

LICENCE AGREEMENT

This LICENCE AGREEMENT is dated the 10th day of
October onethousandninehundredandseventyseven (1977)

PART 1 - PARTIES

- 1.1 CASTLERAVEN ENTERPRISES LIMITED,
a Company duly incorporated in the Colony of Hong Kong
and having its registered office at
403-413 Hongkong & Shanghai Bank Building,
1 Queen's Road, Central, Hong Kong.
- 1.2 DR. WILHELM ALDAG
Ubierstraße 42
D-5300 Bonn-Bad Godesberg, Federal Republic Germany
- 1.3 DR. WALTER ALBERSMEYER,
Grotenbachstraße 74
D-5270 Gummersbach 1, FRG
- 1.4 KLAUS ANSCHUETZ M.S.
Birnbäum 10,
D-5270 Gummersbach 1, FRG
- 1.5 DIPL. ING. PÁL DÉVÉNY,
Heilerstraße 48
D-5270 Gummersbach 1, FRG
- 1.6 GESELLSCHAFT FÜR HAUSTECHNIK mbH,
Franz-Schubert-Straße 12
D-5270 Gummersbach 1, FRG,
duly incorporated and registered:
Amtsgericht Gummersbach HR. B. 1251.

- INTERPRETATIONS

In this agreement unless the contrary intention appears the following words and phrases shall have the respective meanings set out below:

- 01 "Aldag" means Dr. Wilhelm Aldag and includes his heirs, successors and assigns.
- 102 "Albersmeyer" means Dr. Walter Albersmeyer and includes his heirs, successors and assigns.
- 2.103 "Anschuetz" means Klaus Anschuetz M.S. and includes his heirs, successors and assigns.
- 2.104 "Dévény" means Dipl. Ing. Pál Dévény and includes his heirs, successors and assigns.
- 2.105 "DFS" means the Differential Flow System more particularly described in the Schedule to this Agreement.
- 2.106 "DFS component" means the sedimentation basin, sludge regeneration basin, aeration basin and purifying chamber which together form a working unit.
- 2.107 "Field of Activity" means the countries in Asia, African and North and South American continents and the Pacific Isles, other than Australia, Morocco, Algeria, Libya, Egypt and Tunisia, Saudi Arabia, Turkey, the Gulf Emirates, the Yemens, Lebanon, Syria and Jordan.

"Great Britain DFS Patent Rights" means Great Britain Patent registered as 1358 356 and includes all improvements thereto.

9 "Great Britain Palm Oil Patent Rights" means Great Britain Application No. 53185/76 and includes all improvements thereto.

110 "Patent Rights" mean both Great Britain DFS Patent Rights and Great Britain Palm Oil Patent Rights.

(2.111 "The Licensors" mean Messrs. Aldag, Albersmeyer, Anschuetz, Dévény and Gesellschaft fuer Haustechnik mbH jointly and severally.

2.112 "Western" means Western Pacific Water Treatment Corporation PTY Limited.

2.113 "Westpac" means Castleraven Enterprises Limited, a Company incorporated in the Colony of Hong Kong (intended to be known as Westpac (Hong Kong) Limited).

(2.2 For the purposes of the construction and interpretation of the provisions of this Agreement the agreement as written in the English language shall prevail.

- RECITALS

Aldag is the registered proprietor in Great Britain of Great Britain DFS Patent Rights in respect of the DFS.

Aldag is in the process of causing Great Britain DFS Patent Rights to be registered in West Malaysia, Sabah, Sarawak and Singapore.

3.3 Western has caused application for Great Britain Palm Oil Patent Rights to be made in Great Britain.

3.4 Western is in the process of having Great Britain Palm Oil Patent Rights registered in West Malaysia, Sabah, Sarawak and Singapore.

3.5 Anschuetz and Dévény are the managing directors of the German engineering company Gesellschaft fuer Haustechnik mbH, represent its proprietors and have experience, knowledge and expertise in preparing plans working drawings and specifications in connection with the DFS.

3.6 Albersmeyer is the chemist and head of the laboratories of the association Aggerverband and is the co-inventor of the DFS.

3.7 Westpac in conjunction with selected third parties is engaged in the planning design construction and supervision of all kinds of waste water and palm oil effluent treatment plants in the Field of Activity and specifically plants incorporating the DFS and developments made in respect of such system.

The Licensors have agreed to grant to Westpac the exclusive licence to the Patent Rights in the Field of Activity on the terms set out in this Agreement and for the consideration referred to in Part 5 hereof.

The Licensors have agreed to provide information relating to the DFS to Westpac on the terms set out in this Agreement.

1 - AGREEMENT

The Licensors hereby grant to Westpac exclusive licenses for the Patent Rights in the Field of Activity according to the terms of this Agreement.

