

RELEASE AND SATISFACTION AND ASSIGNMENT OF IP RIGHTS

This Release and Satisfaction is entered into by Energy & Environmental International, LC, a Texas limited liability company with principal offices at 30029 FM 529, Brookshire, Texas 77423 ("EEI") and Lalita Adsavavichairot, an individual residing at 52 MOO 6, Tambonpao, Amphor, Mae Wang Chiang Mai, Thailand ("Adsavavichairot"),

In connection with the transactions contemplated by the Promissory Note dated as of June 29, 2001 by and between EEI and Adsavavichairot (the "Note"), in consideration of the promises and covenants set forth in this Release and Satisfaction, and for other good and valuable consideration, EEI and Adsavavichairot agree as follows:

1. Transfer of Intellectual Property

EEI does hereby transfer to Adsavavichairot the Intellectual Property, as defined in the Security Agreement dated as of June 29, 2001 by and between EEI and Adsavavichairot (the "Security Agreement"). The Security Agreement is attached hereto as Exhibit 1.

2. Release

Adsavavichairot does hereby:

- a. acknowledge receipt of the Intellectual Property;
- b. accept the Intellectual Property in full payment and satisfaction of any and all amounts owing on, and any and all liens and claims in respect of, the Note; and
- c. release, acquit, and forever discharge EEI from any and all liability in respect of the Note.

(signature page follows)



IN WITNESS WHEREOF, the parties have executed this Release and Satisfaction to be effective as of January 1, 2003.

Lalita Adsavavichairot

L. Adsavavichairot

Energy & Environmental International, L.C.

By: *Gerald B. Eaton*

Printed Name: GERALD B. EATON

Title: PRESIDENT

EXHIBIT 1

To

RELEASE AND SATISFACTION AND ASSIGNMENT OF IP RIGHTS

SECURITY AGREEMENT

This Security Agreement dated effective as of June 29, 2001 ("Agreement"), is between ENERGY & ENVIRONMENTAL INTERNATIONAL, LC, a Texas limited liability company with principal offices at 30029 FM 529, Brookshire, Texas 77423 (the "Debtor") and LALETA ADSAVAVICHAIROT, an individual residing at 52 MOO 6, Tambonpao, Amphor, Maewang Chiang Mai, Thailand (the "Secured Party").

INTRODUCTION

Reference is made to the Loan Agreement dated as of even date herewith (as modified from time to time, the "Loan Agreement"), between the Debtor and the Secured Party providing for a Loan by the Secured Party to the Debtor in a series of Advances in an aggregate principal amount of U.S.\$399,857.00. It is a condition precedent to the Secured Party's obligation to make advances under the Loan Agreement that the Debtor shall have entered into this Agreement. In consideration of the credit expected to be received by the Debtor under the Loan Agreement, the Debtor and the Secured Party hereby agree as follows:

Section 1. Definitions.

1.1 Terms defined above and elsewhere in this Agreement shall have their specified meanings. Capitalized terms used herein but not defined herein shall have the meanings specified by the Loan Agreement. Terms defined in the singular are to have a corresponding meaning when used in the plural and vice versa.

1.2 The following terms shall have the meanings specified by Article 9 of the UCC: deposit account, account, general intangible, security, instrument, document, chattel paper, equipment, fixture, inventory, goods, investment property, supporting obligations, payment intangibles, and proceeds.

1.3 The following terms shall have the following meanings:

"Chief Executive Office Location" means the location of the chief executive office of the Debtor at 30029 FM 529, Brookshire, Texas 77423.

"Collateral" has the meaning specified in Section 2.1.

"Event of Default" means any "Event of Default" under the Loan Agreement.

"Intellectual Property" means all of the Debtor's present and future (a) patents and patent applications and the inventions and improvements described and claimed therein, trademarks, service marks, trade names, company names, business names, fictitious names, tradestyles, logos or other source or business identifiers, works of authorship in any tangible medium, copyright applications therefor, copyrights, all intellectual property rights arising in development of Debtor's business including all ideas, concepts, techniques, discoveries, inventions, processes, and works of authorship, designs, and the registrations and recordings thereof, including letters patent, registrations, recordings and applications in the United States Patent and Trademark Office, United States Register of Copyrights or in any similar office or agency of the United States, or other foreign country, any State thereof or any county or any political subdivision thereof, and licenses to use the Intellectual Property of third parties, including those patents, patent applications, trademarks and licenses listed on Schedule I attached hereto; (b) the reissues, divisions, continuations, renewals, extensions, and continuations-in-part of any of the foregoing; (c) all income, royalties, damages, and payments now or hereafter due and/or payable under any of the foregoing or with respect to any of the foregoing, including damages and payments for past, present, and future infringements of any of the foregoing; (d) the right to sue for past, present, and future infringements of any of the foregoing; and (e) all rights corresponding to any of the foregoing throughout the world.

