

CONFIDENTIALITY, NON-CIRCUMVENTION AND NON-USE AGREEMENT

This CONFIDENTIALITY, NON-CIRCUMVENTION AND NON-USE AGREEMENT ("Agreement") is made and entered into as of this _____ day of _____, 20__ ("Effective Date"), by and between:

1. KLEAN INDUSTRIES, INC., a British Columbia corporation with registered company number BC 726422 and having its principal offices at 2500 – 700 West Georgia Street, Vancouver, B.C., V7Y 1B3, Canada ("Klean") (postal: 3038 - 349 West Georgia Street, Vancouver, B.C., V6B 3X6); and

2. [_____] and having its principal offices at [_____] ("Recipient").

Klean and Recipient are individually referred to as a "Party" and collectively referred to as the "Parties".

A. Klean is in the business of: (i) developing and operating recycling, resource recovery, energy and power generation projects based on carbonization, pyrolysis and gasification technologies and other methods, processes, systems, technologies and related know-how to which it has commercial and proprietary rights in order to recycle petroleum and carbon-based feedstock into usable energy and/or industrial end products ("Klean Technology"); and (ii) manufacturing equipment and providing services based on, and selling, licensing and distributing such Klean Technology;

B. Recipient and Klean are discussing certain business opportunities and potential transactions involving an investment in Klean, the sale and/or license by Klean to Recipient and Recipient's utilization of the Klean Technology, as well as Klean's products and services for recycling, renewable energy and resource recovery applications ("Business Opportunity");

C. In connection with this Business Opportunity, Klean is willing to disclose to the Recipient certain information, and Recipient is willing to accept, protect from disclosure and not inappropriately use or misappropriate such information pursuant to the terms set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties hereto agree as follows:

1. Confidential Information. "Confidential Information" means any and all information Klean directly or indirectly discloses to Recipient (whether previously disclosed, disclosed simultaneously herewith or hereafter disclosed): (i) in tangible form (including, without limitation, written, graphic, visual or virtual information incorporated in computer software or held in electronic storage media); (ii) contained in oral communications; or (iii) by virtue of Recipient's inspection of tangible objects, including, without limitation, documents, prototypes, samples, plants, or equipment. Confidential Information shall include, but shall not be limited to, any specific items set forth in an appendix to this Agreement, if any, and may include information disclosed to Klean by third parties.

2. Exclusions from "Confidential Information". The term Confidential Information shall not include any of Klean's information that: (i) at the time of disclosure or acquisition was in the public domain or later entered the public domain other than by breach of this Agreement or a confidentiality obligation owed to Klean; (ii) is already known to and had been reduced to writing by Recipient at the time of its disclosure or acquisition, as indicated by Recipient's files and records; (iii) is received from a third party that had no duty to maintain the information in confidence; and (iv) is independently developed by Recipient without use of or reference to Klean's Confidential Information, as shown by documents and other competent evidence in Recipient's possession.

3. Disclosure of Confidential Information. Recipient shall not disclose Klean's Confidential Information to any other person, general partnership, limited partnership, corporation, limited liability company, joint venture, trust, business trust, cooperative, association, foreign trust or foreign business organization, or government or governmental organization ("Entity") without Klean's prior written consent; provided, however, Recipient may disclose such Confidential Information without obtaining Klean's consent if: (i) disclosure is being made to the Recipient's employees, partners, consultants, agents, attorneys, directors, managing members or officers ("Representatives"), or to any Entity controlling, controlled by, or under common control of Recipient ("Affiliates") and Representatives of such Affiliates, each of whom require or reasonably need such Confidential Information in order to evaluate, engage in discussions, or otherwise perform responsibilities in connection with the Business Opportunity; and (ii) such Representatives have been informed of Recipient's confidentiality obligations and are either bound by a professional obligation to hold in confidence all information that would be disclosed to them by Recipient or have acknowledged a document containing restrictions on disclosure and use no less stringent than the restrictions contained herein.

Recipient shall ensure that all confidentiality and proprietary notices and legends that are affixed to Klean's Confidential Information are reproduced in full on any copies; provided, however, nothing herein shall require confidential or proprietary legends or an oral preface that information is confidential as a condition of such information qualifying as "Confidential Information". Recipient shall abide by (and shall cause downstream recipients to abide by) any restrictions set forth in Klean's consent to disclosure, and information shall not lose its designation as "Confidential Information" by virtue of Klean's limited consent to disclose.