The Licensors shall forthwith and from time to time and as and when requested by Westpac during the term of this Agreement provide and explain to Westpac or its agents or servants all information in their possession or under their control relating in any way to matters the subject of the Patent Rights.

4.3

The Licensors shall disclose to Westpac at any time all information or the results of any experience gained regarding the use of the DFS and shall answer all questions put to the Licensors by Westpac or its agents or servants regarding the use of DFS and the Licensors shall render all assistance reasonable and appropriate to Westpac in the solution of waste water problems of or any principles relating in any way to the DFS in the Field of Activity.

4.4

The Licensors hereby authorise Westpac to transfer all rights and obligations embodied in this Agreement or any benefit relating to any such rights to third parties acceptable for the licensors in the Field of Activity so long as the said third parties have written agreements with Westpac covering all terms and conditions set out in this Agreement, provided the acceptance is not unreasonably withheld by the licensors.

The Licensors shall do all acts and things and execute all documents and papers as may be necessary to ensure that they and each of them fully protects and retains the ownership of all and any copyright they and each one or more of them may have in any instructions formulae manufacturing data drawings and plans relating in any way to the DFS together with any improvements or modifications thereto and in any system related to the DFS.

The Licensors shall ensure that Westpac has the sole benefit of all and any such copyright as referred to in clause 4.5 in the Field of Activity.

ROYALTIES

Westpac shall pay to the Licensors a licence fee amounting to five per centum (5%) of the total construction costs (civil, mechanical, electrical) of the DFS component excluding all site preparation costs of all waste water treatment plants built in the Field of Activity by or with the assistance or cooperation of Westpac subject to the provisions of clause 5.2 below.

The percentage for calculating the licence fee referred to in clause 5.1 above shall be reduced to four per centum (4%) for any such DFS component referred to in clause 5.1 above covering a surface area of the purifying chamber measuring from 50 to 300 square metres and to three per centum (3%) for such area of more than 300 square metres.

5.3 The Licence fee determined in accordance with the provisions of clauses 5.1 and 5.2 above shall be paid within thirty (30) days of the expiry of each six (6) calendar month period (the first period commencing on the 1st day of January, 1978) only in respect of plants constructed and completed in each said period. Any plant not completed within any one period shall for the purposes of ascertaining the quantum of the Licence fee be taken into account in the period in which it is completed. Westpac shall together with the Licence fee render to the Licensors a statement setting out details of the construction costs of the DFS components completed in the period in respect of which the Licence fee is due and payable.

In the event that the Licence fee determined and payable in accordance with the provisions of clauses 5.1 and 5.2 by Westpac in the calendar year commencing on the 1st day of January, One thousand nine hundred and seventy-eight (1978) or in any calendar year thereafter being less than the sum of Deutsche Mark Twenty Five Thousand (DM 25.000,00) Westpac shall pay to the Licensors the difference between the said Licence fee so determined and payable and the said sum of Deutsche Marks Twenty Five Thousand (DM 25.000,00) within thirty (30) days of the expiry of the calendar year.

5.5

All deductions and withholdings in the field of activity up to Deutsche Mark twelve thousand five hundred (DM 12.500,00) per annum from payments to the licensors hereunder shall be for the account of Westpac and all deductions and withholdings in the field of activity in excess of Deutsche Mark twelve thousand five hundred (DM 12.500,00) per annum shall be shared equally by Westpac and the licensors.

5.6

Westpac shall keep accurate books of account covering all orders and payments in connection with this agreement. The Licensors have the right, during any working day, to have a duly authorized agent or representative, in their behalf, come upon and into the premises of any Westpac operation or plant, to verify all statements, reports, or payments made or required to be made by Westpac hereunder.

PATENTS AND REGISTERED USER

The Licensors and each of them shall do all such acts and things and execute all such documents and papers as are necessary to register and maintain the Patent Rights and shall keep Westpac informed in writing of the progress made in connection with such registration.

The Licensors shall use their best endeavours to ensure that Westpac has the benefit of the use of the Patent Rights in the Field of Activity and shall at the request of Westpac sign all such documents and papers and do all such things as may be necessary to ensure all such benefit accrues to Westpac.

6.3

All the parties to this Agreement and each of them agree to ensure that they will so conduct their affairs as to ensure that the full effect of the provisions of clause 6.2 above is given.

6.4

The Licensors hereby grant to Westpac the first option for the Licence for exclusive use and benefit of any other system design or invention in the field of water treatment, of whatever kind or description and whether or not patentable or registrable, that the Licensors or any one thereof may develop with respect to the matters referred to in this agreement. The Licensors shall promptly communicate in writing to Westpac all information pertaining to such system design or invention upon the development of the same and Westpac shall be given a period of six (6) months (or such longer period as may be agreed by the parties hereto) from the date of receipt of communication to exercise the said option. The option only shall be exercised under provision the parties agree on the conditions thereto.

