



January 13, 2017

Reference: Open letter to members of Iowa Renewable Energy, LLC

Dear IRE Member Unit Holders,

Over the past several weeks you have been flooded with a lot of interest, mail, and information from multiple parties related to your Iowa Renewable Energy, LLC ("IRE") membership units ("Units"). We thank you for your patience. It is our understanding that many IRE unitholders have been seeking ways to monetize and we are trying to find a way to help make this happen. REG is now offering to pay you \$420 per unit in cash for your IRE membership units. This changes our previous cash offer of \$378 per unit. All other terms and procedures of our December 30, 2016 offer remain the same, including that you still get to keep the \$35 per unit distribution. The expiration date of January 31, 2017 also remains the same. To be clear, our offer always was and continues to be an all cash offer.

If you are interested in receiving cash for your investment, we believe that the revised price provided in this offer will give you the best opportunity to obtain value.

For over 20 years Renewable Energy Group, Inc. ("REG") has a legacy of being your Iowa-based biodiesel company. We are intentionally headquartered in Ames, Iowa because we believe that being here provides the best combination of local talent, agricultural resources, and growth opportunities. We already employ 820 people, many of whom were born and raised right here in Iowa. We invest both in people and capital in every plant we own and we intend to do the same with this plant.

Please remember, this process started when Western Iowa Energy, LLC ("WIE") submitted an unsolicited and unwanted offer for IRE ownership. For the second time, REG has stepped in to help IRE unitholders achieve a better value than what WIE has proposed. WIE submitted their latest unsolicited offer, dated January 9, 2017 for less money (\$400 per unit) than the offer contained in this letter and, just like with their original offer, is subject to additional conditions that our offer does not have. Our goal is to make it possible for all IRE unitholders to participate in this offer. In order to do this, we are offering what's known as a proportional transaction. This means that if we receive Units in excess of the 49% we need, we will fairly (proportionally) return some Units back to everyone who submitted their units. Any Units that are not accepted for purchase in this initial round will be returned. It is REG's intention to ultimately purchase 100% of the Units for \$420, but this will be done in collaboration with remaining IRE shareholders and the IRE board.

We value our relationship with IRE. We know the plant very well, as we have been engaged in a contract manufacturing agreement there for several years. When we started our relationship, IRE had a heavy debt burden and other challenges which limited its financial flexibility. Our business arrangement has been mutually beneficial for both parties – we are happy to hear that IRE recently announced a \$35 per

unit cash distribution to unitholders and IRE debt has been reduced. Our hope is that our upfront cash offer, if accepted, gives you an immediate way to take advantage of personal opportunities that you would otherwise have to wait years, through annual distributions, to get. Being part of the REG network of advanced biorefineries is also a stronger long-term solution for the plant and its Team of employees.

As you were advised by the IRE Board of Directors (“Board”), REG submitted a separate merger agreement proposal to the IRE Board on December 30, 2016. The desired outcome of this alternative approach is an all cash transaction which would result in REG’s acquisition of 100% of the Units of IRE, subject to certain terms and conditions to be negotiated in the merger agreement. REG’s merger proposal would allow 100% of IRE unitholders to receive cash in exchange for their Units. REG continues to explore this as the best potential option for IRE unitholders.

In IRE’s January 4, 2017 letter to unitholders, the Board provided the summary results of a 3<sup>rd</sup> party appraisal which estimated the value at \$1,281 per unit. We have purchased many biodiesel facilities over the years. We believe that your facility will not sell for the valuation IRE obtained. We also do not believe IRE has the ability to undertake a meaningful unit repurchase program to provide liquidity to your members. It is also hard to imagine that a trading market will develop for IRE Units. Our offer is the highest price reasonably available to IRE and its members.

For convenience, we have enclosed a freshly printed complete package to replace the package provided in our December 30, 2016 offer. Please use these documents for your submission if you choose to participate. If you have already tendered your Units to REG, then our increased offer price of \$420.00 per unit will automatically apply to your tender. If you have not tendered all of your Units to REG, or you withdrew your prior tender, please review the material in the envelope labeled, “REG Tender Offer”, and follow the instructions printed on the envelope. You should review the enclosed “Offer to Purchase for Cash,” and “Membership Unit Purchase and Sale Agreement and Proxy,” and complete the blue forms contained in the envelope labeled “REG Tender Offer” using the instructions printed on the envelope. Please mail the signed documents using the enclosed self- addressed stamped envelope. Alternatively, you can submit the forms to us via e-mail or via fax using the instructions contained on the envelope labeled “REG Tender Offer”. The deadline to accept the offer from REG remains January 31, 2017. If your Membership Unit Certificate is readily available, please also send it in the same envelope; otherwise please sign the affidavit of loss on the enclosed blue forms.

Thank you for your consideration.



Daniel J. Oh  
President and CEO