ABSOLUTE ENERGY, L.L.C.

CAPITAL UNIT TRANSFER POLICY

The Board of Managers ("Board") of Absolute Energy, L.L.C. ("Absolute Energy" or the "Company") establishes this Capital Unit Transfer Policy regarding the transfer of capital units ("Units") of the Company, pursuant to authority granted under the Company's Operating Agreement.

ARTICLE 1: GENERAL INFORMATION / GENERAL REQUIREMENTS

Members or persons seeking to become members should read and review carefully the following general information and requirements regarding the Company when considering buying or selling or otherwise transferring Units.

1.1 Absolute Energy. The Company is organized as a limited liability company under chapter 490A of the laws of the state of Iowa. Under our Articles of Organization, the business and affairs of the Company is governed by a board of managers ("Board") elected by the members in the manner described in the Company's Operating Agreement. The Company's Operating Agreement is the agreement by members as to the affairs of the Company and the conduct of its business. All persons who acquire Units in any type of transfer are required to execute an additional member signature page to the Operating Agreement, under which they agree to be bound by the terms and conditions of the Operating Agreement (not applicable to persons who are already members).

1.2 Capital Units. Capital Units represent the "equity stock" of the Company. Units represent the ownership interest of the holders in the Company, including a holder's share of profits and losses, their right to receive distributions, and, with respect to a member, the right to vote on or participate in the management of the Company in accordance with the Operating Agreement. As part of our initial capitalization of our Company in 2006, we issued a total of 6,916 Units for aggregate capital contributions of $66,020,000 (417 units issued for seed capital, at an average price of approximately $2,450 per unit, and 6,499 units issued for primary equity at a price of $10,000 per unit). In December 2012, we redeemed 1400 Units in complete redemption of one member's Interest and in partial redemption of another member's Interest in the Company. As a result, we currently have 5,516 Units issued and outstanding as of January 2014. Under our Operating Agreement, the Company is authorized to issue a total of 35,000 capital units.

1.3 Profits (Losses), Distributions, Taxes. Subject to the Operating Agreement, profits and losses of the Company are generally allocated among the holders of Units ratably in proportion to Units held. Subject to the Operating Agreement, distributions declared by the Board is distributed to the holders of Units ratably in proportion to Units held. For federal and state income tax purposes, because we are taxed as a partnership, the Company's taxable income is allocated or "passed-through" to its members in proportion to Units held, regardless of whether the Company's makes a distribution to members. Accordingly, the tax liability of a member from its allocated share of taxable income may exceed the cash distributions (if any) that a member receives.

1.4 Minimum Capital Unit Requirement. Under the Operating Agreement, a member must own a minimum of four (4) Units. Therefore, the minimum number of Units that may be sold or transferred is four (4) Units (and increments of one (1) Unit thereafter), unless the sale or transfer is to an existing member of Absolute Energy, in which case there is no minimum transfer amount (provided the selling member is still subject to the four Unit minimum for membership), or unless the Board in its sole discretion approves the transfer of less than four (4) units to a person who is not an existing member of Absolute Energy, in which case such person shall be an unadmitted assignee only, entitled to allocations and distributions with respect to units in accordance with the Operating Agreement, but shall not be a member, and shall not have any of the rights of a member under the Act or the Operating Agreement, and the units held by such person shall continue to be subject to transfer the restrictions on transfer provided for in Section 10 of the Operating Agreement.

1.5 Restricted Securities. The Company's Units have not been registered under any federal or state securities laws, and are restricted securities under the federal Securities Act of 1933 (the "Securities Act"). The initial offer and sale of the Units were not registered under the Securities Act or under any state securities laws, but instead were sold under claimed exemptions from the registration requirements of such laws. The Units may not be resold or transferred unless they are registered under the Securities Act and applicable state securities laws or an exemption from registration is available. Persons wishing to sell or transfer Units are responsible to make such determination (i.e., the availability of an exemption), NOT the Company.

1.6 No Public Market; Illiquid Investment. There is no public market for the Company's Units. The Units are not listed (and do not trade) on any national securities exchange, automatic quotation system, or other regulated securities market, and no such market is expected to develop in the future. In addition, there are significant restrictions on the transferability of the Units under federal and state securities laws and under the Company's Operating Agreement. The Units are illiquid and inherently risky. A prospective investor must understand and be aware that they may be required to bear the financial risks of an investment in the Units for an indefinite period of time.

1.7 Significant Risks; Investor Responsibilities. An investment in the Company's Units involves significant risks, and investors must be able to withstand a total loss of their investment. The Company is engaged in the production of ethanol through corn-based fermentation. The supply of ethanol has been increasing rapidly, which may cause ethanol prices to decline significantly if demand does not keep pace. Increases in corn or energy prices could significantly harm our business because there is little correlation between these production costs and the price of ethanol. Federal and state regulations and incentives that support the price of ethanol may change, making it more difficult or preventing us from paying our debts or earning a profit. Investors must evaluate the merits and risks of an investment in the Units and the Company's underlying business and financial position when considering buying or selling Units. **It is the responsibility of the investor to obtain, receive and review all financial and other information about the Company, its business, its financial position, and its prospects that the investor deems necessary or appropriate to form a decision regarding the sale or purchase of the Company's Units**. The Company is not responsible for determining the fairness or adequacy of the purchase price of the Units. The fact that the Company approves transfers of

Units and reports the purchase price of those transfers does not reflect any endorsement or recommendation of the Board or the Company as to the purchase price of the transactions or the adequacy or fairness of those purchase prices.