The Licensors shall do all such acts and things and shall execute all such documents and papers as may be necessary to ensure that Westpac is registered with all competent and authorised bodies as licensee of the Patent Rights and any other patent rights which arise out of the provisions of this agreement in the Field of Activity in respect of the DFS together with any improvements thereon and any related systems for the treatment of waste water.

Westpac and the licensors shall share equally all expenditures incurred with respect to the field of activity pursuant to 6.1, 6.2, 6.3 and 6.5 above.

IMPROVEMENTS

Each of the parties to this agreement shall provide to each other full information and explanations concerning any and all improvements arising in respect of the DFS and any related systems and each of the others of them shall treat such information as confidential.

The Licensors shall ensure that in respect of any such improvements as are capable of being made the subject of letters patent that Westpac shall have the benefit of any such improvements with the right to apply for patents in the Field of Activity in respect of such improvements at the end of six months after the provision of such information and Westpac shall not make application for letters patent in respect of such matters if within such period one of the other parties has applied for such letters patent and secured to Westpac the entitlement in the Field of Activity to make full use of any such letters patent in respect of any such improvements.

7.3 The Licensors shall cause to be granted to Westpac an exclusive licence to use any of the improvements patented in accordance with clause 7.2 above and thereupon such patents shall be deemed to be incorporated in the Schedule to this Agreement unless any such letters of patent are registered directly in the name of Westpac.

7.4 Westpac shall reimburse the licensors for all expenditures incurred with respect to actual patent registration in the field of activity pursuant to 7.2 and 7.3 above.

DURATION

This Agreement shall operate as from the 1st day of January, One thousand nine hundred and seventy-eight (1978) and shall continue for sixteen (16) years (unless a shorter period is unanimously agreed upon in writing by the parties) and subject to the agreement of the parties hereto shall be extended to such other periods as shall correspond with the life or lives of letters patents on improvements described in Part 7 above.

INFRINGEMENTS AND OFFENCES

Westpac shall ascertain whether any patent copyright or market infringements have occurred in the field of activity and shall jointly discuss and decide after consultation with the other parties hereto what action (if any) is to be taken by Westpac at its costs against any such infringements. Any damages recovered as a result of any such action shall be for the benefit of Westpac provided however that Westpac shall out of the damages (if any) so received reimburse the licensors and Westpac pro rata to the extent of all monies expended by the licensors and Westpac to pursue such action and shall in addition pay the licensors five per centum (5%) of the quantum of damages (if any) received after deduction for such costs of pursuing such action.

1.2 Neither Westpac nor any company associated with it shall infringe any of the Patent Rights and shall deal with them according to the provisions of this Agreement and any future agreement reached between the parties.

1.3 In the event of Westpac assigning the rights to the DFS or granting a sub-licence of the DFS in the Field of Activity, Westpac shall incorporate in any such agreement covenants similar to the terms of this Agreement.

1.4 So far as the licensors are aware the patents and know how licensed hereunder do not infringe patents or patent rights of third parties registered in the field of activity. This is to the best of the licensors knowledge and does not give any other warranty whatsoever.

- AMENDEMENTS

This agreement shall be amended if so necessary or desirable only by written instrument effected on signature of all parties hereto.

ART. 11 - WAIVERS

No waiver by either party of any breach of any of the covenants or requirements herein contained to be performed by the other party shall be construed as a waiver of any other covenant or requirement.

2 - VALIDITY

This agreement embodies the entire agreements between the parties hereto.

Any provision of this agreement or any agreements contemplated hereby or necessary to the implementation thereof which is prohibited or unenforceable in any jurisdiction, shall as to such jurisdiction be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction; to the extent that it is permitted by the applicable law the parties hereby waive any provision of law which renders any provision of any of the said agreement(s) prohibited and unenforceable in any respect.

13 - ARBITRATION

Any dispute arising between the parties signatory to this agreement shall be settled as far as possible amicably. Failing amicable settlement such dispute shall be referred to three arbitrators appointed by the High Commission of the International Chamber of Commerce at Paris. The decision of three arbitrators shall be binding for the parties signatory to this agreement. The seat of the Court of Arbitration shall be in London, the arbitration shall be conducted in accordance with the rules of the International Chamber of Commerce and this agreement shall be governed by and construed in accordance with the laws of England, explicitly excluding the laws of the european community even those which might be an incorporate part of the laws of England.

The decisions of the Court of Arbitration shall be enforced by ordinary law courts.

Low Pitt Quee
Address of Sukher
Singapore