

INTELLECTUAL PROPERTY AGREEMENT

THIS AGREEMENT is made the 20th day of January 1995.

BETWEEN: AUSTGEN BIOJET HOLDINGS PTY. LIMITED

(ACN 008 934 201) an Australian Company having its principal place of business at Level 48, 600 Bourke Street, Melbourne in the State of Victoria, Australia ("ABH");

AND AUSTGEN BIOJET WASTE WATER SYSTEMS, INC., a United States of America Corporation having its principal place of business at Suite 500, 500 Sansome Street, San Francisco in the State of California, USA ("ABWWS").

WHEREAS:

- A. ABH represents that it owns technology related to waste water treatment together with certain Trade Marks in relation thereto (the "Owned Technology") which is the subject of patent and patent applications in the United States of America and Australia and trade marks and trade mark applications in various parts of the world.
- B. ABH represents that it has granted to third parties the right to use certain of its Owned Technology (the "Licensed-Out Technology") by virtue of agreements with such third parties.
- C. ABH represents that it has the right to use certain technology related to waste water treatment (the "Licensed-In Technology") by virtue of agreements with third parties, including without limitation a Technical Assistant Agreement dated 10th November 1986 with Nishihara Environmental Research Corporation, Ltd., a Japanese corporation (the "Nishihara Master Agreement"). This Agreement having been assigned to ABH by Austgen Biojet International Pty. Ltd. ("ABI") on 1st July 1989 being subsequent to the date that ABI granted an exclusive right to the Nishihara Master Agreement in the United States and Canada to ABWWS by sub-licence entitled Technical Assistance Agreement dated 10th November 1986.
- D. ABH has agreed to sell to ABWWS (except as provided hereafter) and ABWWS has agreed to buy all ABH's right, title and interest in the Owned Technology and to transfer all its rights (except as provided hereunder) related to the Licensed-In Technology to ABWWS under the conditions set forth hereunder.

NOW, THEREFORE, the parties do mutually agrees as follows:

1. Definitions

"Intellectual Property" means any patent, trademark, copyright, trade secret, mask work, design registration, know-how, technical data or other form of proprietary right, including applications filed to obtain any of the foregoing, and invention or other disclosures for which an application has not yet been prepared, where the invention or disclosure was conceived or reduced to practice by or on behalf of ABH prior to the effective date of this Agreement.

"Licensed Technology" means both Licensed-In Technology and Licensed-Out Technology.

2. Assignment of Rights

- 2.1 Subject to the terms of this Agreement and in consideration for the payment by ABWWS to ABH of the sum of A\$100 (the receipt of which is hereby acknowledged) ABH as beneficial owner hereby assigns, transmits and transfers to ABWWS all its right, title and interest in or to all of its Intellectual Property relating to the Owned Technology. For that purpose ABH undertakes at the expense of ABWWS to do all acts and execute, patent, trade mark and copyright assignment and all other documents provided to ABH by ABWWS, necessary or desirable for effecting the title of ABWWS to the Intellectual Property or as may be required in order to record or perfect the change of ownership in countries throughout the world.
- 2.2 ABH further agrees to transfer to ABWWS all of its rights in and to Licensed-In Technology and Licensed-Out Technology, or where such a transfer would require the consent of a third party, to use its best efforts to obtain such consent at ABH's sole expense. In particular, ABH agrees to use its best efforts to obtain consent for transfer of the Nishihara Master Agreement to ABWWS so that ABWWS will become a direct licensee of Nishihara Environmental Sanitation Research Corporation, Ltd. and thereby acquire a license under the Australian patent rights included in the Nishihara Master Agreement but not included in the Sub-license Agreement.
- 2.3 In the event that any of Exhibits A to D listing patents, trademarks and agreements to be transferred pursuant to this Agreement prove incomplete, and/or an item of Intellectual Property relating

to Owned Technology or an agreement relating to Licensed Technology is later discovered which should have been transferred to ABWWS as provided herein, ABH shall take all necessary steps at its own expense to make such transfer promptly upon discovery of any such omission. ABH shall similarly assign to ABWWS any new patent, trademark or design application relating to Owned Technology and filed on or after the date of this Agreement based on ABH's activities prior to the date of this Agreement.

3. Technical Disclosures

ABH shall furnish ABWWS or its successor corporation with all technical data and know-how owned by or in the possession of ABH and not already in the possession of ABWWS which is applicable to Owned or Licensed Technology. ABH shall not be required to reveal information which ABH has an obligation to a third party not to reveal if such obligation predates the date of this Agreement.

4. Maintenance of Rights

Where, by the terms of any agreement relating to Licensed Technology, ABH's continued co-operation or performance is needed in order to maintain such an agreement in force or to maintain Intellectual Property on which the agreement is based, ABH shall at its own expense undertake such continued co-operation or performance.