TRADEMARK

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"Lien" means any mortgage, lien, pledge, charge, deed of trust, security interest, encumbrance, or other type of preferential arrangement to secure or provide for the payment of any obligation of any person or entity, whether arising by contract, operation of law, or otherwise (including the interest of a vendor or lessor under any conditional sale agreement, capital lease, or other title retention agreement).

"Permitted Liens" means all of the following Liens: (a) Liens in favor of the Secured Party; (b) Liens imposed by law, such as materialmen's, builders', mechanics', carriers', workmen's and repairmen's Liens, and other similar liens arising in the ordinary course of business securing obligations which are not overdue for a period of more than 30 days; (c) Liens arising in the ordinary course of business out of pledges or deposits under workers compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation to secure public or statutory obligations; and (d) Liens for taxes, assessment, or other governmental charges which are being actively contested in good faith by appropriate proceedings.

"Proceeds" means all of the Debtor's present and future (a) proceeds of the Collateral, whether arising from the collection, sale, lease, exchange, assignment, licensing, or other disposition of the Collateral, (b) proceeds of any casualty or condemnation of such property (including insurance proceeds and condemnation awards), (c) claims against third parties for impairment, loss, damage, or impairment of the value of such property, and (d) rights under any insurance, indemnity, warranty, or guaranty of or for any of the foregoing, in each case whether represented as money, deposit accounts, accounts, general intangibles, securities, instruments, documents, chattel paper, inventory, equipment, fixtures, or goods.

"Records" means all of the Debtor's present and future contracts, accounting records, files, computer files, computer programs, and other records primarily related to any other items of Collateral.

"Secured Obligations" means (a) all principal, interest, fees, reimbursements, indemnifications, and other amounts now or hereafter owed by the Debtor to the Secured Party under the Loan Agreement; (b) all amounts now or hereafter owed by the Debtor to the Secured Party under this Agreement; and (c) any increases, extensions, and rearrangements of the foregoing obligations under any amendments, supplements, and other modifications of the agreements creating the foregoing obligations.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of Texas, as amended from time to time, and any successor statute.

Section 2. Grant of Security Interest.

2.1 Grant of Security Interest. To secure the payment and performance of the Secured Obligations, the Debtor hereby grants to the Secured Party a security interest in all existing and future personal property of the Debtor, including, without limitation, the following (collectively, the "Collateral"):

All Intellectual Property;

All Records; and

All Proceeds.

To the extent that the Collateral is not subject to the UCC, the Debtor collaterally assigns such Collateral to the Secured Party to secure the payment and performance of the Secured Obligations to the full extent that such a collateral assignment is possible under the relevant law.

2.2 Debtor Remains Liable. Anything herein to the contrary notwithstanding: (a) the Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform the Debtor's obligations thereunder to the same extent as if this Agreement had not been executed; (b) the exercise by the Secured Party of any rights hereunder shall not release the Debtor from any obligations under the contracts and agreements

included in the Collateral; and (c) the Secured Party shall not have any obligation under the contracts and agreements included in the Collateral by reason of this Agreement, nor shall the Secured Party be obligated to perform or fulfill any of the obligations of the Debtor thereunder, including any obligation to make any inquiry as to the nature or sufficiency of any payment Debtor may be entitled to receive thereunder, to present or file any claim, or to take any action to collect or enforce any claim for payment thereunder.

