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Permit No. 58

15045 Hwy. 23 SE
Granite Falls, MN 56241



November 2005



Stacie Schuler
Chief Financial Officer

Hello from the Administrative Staff here at GFE.

The SEC reporting was completed for quarter ending September 30, 2005, and is available for viewing via the SEC link on our website.

In addition to the excitement here at GFE due to the actual start-up of the plant, our fiscal year ended on October 31st. We are busy preparing for the year-end audit.

We have received many phone calls and emails regarding buying and selling of GFE stock. We are working on the fundamentals of how we are going to handle these unit trades to be in compliance with securities laws and IRS regulations, and we will inform you of the trading process in the near future. With the changes in the fiscal year, we are looking to have the annual meeting sometime in February 2006. There will be notices sent out to all investors regarding the annual meeting when we have set the date, time and location.

Another question we are hearing frequently is when we will be paying dividends. We will need to have one full year of production to be able to determine what can be paid out to you, the investors. The earliest that this will be determined is after the close and audit of the next fiscal year, which ends on October 31, 2006.

Stay warm, and we hope you all have a wonderful holiday season!



Tami Schaefer
Grains
Commodities
Manager

What an exciting time for the Granite Falls, MN area! We had our first loads of corn delivered at Granite Falls Energy on October 31, 2005. What a historic event. As we start to fill up the silos we are one step closer to start up. The weather has been wonderful for a bountiful harvest season and for putting the finishing touches on our plant.

Farmer Cooperative Elevator Company from Hanley Falls is procuring the corn for the plant and they are currently contracting for delivery at the plant or one of their other locations. For those of you who don't know, Granite Falls Energy will grind around 18 million bushels of local corn a year and produce over 170,000 tons of Dried Distillers Grain for animal feed a year. That's a lot of corn!

If you are interested in using Dried Distillers Grains (DDG's) from Granite Falls Energy in your feed rations please call Glacial Lakes Energy at 1-866-788-5907 and speak with Allen Wells for more information and contracting.



From the desk of Tom Branhan Chief Executive Officer

Greetings! November 14, 2005 was a historic date for Granite Falls Energy, LLC as we commissioned the plant to start producing ethanol. This has been a day long awaited, not only by you as members, but for us as well. All of our Senior Management staff from Glacial Lakes Energy will be at GFE over the next couple of months to help oversee start up as needed. It

will be a time of trials and tribulations, as is start up of most plants. However, with the quality of design and engineering that Fagen, Inc and ICM, Inc have provided us, this plant should undergo a smooth start up and continued above name-plate production. At the time I am writing this article, GFE is running at a production level of 32 million gallons per year (MGPY). The actual start up of the facility is going well with no surprises or problems. Our goal is to be at a 40 MGPY production rate in the next week and then continue to ramp up the plant from there.

On October 31, 2005 we received our first loads of corn at GFE. It was great to be present and watch as our Board of Governors opened their hopper bottoms and let the corn settle into the conveyors and to the silos. It was truly an emotional event that brought cheers and laughter from the crowd.

We are planning a Grand Opening in the spring when the site is prepared and we are not concerned about inclement weather. We will keep you posted as we have more detailed plans.

This will be the last monthly newsletter as our staff will be quite busy going forward. From now on, we will be sending out newsletters on a quarterly basis.

In closing, I want to extend a huge thank you to my staff at both GFE and GLE for the endless hours and dedication to their jobs. This is a busy time for everyone and I want to recognize the outstanding job these people do everyday to make sure GFE is a leader in the ethanol industry.

Have a Happy Holiday Season!

**Check us out on the web and webcam at
www.granitefallsenergy.com**



Paul Enstad
Chairman of the Board

Hello to all owner/investors:

On October 31st I had the honor and privilege to deliver the first official load of corn to GFE, LLC. The other local board members and the Farmers Cooperative Elevator also delivered corn that day. Much excitement was in the air as this was an important milestone for us. A certain amount of closure came to my mind as I opened the traps on the grain trailer and unloaded the corn. All of the folks in attendance that day seemed to realize the significance. This means that we have a new market for the corn that the area farmers produce.

We are now able to process this corn as the feedstock to produce ethanol and feed. This is what makes so much sense to me – process the corn that we produce right here where the corn is grown, rather than shipping it thousands of miles away to be processed or fed somewhere else in the world.

