

## Overview- Fiscal 2011

### Plant Operations

2011 was another successful year for our ethanol plant, with overall performance meeting the standard set the prior year. Downtime was higher than 2010 due to the fact that the annual maintenance shutdown was advanced from late fall to mid-summer resulting in two maintenance shutdowns within one fiscal year. Unplanned shutdowns outside of our regular maintenance shutdowns were lower than last year. The plant operated within compliance of all relevant environmental, health and safety legislation.

### KEY PERFORMANCE INDICATORS

	Units	F2009	F2010	F2011
E200 Production Rate	US Gal/Day	114,524	122,787	123,857
Downtime	Days	15.65	13.12	16.9
Days Available	Days	349.35	351.89	348.1
Grind Rate	Tonnes/Day	1,095	1,119	1,137
Total E200 Production	US Gal	40,008,403	43,207,050	43,112,341
NG Consumption	BTU/US Gal	28,595	28,022	25,687
Power Consumption	kWhr/US Gal	0.601	0.586	0.588

### Financial Summary

The business performed well in 2011 despite a difficult 4<sup>th</sup> quarter. Net income for the period at \$11.7 million was down slightly from last year pushing retained earnings at the end of 2011 to \$24 million, almost double the year end figure for 2010.

As in 2010, corn and ethanol markets and the futures exchanges were quite volatile. Our risk management plan helped smooth many of the peaks and valleys, however, business was impacted considerably in the last quarter by the combination of extraordinarily high local corn basis values due to supply/demand concerns prior to harvest coupled with an influx of cheap American ethanol into our market.

One of the company's goals is to maintain efficient operations while aggressively managing our debt. IGPC's 2011 performance allowed it to make a total of \$15.5 million repayment towards the term debt, retire outstanding notes and make a significant return of capital to shareholders.

At fiscal year-end, IGPC's total outstanding term debt was \$21.5 million down very significantly from the initial term debt facility of \$63.7 million. As a further update, IGPC has made another \$5 million repayment for the first quarter of 2012, bringing total debt outstanding inclusive of deferred financing costs to \$16.5 million.

The company remains well ahead of its mandatory debt repayment schedule and is in full compliance with all credit facility financial covenants.

For this current year, Ontario's corn harvest has turned out to be better than anticipated easing supply concerns. US ethanol entering Canada has diminished as well. On December 31<sup>st</sup>, 2011 the United States did not renew or extend the Voluntary Ethanol Excise Tax Credit (VEETC). This was the enabler that allowed US product to move so aggressively into our market. Therefore, the situation experienced in the last quarter of 2011, with large quantities of US ethanol coming into the Ontario market, has largely corrected itself. Looking ahead, it remains to be seen how the US market, so influential in ours, reacts to the demise of VEETC.