Section 3. General Provisions. The Debtor represents and warrants to and agrees with the Secured Party as follows:

3.1 Ownership. The Debtor has good and indefeasible title to the assets which comprise the Collateral free from any liens, security interests, assignments, adverse claims, restrictions, or other encumbrances whatsoever except the Permitted Liens. No effective recorded interest, financing statement, or similar recording or filing covering any part of the Collateral is on file in any recording office, except those filed in connection with this Agreement. The Debtor shall not, without the prior written consent of the Secured Party, which consent shall be solely at the discretion of the Secured Party, grant any lien, security interest, assignment, restriction, claim, or other encumbrance on or against the Collateral, or lease, sell, or otherwise transfer any of the Debtor's rights in the Collateral except as otherwise permitted under this Agreement.

3.2 Perfection.

(a) As of the date of this Agreement, the true and correct name of the Debtor as listed in the Debtor's agreement of formation is the name specified in the first paragraph of this Agreement. The Debtor has had no prior names. The Debtor has not used and does not use any trade names. Without advance written notice to the Secured Party and reasonable opportunity for the Secured Party to take action to protect the Secured Party's interests hereunder, the Debtor shall not change the Debtor's name.

(b) As of the date of this Agreement, the Debtor's chief executive office is located at the Chief Executive Office Location. Without advance written notice to the Secured Party and reasonable opportunity for the Secured Party to take action to protect the Secured Party's interests hereunder, the Debtor shall not change the location of the Debtor's chief executive office from the Chief Executive Office Location.

(c) A carbon, photographic, or other reproduction of this Agreement shall be sufficient as a financing statement and may be filed in any appropriate office in lieu thereof.

(d) Debtor is a Texas limited liability company. Debtor has not previously been organized as any other entity under the laws of any State or other jurisdiction other than the State of Texas. Debtor will not re-incorporate or otherwise change its state of organization so long as any Secured Obligations remain outstanding.

(e) Debtor authorizes Secured Party to file one or more financing statements or other documents describing any or all of the Collateral in any filing or recording office.

3.3 Priority.

(a) The security interests created by this Agreement are first priority, and the Debtor shall preserve and maintain the status of such security interests to the end that such security interests remain first priority security interests in the Collateral subject only to the Permitted Liens.

(b) If the proceeds of the Secured Obligations are used to pay any indebtedness secured by prior liens, the Secured Party is subrogated to all of the rights and liens of the holders of such indebtedness.

3.4 Further Assurances.

(a) There are no actions, suits, proceedings, or investigations pending, or to the knowledge of the Debtor threatened, against or affecting the Debtor or the Collateral, or involving the validity or enforceability of this Agreement or the priority of the liens, security interests, or assignments created hereunder. If the validity or priority of this Agreement or of any liens, security interests, or assignments created or purported to be created hereunder or the title of the Debtor to any Collateral shall be endangered, questioned, or attacked or if any legal proceedings are instituted against the Debtor with respect thereto, the Debtor shall give prompt written notice thereof to the Secured Party, and the action proposed to be taken by the Debtor in connection therewith. The Debtor shall not initiate any action with respect to such matters without granting the Secured Party advance written notice of the Debtor's intent to initiate such actions and the opportunity to consult with the Debtor regarding the Debtor's proposed actions. During the existence of an Event of Default, the Secured Party, whether or not named as a party to any legal proceedings, is authorized to take any additional steps as the Secured Party deems necessary or desirable for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the liens, security interests, and assignments created hereunder, including the employment of independent counsel, the prosecution or defense of litigation, the compromise or discharge of any adverse claims made with respect to any Collateral and the payment or removal of prior liens or security interests, and the expenses of the Secured Party in taking such action shall be paid by the Debtor.

(b) The Debtor agrees that at any time the Debtor shall promptly execute and deliver all further agreements, including the Intellectual Property Security Agreement attached hereto as Exhibit A, and take all further action, that may be necessary or that the Secured Party may reasonably request, in order to further evidence the liens, security interests, and assignments granted or purported to be granted hereunder and perfect and protect the same or to enable the Secured Party to exercise and enforce the Secured Party's rights and remedies hereunder. Without limiting the foregoing, the Debtor shall at the Secured Party's reasonable request execute financing statements, assignments, notices, and such other documents and agreements as the Secured Party may reasonably request in order to perfect and preserve the security interests granted or purported to be granted hereunder. The Debtor shall furnish to the Secured Party from time to time any statements and schedules further identifying and describing any of the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request.

