



Husker Ag Summer '08

The plant continues to operate superbly with less than 5 hours of lost production, outside of the scheduled semi-annual shutdown at the east side in the last quarter!! A knowledgeable and dedicated production staff is the key to eliminating and reducing lost production time. Husker Ag is very fortunate to have such a strong team companywide. Our current production is exceeding our name plate of 65 million gallons bringing us to a capacity of 75 million gallons. We are currently grinding approximately 75,000 bushels of corn per day.

We have started a few new projects this summer. One is the addition of a new corn receiving bay. This will allow us to increase our corn receiving capacity, as well as receive grain directly into the west side. East grain receiving will be upgraded on September 12-14 during which time there will be NO grain receiving. Grain receiving hours are 6 a.m. to 5 p.m. Monday thru Friday subject to change. Please check our website at www.huskerag.com or call 877-487-5724 ext. 1 for updates on hours as well as check on the corn line.



Another project, corn oil separation, will allow us to produce additional value added products. A portion of the oil found in a kernel of corn will be separated and made available for a host of products, including but not limited to animal feed and biodiesel feedstocks. We expect completion of the corn oil project to be November 2008 at the west side.

Book value, tax value and fair market value, what do I want? This is a fairly popular question from unit holders. The book value of a membership unit is calculated by taking the total equity of the Company divided by the number of units outstanding. It tells you what a unit is worth based on undistributed earnings and contributions remaining in the Company. The tax value per membership unit is the calculation of

member's purchase price plus book income less tax adjustments such as credits, accelerated depreciation, and unrealized gains or losses that attributed to a unit on each tax form. This is the value needed when calculating a gain or loss on a sale of units for your individual tax return. Tax value is calculated on an annual basis. We refer to fair market value (FMV) as the average price that members have sold their membership units for on our trading system. The price quoted below is the average price that members received during the April 2008 trimester on the trading system. Values as of June 30, 2008 are:

Book value of \$2,818.76 per unit
Fair market value of \$1975.00 per unit

The proposed deregistration from Securities Exchange Commission did pass on July 8, 2008. There are two classes of units, Class A (21 units +) and Class A-1 (less than 21 units) as of July 10, 2008. All unit holders of Class A-1 units will be receiving a document requesting your original certificates to be returned for reissuance as the Class A-1 units.

The next trading system will begin on September 1, 2008 for all classes. A distribution of \$30 per membership unit was declared for all classes of units of members who own shares on September 1, 2008. This distribution is payable on or before September 10, 2008.

Husker Ag, LLC Condensed Balance Sheet and Income Statement As of June 30, 2008

Cash	\$11,703,154
Accounts receivable	16,856,882
Other current assets	<u>24,328,426</u>
Total current assets	52,888,462
Property and equipment	74,415,011
Other assets	<u>1,674,764</u>
Total assets	<u>\$128,978,237</u>
Current liabilities	\$14,557,599
Long-term debt	29,491,462
Equity – 30,130 units	<u>84,929,176</u>
Total liabilities and equity	<u>\$128,978,237</u>

	Three Months	Six Months
Sales	\$ 49,491,006	\$ 90,169,696
Cost of sales	44,099,771	79,239,724
(Gain) loss on hedging	<u>(8,924,018)</u>	<u>(14,009,831)</u>
Gross profit	14,315,253	24,939,802
Selling, general & administrative	<u>726,490</u>	<u>1,460,624</u>
Income from operations	13,588,763	23,479,178
Unrealized (loss) on security	(1,916,025)	(6,273,525)
Other income (expense)	<u>(436,235)</u>	<u>(898,029)</u>
Net income	<u>\$ 11,236,503</u>	<u>\$16,307,624</u>
Earnings per unit	\$ 372.93	\$ 541.24



54048 Hwy 20
Plainview, NE 68769



Husker Ag, LLC

We hope that you have enjoyed this brief update on our facility. Husker Ag is committed to providing a strong business model with all the benefits of helping the American economy and environment for many generations to come!