

**MINUTES OF THE ANNUAL MEETING  
OF THE BOARD OF DIRECTORS & MEMBERS  
OF CARDINAL ETHANOL, LLC**

February 11, 2010  
Winchester, IN

**Attending Board Members:**

Bob Baker, Ralph Brumbaugh, Tom Chalfant, Tom Chronister, Rob Davis, Everett Hart, Cy LeFevre, Troy Prescott, Allan Rosar and Dale Schwieterman.

**Welcome and Call to Order:**

Chairman, Troy Prescott, welcomed everyone for attending and introduced all board members who were present.

The meeting was called to order at 6:10 pm. This was followed by the reading aloud of the Rules of Conduct for the meeting. It was recognized that a total of 14,606 total units were held by the members, 11,618 of which were units held by non-appointing members and, therefore, entitled to vote in the election of directors at the meeting. After considering the members present at the meeting either in person or by proxy, it was determined and confirmed that 45% of these units were represented and as such, a quorum was confirmed.

**Election of Directors:**

Chairman, Troy Prescott, addressed the method of handling the Election of Directors. He introduced the nominees, Tom Chalfant and himself, Troy Prescott.

The Chairman declared the polls to be open at 6:15 pm and he declared the polls closed at 6:18 pm. The duly appointed inspector of elections was charged with tabulating the votes.

**CEO Comments:**

CEO, Jeff Painter thanked the directors for their efforts and dedication to Cardinal Ethanol. He also recognized the employees that were present at the meeting.

Jeff stated that as we look back just a year ago, we were in the middle of a depressed market that offered some unique challenges for our business. As a start-up business we were challenged by little to no margins, limited working capital and a lot of negative information regarding the viability of ethanol. Many challenges have been met and many more will be ahead, but many opportunities will also be discovered for improvements.

Since we began operations (14 months of production), we have ground nearly 42,500,000 bushels of corn, turning it into approximately 117,750,000 gallons of ethanol, 325,000 tons of DDGs and extracted about 925,000 gallons of corn oil. The first fiscal quarter of this year we achieved a net income of over \$10,700,000.

One of our challenges was to assess what could be done to enhance margins. As volatility remains in the industry today, we started looking at those things which we could control, and made that the focus of the business. Some of the things we looked at include: new technology to optimize and create greater efficiencies; increasing ethanol yields by nearly 2% over the past 6 months; improvements in the usage of natural gas by optimizing dryer tuning and thermal oxidizers; and implementing a new ammonia to fermentation project that will cut down on costs.

As we continue into this year, our goal will be to continue to find ways to improve efficiencies, lower costs and provide the best return for the shareholders investments. We will continue to be challenged but we will also see successes along the way.

Jeff announced that the Board of Directors has approved an estimated tax distribution to be paid out in March 2010. The amount of the distribution will be \$60 per unit.

**Financial Statements & Member K-1 Discussion:**

Marti Nieland from Christianson and Associates presented the financial statements as shown in the Company's Annual Report on form 10-K and also the first quarter of fiscal year 2010 on form 10-Q. Both of these reports can be obtained by going to Cardinal's website and clicking on the link for SEC filings.

Marti also gave a presentation to explain to investors the information contained on their K-1 tax statements. You can view this presentation by clicking on the Annual Meeting link on Cardinal's website.

**Growth Energy Presentation:**

Judd Templin from Growth Energy presented information on the ethanol industry and Growth's efforts to increasing demand for ethanol throughout the country. His presentation can be viewed on Cardinal's website under the Annual Meeting tab as well.

**Results of Election:**

Jeff Painter reported that Tom Chalfant and Troy Prescott were elected to serve on the Board of Directors for another term.

After a question and answer session, the meeting was adjourned at 7:04 pm.

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Tom Chalfant, Secretary