4. Use of Confidential Information; Non-Circumvention. Recipient shall not use Klean's Confidential Information for any purpose except to evaluate or engage in discussions concerning the Business Opportunity and/or to effectuate potential transactions between the Parties ("Permitted Use"). Recipient shall not, without Klean's written consent, use Klean's Confidential Information to develop its own business or to compete with Klean, nor shall Recipient reverse engineer, disassemble, or decompile any prototypes, software, or other tangible objects that embody Klean's Confidential Information. Recipient shall not directly or indirectly interfere with, circumvent or attempt to circumvent, avoid, by-pass, or obviate Klean's interest, or the interest or relationship between Klean and its technology providers, manufacturers or feedstock providers, to change, increase or avoid directly or indirectly: (i) payment of established or to be established fees or commissions; (ii) continuance of pre-established relationships; or (iii) to obtain rights or access to technologies or feedstock directly. In the event that one or several of the technology providers, manufacturers or feedstock providers does not renew any existing rights or similar contracts or ceases its relationship with Klean, Recipient cannot directly contact the technology provider, manufacturer or feedstock provider for a period of five (5) years from the rights lapsing or the relationship being terminated without the expressed written permission of Klean.

5. General Standard of Care. Without limiting any other obligation set forth herein, Recipient shall afford Klean's Confidential Information the same degree of confidentiality and handle, store and transmit such information with the same standard of care as Recipient affords its own sensitive business information, provided, however, that in no event shall Recipient use less than a reasonable degree of care when handling Klean's Confidential Information.

6. Vicarious Liability; Indemnification. Any unauthorized disclosure or use of any Confidential Information (as measured against the restrictions contained herein) by Recipient's Affiliates, or Representatives of either Recipient or Recipient's Affiliates will be deemed to be a breach of this Agreement by Recipient to the same extent as if Recipient had disclosed such information directly. Recipient agrees to indemnify, defend and hold harmless Klean from any damage, loss, cost, or liability (including reasonable attorney fees) arising or resulting from any unauthorized use or disclosure of Klean's Confidential Information by Recipient, Recipient's Affiliates, or the Representatives of each.

7. Recipient Information. Klean does not wish to receive any confidential or proprietary information from Recipient, and Klean assumes no obligation, either express or implied, with respect to any information disclosed by Recipient.

8. Public Statements and Press Releases; Confidentiality of Agreement. No Party shall make an announcement or issue a press release on the subject matter of this Agreement, the Business Opportunity, or the completed transactions by and between the Parties without the prior written consent of the other Party (consent not to be unreasonably withheld). The Parties shall treat all discussions, negotiations, proposals, meetings and/or work regarding the contemplated business relationship and transactions between the Parties that gave rise to or that are covered by this Agreement as confidential, whether such discussions or negotiations contained Confidential Information or not, as well as the fact that discussions, negotiations, proposals, meetings and/or work with regard to the Permitted Use are taking place.

9. Compelled Disclosure. In the event that Recipient is required by law or requested or compelled in any governmental or judicial proceeding to disclose any of Klean's Confidential Information, Recipient may disclose Klean's Confidential Information without liability hereunder, provided, that prior to disclosure, Recipient gives Klean prompt notice of such request and assists Klean (if requested) in seeking a protective order.

10. No Obligation; Other Transactions. Unless and until a definitive agreement between the Parties with respect to the potential transaction has been executed and delivered, neither Party shall be under any obligation of any kind, legal, financial or otherwise, with respect to any such potential transaction. Each Party reserves the right, in its sole discretion, to terminate this Agreement pursuant to Section 15. This Agreement shall not be construed to limit either Party's right to conduct similar discussions or perform similar work to that undertaken pursuant hereto, provided that said discussions or work do not violate the Parties' obligations under this Agreement.

11. NO WARRANTY. ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS." KLEAN MAKES NO WARRANTIES, EXPRESS, IMPLIED, OR OTHERWISE, REGARDING THE ACCURACY, COMPLETENESS, OR PERFORMANCE OF THE CONFIDENTIAL INFORMATION.

12. Ownership and Return or Destruction of Confidential Information. All Confidential Information, including all copies, disclosed by Klean to Recipient under this Agreement, shall be and remain property of Klean notwithstanding

the integration of such Confidential Information into a new document by the Recipient. Upon: (i) written request by Klean; (ii) termination of this Agreement pursuant to Section 15; or (iii) conclusion of the Parties' business relationship, all of Klean's Confidential Information, including all copies thereof and records, notes and other written, printed or tangible material pertaining thereto that is in possession of the Recipient, shall be returned to Klean promptly and shall not thereafter be retained in any form by Recipient; provided, however, that documents created by Recipient that include both Klean's and Recipient's Confidential Information do not need to be delivered to Klean and may instead be destroyed by Recipient in a manner which preserves its confidentiality. The Recipient shall provide written certification that all of Klean's Confidential Information has been destroyed.