(c) During the existence of an Event of Default, the Debtor agrees that, if the Debtor fails to perform under this Agreement, the Secured Party may, but shall not be obligated to, perform the Debtor's obligations under this Agreement and any expenses incurred by the Secured Party in performing the Debtor's obligations shall be paid by the Debtor. Any such performance by the Secured Party may be made by the Secured Party in reasonable reliance on any statement, invoice, or claim, without inquiry into the validity or accuracy thereof.

(d) The Debtor irrevocably appoints the Secured Party as the Debtor's attorney in fact, with full authority to act during the existence of an Event of Default for the Debtor and in the name of the Debtor, to take any action and execute any agreement which the Secured Party deems necessary or advisable to accomplish the purposes of this Agreement, including the matters that the Secured Party is expressly authorized to take pursuant to this Agreement, including the matters described in paragraph (c) above, and instituting proceedings the Secured Party deem necessary or desirable to enforce the rights of the Secured Party with respect to this Agreement.

3.5 The powers conferred on the Secured Party under this Agreement are solely to protect the Secured Party's rights under this Agreement and shall not impose any duty upon the Secured Party to exercise any such powers. Except as elsewhere provided hereunder, the Secured Party shall not have any duty as to any of the Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to the Collateral.

Section 4. Intellectual Property. The Debtor represents and warrants to and agrees with the Secured Party as follows:

4.1 Ownership. All Intellectual Property is subsisting and has not been adjudged invalid or unenforceable. To the best of the Debtor's knowledge, all of the Intellectual Property is valid and enforceable. No claim has been made that the use of any of the material Intellectual Property does or may violate the rights of any third person.

The Debtor has used, and will continue to use, proper statutory notice in connection with its use of the Intellectual Property and consistent standards of quality in its manufacture of products sold under the Intellectual Property.

4.2 Perfection.

(a) The Debtor shall not take any action, or permit any action to be taken by others, including licensees, or fail to take any action or permit any other to fail to take any action if such action or failure to act could reasonably be expected to cause an event, occurrence or condition which could reasonably be expected to have a material adverse change on (i) the business, operations, or financial condition of the Debtor or (ii) the Debtor's ability to perform its obligations under the Loan Documents.

(b) Whenever any of the Intellectual Property is used by or on behalf of the Debtor in a country where affixing a trademark notice is mandatory, the Debtor shall affix or cause to be affixed a notice that the mark is a trademark, a service mark or is registered, which notice shall be in a form accepted or required by the trademark marking laws of each country in which the mark is so used.

(c) If reasonably requested by the Secured Party, the Debtor shall take all reasonable and necessary steps to prosecute any trademark applications with respect to the Intellectual Property pending as of the date of this Security Agreement or thereafter to make federal application on registrable but unregistered Intellectual Property, to file and prosecute opposition and cancellation proceedings, to maintain a suit to stop any infringement or any other suit, action or proceedings brought against the Debtor relating to, concerned with or affecting the Intellectual Property and to do any and all material acts which are reasonably necessary or desirable to preserve and maintain all rights in the Intellectual Property. Upon reasonable request, the Debtor shall provide the Secured Party with a complete status report of all Intellectual Property and upon request by the Secured Party, the Debtor shall deliver to the Secured Party, copies of any such Intellectual Property and other documents concerned with or related to the prosecution, protection, maintenance, enforcement and issuance of the Intellectual Property.

4.3 Default and Remedies. During the existence of an Event of Default, the Debtor hereby grants to the Secured Party an exclusive, nontransferable right and license in the Intellectual Property, such license including but not limited to use of the Intellectual Property on and in connection with products sold by the Debtor, the Secured Party or other authorized parties, wherein all such use by any party shall inure to the benefit of the Secured Party.

Section 5. General Remedies. During the existence of an Event of Default, the Secured Party may, at the Secured Party's option, exercise one or more of the remedies specified elsewhere in this Agreement or the following remedies:

5.1 Interim Remedies.

(a) To the extent permitted by law, the Secured Party may exercise all the rights and remedies of the Secured Party under the UCC.

(b) The Secured Party may prosecute actions in equity or at law for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy.

(c) The Secured Party may require the Debtor to promptly assemble any tangible Collateral and make it available to the Secured Party at a place to be designated by the Secured Party. The Secured Party may occupy any premises owned or leased by the Debtor where the Collateral is assembled for a reasonable period in order to effectuate the Secured Party's rights and remedies hereunder or under law, without obligation to the Debtor with respect to such occupation.