5. Chinese Joint Venture

The parties hereto recognise that certain Intellectual Property rights forming part of the Owned Technology are presently in use by Hua Au Biotechnology & Waste Water Treatment Co. Limited (the "Chinese Licensee"), a Chinese joint venture in which ABH holds a 50% interest. The Chinese Licensee has been authorised to exclusively use certain of ABH's Intellectual Property related to the Owned Technology to the extent necessary to continue the business of the joint venture, but such exclusive rights are limited to the People's Republic of China, Hong Kong, Macau and Taiwan ("Greater China") only. The Chinese Licensee shall not have any right to use any of such Intellectual Property outside of Greater China in any respect, including without limitation:

- (a) exporting equipment embodying Intellectual Property to be assigned hereunder or useful for practicing a method covered

by a patent forming part of the Intellectual Property to be assigned hereunder; or

- (b) assisting others outside of Greater China with practicing a method covered by a patent forming part of the Intellectual Property to be assigned hereunder, or with using any other aspect of the Intellectual Property to be conveyed hereunder.

6. Infringements

ABWWS shall have the sole right to institute actions for infringement of Intellectual Property rights transferred hereunder, including any infringements which may have occurred while ABH owned the Intellectual Property infringed. ABWWS shall exercise control over and bear the costs of any such actions it initiates. ABH shall co-operate fully with ABWWS in any such action, at ABWWS's expense, where ABH's assistance is reasonably necessary. ABWWS shall be entitled to retain the entire amount of any recovery by way of judgment or settlement.

7. Assignments

This Agreement shall not be assignable or otherwise transferable by either party hereto without the prior written consent of the other party. The preceding provisions shall not preclude or require consent for the transfer by ABWWS of its rights under this Agreement to any related corporation, or to a wholly-owned subsidiary or any successor by way of merger, consolidation or the acquisition of substantially all of the business and assets of ABWWS.

8. Confidentiality

Except as provided below, all information relating to the Owned Technology, Licensed-In Technology and Licensed-Out Technology and related products, marketing and technical information shall be considered confidential information. ABH shall refrain from using such information for any purpose other than as provided in this Agreement or another agreement between the parties, and shall take all necessary care to maintain the confidentiality of the confidential information. Confidential information for purposes of this section shall include all information relating to the Owned Technology and Licensed Technology, whether in oral or written form, but shall not include any information which:

- (a) has been published or is otherwise in the public domain or generally available to the public prior to the effective date of this Agreement;
- (b) is lawfully acquired by ABH from a third party under no obligation of confidence to ABWWS; or
- (c) becomes part of the public domain by publication of a patent or by any other means except an unauthorised act or omission by ABH.

9. Representations and Warranties

ABH represents and warrants that:

- (a) Exhibit A hereto includes a complete list of all patents and patent applications owned by it which relate to Owned Technology;
- (b) Exhibit B hereto includes a complete list of all trademark registrations and trademark applications owned by it which it or ABWWS uses in the marketing of Owned or Licensed Technology;
- (c) Exhibit C lists all agreements under which ABH has rights to Licensed-In Technology;
- (d) Exhibit D lists all agreements under which ABH has granted rights to Licensed-Out Technology;
- (e) with the exception of an objection lodged by Mervyn C. Goronszy to Australian Patent 560510, there are no legal proceedings, either threatened or pending, which adversely affect the title of ABH to the Intellectual Property related to the Owned Technology or Licensed Technology, or ABWWS's ability to use the rights granted hereunder;
- (f) except as provided in Clause 2.2, ABH has no arrangements or understandings with third parties which in any way impair the ability of ABH:
 - (i) to grant to ABWWS the rights granted hereunder; or
 - (ii) to provide the know-how and technical data needed to practice Owned or Licensed Technology on a commercial scale;

- (g) to the best of ABH's knowledge and belief, there are no patents or pending patent applications owned by or under the control of any third party which may adversely affect ABWWS's ability to use the Owned or Licensed Technology and sell products using such technology on a world-wide basis, except for Nishihara's Australian patent rights licensed in the Nishihara Master Agreement referred to in paragraph 2.2 above and Nishihara's Japanese Patents or Patent Applications in respect to the ICEAS Process and Decanter;
- (h) all royalty payments required by the Nishihara Master Agreement and the Sub-license Agreement have been made; and
- (i) ABH is not in material breach of any of the agreements listed in Exhibits C or D.