And yet another milestone.... Production began on November 14th. Everyone involved in this project has anticipated this day for several months and some of us have been striving for this for several years. The management personnel along with the employees are excited. They have been training for several months to prepare for the start-up and operation of the ethanol plant. While the rest of us can take some time to celebrate this event, these individuals may not have the time to celebrate for long. We do not anticipate major problems during start-up, but it will be an extremely busy time for them. The plant operators will be checking to make sure everything is running smoothly. The lab people will be taking tests to make sure the product is pure. Maintenance people will be watching and performing their duties, and as with anything new, a fair amount of break- in service must be taken care of.

I have been asked several times if we plan to have an open house soon after production begins. The answer is that "yes, we will have an open house, but not right away". We need to let everyone get through the busy time and let this plant ramp up to full production and work out the kinks. We plan to have the open house next spring when everything should be settled in. The Board of Governors has talked about a March timeframe for the open house.

Your board and management are continually working on the SEC compliance items as well as other matters of importance. One item that is important to us is the unit transfer policy. We, along with our attorney, have an outline in

place for units to be bought and sold. We can not implement this policy until we have made several decisions including who to use as the agent between buyer and seller. We have not made that decision yet but we hope to soon. Please bear with us as the transfer of units has several restrictions and limitations. Certain rules must be followed to protect the unit holders.

I have been told by industry leaders and people near ethanol plants every day how great this plant looks. The layout and design of the plant is terrific. The plant has been put together very well and the enhancements that Fagen, Inc. has added have given the plant a great look. I for one am ready for production to begin and we should all be excited as Granite Falls Energy starts to do what it was designed to do.

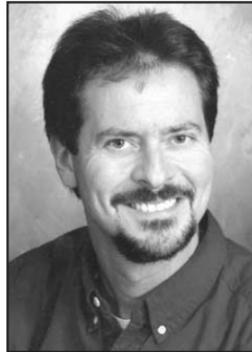


Pete Bullene
EHS Manager

On the safety side of things, we are continuing to provide ongoing safety training sessions for all employees. Classes for Confined Space Entry, Lock Out Tag Out and Hazard Communication have already been completed. Department of Transportation has also required employees be training in the applicable regulations as related to loading and unloading semi-trucks and rail tankers. Operators of the on-site track mobile have also received FRA (Federal Railroad Administration) training on the safe operation of on and around rail related equipment. OSHA required hearing testing and pulmonary function testing has been completed for the operations employees.

Our Air Quality, Storm Water and Wastewater permits are currently in place and up to date. GFE has met all requirements with EPA, Department of Environmental and Natural Resources (DENR) and the Minnesota Pollution Control Agency (MPCA). A permit amendment has also been filed with the State of Minnesota allowing GLE to increase our production to level to 60 million gallons per year, just in case we need the extra capacity. GFE will continue to monitor the impact of its wells on adjacent landowners.

Even though the busy harvest season is behind us, PLEASE remember to use common sense and practice safety on the farm. Weather it be operating equipment, entering bins or just driving the truck to the elevator (OR the ethanol plant), you must remember you are responsible for your safety and the safety of others around you.



Bert Magstadt
Energy Commodities Manager

By way of introduction, my name is Bert Magstadt. I'm the Energy Commodities Manager at GLE responsible for the energy portion of the business such as buying natural gas, electricity, water, and denaturant as well as selling the ethanol. My background is in engineering and for the past 15 years I've worked in the natural gas and electrical utility sector, with an emphasis on natural gas supply for the last 10 years while employed by Watertown Municipal Utilities.

I'm sure everyone has heard through the media that natural gas prices will be very high this year due primarily to hurricanes Katrina and Rita. There are many other factors that also determine natural gas prices, such as hotter than normal summers, colder than normal winters, lower production from gas wells, the economy and speculative hedge funds to name just a few. With these higher natural gas prices, GFE has mitigated a fair portion of this risk by hedging half of this winters usage at reasonable rates in

today's environment. We also plan on hedging a good portion of this upcoming summer's natural gas as soon as market conditions become more favorable.

Ethanol prices have been at an all-time high, primarily due to high gasoline prices. MTBE is starting to be faded out of production and mandated to be completely phased out by May 5, 2006. This is a 2.3 billion gallon per year market and should help sustain higher than normal ethanol prices. However, you never know what Congress might do in the meantime. This mandate could get moved back, adding more uncertainty in this market. Only time will tell if this comes true.



Fall Construction Update From Under the Hard Hat

We have continued to see a tremendous amount of visual, physical change on our ethanol plant site since early July! Our construction worker headcount is coming down rapidly as evidenced by the current headcount of under 100 from a peak of 220 just 1 _ months ago. When you drive by our site you'll notice how all of the "final pieces of the puzzle" have come together for a neat and orderly appearance to this site.

