

EAST FORK BIODIESEL, LLC

CODE OF ETHICS

Introduction. This Code of Ethics sets out basic principles to guide all employees of the company. It is supplemented by our Employee Handbook, which, together with this Code, provide a framework for prudent decision-making. All of our employees must conduct themselves in accordance with this Code and seek to avoid even the appearance of improper behavior.

This Code also should be provided to and followed by the company's agents and representatives, including consultants.

If a law conflicts with a policy in this Code, you must comply with the law.

Employees who violate the standards in this Code will be subject to disciplinary action. *If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 12 of this Code.*

1. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which this company's ethical standards are built. All employees must respect and obey all applicable laws. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The company holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

2. Conflicts of Interest

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform company work objectively and effectively. Conflicts of interest also may arise when an employee, officer or director or family member receives personal benefits from third parties as a result of his or her position in the company. For example, gifts from suppliers of an excessive value may create conflicts of interest.

It is almost always a conflict of interest for a company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or board member. Any employee who wishes to perform consulting services of any kind must inform and obtain prior approval from our Board of Directors. In no event may an employee perform consulting services for a competitor. Additionally, outside consulting is viewed as a conflict of interest for salaried employees who are expected to devote their professional efforts solely to the company.

The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on our behalf.

Acceptance of gifts in a business relationship can also result in a conflict of interest. No gift or entertainment should ever be accepted by any company employee, directly or indirectly through a family member or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate. Any gift given or received that is valued in excess of \$150 must be reported to our general manager or our president.

Conflicts of interest are prohibited as a matter of company policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management or the company's legal counsel. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in Section 12 of this Code.

3. Insider Trading

Employees who have access to confidential information are not permitted to use or share that information for purposes of selling or buying our membership units or for any other purpose except the conduct of our business. All non-public information about the company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

4. Corporate Opportunities

Employees, officers and directors are prohibited from taking personal gain through the use of company property, information or position without the consent of the Board of Directors. No employee may use company property, information or position for improper personal gain, and no employee may compete with the company, directly or indirectly. Employees, officers and directors owe a duty to the company to advance its legitimate interests when the opportunity to do so arises.

5. Competition and Fair Dealing

We seek competitive advantages through fair and honest superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the company's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice.

To maintain the company's valuable reputation, compliance with our quality processes and safety requirements is essential. In the context of ethics, quality requires that our products and services be designed and produced to meet our obligations to customers. All inspection and testing documents must be handled in accordance with all applicable regulations.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships. No gift or entertainment should ever be offered, given, or provided by any company employee, directly or indirectly through a family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts that you are not certain are appropriate.

6. Payments to Government Personnel

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

7. Record-Keeping

Honest and accurate recording and reporting of information is required of all employees. Records should always be retained or destroyed according to the company's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, please immediately consult with the company's legal counsel. Maintain all records related to the matter.

All of the company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the company's transactions and must conform both to applicable legal requirements and to the company's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and approved by the company's chief financial officer and Audit Committee.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports.

8. Confidentiality

Employees must maintain the confidentiality of confidential information entrusted to them by the company or its customers, except when disclosure is authorized or required by laws or

regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

9. Protection and Proper Use of Company Assets

All employees should protect the company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. company equipment should not be used for non-company business, though incidental personal use is permitted.

The obligation of employees to protect the company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and distribution plans, engineering ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate company policy. It also could be illegal and result in civil or even criminal penalties.

10. Statements to the Public

No public statements may be made as a representative of the company without prior authorization from our general manager or our president.

Any employee who wishes to speak at a public event or submit an article for a publication in a trade magazine or other publication must obtain prior approval from our general manager or our president. While we recognize and support your right to engage in legal activities while you are not working, we also must be careful to (1) avoid the employee's position being mistaken for the position of the company, (2) avoid an interpretation that the company in any way endorses the employee's position and (3) avoid a violation of any other policies of the company, including those related to conflict of interest and confidentiality of company property and information.

11. Waivers of the Code of Business Conduct and Ethics

Any waiver of this Code for our executive officers or our directors may be made only by the Board or a Board committee and will be promptly disclosed as required by law.

12. Reporting any Illegal or Unethical Behavior

We all must work to ensure prompt and consistent action against violations of this code. In some situations, however, it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the issue and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it with our general manager or our president. If that alternative also is not appropriate, you may address your concerns to any member of our Board of Directors or to the Company's legal counsel. The Company's current legal counsel is:

Lane & Waterman LLP
220 N. Main Street, Suite 600
Davenport, IA 52801-1987
Phone: (563)324-3246
Terry Giebelstein and Ed Carroll are the
contacts for the Company

- You may report ethical violations in confidence and without fear of retaliation. The company does not permit retaliation of any kind against employees for good faith reports of suspected or actual ethical violations.