5.2 Foreclosure.

(a) The Secured Party may foreclose on the Collateral in any manner permitted by the courts of or in the State of Texas or the jurisdiction in which any Collateral is located. If the Secured Party should institute a suit for the collection of the Secured Obligations and for the foreclosure of this Agreement, the Secured Party may at any time before the entry of a final judgment dismiss the same, and take any other action permitted by this Agreement.

(b) The Secured Party may sell any Collateral at public or private sale, at the office of the Secured Party or elsewhere, for cash or credit and upon such other terms as the Secured Party deems commercially reasonable. The Secured Party may sell any Collateral at one or more sales, and the security interest granted hereunder shall remain in effect as to the unsold portion of the Collateral. The Debtor hereby deems ten days advance notice of the time and place of any public or private sale reasonable notification, recognizing that if the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, shorter notice may be reasonable. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any sale by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was adjourned. In the event that any sale hereunder is not completed or is defective in the opinion of the Secured Party, the Secured Party shall have the right to cause subsequent sales to be made hereunder. Any statements of fact or other recitals made in any bill of sale, assignment, or other document representing any sale hereunder, including statements relating to the occurrence of an Event of Default, acceleration of the Secured Obligations, notice of the sale, the time, place, and terms of the sale, and other actions taken by the Secured Party in relation to the sale may be conclusively relied upon by the purchaser at any sale hereunder. The Secured Party may delegate to any agent the performance of any acts in connection with any sale hereunder, including the sending of notices and the conduct of the sale.

5.3 Application of Proceeds. Unless otherwise specified herein, any cash proceeds received by the Secured Party from the sale of, collection of, or other realization upon any part of the Collateral or any other amounts received by the Secured Party hereunder may be applied to the Secured Obligations in the order set forth in the Loan Agreement. Any surplus cash collateral or cash proceeds held by the Secured Party after payment in full of the Secured Obligations and the termination of any commitments of the Secured Party to the Debtor shall be paid over to the Debtor or to whomever may be lawfully entitled to receive such surplus.

5.4 Waiver of Certain Rights. To the full extent the Debtor may do so, the Debtor shall not insist upon, plead, claim, or take advantage of any law providing for any appraisal, valuation, stay, extension, or redemption, and the Debtor hereby waives and releases the same, and all rights to a marshaling of the assets of the Debtor, including the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of the liens and security interests hereby created. The Debtor shall not assert any right under any law pertaining to the marshaling of assets, sale in inverse order of alienation, the administration of estates of decedents or other matters whatever to defeat, reduce, or affect the right of the Secured Party under the terms of this Agreement.

5.5 Remedies Cumulative. The Secured Party's remedies under the Loan Documents shall be cumulative, and no delay in enforcing and of the Loan Documents to which the Debtor is a party shall act as a waiver of the Secured Party's rights hereunder.

Section 6. Miscellaneous.

6.1 Limitation of Secured Party's Liability. Except as otherwise provided herein with respect to the Debtor's obligations to the Secured Party, **IN NO EVENT SHALL ANY PARTY HERETO BE LIABLE TO ANY OTHER PARTY HERETO FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS OR SAVINGS, REGARDLESS OF THE FORM OF ACTION GIVING RISE TO SUCH A CLAIM FOR SUCH DAMAGES, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, INCLUDING NEGLIGENCE, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

6.2 Choice of Law. Except to the extent that the validity, perfection, or effect of perfection or nonperfection of the security interests created hereunder, or the remedies hereunder, in respect of any particular Collateral are required to be governed by the laws of a jurisdiction other than the State of Texas, this Agreement shall be subject to and construed and enforced in accordance with the substantive laws of the State of Texas.

6.3 Notice. Unless otherwise specified, all notices and other communications between the Debtor and the Secured Party provided for in this Agreement shall be in writing and delivered or transmitted to the addresses set forth below, or to such other address as shall be designated by the Debtor or the Secured Party in written notice to the other party. Delivered notice shall be deemed to be given and received when receipted for by, or actually received by, an authorized officer of the Debtor or by the Secured Party, as the case may be.