ON-SITE FACILITY ACTIVITIES

- All process storage tanks (stainless steel and carbon steel) and tank farm tanks are done; including those that needed to be painted. Our water storage tanks were finished a few weeks ago, underwent hydro testing, sealing, and are now getting insulated. The tank fabricator, WINBCO, moved off site in September to their next job. They had been here since early February and have done a fantastic job in putting all of these vessels together.

- Our water treatment building (the last building to be erected on site) is nearly done. Water treatment equipment has been installed, plumbed, tested and supporting the water trials that are now underway.

- The grain receiving building was finished, grain handling equipment installation completed and tested, and on October 31st, we began filling the silos with corn.

-Rail siding and rail spur activities are moving along and we expect the rail to be finished by our start up grind of November 14th. Our rail siding and spurs reach into and beyond our grain receiving area. Our rail cars will also begin arriving about the time of the grind.

- Truck scale installation by our administration building was completed, scales calibrated, and certified.

- All concrete work and structural steel work by Fagen Inc. and their sub-contractors for the entire site is now complete. Those crews and construction materials and equipment have moved off site.

-The last of the electrical installation (including the exterior lighting around site roads) is being wrapped up.

-The last pieces of process piping and insulation of that piping should also be wrapped up shortly as well.

INFRASTRUCTURE

- Minnesota Valley Electric commissioned our electrical sub-station on August 18th. The entire plant site is operating on the permanent electrical distribution system now.

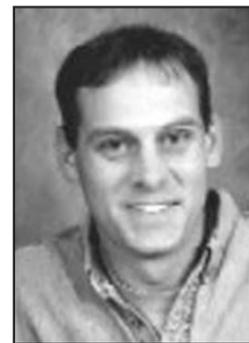
- Installation of the well water main and discharge lines was completed in late August and a manual test run of the production well pumps conducted in early September. Pump drive control system has since been linked to the ethanol plant control system. Water trials are currently underway throughout the entire plant process and storage system.

- Our natural gas supplier finished burying the 8.5 miles of gas line, installed the main gas regulator, and tested the entire system before the end of September. Natural gas is flowing to our buildings.

- The TC&W Railroad finished their mainline rail improvements which tie our siding and rail spur into their rail network in late October.

- Final seeding and grooming of the site occurred in late September which compliments the 80 plus beautiful trees planted along our perimeter road.

**FULL PLANT START UP IS HERE AND WE ARE VERY EXCITED TO SEE IT HAPPEN;
AND IN ONLY 11 1/2 MONTHS FROM FIRST PIER INSTALLED TO STARTUP!**



Doug Reisdorfer
Plant Manager

Hello from GFE

Things have been quite exciting and hectic the past couple of months here at GFE in preparation of the starting grind date of November 14, 2005.

Where to start... The past few month we have been doing an extensive amount of employee training. The employees are learning everything from the basics of where the different buildings are located on site to the "science" behind what kind of an appetite a yeast cell has and how to "spoon feed" them. It has been an exciting endeavor for myself and the other GFE staff to watch most of these guys/gals who

had little or no experience in the ethanol industry, transform before our eyes into eager ethanol producing gurus.

As far as the actual site work goes, Robin will be able to elaborate more on this in his article.

I hope everyone has a safe and enjoyable holiday season.



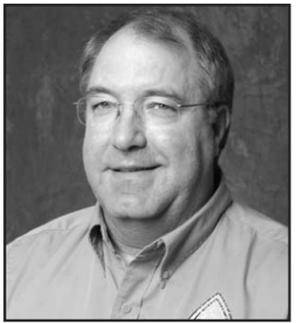
David Culver
Director of Operations

We are looking around the corner at a plant startup, and probably as most of you read this the plant will have already been well down the road of getting ethanol produced. I am looking forward to the next couple of weeks following the 14th of November (current scheduled day of startup). It has been a while since I have been part of a plant startup, but I do remember that it is an exciting time with lots of decisions to make and new things to discover.

I know that we have a good group of managers at Granite Falls Energy and that they are very capable of getting the plant going and I hope that I can be of help to them. Because of what I have seen over the last few months I also know that Doug, Corey, and Robin would say that there is a good group of employees that have been well trained. All GFE employees are eager to see what they are capable of in the next few months of learning a new job and a new plant.

The challenges of starting the plant are just the beginning. Most of the plant staff, excluding Corey and Doug, has very limited experience in the ethanol industry

and processing plants. There is a lot of experience yet to be learned. Hopefully we can continue to pass on some of the experiences at Glacial Lakes Energy and short cut this process and help the plant get to optimum efficiency and production as soon as possible.



Robin Spaude
Maintenance Manager