13. No License. Nothing in this Agreement is intended to grant any rights to either party under any patent, copyright, or other intellectual property right of the other Party, nor will this Agreement grant any Party any rights in or to the Confidential Information of the other Party, except as expressly set forth in this Agreement.

14. Remedies. The Parties agree that Confidential Information is valuable and unique and that disclosure in breach of this Agreement will result in irreparable injury to Klean for which remedies at law may be inadequate. In the event of a breach or threatened breach of the terms of this Agreement, Klean shall be entitled to, and the Recipient consents to the granting of, an injunction prohibiting any such breach, whether temporary, preliminary or final, without proof of actual or special damages. Any such relief shall be in addition to and not in lieu of any appropriate relief in the way of money damages. Each Party agrees to reimburse the other Party (if successful on the merits) for all court costs and legal fees, including reasonable attorneys' fees, incurred in enforcing this Agreement or obtaining relief hereunder.

15. Termination. A Party may terminate this Agreement by giving ten (10) days' written notice to the other.

16. Survival of Confidentiality Obligation. The rights and obligations of the Parties under this Agreement with respect to Confidential Information, any and all copies thereof, and records, notes and other tangible material pertaining thereto, shall survive: (i) any return or certified destruction pursuant to Section 12; (ii) any termination of this Agreement pursuant to Section 15; and (iii) the conclusion of the Parties' business relationship. Such rights and obligations shall survive for a period of five (5) years following the Effective Date.

17. Choice of Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, Canada without reference to conflict of laws principals. Unless the Parties agree otherwise in writing, the venue for any legal action to enforce, interpret or otherwise litigate disputes relating to this Agreement shall be the state courts of the Province of British Columbia, and each Party hereto hereby submits to the exclusive jurisdiction of the courts of the Province of British Columbia. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

18. Miscellaneous. This Agreement may not be assigned by either Party without the prior written consent of the other (not to be unreasonably withheld), and no permitted assignment shall relieve a Party of its obligations hereunder. Any assignment in violation of this Section 18 shall be void and without effect. This Agreement shall be binding upon the Parties and their respective successors and assigns. Any failure to enforce any provision of this Agreement will not constitute a waiver of that provision or of any other provision. This Agreement may not be modified or amended or in any manner modified except in writing duly executed by both Parties. If any provision of this Agreement is found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely approximating the intention of the Parties as expressed herein. This Agreement may be executed in two or more counterparts, each of which is deemed to be an original, but all of which constitute the same agreement. This Agreement is the complete agreement of the Parties concerning the subject matter hereof and supersedes any prior communications, agreements, and understandings relating thereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

KLEAN INDUSTRIES, INC.

[_____]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPENDIX A

SPECIFIC INFORMATION INCLUDED AS “CONFIDENTIAL INFORMATION”

1. Examples of Confidential Information. By way of example only, Confidential Information may include, without limitation, the following information or information relating to or contained in:

- Strategic plans and alliances
- The identity of one or more business partners
- Descriptions of non-public transaction structure proposals
- Descriptions of business operations, billing and receivable operations
- Marketing strategies
- Product development methodologies and strategies
- Business plans or strategies
- Policies
- Procedures, whether operational, employee, marketing, testing or otherwise
- Manuals
- Methods
- Products yet to be released to the public
- Services not generally known to the public
- Computer systems
- Inventory systems
- Lists or identities of suppliers
- Distribution networks
- Software or source code
- Process descriptions or block diagrams
- Technical systems
- Manufacturing data
- Engineering data
- Drawings, designs and blueprints
- Specifications
- Equipment
- Tests or results therefrom
- Manuals
- Reports and analyses
- Research and development data
- Materials
- Costs
- Financial performance figures or projections
- Credit information
- Procurement and sales activities and procedures
- Pricing, salary and benefit information and other data regarding employees
- Personnel records
- Trade secrets or formulas
- Know-how
- Ideas, discoveries and inventions
- Algorithms
- Patent applications
- Client or customer lists
- Mailing lists
- Employee candidate names and resumes, lists, and recruiting techniques
- The nature and content of client contracts and records

2. Other Specific Items Included as “Confidential Information”. The following items are specifically included in the term “Confidential Information”:

- _____
- _____
- _____