

NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (this “**Agreement**”) is made effective as of April 23, 2007 by and between ADA-ES, Inc. (“**ADA**”) and Industrial Furnace Company (the “**Company**”). In connection with discussions between ADA and the Company (individually, a “**Party**” and collectively, the “**Parties**”) regarding a proposed transaction between them (the “**Proposed Transaction**”), each of the Parties may receive from time to time hereafter Confidential Information from the other. The Parties agree as follows:

1. Confidential Information.

(a) For purposes hereof “**Confidential Information**” shall mean any and all materials and information which any Party makes available to the other Party or which has or may come into possession of any Party in connection with the Proposed Transaction and which is labeled or marked confidential, including, without limitation, the following: information relating to the business, financial condition, operations, assets and liabilities of a Party or its affiliates; business plans; software programs and enhancements, upgrades and modifications thereof; user and other manuals; documents; specifications; financial reports, statements and projections; client lists, marketing material, data, data listing, and information; project plans and case studies; references; and all copies, summaries, outlines or other representations of any of the foregoing.

(b) The Confidential Information will be used by the Parties solely for the purpose of evaluating the Proposed Transaction.

(c) Each Party hereby acknowledges that the Confidential Information obtained by it is valuable and proprietary trade secret information of the other Party, the disclosure of which would be harmful to such other Party. Each Party agrees to hold such Confidential Information in the strictest confidence and not to disclose same or release it to any other person except to its Representatives (as defined below) who need to know the information for purposes of evaluating the Proposed Transaction and as otherwise permitted hereunder. It is further agreed that each Party shall take reasonable measures to ensure that its agents, representatives, officers, directors, employees, consultants, agencies or potential financial or equity partners (collectively, “**Representatives**”) do not disclose such Confidential Information, except as permitted hereunder.

(d) No Party will reverse engineer, disassemble, decompile or copy the Confidential Information except as permitted hereunder. No Party shall, directly or indirectly (including in the conduct of its business), use, or permit to be used, the Confidential Information obtained from any other Party to that Party’s detriment, whether or not the former Party benefits from such detrimental use.

(e) The term **person** as used in this Agreement shall be broadly interpreted to include, without limitation, the media, any governmental agency, department or other body or instrumentality and any corporation, partnership, limited liability company, association, group, individual or other entity.

2. Excluded Information. The term “Confidential Information” does not include any Confidential Information disclosed by a party which (a) at the time of disclosure to the receiving Party or thereafter is generally available to and known by the public (other than as a result of a disclosure in violation of this Agreement), (b) was available to such Party on a non-confidential basis from a source other than a Party, provided that such a source is not and was not bound by a confidentiality agreement with such Party, or (c) has been independently acquired or developed by such Party without violating any of the obligations under this Agreement. Confidential Information shall not be deemed to fall within the exception of subparts (a) to (c) above merely because it is included in a document which also includes information that does fall within such exceptions.

3. Other Disclosures. In addition to the foregoing, each Party will not disclose to any person (other than to such party’s Representatives), without the prior written consent of the other party, that (a) any investigations, discussions or negotiations are taking place concerning the Proposed Transaction, (b) the Confidential Information has been exchanged, (c) a party has expressed an interest or submitted an indication of interest in connection with the Proposed Transaction, or (d) any of the terms, conditions or other facts with respect to such indication of interest of the Proposed Transaction, including the status thereof, other than the fact that a Party is no longer pursuing the Proposed Transaction in the event such Party decides not to pursue the Proposed Transaction. Nothing contained herein shall in any way prohibit any of ADA’s direct or indirect subsidiaries or their respective Representatives, from providing any information, data and/or advice to, or entering into any transactions with, third parties which may involve the assets which are the subject of the Proposed Transaction; provided, that, such subsidiaries and its Representatives do not use or disclose any Confidential Information of the Company or its affiliates that is prohibited from disclosure hereby.

4. Legally Compelled Disclosures. In the event that a Party becomes legally compelled (by deposition, interrogatory, request for documents, order, subpoena, civil investigative demand or similar process issued by a court of competent jurisdiction or by a government body) to disclose any of the Confidential Information, prompt prior written notice of any such requirement shall be provided to the other Party so that such Party may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. In the event that such protective order or other remedy is not obtained, and irrespective of whether or not compliance with the provisions hereof is waived, only that portion of the Confidential Information which the Party subject to such legal compulsion is advised in writing by its counsel is legally required to be disclosed shall be disclosed and reasonable efforts shall be made to obtain assurance that confidential treatment will be accorded such Confidential Information.

5. Return of Information. If so requested by a party, (i) all Confidential Information shall be returned to the originating Party or destroyed by the receiving Party, at the receiving Party’s option, and (ii) each Party shall destroy all additional copies of the other Party’s Confidential Information in its possession and all copies of any analyses, compilations, studies or other documents prepared, used or created containing or reflecting any Confidential Information.

6. Representations. The originating Party hereby represents and warrants that it has the right and authority to disclose the Confidential Information disclosed or to be disclosed by it, pursuant to, and for the purposes of, this Agreement and shall indemnify and hold the receiving

Party harmless for any liability incurred by it to third parties resulting from the breach of such representation and warranty. Each Party hereby acknowledges that although each Party shall endeavor to include in the Confidential Information provided by such Party all information known to such Party which such Party believes to be relevant for the purpose of the other Party's investigation, unless otherwise stated in writing, neither Party has made or shall make any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information.

7. Equitable Relief: Jurisdiction. Each Party agrees that a Party shall be entitled to seek equitable relief, including without limitation, injunctive relief and specific performance, in the event of any breach of the provisions of this Agreement by the other Party, in addition to all other remedies available at law or in equity. Each Party hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of Colorado or of the United States of America located in the State of Colorado for any actions, suits or proceedings arising out of or relating to this Agreement and each Party hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, in such courts, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. The Parties irrevocably waive any right to a trial by jury for any claims or counterclaims arising hereunder.

8. Miscellaneous. The Parties understand and agree that no contract or agreement providing for the entering into of the Proposed Transaction shall be deemed to exist between the Parties as a result of the execution and delivery of this Agreement or in connection with the exchange of the Confidential Information unless and until a further written agreement has been executed and delivered. This Agreement may be modified or waived only by a separate writing signed by each of the Parties. The Agreement contains the entire agreement between the Parties regarding its subject matter and supersedes all prior agreements, understanding, arrangements and discussions between the Parties regarding such subject matter. It is further understood and agreed that no failure or delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. Each Party agrees that all of the provisions of this Agreement will apply to all affiliates of the Parties, as such term may be broadly interpreted, to the same extent as if they were signatories to this Agreement. This Agreement is for benefit of the Parties and their successors in interest. This Agreement may be executed in two or more counterparts, with each counterpart constituting a single original. This Agreement shall terminate upon the sooner to occur of the execution by the Parties of a definitive agreement in connection with a Proposed Transaction and two (2) years from the date hereof.

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

ADA-ES, Inc.

By: /s/ Richard Schlager
Name: Richard Schlager
Title: Vice President

Industrial Furnace Company, Inc.

By: /s/ William A. Mansfield
Name: William A. Mansfield
Title: V.P. - Engineering