U.S. Bankruptcy Court
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Honorable Judge Kevin Gross,

Hello, my name is Fred Graetzer, and I currently own 102,000 shares of AVRNQ. As you may know Aventine Renewable Energy is in bankruptcy protection. I along with fellow shareholders want the appointment of an Equity Committee, which you have yet to grant.

The Plan of Reorganization that the Board of Directors are trying to quickly slide through leaves next to nothing for the shareholders, even though there is shareholder equity of over $200 million after all of the debt is paid off.

Here is a link to the POR

http://www.aventineinfo.com/678_11214.pdf

The Aventine Board, along with the bondholders are trying to value the company at $260 million. In the past two years the company has spent over $450 million on two new Ethanol plants that are 90% complete, and are in the process of being finished. They value these at just over $5 million together in the POR. This is in addition to the two plants they own that are not only currently operating, but generating a PROFIT! The have been generating a profit for the last 8 months.

Below is a summary of actual "Plant EBITDA Margins" for the last (8) months of operations based on the MORs.

Debtors statement contained in the paragraph below the "Summary of Key Business Plan Assumptions" table in "Exhibit D" of DS:

"plant EBITDA margin can be calculated as (EBITDAR + SG&A) / (total gallons produced)"

ACTUAL "PLANT EBITDA MARGINS" OVER THE LAST (8) MONTHS OF OPERATIONS:

From the May MOR (Case Docket 225), EBITDAR = $6.55M, SG&A = $1.32M. Therefore, Plant EBITDA Margin for May = ($6.55M + $1.32M) / 16.5M gallons = $0.48 / gallon

From the June MOR (Case Docket 319), EBITDAR = $1.83M, SG&A = $5.44M. Therefore, Plant EBITDA Margin for June = ($1.83M + $5.44M) / 16.5M gallons = $0.44 / gallon

From the July MOR (Case Docket 405), EBITDAR = $10.12M, SG&A = $1.91M. Therefore, Plant EBITDA Margin for July = ($10.12M + $1.91M) / 16.5M gallons = $0.73 / gallon

From the August MOR (Case Docket 466), EBITDAR = \$4.73M, SG&A = \$1.75M. Therefore, Plant EBITDA Margin for August = (\$4.73M + \$1.75M) / 16.5M gallons = \$0.39 / gallon

From the September MOR (Case Docket 405), EBITDAR = \$6.01M, SG&A = \$1.49M. Therefore, Plant EBITDA Margin for September = (\$6.01M + \$1.49M) / 16.5M gallons = \$0.45 / gallon

From the October MOR (Case Docket 563), EBITDAR = \$6.39M, SG&A = \$1.77M. Therefore, Plant EBITDA Margin for October = (\$6.39M + \$1.77M) / 16.5M gallons = \$0.50 / gallon

From the November MOR (Case Docket 616), EBITDAR = \$9.24M, SG&A = \$1.61M. Therefore, Plant EBITDA Margin for November = (\$9.24M + \$1.61M) / 16.5M gallons = \$0.66 / gallon

From the December MOR (Case Docket 699), EBITDAR = \$4.97M, SG&A = \$2.30M. Therefore, Plant EBITDA Margin for December = (\$4.97M + \$2.30M) / 16.5M gallons = \$0.44 / gallon

AVERAGE "Plant EBITDA Margin" for last (8) months of operations = \$0.51/gallon and for the last (3) months of operations = \$0.53/gallon

Contrast these actual operating margins with the Debtors "estimated" Plant EBITDA Margins used in the Disclosure Statement and the POR (see Exhibit D - "Summary of Key Business Plan Assumptions" table):

Debtors 2010 "estimated" Plant EBITDA Margin = \$0.23/gallon (45% of actual margins for 8 months)

Debtors 2011 "estimated" Plant EBITDA Margin = \$0.24/gallon (47% of actual margins for 8 months)

Other December MOR information to consider:

Cash increased \$3.50M during the month to \$60M

Total assets increased \$7.55M during the month to \$711.9M

Ratio of Total assets / Total Liabilities = \$711.9M / \$449.1M = 1.59

Stockholders equity increased \$5.43M during the month to \$262.78M (or \$6.11/share)

Here is a link to the company's own 10Q valuation before filing the bankruptcy.

http://msnmoney.brand.edgar-online.com/DisplayFilingInfo.aspx?TabIndex=2&FilingID=6594212&type=html&companyid=628888&ppu=%2FDefault.aspx%3Fticker%3DAVRNQ

How in the world can you go from a valuation of $676 million to $260 million, especially while being profitable for the last eight months? Furthermore, the $300 million in bonds are trading above face value. That puts the value of the company close to $400 million according to the 80% of equity they receive per the POR. Why would they be trading so high if Aventine Renewable Energy was only worth $260 million?

We the shareholders need and ask for an independent appraisal of the company, which the current POR has not provided as required by bankruptcy law.

I have also e-mailed you a copy of this letter, so that you could look at the links provided.

Thank you very much for your time,

Sincerely,

Fred Graetzer

Fred Graetzer