

Bonanza BioEnergy LLC
Balance Sheet
For the Six Months Ending June 30, 2011

	Current	Prior Month	Prior Year
ASSETS			
Current Assets			
Cash & Equivalents	\$5,559,758.32	\$3,485,184.12	\$4,896,667.99
Accounts Receivable - Trade	1,963,259.58	9,867,880.08	1,046,367.21
Accounts Receivable - Other	6,027,671.99	0.00	1,487,630.76
Accounts Receivable - Allowance for Bad Debt	(90,016.09)	(85,365.97)	(49,364.97)
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Total Accounts Receivable	7,900,915.48	9,782,514.11	2,484,633.00
Inventory - Corn	697,197.26	523,152.09	488,861.13
Inventory - Sorghum	557,009.49	237,844.45	405,702.37
Inventory - Chem, Enzymes & Yeast	249,115.63	331,108.59	357,798.86
Inventory - Denaturant	174,549.35	216,267.98	205,377.40
Inventory - Work In Process	1,720,362.90	1,701,091.65	778,745.70
Inventory - Spare Parts	424,195.81	401,691.59	363,416.34
Inventory - Ethanol	1,433,832.72	1,231,411.37	1,212,772.63
Inventory - DDGS	0.00	0.00	182.00
Inventory - DWG	48,620.00	57,195.00	0.00
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Total Inventory	5,304,883.16	4,699,762.72	3,812,856.43
Prepays	245,402.37	270,128.49	163,416.12
Hedging Accounts at Market	2,497,549.25	1,702,728.36	3,539,002.69
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Total Other Current Assets	2,742,951.62	1,972,856.85	3,702,418.81
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Total Current Assets	21,508,508.58	19,940,317.80	14,896,576.23
PPE-Land and Buildings - Net	17,671,699.95	17,749,872.42	15,711,291.19
PPE-Machinery & Equipment - Net	44,955,121.87	45,299,230.98	48,905,359.08
PPE-Office, Computers & Software - Net	24,763.28	25,940.70	13,204.67
PPE-Vehicles - Net	7,083.38	7,225.04	
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Total Property, Plant and Equipment - Net	62,658,668.48	63,082,269.14	64,629,854.94
Other Assets	902,039.84	848,747.32	602,432.51
Investment in Conestoga	1,295,949.92	1,261,461.37	921,303.04
Investment in Farm Credit Services	1,000.00	1,000.00	1,000.00
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Total Other Assets	2,198,989.76	2,111,208.69	1,524,735.55
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TOTAL ASSETS	86,366,166.82	85,133,795.63	81,051,166.72
LIABILITIES & EQUITY			
Current Liabilities			
Accounts Payable	1,448,838.44	2,199,341.72	924,230.40
Accruals	2,937,458.25	2,576,257.50	881,285.25
Current Maturities of Senior Debt	5,068,620.00	5,068,620.00	5,068,620.00
Current Maturities of Sub Debt	428,571.43	428,571.43	0.00
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Total Current Liabilities	9,883,488.12	10,272,790.65	6,874,135.65
Long Term Senior Debt	25,008,105.86	25,430,490.86	32,523,645.00
Long Term Sub-Debt	2,464,285.71	2,464,285.71	3,000,000.00
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Total Liabilities	37,355,879.69	38,167,567.22	42,397,780.65
Equity	37,884,664.50	37,884,664.50	38,516,458.50
Retained Earnings	5,310,297.54	5,310,297.54	(894,371.03)
Current Year Income	5,815,325.09	3,771,266.37	1,031,298.60
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TOTAL LIABILITIES & EQUITY	86,366,166.82	85,133,795.63	81,051,166.72

Bonanza - Income Statement

*Variance greater than 10%
explained below*

\$000s

	Q2 2011					
	Budget		Actual		Change (Better / Worse)	
	\$	Per Gallon	\$	Per Gallon	\$	Per Gallon
Revenues						
Ethanol	30,254	\$ 2.08	38,862	\$ 2.67	8,609	0.59
DDGs	-	\$ -	(1)	\$ (0.00)	(1)	(0.00)
WDG's	5,055	\$ 0.35	8,812	\$ 0.61	3,757	0.26
Other	30	\$ 0.00	-	\$ -	(30)	(0.00)
Total Revenues	35,338	\$ 2.42	47,673	\$ 3.28	12,335	0.85
COGS						
Feedstock						
Total Feedstock	25,621	\$ 1.76	36,899	\$ 2.54	(11,278)	(0.78)
Natural Gas	1,251	\$ 0.09	1,116	\$ 0.08	135	0.01
Denaturant	569	\$ 0.04	860	\$ 0.06	(291)	(0.02)
Chemicals						
Fuel (Non-Denaturant)	-	\$ -	14	\$ 0.00	(14)	
ABS	-	\$ -	10			
Chemicals	9	\$ 0.00	21	\$ 0.00	(12)	(0.00)
Urea	93	\$ 0.01	107	\$ 0.01	(14)	(0.00)
Antibiotics	32	\$ 0.00	54	\$ 0.00	(21)	(0.00)
Yeast	37	\$ 0.00	44	\$ 0.00	(7)	(0.00)
Ammonia	46	\$ 0.00	84	\$ 0.01	(38)	(0.00)
Sulfuric Acid	15	\$ 0.00	57	\$ 0.00	(42)	(0.00)
Caustic	44	\$ 0.00	72	\$ 0.00	(28)	(0.00)
Enzymes	678	\$ 0.05	653	\$ 0.04	25	0.00
Total Chemicals	954	\$ 0.07	1,115	\$ 0.08	(161)	(0.01)
Water	105	\$ 0.01	116	\$ 0.01	(11)	(0.00)
Electricity	480	\$ 0.03	604	\$ 0.04	(124)	(0.01)
Total COGS	28,979	\$ 1.99	40,709	\$ 2.80	(11,730)	(0.81)
Gross Profit	6,359	\$ 0.44	6,964	\$ 0.48	605	0.04
Total Fixed Costs - Operation	3,117	\$ 0.21	2,956	\$ 0.20	161	0.01
EBIT	3,242	\$ 0.22	4,008	\$ 0.28	766	0.05
Interest Costs	569	\$ 0.04	327	\$ 0.02	242	0.02
Net Income	2,673	\$ 0.18	3,680	\$ 0.25	1,008	0.07
EBITDA	4,489	\$ 0.31	5,426	\$ 0.37	937	0.06
EBITDA - Debt Service	2,654	\$ 0.18	3,687	\$ 0.25	1,033	0.07

