



Dear Supplier,

Because of our valued relationship, we wanted to reach out to you directly to update you on some immediate and important steps we have taken to better position Hawkeye Energy Holdings and its business units to continue operating successfully within the current economic realities of the ethanol industry.

Hawkeye Renewables – a subsidiary of Hawkeye Energy that owns and operates the Iowa Falls and Fairbank plants – has reached an agreement with the majority of its first lien lenders on a plan to make the unit financially stronger and much better capitalized by converting existing debt into equity. To implement this “pre-packaged” plan, which is supported by the majority of its first lien lenders, Renewables has filed for reorganization under chapter 11 of the U.S. Bankruptcy Code.

All of our operations are open and moving forward in “business as usual” mode. Renewables’ plants in Iowa Falls and Fairbank are open for business and continuing normal business operations. Hawkeye Growth, which owns and operates plants in Menlo and Shell Rock, has a separate capital structure and is not part of the chapter 11 filing. It, too, is continuing normal business operations. Likewise, Hawkeye Gold, which markets our ethanol and distillers grains, also has a separate capital structure and was not part of the filing. Both Growth and Gold are meeting all commitments to suppliers and customers as usual.

Our suppliers are our valued business partners. Renewables has adequate liquidity to continue to meet its obligations to trade creditors and suppliers as it moves through the restructuring process.

As you know, the ethanol industry was severely affected in 2008 and 2009 by unprecedented commodity price volatility in the market for our products. In recent months, while the market for ethanol has stabilized and Renewables’ financial performance has improved, it nevertheless became clear that Renewables’ debt load was simply too high given the projected operating profile of the industry. We needed to take steps to restructure the unit’s balance sheet in order to make Renewables more competitive in the future. It is for that reason that we are taking the actions announced today.

We expect to move through the restructuring process swiftly. Upon the completion of its restructuring, Renewables will have one of the industry’s strongest balance sheets and very little debt.

All trade counterparties will be provided with instructions on how to file a claim that will be provided to them individually via mail and also will be available on our website.

We will continue to keep you updated as we move through this process. For additional information, please visit our website at www.hawkeye-energy.com or feel free to reach out directly to me or Robin Sampson.

We thank you for your continued support.

Sincerely,

Bruce Rastetter
Chief Executive Officer
Hawkeye Energy Holdings

Hawkeye Energy Holdings, LLC