



To: Shareholders of Western Plains Energy

From: Scott Foote and the Foote Family

3/23/22

Recently, you received information in the mail from Western Plains Energy regarding our family's offer to buy the ethanol plant.

Here are the main reasons why we decided to make this offer and why we are certain that this transaction is a positive move forward for our local communities, farmers, cattlemen, WPE employees, and most importantly **you – the WPE shareholders.**

- **This transaction is good for communities and employees.**

Our family has lived and worked in Northwest Kansas for 25 years. In fact, April 1, 2022 will be the 25th anniversary of our purchase of Hoxie Feedyard! Nearly everyone in our area knows that we love and care for the communities in which we own and operate businesses. Western Plains Energy will add to our ability to strengthen the economy. We have a lot of pride in taking great care of our people and our towns!

- **This transaction is good for local farmers.**

As we bring Western Plains Energy into our family company, we will be looking for ways to improve and increase the plant operations. Our growth mindset will result in more use of local corn and milo. We will also improve our corn buying strategies by increasing forward pricing options to farmers. We realize that we will need to continue to offer the best basis bid in the region to buy all of the corn and milo that we will need to operate this plant. Our family is committed to buying from farmers and as such we know that we need to increase the marketing options that we offer to farmers. We are already hard at work on this, and we are very excited to offer farmers more opportunities for their corn marketing.

- **This transaction is good for local cattlemen.**

We are obviously in the cattle business, and we will work hard to make the distillers product that we sell the best in the industry – because we will be feeding it too! It is in our best interest to remain diversified with our WDG feed buying at Foote Cattle, so we will want to sell high-quality WDG to cattlemen in our region and continue to buy WDG for our own feed needs from other plants – just like we do today.

- **This transaction is good for Foote, despite volatility in the industry.**

We decided to offer a very aggressive price for WPE, even considering the currently higher price of corn and the government's push towards electric cars. It is our belief that we can add value to WPE by

utilizing it in our efforts to produce “more sustainable and lower carbon beef and ethanol”. The cattle/beef industry is under attack from environmental activists and we believe that, alongside local farmers, we can create a story that gives us an advantage in the beef marketplace moving forward. We feel that with the addition of WPE we can tie biofuels and beef together into a synergistic system that can benefit everyone involved.

- **This transaction is good for WPE shareholders.**

WPE has been a great investment for all of the shareholders. Prior to this merger, shareholders have received \$5,680 of cash distributions per unit, or an average of \$315 per share per year!

The Foote Family offer for WPE is \$50,000,000 **PLUS working capital adjustments**. As of the most recent month end (February) there was \$14,301,267 of working capital at WPE. We expect that it will decrease to about \$12 million when we close. **This number would bring the total offer price from Foote for WPE to \$62,000,000 or \$2,183 per share.**

The information statement shows that shares have been trading at about \$1,500 for the past couple of years. Our offer adds roughly a 45% premium to this recent trading price, and is the only current, recent, or foreseeable option to sell.

The information statement also shows that our WPE consulting/accounting firm, K-coe Isom, valued the plant at \$32,500,000, or \$1,145 per unit – we are offering nearly double this fair market valuation price for your shares.

- **MISSION ACCOMPLISHED**

We can all agree that the original “mission” of WPE was to provide a great market for corn and milo farmers in Northwest Kansas as well as provide a great return to shareholders.

From an original investment of \$20,000,000, over \$160,000,000 has already been distributed to shareholders.

Add an additional \$62,000,000 totaling \$222,000,000 in distributions, and this investment is clearly a “MISSION ACCOMPLISHED” for current shareholders!!!

After the merger, staying true to the original vision, the name will remain the name Western Plains Energy.

For all of these reasons, I ask that you please consider voting “YES” to sell your shares in WPE.

Thank you for considering this offer and please call or email me with any questions that you have. Visit footecattle.com/wpe for additional information. I really want to communicate clearly and candidly with all of you.

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