Est Gallons	Act Gallons
14,580	14,548

Revenue Analytics
('000's)

	YE 2009	YE 2010	Q2 2010	Q2 2011
Revenue	112,837.77	120,694.42	23,925.43	47,673.24
Gross Profit	20,742.79	20,146.50	2,811.61	6,963.91
Net Profit	7,651.73	6,204.67	(565.55)	3,680.37
EBITDA	15,159.99	13,479.31	1,262.80	5,426.49
EBITDA - Debt Service	10,072.23	5,844.07	(656.74)	3,686.69
Senior Debt / Gallon	\$ 0.74	\$ 0.64	\$ 0.68	\$ 0.55

Debt Analytics
('000's)

	YE 2009	YE 2010	Q2 2010	Q2 2011
Senior Debt	33,480.34	28,411.72	32,523.65	25,008.11
Current Maturities of Senior Debt	7,068.62	6,646.24	5,068.62	5,068.62

Bonanza - Cash Flow

Beg Cash 1/1/2011	3,549.11
End Cash 6/30/2011	5,559.76

CASH FLOW STATEMENT

Net Income	5,815
Depreciation	2,483
<i>Changes in Working Capital</i>	
DSR	0
Margin Account	0
Accounts Receivable	(626)
Inventory	455
Prepaid & Commodity	(1,004)
Other Assets	2,157
Accounts Payable	1,137
Revolver	0
CMLTD - Sr. Debt	(2,000)
CMLTD - Sub Debt	107
<u>Total</u>	<u>226</u>
Operating Activities	8,524
<i>Investing Activities</i>	
Acquisition of Assets	(2,685)
Sale of Assets	0
<u>Investing Activities</u>	<u>(2,685)</u>
<i>Financing Activities</i>	
Proceeds from Long Term Debt	0
Debt Repayment	(3,196)
Dividend	(633)
<u>Financing Activities</u>	<u>(3,828)</u>
Net Change in Cash	2,011
Variance	0.00

Debt Disclosure
('000's)

	For the Three Months Ended 6/30/2011	
	2011	2010
Revolver	-	-
Sub Debt	2,892.86	3,000.00
Senior Debt	30,076.73	37,592.27
Total Long-Term Debt	<u>32,969.58</u>	<u>40,592.27</u>

Debt Terms

- Revolver: LIBOR + 3.35% with a 5% floor; \$0 outstanding
- Senior Debt: \$30,076 outstanding at LIBOR + 3.35%; 5% floor; \$4.8M annual amortization + \$2M cash sweep (\$7M max over the life of the loan)
- Sub debt: 14% interest paid quarterly

Amounts of LT debt due in each of the next 5 years (in thousands):

Years Ended	
<u>December 31,</u>	<u>Amount</u>
2012	5,064
2013	5,064
2014	5,064
2015	5,064
2016	5,064
Thereafter	<u>7,650</u>
Total	<u><u>32,970</u></u>

**3 Months Ended
6/30/2011**

Per Unit Information

Total Units Outstanding:
EBITDA
Debt
Cash

	2011	2010	Change
Total Units Outstanding:	20,593	20,593	-
EBITDA	\$ 263.51	\$ 61.32	202
Debt	\$ 1,214.40	\$ 1,579.35	(365)
Cash	\$ 269.98	\$ 237.78	32

Per Gallon Information

Total Gallons Sold (000's):
EBITDA
Debt
Cash

	2011	2010	Change
Total Gallons Sold (000's):	14,548	13,279	1,269
EBITDA	\$ 373.00	\$ 95.10	278
Debt	\$ 169.39	\$ 225.92	(57)
Cash	\$ 382.16	\$ 368.75	13

Key Production Indicators

	For the Three Months Ended June 30,		
	2011	2010	Change
Gallons sold (in thousands)	14,548	13,279	1,269.25
Average sales price per gallon (net)	\$ 2.67	\$ 1.50	\$ 1.17
Corn cost per bushel	\$ 7.15	\$ 3.54	\$ 3.61
Crush margin	\$ 0.13	0.22	(0.08)
Denatured yield (2.25% denaturant added)	2.82	2.76	0.06
Distiller's grain as a % of the delivered cost of corn	24%	22%	2%

Covenant Analysis:**6/30/2011**

GAAP Working Capital	11,625,020
Calculated Net Worth	48,603.73
Calculated DSCR	N/A
Financial Covenants	
- Working capital	5,000
- Net worth	38,632
- DSCR	1.25
Financial Covenants Test	
- Working capital	in
- Net worth	in
- DSCR	N/A