



Alpha Holdings, LLC

Christopher O. Miller, C.E.O.

TAMA ETHANOL PLANT PROJECT

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COMMENTS FROM THE CEO:



James B. Conant once said, "Behold the turtle, he makes progress only when he sticks his neck out". We've all stuck our necks out and invested time, energy and funds into this very challenging project, but I assure you that although our steps may appear *slow* they are *steady* steps toward the goal of building the Tama Ethanol Plant. There have been numerous obstacles to overcome, but just like the tortoise and the hare, we the turtle will ultimately succeed in achieving this goal. Thank you for your continued support and patience throughout the process. Enclosed you will find two booklets published by the Renewable Fuels Association. *Tales from the Heartland* contains several stories that illustrate how ethanol, aside from its environmental and energy security benefits is revitalizing Americas Rural Communities and invigorating our local and national economy. *Building New Horizons* catalogues the successes of the past year, but also provides valuable information about the challenges and opportunities expected in the coming months. This is an exciting time to be in the Ethanol Industry but its success is ultimately dependent on individuals like you. I hope you enjoy reading this material and share it with your friends and neighbors.

ENGINEERING:

The UP railroad requested an expanded survey of the west end of the passing track. The overall boundary survey work has been completed on the Tama site. McClure engineering is currently in communication with the existing pipeline companies for petroleum pipeline relocation.

RAILROAD:

The Union Pacific Railroad has provided preliminary approvals for the ethanol plant layout and support track infrastructure. Via Rail is in the process of completing final design plans and construction details. Design work within the UP right-of-way is also in final design status. Via Rail anticipates final plan delivery to the UP railroad for review and approvals in 2nd quarter.

FUNDING:

The local response to the Interim Equity Drive Offering was somewhat disappointing. We acknowledge that delaying the drive did cause us to lose some momentum, however we are currently in discussion with several groups, including Financial Houses, Institutions and other major ethanol players who are looking to invest in large chunks of equity for the Tama Plant. At this time we are not in a position to divulge who these large equity players are, but as soon as it is appropriate, we will advise you of the parties involved. We plan to do a financial closing in 60 days.

PERMITS, PERMITS, PERMITS.....

Congratulations to the Natural Resources Group, McClure Engineering, AGRA Industries and BBI. Through their combined efforts and cooperation with the Iowa Department of Natural Resources we have received our Air Quality Construction Permit for the Tama Ethanol Plant. The Permit Application was submitted in December 2006, was assigned Project Number: 06-623/ Plant Number: 86-01-011 and the final permit was issued on March 5th.

No disrespect intended, but this is the "holy grail" of all permits relative to the development of an ethanol plant facility. The approximately 250 page document contains 30+ separate permit subsections with construction and maintenance guidelines for everything from the Corn Silos to the emission measurements for dust from truck traffic! We've all been channeling our focus on the benefits of developing a renewable energy source but cannot lose sight of the need for a healthy environment in the process. Good work everyone on creating a superb project with standards in place to keep the environment safe.

Just to give you additional insight into the depth of this project, Natural Resources Group is ultimately responsible for providing research and documentation on any portion of the Tama project that would impact our natural resources and environment. This includes the air, water, land, threatened or endangered species, wetlands, and cultural (Native American) resources. To date we have made huge strides and completed or obtained the Air Permit, Construction Stormwater Permit, Storm Water Pollution Prevention Plan, Wetland Delineation Report, Army Corp of Engineers Jurisdictional Determination and currently have an additional 20+ permits under determination or pending. No one is sitting idle and every week we inch closer to the ultimate goal of getting the Tama Ethanol Plant built.

Alpha Holdings, LLC
4201 Westown Parkway, Suite 244
West Des Moines, IA 50266-6420

Ph: 515-226-0700

Office Hours:
9:00 AM to 4:00 PM
Monday Through Friday
New Toll Free Number :
1-888-226-0702

Christopher O. Miller, C.E.O.
Anita M. Hilgers
Office Manager

Fax: 515-226-1133