performance and the .39 cents per capital unit paid out. Please see a key indicator below that may help you understand the evaluation of stock [cu] and arrive at a market value as compared to similar stocks. Be cautioned to compare between industries, between countries, and between time periods are dangerous and not recommended. You need to research a company to establish a comfort level prior to making an investment.

- **P/E ratio** is used to measure how cheap [or expensive] cu prices are. By making the relation and comparison of price & earnings for companies, one can analyze the market's valuation of a company's shares relative to the wealth the company is actually creating. Stocks with high earning growth are traded at higher PE values. For instance, capital units selling for \$3.00 while returning \$0.50 per unit has a PE ratio of  $\$3.00 / .50$  or 6. This would translate to you are paying \$6.00 in this instance for every one dollar of earnings. A good rule of thumb is that the lower the P/E ratio, the better return you may see. Please see accepted guidelines for the P/E ratio listed below.
- 0-13 Undervalued, cheap by historical standards and should provide a very good yield and return on investment.
- 14-20 Fair value, normal
- 21-28 Overvalued, probably should be selling rather than looking to buy
- 28+ very speculative, a CD would probably earn a better return

Please take a look at these ratios if invested or considering investing; this is a good comparison of performance. Evaluate your own situation and form your own opinion when considering an investment. There are certainly differences in companies within the same industry with debt, management, and ownership structure. Please evaluate your investment.