1.8 Other General Requirements. No transfer or sale of Units is valid except as specifically permitted by Section 10 of the Company's Operating Agreement. No transfer or sale of Units is binding on the Company without the approval of the Board or until such transfer or sale is entered in the books and records of the Company pursuant to the Operating Agreement.

1.9 Important Dates; Effective Date of Transfer. The deadline for any transfer or sale request to be considered by the Board at its monthly board meeting is the FIRST day of that month. This means that all agreements, documents and instruments must be completed fully and received by the Company by the 1st day of a month in order to be considered for approval by the Board at that month's meeting. The effective date of any sale or transfer is the day of the month on which the sale or transfer is approved by the Board or 45 days after the seller's interest to sell is listed on the bulletin board, whichever date is later. For the sake of clarity, the 45-day rule only applies to transfers or sales made pursuant to a posted interest to sell that is listed on the bulletin board, so the effective date of all other transfer or sales will be the date on which the transfer or sale is approved by the Board, and the effective date of any sale or transfer pursuant to a posted interest to sell is the *later* of (1) the day of the month on which the sale or transfer is approved by the Board, or (2) 45 days after the Units are listed.

1.10 Allocation of Taxable Income / Distributions on Transferred Units. The allocation of taxable income between seller and buyer and who is entitled to distributions on transferred Units is determined by the effective date of the sale or transfer of the Units and is governed by our Operating Agreement. The division and allocation of taxable income and distributions on transferred Units shall be made in accordance with the Operating Agreement and Section 10.8 thereof. The following is a summary of the division and allocation rules between seller / transferor ("seller") and buyer / transferee ("buyer") under the Operating Agreement, subject in all cases to the express provisions of the Operating Agreement:

1.10.1 All taxable income allocable to transferred Units for the fiscal year ***preceding*** the fiscal year in which the Units are transferred shall be allocated 100% to the seller. In other words, transfers of Units following the close of a fiscal year do NOT transfer the allocated share of taxable income for the prior fiscal year. ***Sellers should exercise caution when selling or transferring Units before the Company announces its taxable and book income for the preceding fiscal year and any planned distribution for the financial results of such year***.

1.10.2 All taxable income allocable to the transferred Units for the fiscal year ***of*** the fiscal year in which the Units are transferred shall be divided between seller and buyer as of the effective date of the transfer, using the convention permitted by law and adopted from time to time by the Board. Generally, this means that the taxable income will be divided between seller and buyer based on how many days in the year each owned the Units. Example: for a sale that is effective on October 1 of a fiscal year, the seller would be allocated 9 months of the taxable income on the Units and the buyer would be allocated 3 months.

1.10.3 Any distribution that is made to holders of Units on or before the effective date of transfer will be made to seller, and any distribution to holders of Units that is made after the effective date of the transfer will be made to buyer, regardless of the allocation of taxable income on the transferred Units for the preceding fiscal years or the current fiscal year.

ARTICLE 2: SPECIFIC UNIT TRANSFER REQUIREMENTS

2.1 Transfer Agreement and Application Form. All transfers (whether private transfers, through the bulletin board, to related parties, with or without consideration, etc.) require both the seller / transferor and the buyer / transferee to complete the Unit Transfer Agreement and Application Form and submit to the Company along with the required documents and application fee. Both seller and buyer must follow the instructions and requirements of the TAA Form, and complete, sign and date the TAA Form. In gifting or other transfers without consideration, both transferor and transferee must sign the TAA Form. For estates, executors with appropriate court authorization and documentation will be required to sign the TAA Form, along with distributees or heirs receiving the Units.

Important Notice. Both seller and buyer make important representations and warranties to each other and to the Company in the transfer documents required to be completed, signed and delivered to the Company in order to transfer Delivery Units. You should review the Unit Transfer Agreement and Application Form carefully before deciding to sell or purchase Units. This form has important legal consequences. We urge you to consult with an attorney prior to completing and signing the form.

2.2 Information. **It is the responsibility of the investor to obtain, receive and review all financial and other information about the Company, its business, its financial position, and its prospects that the investor deems necessary or appropriate to form a decision regarding the sale or purchase of the Company's Units**. The Company will endeavor to provide material information about the Company to its members and to persons interested in becoming members on a timely basis, subject to applicable federal and state laws and regulations and Company policies. The Company reserves the right to limit distribution of any information for confidentiality and/or competitive business reasons, determined in the Company's sole discretion. The Company may require non-members to enter into a confidentiality agreement or other application agreement with the Company in order to obtain such information.

