



January 9, 2017

{IRE Member Name}
{IRE Member Address}
{IRE Member City, State ZIP}

Re: WIE Price Increase to \$400.00 plus New February 10th Deadline

Dear IRE Member:

The last few weeks have been busy. First, Western Iowa Energy met with your board and offered to buy a controlling interest in your plant. Then your board declared a first ever cash distribution of \$35 per unit. Then, we offered to buy 49% of your units for \$315 per unit, and you get to keep the \$35 distribution. That offer price was a premium to the known audited 2015 book value. Then REG also offered to buy 49% of your units at \$378 per unit, so long as REG ultimately gets 100% of the IRE units in a subsequent merger. More recently your board has presented a summarized appraisal of your plant's "enterprise value" of \$1,281 per unit. They also provided information yielding a November 30, 2016 unaudited book value per unit of \$395.81. **Based upon this new information, we hereby increase our offer to \$400.00 per unit. We also extend our deadline to February 10, 2017.** All other terms and procedures of our December 15, 2016 offer remain the same, including that you still get to keep the \$35 per unit distribution. If your units are not among the first 49% of outstanding IRE units tendered to us before February 10, 2017, then you will not qualify for our \$400.00 offer.

Our procedures remain the same, except you may ignore our prior price per unit and deadline. If you have already tendered your units to WIE, then our increased purchase price of \$400.00 per unit will automatically apply to your tender, and there is nothing more for you to do. If you have not tendered to WIE, or you rescinded your prior tender, then please follow the procedures in our December 15, 2016 offer. If you timely tender your units to us, and the closing conditions to our offer are satisfied or waived, then we will purchase the first 49% of the units tendered at \$400.00 per unit as provided in our December 15, 2016 offer. If you timely tender, we will not prorate (i.e., reduce down) your number of units tendered as REG will do. If you need another copy of our offer documents, additional copies are available on our website at www.westerniowaenergy.com. There you can also find more information about us.

We believe \$400.00 per unit is a more attractive offer based upon the new information from your board. You also deserve this extra time until February 10th to reject the REG offer, and accept our improved offer. Like our prior offer price, our increased offer of \$400.00 per unit is based on a premium to the available and known IRE book value. We do not believe that the appraised enterprise value of \$1,281 per unit is even remotely accurate as an assessment of the IRE unit value. In other words, we think it's unlikely that the actual value is more than three times the competing bid prices. You should also understand REG's "merger" offer. Merger means that although REG would pay \$378 cash for 49% of your units, when they merge IRE out of existence in their second phase, you are likely to get stock in REG instead of cash for some or all of the balance. "Merger" often is lawyer-talk for "not cash".

We want you to know more about us. Western Iowa Energy's biodiesel plant in Wall Lake is substantially similar to your plant in Washington. Here is some information about our history and strategy:

- Since June 2006 WIE has been a consistent, high quality producer of biodiesel.
- We take great care and attention to provide training, time and equipment to ensure a safe working environment for our employees and the plant.
- Our current management has worked side-by-side for over five years providing for continuity and understanding of purpose.
- Our board is a local, professional group and has shown unique and effective vision for the company while allowing management to focus on operating and managing the business.
- In the past five years we have invested over \$12.5 million dollars back into our plant in the form of plant upgrades, safety enhancements, tank capacity and product handling capability.
- To date, we have paid out cash distributions to our members totaling over 90% of their initial investment, plus their allocated tax credits. We currently have no long term debt, and we have retained over \$12 million for working capital.
- Over the past six years we have made money producing biodiesel even in the most challenging years.
- With the support of our long-term marketing partner, Archer Daniels Midland, we sell product throughout the country.
- Our long-standing financial partner, Bank Midwest of Spirit Lake, Iowa is committed to us in all aspects of our business.
- Our management, board, and employees are strong contributors of time, talent and treasure to the Wall Lake community and elsewhere in Western Iowa. We are recognized advocates for the biodiesel industry both in Iowa and nationally.
- We emphasize hiring from the local talent pool as well as providing employment opportunities that encourage others to relocate back to the community.

If WIE is the winning bidder for your IRE units, then we intend to preserve local ownership of your local plant, with local representation on its board. We intend to grow and improve your biodiesel plant with the best technology. We want your company to survive as Iowa Renewable Energy, LLC, headquartered in Washington, Iowa. REG wants your plant to be a miscellaneous subsidiary of a corporation traded on Wall Street. We want IRE to continue as a partner to a similar hometown company in Wall Lake.

As always, you can call me if you have any questions. My phone number is (712) 664-2173. I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "Bradley D. Wilson". The signature is written in a cursive, slightly slanted style with a long horizontal stroke at the end.

Bradley D. Wilson
President and General Manager