



## CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (the “Agreement”), is made and entered into as of the Effective Date (as defined below) by and between \_\_\_\_\_ (herein referred to as “Contact”) and **ABSOLUTE ENERGY, L.L.C.**, an Iowa Limited Liability Company (herein referred to as “Absolute Energy”).

### RECITALS

A. Absolute Energy owns certain Confidential Information relating to its gas-fired, dry mill fuel-grade ethanol refinery facility in Mitchell County, Iowa and Mower County, Minnesota.

B. Contact wishes to evaluate purchasing capital units from one or more of Absolute Energy’s members and becoming a member of Absolute Energy (“Authorized Evaluation Purpose”), which evaluation will require the disclosure of certain Confidential Information that is deemed to be proprietary and confidential to Absolute Energy.

C. Absolute Energy desires to protect its confidential information against any unauthorized use and any unauthorized or uncontrolled disclosure.

Now, therefore, the parties agree as follows:

1. “Confidential Information” means information not generally known to third parties and which is proprietary to Absolute Energy including information about Absolute Energy’s gas-fired, dry mill fuel-grade ethanol refinery facility in Mitchell County, Iowa and Mower County, Minnesota and financial information about Absolute Energy’s operations. All information of Absolute Energy that is disclosed to Contact or to which Contact obtains access, whether originated by Contact or by the discloser or others, shall be presumed to be Confidential Information.
2. For a period of ninety (90) days from the Effective Date, Contact may use the Confidential Information disclosed by Absolute Energy solely and exclusively for the Authorized Evaluation Purpose. Contact will not use any Confidential Information for any other purpose. Contact may not divulge or disclose any Confidential Information to any person or party without Absolute Energy’s prior written consent, except that Contact may disclose Confidential Information to those of its accountants, investment bankers, lawyers, employees, and representatives (the persons to whom such disclosure is permissible being collectively called “Representatives”) who need to know such information solely for the limited purpose of the Authorized Evaluation Purpose and Contact’s evaluation hereunder (provided, however, that Contact will disclose Confidential Information or any portion thereof only to such Representatives who have been informed of Contact’s obligations under this Agreement and of the confidential nature of the Confidential Information, and such Representatives have agreed to maintain

such Confidential Information in accordance with this Agreement). Contact agrees to be liable for any breach of this Agreement by any Representative, as if such Representative was party hereto with Contact's obligations hereunder.

3. Contact will not, until one year from the date of this Agreement, without the prior approval of the Board of Managers of Absolute Energy, directly or indirectly through any third party:

propose to enter into any merger or business combination involving Absolute Energy or purchase a material portion of the assets of Absolute Energy,

initiate any solicitation of, or solicit, proxies to vote, or seek to advise or influence any person with respect to the voting of any securities of Absolute Energy,

form, join or participate in a "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934) with respect to any voting securities of Absolute Energy,

otherwise act or seek to control or influence the management, Board of Managers or policies of Absolute Energy; however, this clause does not prohibit ordinary course of business transactions between Contact and Absolute Energy.

disclose any intention, plan or arrangement inconsistent with the foregoing, or

take any action that might require Absolute Energy to make a public announcement regarding the possibility of a business combination or merger.

Contact also agrees during the one-year period, not to publicly request Absolute Energy (or its managers, officers, employees, agents or representatives) to amend or waive any provision of this paragraph.

In the event Contact becomes a member, nothing in this paragraph should be read to prohibit or limit Contact's rights as a member or unit holder under the Absolute Energy Operating Agreement or under applicable Federal or State law.

4. None of the stipulations contained herein shall be understood or construed as granting Contact a license or any other right to exploit the Confidential Information of Absolute Energy. Contact shall not claim a patent or proprietary right based upon the providing of the Confidential Information and shall prohibit, and shall defend and indemnify Absolute Energy from, any such claims from Contact's agents or others who may receive the Confidential Information from or through Contact.
5. This Agreement does not constitute or create any obligation on the part of Absolute Energy to provide any Confidential Information or other information, but merely defines the duties and obligations of Contact and its agents and representatives with respect to the Confidential Information to the extent it may be disclosed or made available. Under no circumstances is Absolute Energy obligated to disclose or make available any information, including Confidential Information, the disclosure of which is in Absolute Energy's sole and absolute discretion. Contact understands and acknowledges that

Absolute Energy is not making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information or other information provided. Contact further understands and acknowledges that Contact must make its own determination as to the value of Absolute Energy units, that Absolute Energy makes no representation or warranty to Contact regarding the fairness or adequacy of the purchase price of any Absolute Energy capital units that Contact may purchase, and that the negotiation and agreement to purchase units will be made solely by Contact without the assistance or involvement of Absolute Energy.

6. Within ninety (90) days of the Effective Date of this Agreement, all Confidential Information, including all copies or specimens thereof in Contact's possession, whether prepared by Contact or others or provided by Absolute Energy to Contact, shall be returned to Absolute Energy, unless Contact becomes a member of Absolute Energy before the expiration of such 90-day period.
7. The obligations of Contact provided for herein with respect to the Confidential Information do not apply to information which:
  - (a) is or becomes part of the public domain through no act or omission of Contact or his employees or agents;
  - (b) can be shown to be already possessed by Contact as of the date of disclosure;
  - (c) can be shown to be independently developed by Contact through the efforts of his agents who have not had access to the Confidential Information;
  - (d) shall be made available to Contact on a nonconfidential basis by a third party having a right to do so; or
  - (e) is disclosed by order of a court of competent jurisdiction, but only if Contact uses his best efforts to limit such disclosure and to obtain confidential treatment or a protective order and has given Absolute Energy reasonable notice and opportunity to participate in the proceeding.
8. The termination of Contact's authorization to use Confidential Information or its evaluation hereunder shall not relieve Contact or its agents of the obligation of nondisclosure and nonuse or obligation to return certain materials.
9. The parties agree that money damages would not be a sufficient remedy for any breach of this Agreement and Absolute Energy shall be entitled to enforce this Agreement by injunctive and other available relief, including without limitation specific performance. Absolute Energy shall be entitled to recover its reasonable attorneys' fees and costs incurred to enforce this Agreement.
10. This Agreement sets forth the entire understanding of the parties hereto with respect to the matters set forth herein, and supersedes all prior agreements, arrangements and understandings of the parties, whether written or oral, with respect to the subject matter

hereof. The parties may amend, modify or supplement this Agreement in such manner as they may agree upon in writing by both of the parties.

11. This Agreement will be construed and interpreted under the substantive laws of the State of Iowa, without regard to the choice of law provisions of any jurisdiction. This Agreement may be enforced in the state courts of the State of Iowa and the federal courts of the United States sitting in Iowa, as well as any other court of appropriate jurisdiction.
12. If any provision of this Agreement is held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired by such holding.
13. This Agreement shall be binding upon the parties hereto and their successors and assigns.
14. No failure or delay by any party hereto in exercising any right, power, privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto and shall be effective when fully executed by the parties hereto as of the date on which Contact executes this Agreement (“Effective Date”).

**ABSOLUTE ENERGY, L.L.C.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**CONTACT:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Email and Phone Number