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Corn Storage

The Dakota Ethanol, LLC Board of Managers recently approved an expansion of approximately 860,000 additional bushels for corn storage, or nearly doubling our current capacity. The expansion will be comprised of 2 additional bins directly south of the existing complex. This will allow Dakota Ethanol the extra capacity needed in event of inclement weather and allow us the room to accommodate our corn customers in a more efficient manner.

We would anticipate construction to commence early this spring and completion prior to the 2007 harvest. This addition will bring Dakota Ethanol's total storage to approximately 1.78 million bushels, or over a month's grind at current rates.

The dumping capacity will remain unchanged and we look forward to meeting your corn marketing needs in the years to come. When you have corn to market, please give us a call at 1-888-539-2676 or 605-483-2676 and ask for Paul or Andrea. Our current prices are updated after the market close at www.dakotaethanol.com.

Disbursement Enclosed

Enclosed please find a disbursement of \$0.20 per capital unit declared by the Lake Area Corn Processors, LLC Board of Managers payable to members of record as of January 1, 2007. The total amount for this disbursement is \$5,924,000, which is the largest disbursement in LACP history!

This disbursement is 2007 income and brings the total disbursed to LACP members from inception to \$46,651,500.00 or 315% of initial investment! Again, we thank you for your investment and confidence.

Vacancies on Board of Managers

The Nominating Committee of Lake Area Corn Processors, LLC will begin the nomination process to fill the two [2] open seats on the Board of Managers (the "Board") for the expiration of two terms that expire the day of the 2007 annual meeting.

If you have an interest in serving as a board member, or if you know someone who might be interested, please contact Alan May, Membership Coordinator, at Dakota Ethanol at 605-483-2676 or 1-888-539-2676. The deadline for submitting potential nominations and returning the application package is April 1, 2007.

Brian Woldt honored by SDCUC

Sioux Falls— The South Dakota Corn Utilization Council recently recognized Brian Woldt of Wentworth for serving as president for the past two years. The Presidential Recognition award was presented to Brian during the South Dakota Corn Grower Association's 21st annual meeting on January 6, 2007. Brian has served on the SDCUC board since March 2000 and is the current president. His term on the board will end in March, so he also received an "Outstanding Service Award."

Brian's leadership ability took him to the helm of the SDCUC in 2005 where he has been instrumental in leading the board's direction toward biotechnology. He has taken his enthusiasm for and the knowledge of aeronautics as a pilot himself into the research realm for the SDCUC as they partnered with SDSU to become leaders in investigating aviation grade ethanol.

Brian engaged in this endeavor since its inception and has been an adviser to the program both locally and nationally. Brian is an original board member and remains on the board of Dakota Ethanol, and LACP. Brian is also on the National Corn Growers Association's ethanol action team.

Brian and his wife Valerie reside near Wentworth, SD with their two children, Travis and Chelsey.

Tax Statements & Information

The K-1 tax statements for 2006 have been sent to all members. As we all knew, [see newsletter dated November 2006] 2006 was a banner year in the ethanol industry. Lake Area Corn Processors, LLC also had a banner year in the fact that the minority partner ownership was purchased effective July 1, 2006. From that date on, Dakota Ethanol is wholly owned by the 1,003 Lake Area Members.

I am certain we will look back some day at 2006 and still be amazed at what a great year it was. Looking forward, we feel 2007 will be a very profitable year also, although maybe not as good as 2006. Corn prices have increased dramatically and projections are for increased corn acres to meet the domestic demand created primarily by the ethanol industry. As we all know, we will not know the crop prospect of the 2007 crop until at least August.

Ethanol remains constant and in demand, as well as DDG'S, both dry and modified. Natural gas has settled in to some comfortable levels as total supply is very adequate due to a relatively mild winter and inventory draws moderate, at least until recently. Let's all enjoy the profits we have been blessed with and look optimistically to the future. Ethanol has established a prominent place in the energy market thanks to all our efforts.

"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 on 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."