10. Miscellaneous

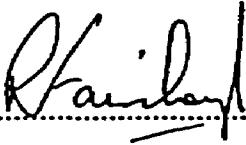
- 10.1 This Agreement constitutes the entire understanding and agreement of and between the parties with respect to the subject matter hereof and supersedes all prior representations and agreements. It shall not be modified or varied by any oral agreement or representation or otherwise than by an instrument in writing of subsequent date hereto duly executed by the parties. Failure of either party to insist upon strict performance of any of the covenants, terms or conditions of this Agreement shall not be deemed to be a waiver of any other breach of default in the performance of the same or any other covenant, term or condition contained therein.
- 10.2 This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Victoria in the Commonwealth of Australia.
- 10.3 This Agreement shall inure to the benefit of and be binding upon ABH and its successors and assigns, and shall likewise inure to the benefit of and be binding upon ABWWS and its successors and assigns. This paragraph does not change the restrictions on transfer provided in section 7 of this Agreement.
- 10.4 Each of the parties hereto forthwith upon request from the other shall execute and deliver such documents and take such actions as

may be reasonably requested in order to fully carry out the intent and purposes of this Agreement.

10.5 If any court or other authority determines that any restriction contained in this Agreement is unenforceable, it is the intention of the parties that any such restrictive covenant set forth herein shall not thereby be terminated, but shall be deemed amended to the extent required to render it valid and enforceable, such amendment to apply only with respect to the operation of this paragraph in the jurisdiction of the court that has made the adjudication.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates written below.

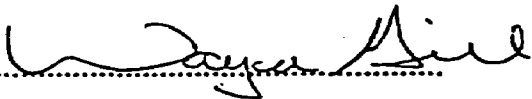
AUSTGEN BIOJET WASTE WATER SYSTEMS, INC.



Title: CHIEF EXECUTIVE OFFICER.

Date:

AUSTGEN BIOJET HOLDINGS PTY. LTD.



Title: DIRECTOR

Date: 30 FEBRUARY, 1995

EXHIBIT A

PATENTS

<u>Technology</u>	<u>Country</u>	<u>Number</u>	<u>Status</u>	<u>Expiry</u>
ICEAS Process	Australia	560510	Accepted, under opposition	2 Oct 1995
	Philippines	18936	Abandoned	11 Nov 2002
	USA	4468327	Granted	28 Aug 2001
ICEAS Decanter	Australia	538870	Granted & in force	2 Oct 1995
	Philippines	17876	Abandoned	14 Jan 2000
	USA	4290887	Granted & in force	22 Sept 1998
Waste Water Treatment Plant & Process	Australia	557608	Granted & in force	23 Aug 2001
	USA	496605 4	Granted & in force	30 Oct 2009

EXHIBIT B**TRADEMARKS**

<u>Trade Mark</u>	<u>Country</u>	<u>Number</u>	<u>Status</u>	<u>Renewal Date</u>
ICEAS	Australia	A318144	Registered	11 May 1999
	China	93096224	Application lodged	-
		93093594	Application lodged	-
	Taiwan	00486300	Registered	31 May 2000
	USA	1431013	Registered	3 Mar 2007
	UK	1548000	Application lodged	-
		1548003	Registered	16 Sept 2000
	France	93484551	Registered	20 Sept 2003
	Germany	55408/11	Registered	
	Spain	1780414	Application lodged	-
		1780415	Registered	20 Sept 2003
SVAS	Australia	A322221	Registered	20 Sept 2001
ANAPOL	Australia	A445112	Registration lapsed	9 May 1993

EXHIBIT C

LICENSED-IN TECHNOLOGY

<u>Technology</u>	<u>Country</u>	<u>Number</u>	<u>Status</u>	<u>Expiry</u>
DNP Process	Australia	575111	Granted & in force	18 Jan 2001
	Canada	1233562	Granted & in force	8 Nov 2005
	USA	4655925	Granted & in force	7 Apr 2004

The DNP Process: comprised in US Patent No.4655925, Australian Patent No.575111 and Canadian Patent No.1244562 together with all existing technical knowhow and information for the removal of nitrogen and phosphorous from waste water using activated sludge including aerobic bacteria under exclusive license from the licensees, Nishihara Environmental Sanitation Research Corporation Limited of Japan, for the territories of USA, Canada and Australia.

EXHIBIT D

LICENSED-OUT TECHNOLOGY

1. As previously given to Hua Au Biotechnology & Waste Water Treatment Co. Limited as set out in Clause 5 of this Agreement.
2. An undertaking in favour of the State Government of New South Wales represented by the Public Works Department and The Water Board of New South Wales to grant a royalty free licence in respect to the intellectual property contained in Australian Patent Application No.560510 re the ICEAS Process as and when such Patent shall be granted to ABH. The term of any licence shall expire on 2nd October 1995.

RETURN TO

SEIDLEY PINE

~~*EXPEDITE*~~

X SPECIAL EXPEDITE X

Call for pickup