If to the Debtor:

Energy & Environmental International, LC
30025 FM 529
Brookshire, TX 77423

If to the Secured Party:

Lalita Adsavavichairot
52 MOO 6
Tambonpao, Amphor
Maewang
Chiang Mai, Thailand

6.4 General. If any provision in this Agreement is held to be unenforceable, such provision shall be severed and the remaining provisions shall remain in full force and effect. All representations, warranties, and covenants of the Debtor in this Agreement shall survive the execution of the Loan Documents. If a due date for an amount payable is not specified in this Agreement, the due date shall be the date on which the Secured Party demands payment therefor. The Secured Party's remedies under the Loan Documents shall be cumulative, and no delay in enforcing the Loan Documents shall act as a waiver of the Secured Party's rights hereunder or thereunder. The provisions of this Agreement may be waived or amended only in a writing signed by the party against whom enforcement is sought. This Agreement may be executed by facsimile and in several counterparts, each of which is an original and all of which constitute one and the same instrument.

6.5 Successors and Assigns. This Agreement shall bind and inure to the benefit of the Debtor and the Secured Party and their respective successors and assigns. The Debtor may not assign the Debtor's rights or delegate the Borrower's duties under this Agreement. The Secured Party shall have the right to assign the Secured Party's rights and delegate the Secured Party's duties under this Agreement only with the prior written consent of the Debtor, which consent will not be unreasonably withheld.

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THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

EFFECTIVE as of the date first above written.

DEBTOR:

ENERGY & ENVIRONMENTAL INTERNATIONAL, LC

By: *Gerald B. Eaton*
Name: GERALD B EATON
Title: PRESIDENT

SUBSCRIBED AND SWORN BEFORE ME
THIS 1 DAY OF 8 2002
Irfan Khan
NOTARY PUBLIC



SECURED PARTY:

Lalita Adsavavichairot
LALITA ADSAVAVICHAIROT

1368028

Schedule I
Patents, Patent Applications, Trademarks, and Licenses

U.S. PATENTS

U.S. Patent No. 5,869,570 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, issued on February 9, 1999.

U.S. Patent No. 5,951,946 entitled Composition and Method of Removing Odors, issued September 14, 1999.

U.S. Patent No. 6,015,779 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents, issued January 18, 2000.

U.S. Patent No. 6,162,773 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents Using a Halohydrocarbon, issued December 19, 2000.

U.S. Patent No. 6,242,395 B1 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents Using Non-Metallocene Catalysts and Alkylaluminumoxane, issued June 5, 2001.

U.S. PATENT APPLICATIONS

U.S. Patent Application Serial No. 09/716,137 entitled Drag Reducing Agent Slurries Having Hydrogen Peroxide and Processes for Forming Drag Reducing Agent Slurries Using Hydrogen Peroxide, filed on November 17, 2000.

U.S. Patent Application Serial No. 09/760,544 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyolefins and Drag Reducing Compositions Comprising Amorphous Ultra-High Molecular Weight Polyolefins, filed January 16, 2001.

U.S. Patent Application Serial No. 09/877,341 entitled Drag Reducing Agent Slurries Having Alfol Alcohols and Processes for Forming Drag Reducing Agent Slurries Using Alfol Alcohols, filed on June 8, 2001.

U.S. Patent Application Serial No. 09/962,784 entitled Alpha Olefin Monomer Partitioning Agents for Drag Reducing Agents and Methods of Forming Drag Reducing Agents Using Alpha Olefin Monomer Partitioning Agents, filed September 25, 2001.

U.S. Provisional Patent Application Serial No. 60/261,767 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyolefins for Use as Drag Reducing Agents, filed on January 16, 2001.

U.S. Provisional Patent Application Serial No. 60/297,931 entitled Bulk Polymerization Reactors and Method for Polymerization, filed on June 13, 2001.

FOREIGN PATENTS

Australian Patent No. 726390 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, issued on February 22, 2001.

Singapore Patent P-No. 56457 WO 97/34937 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, issued January 25, 2000.

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FOREIGN PATENT APPLICATIONS

Canadian Patent Application Serial No. 2,249,434 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, filed March 19, 1997 (international filing date).

Chinese Patent Application Serial No. 97194741.4 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, filed March 19, 1997 (international filing date).

European Patent Application Serial No. 97916059.5 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, filed March 19, 1997 (international filing date).

