

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

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|------------------------------|------------------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | Release of Security Interest |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|---|----------|----------------|-----------------------|
| American Capital Financial Services, Inc. | | 03/17/2006 | CORPORATION: DELAWARE |

RECEIVING PARTY DATA

| | |
|------------------------|----------------------------|
| Name: | DelStar Technologies, Inc. |
| Street Address: | 601 Industrial Drive |
| City: | Midletown |
| State/Country: | DELAWARE |
| Postal Code: | 19709 |
| Entity Type: | CORPORATION: DELAWARE |

PROPERTY NUMBERS Total: 5

| Property Type | Number | Word Mark |
|----------------------|---------|-----------|
| Registration Number: | 910990 | DELNET |
| Registration Number: | 2300773 | DELPORÉ |
| Registration Number: | 2192570 | STRATEX |
| Registration Number: | 2300774 | DELSORB |
| Registration Number: | 2330233 | DELGUARD |

CORRESPONDENCE DATA

Fax Number: (212)836-8026
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 212-836-7319
 Email: psomelofske@kayescholer.com
 Correspondent Name: Paul J. Somelofske c/o Kaye Scholer LLP
 Address Line 1: 425 Park Avenue
 Address Line 2: 14-B
 Address Line 4: New York, NEW YORK 10022-3598

CH \$140.00 910990

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|---|----------------------|
| NAME OF SUBMITTER: | Paul J. Somelofske |
| Signature: | /Paul J. Somelofske/ |
| Date: | 03/22/2006 |
| Total Attachments: 4 source=DelStar - Release of Trademarks#page1.tif source=DelStar - Release of Trademarks#page2.tif source=DelStar - Release of Trademarks#page3.tif source=DelStar - Release of Trademarks#page4.tif | |

RELEASE OF TRADEMARKS

BY SECURED PARTY

March 17, 2006


Whereby **AMERICAN CAPITAL FINANCIAL SERVICES, INC.**, as Agent ("First Lien Agent") under that certain Credit Agreement dated as of December 2, 2005 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "Credit Agreement"; capitalized terms used herein and not otherwise defined herein shall have the meanings specified in the Credit Agreement) by and among DelStar, Inc. ("Parent"), DelStar Holding Corp. ("Holding") and DelStar Technologies, Inc. (the "Borrower" and, together with Parent, Holding and the Subsidiary Guarantors, collectively, the "Loan Parties"), the lenders party thereto (the "Lenders") and First Lien Agent, for the benefit of the Lenders has a security interest in and has taken a collateral assignment of the trademarks listed on Schedule 1 attached hereto (the "Trademarks"). Effective as of the date hereof, the First Lien Agent and the Lenders have assigned all of their rights and obligations under the Credit Agreement. Therefore, **AMERICAN CAPITAL FINANCIAL SERVICES, INC., as First Lien Agent**, and the Lenders, have no further interest in the Trademarks.

Accordingly, the security interests in the Trademarks created in favor of the First Lien Agent for the benefit of the Lenders are terminated and of no further force and effect, effective on the date hereof. Upon the effectiveness of the release in accordance with the preceding sentence, the First Lien Agent hereby authorizes the Loan Parties to release or terminate and record releases of the security interests created by the Pledge and Security Agreement, as appropriate, in each case in appropriate form to evidence the release specified in this paragraph and for filing or recordation in the offices and jurisdictions that the Loan Parties reasonably deem appropriate for or to give effect to the foregoing. Upon request by the Borrower, and at the sole cost and expense of the Borrower, the First Lien Agent hereby agrees to execute such other documents and instruments as may be prepared by the Borrower that are reasonably required to effectuate the foregoing releases.

AMERICAN CAPITAL FINANCIAL SERVICES, INC., as First Lien Agent, on behalf of itself and the Lenders, releases all of its interest in and to the Trademarks and hereby conveys the same, without recourse, representation or warranty, to the applicable Loan Party, which has an address at 601 Industrial Drive, Middletown, Delaware 19709.

Notwithstanding the foregoing, nothing herein shall constitute a release or termination of the security interests in the Trademarks created in favor of **AMERICAN CAPITAL FINANCIAL SERVICES, INC. as Second Lien Agent** in connection with the Note Purchase Agreement, as amended.

**AMERICAN CAPITAL FINANCIAL
SERVICES, INC., as First Lien Agent**

By: 
Name: TODD WILSON
Title: _____

Address:
2 Bethesda Metro Center, 14th Floor
Bethesda, MD 20814

SCHEDULE 1

TRADEMARKS

Trademarks and Trademark Licenses:

| <u>Trademark</u> | <u>Country</u> | <u>Owner</u> | <u>Status</u> | <u>Registration Number</u> | <u>Registration Date</u> |
|------------------|----------------|----------------------------|---------------|----------------------------|--------------------------|
| DELNET | United States | DelStar Technologies, Inc. | Registered | 910,990 | April 6, 1971 |
| DELPORE | United States | DelStar Technologies, Inc. | Registered | 2,300,773 | December 14, 1999 |
| STRATEX | United States | DelStar Technologies, Inc. | Registered | 2,192,570 | September 29, 1998 |
| DELSORB | United States | DelStar Technologies, Inc. | Registered | 2,300,774 | December 14, 1999 |
| DELGUARD | United States | DelStar Technologies, Inc. | Registered | 2,330,233 | March 14, 2000 |
| DURONET | United States | U.S. Netting, Inc. | Registered | 1,370,201 | November 12, 1985 |
| FLEX-GUARD | United States | U.S. Netting, Inc. | Registered | 1,394,059 | May 20, 1986 |
| HAIL GUARD | United States | U.S. Netting, Inc. | Registered | 2,685,561 | February 11, 2003 |
| NALTEX | United States | U.S. Netting, Inc. | Registered | 789,254 | May 11, 1965 |
| TEXLINER | United States | U.S. Netting, Inc. | Registered | 1,394,058 | May 20, 1986 |

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|-----------|---------------|--------------------|------------|-----------|-------------------|
| SPIRO-TEX | United States | U.S. Netting, Inc. | Registered | 1,390,783 | April 22, 1986 |
| SOFTLINER | United States | U.S. Netting, Inc. | Registered | 1,383,814 | February 18, 1986 |
| SHUR-GRIP | United States | U.S. Netting, Inc. | Registered | 2,231,333 | March 16, 1999 |