2.3 Types of Transfers; Present Intention to be taxed as Partnership. There are three general types of transfer or sales, each with their own set of rules under this policy (private sales between unrelated parties described in Section 2.3.1 and 2.3.2 are governed by the same set of rules under this policy):

2.3.1 Private sales between unrelated parties without using the bulletin board ("2% safe-harbor") (see section 2.4 of this policy);

2.3.2 Private sales between unrelated parties pursuant to a ***posted interest to buy*** effected through the bulletin board ("2% safe-harbor") (see section 2.4 of this policy);

2.3.3 Sales between unrelated parties pursuant to a ***posted interest to sell*** effected through the bulletin board (see section 2.5 of this policy); and

2.3.4 Related party or other eligible transfers or transfers at death that are excluded from the 2% safe-harbor calculation under applicable tax law (see section 2.6 of this policy).

As a limited liability company, the Company is currently taxed as a partnership ("pass-through" taxation) for federal and state income tax purposes. The Company presently intends to allow only those transfers of Units during any taxable year that permits the Company to fall within the recognized safe-harbors to avoid being classified as a "publicly traded partnership," which would cause the Company to lose its partnership taxation status and instead be taxed as a "c-corporation." In all instances, all transfers or sales are subject to approval of the Board, and all Board determinations on compliance with the applicable rules of this Unit Transfer Policy and with the Operating Agreement shall be final.

2.4 Private Sales Between Unrelated Parties (the "2% Safe-Harbor"). For sales that are not effected through a posted interest to sell on the bulletin board or which otherwise do not qualify as an exclusion to the 2% safe-harbor rules (i.e., "private sales between unrelated parties"), the Board will consider, ***on a first-come, first-served*** basis in any single fiscal year, private transfers between unrelated parties that DO NOT EXCEED 2% of the total Units outstanding in any single fiscal year. Once the 2% threshold is reached, the Board will not consider or approve any private sales or transfers between unrelated parties under this "2% safe-harbor" for the remainder of that fiscal year.

2.5 Transfers Between Unrelated Parties pursuant to a Posted Interest to Sell on the Bulletin Board (the 10% Safe-Harbor"). Members interested in selling Units may post their non-binding interest to sell Units through the Absolute Energy bulletin board, in accordance with the bulletin board rules published and adopted from time to time by the Company. Investors are not obligated to use the bulletin board to buy or sell Units. The bulletin board allows members or investors to post their non-binding interest to sell or buy Units of Absolute Energy. Information posted on the bulletin board will help identify persons who have an interest in selling Units of the Company that an investor may wish to purchase, or in buying Units of the Company that members may wish to sell. **Persons who list their interest on the bulletin board are not bound to buy or sell the Units listed, the number of Units listed or at the listed price. The bulletin board is for listing an interest only.** There are special bulletin board rules that apply to transfers or sales made pursuant to ***posted interests to sell*** on the bulletin board to qualify such transfers or sales under a "10% safe-harbor." For sales or transfers through a posted interest to sell on the bulletin board, the Board will consider, ***on a first-come, first-served*** basis in any single fiscal year, sales and transfers between unrelated parties under this Section 2.5 that DO NOT EXCEED 10% of the total Units outstanding in any single fiscal year. Only transfers or sales between unrelated parties pursuant to ***a posted interest to sell*** effected through the bulletin board may qualify as a transfer or sale under this "10% safe-harbor." Once the 10% threshold is met, the Board will not consider or approve any sales or transfers between unrelated parties under this "10% safe-harbor" for the remainder of that fiscal year. For purposes of the 10% safe-harbor calculation, private sales or

transfers between unrelated parties under the 2% safe-harbor under Section 2.4 shall be aggregated with and included in the calculation (i.e., the 10% safe-harbor is an aggregate total of sales or transfers between unrelated parties under the 2% safe-harbor or not otherwise excluded from the calculation, and is not a 10% + 2% safe-harbor).

2.6 Related Party or Other Eligible Transfers. Transfers between related parties, transfers without consideration such as a gift, transfers on death, and "block transfers" (transfers of ***more than 2%*** of total interests) are generally excluded from determining whether sales or transfers of Units in the Company has met the 2% or 10% safe-harbors, and the Board will consider transfers of this type that can be ignored for purposes of the 2% and 10% safe-harbors.

THIS UNIT TRANSFER POLICY IS ADOPTED BY THE BOARD PURSUANT TO AUTHORITY ESTABLISHED IN OR PURSUANT TO THE COMPANY'S OPERATING AGREEMENT.

THIS UNIT TRANSFER POLICY IS SUBJECT IN ALL INSTANCES TO THE PROVISIONS OF THE COMPANY'S OPERATING AGREEMENT.

THIS UNIT TRANSFER POLCIY MAY BE MODIFIED, AMENDED OR SUPPLEMENTED FROM TIME TO TIME BY THE BOARD OF MANAGERS OF THE COMPANY IN ITS SOLE AND ABSOLUTE DISCRETION.

Approved by the Board of Managers on May 6, 2008.
Amended by the Board of Managers on October 16, 2012.
Amended by the Board of Managers on January 16, 2014.