Japanese Patent Application Serial No. 533632/97 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, filed March 19, 1997 (international filing date).

Norwegian Patent Application Serial No. 19984177 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, filed March 19, 1997 (international filing date).

Russian Federation Patent Application Serial No. 98118501/04 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, filed March 19, 1997 (international filing date).

Canadian Patent Application Serial No. 2,332,716 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents filed May 14, 1999 (international filing date).

Chinese Patent Application Serial No. 99808944.3 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents filed May 14, 1999 (international filing date).

European Patent Application Serial No. 99924243.1 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents filed May 14, 1999 (international filing date).

Norwegian Patent Application Serial No. 20005803 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents filed May 14, 1999 (international filing date).

Russian Federation Patent Application Serial No. 2000128809 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyalphaolefin Drag Reducing Agents filed May 14, 1999 (international filing date).

Patent Cooperation Treaty Patent Application entitled Alpha Olefin Monomer Partitioning Agents for Drag Reducing Agents and Methods of Forming Drag Reducing Agents Using Alpha Olefin Monomer Partitioning Agents, filed on November 26, 2001.

U.S. TRADEMARKS

U.S. Trademark No. 2,243,649.

U.S. Trademark No. 2,362,762.

Schedule A
United States Patents and Patent Applications

U.S. PATENTS

U.S. Patent No. 5,869,570 entitled Composition of and Process for Forming Polyalphaolefin Drag Reducing Agents, issued on February 9, 1999.

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U.S. Patent Application Serial No. 09/877,341 entitled Drag Reducing Agent Slurries Having Alfol Alcohols and Processes for Forming Drag Reducing Agent Slurries Using Alfol Alcohols, filed on June 8, 2001.

U.S. Patent Application Serial No. 09/962,784 entitled Alpha Olefin Monomer Partitioning Agents for Drag Reducing Agents and Methods of Forming Drag Reducing Agents Using Alpha Olefin Monomer Partitioning Agents, filed September 25, 2001.

U.S. Provisional Patent Application Serial No. 60/261,767 entitled Methods for Forming Amorphous Ultra-High Molecular Weight Polyolefins for Use as Drag Reducing Agents, filed on January 16, 2001.

U.S. Provisional Patent Application Serial No. 60/297,931 entitled Bulk Polymerization Reactors and Method for Polymerization, filed on June 13, 2001.

TRADEMARK

REEL: 003387 FRAME: 0845

Exhibit A
INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Agreement dated effective as of June 29, 2001, by and between ENERGY & ENVIRONMENTAL INTERNATIONAL, LC, a Texas limited liability company with principal offices at 30029 FM 529, Brookshire, Texas 77423 (the "Debtor"), and LALITA ADSAVAVICHAIROT, an individual residing at 52 MOO 6, Tambonpao, Amphor, Maewang Chiang Mai, Thailand (the "Secured Party").

WHEREAS, the Debtor is the owner of certain rights, title and interest in and to the inventions and their associated patent registrations and applications described on Schedule A attached to and made a part of this Agreement (the "Patents");

WHEREAS, the Secured Party is interested in acquiring a security interest in the Patents from the Debtor, and the Debtor is interested in granting such a security interest in the Patents to the Secured Party.

NOW, THEREFORE, the Debtor, for the sum of one United States dollar and other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged by the Debtor:

Hereby grants to the Secured Party, its successors and assigns, a security interest in the Assignor's entire right, title and interest in and to the Patents;

Will, upon written request of the Secured Party, its successors and assigns, execute reasonable documents to perfect the Secured Party's security interest in the Patents; and

Hereby represents and warrants that it is the owner of the rights granted herein and has full power and authority to grant a security interest in the Patents.

IN WITNESS WHEREOF, the Debtor has given legal effect to this Agreement by its duly authorized representative.

ENERGY & ENVIRONMENTAL INTERNATIONAL, LC

By: Gerald B. Eaton
Name: GERALD B. EATON
Title: PRESIDENT

STATE OF TEXAS §
 §
COUNTY OF WALLER §

Personally appeared before me this 8 day of JAN., 2002, to me known to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.



Notary Public in and for
The State of Texas COUNTY OF HARRIS
Name: IRFAN KHAN
My Commission Expires: 1-4-2003