

01-03-2000

R SHEET
LYU.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner

101235817

I the attached original documents or copy thereof.

1. Name of conveying party(ies):
Sterling Canada, Inc.Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: July 23, 1999

2. Name and address of receiving party(ies):

Name: Harris Trust Company of New York

Internal Address: _____

Street Address: Wall Street Plaza - 19th FloorCity: New York State: NY ZIP: 10005Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

See attached Schedule I

Additional numbers attached? ☒ Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Melissa James

Internal Address: _____

Street Address: Latham & Watkins885 Third AvenueCity: New York State: NY ZIP: 100226. Total number of applications and patents involved: 337. Total fee (37 CFR 3.41):..... \$ 1320.00☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

12/30/1999 DNGUYEN 00000055 4325934

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9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

MELISSA JAMES

Name of Person Signing

Signature

Date

Total number of pages comprising cover sheet:

15

SCHEDULE I
to Patent Security Agreement

NY_DOCS\369857.8 [W97]

PATENT
REEL: 010452 FRAME: 0883

ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Canada, Inc.	United States	4325934	4/20/82	Swindells R Fredette MC	Chlorine dioxide process
Sterling Canada, Inc.	United States	4251503	4/12/81	Cowley G Swindells R	Control system for chlorine dioxide plants
Sterling Canada, Inc.	United States	4251224	2/17/81	Cowley G Swindells R	Control system for chlorine dioxide plants
Sterling Canada, Inc.	United States	4250159	2/10/81	Cowley G	Small scale chlorine dioxide plant
Sterling Canada, Inc.	United States	4336120	12/28/82	Cowley G	Small scale chlorine dioxide plant
Sterling Canada, Inc.	United States	4393035	7/12/83	Fredette MC	Method of producing hydrochloric and sulfuric acid from chlorine, sulfur dioxide and water
Sterling Canada, Inc.	United States	4393036	7/12/83	Fredette MC	Method of making mixed acid for R7 process
Sterling Canada, Inc.	United States	4729817	3/8/88	Reeve D Francis RC	Hydrogen peroxide delignification
Sterling Canada, Inc.	United States	4465658	8/14/84	Fredette MC	Chlorine dioxide process
Sterling Canada, Inc.	United States	4473540	9/25/84	Fredette MC	Chlorine dioxide process
Sterling Canada, Inc.	United States	4678655	7/7/87	Twardowski Z	Effluent acid recovery from Mathieson plants
Sterling Canada, Inc.	United States	4627969	12/9/86	Fredette MC Yang CS	Production of chlorine dioxide
Sterling Canada, Inc.	United States	4931268	6/5/90	Fredette MC Yang CS	Production of chlorine dioxide
Sterling Canada, Inc.	United States	4683039	7/28/87	Twardowski Z McGilvery JD	Prevaporation of chlorine dioxide
Sterling Canada, Inc.	United States	4780304	10/25/88	Bechberger EJ McGregor CR	Acid injection nozzle
Sterling Canada, Inc.	United States	5066477	11/19/91	Zell MS Fredette MC	Production of chlorine dioxide
Sterling Canada, Inc.	United States	4731169	3/15/88	Lipsztajn M	Selective removal of chlorine from solutions of chlorine dioxide and chlorine

ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Canada, Inc.	United States	4853096	8/1/89	Lipzajtajn M McGilvery JD Twardowski Z	Production of chlorine dioxide in an electrolytic cell
Sterling Canada, Inc.	United States	4767510	8/30/88	Lipzajtajn M	Electrolytic production of chlorine dioxide
Sterling Canada, Inc.	United States	4802959	2/7/89	Lipzajtajn M	Electrosynthesis of persulfate
Sterling Canada, Inc.	United States	4806215	2/21/89	Twardowski Z	Combined process for the production of chlorine dioxide and sodium hydroxide
Sterling Canada, Inc.	United States	5174868	12/29/92	Lipzajtajn M Twardowski Z Fredette MC	Chlorine dioxide generation from chloric acid
Sterling Canada, Inc.	United States	5284553	2/8/94	Lipzajtajn M Twardowski Z Fredette MC Bechberger EJ	Chlorine dioxide generation from chloric acid
Sterling Canada, Inc.	United States	5116595	5/26/92	Scribner HC Fredette MC Bechberger EJ	Metathesis of acidic by-product of chlorine dioxide generating apparatus
Sterling Canada, Inc.	United States	5593653	1/14/97	Scribner HC Fredette MC Bechberger EJ Pu C	Metathesis of acidic by-product of chlorine dioxide generating apparatus
Sterling Canada, Inc.	United States	5205995	4/27/93	Scribner HC Fredette MC Bechberger EJ	Metathesis of acidic by-product of chlorine dioxide generating apparatus

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ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Canada, Inc.	United States	5399332	3/21/95	Pu C	Dynamic leaching procedure for metathesis
Sterling Canada, Inc.	United States	5676920	10/14/97	Lipsztajn M	Low acidity chlorine dioxide generation process
Sterling Canada, Inc.	United States	5277768	1/11/94	Twardowski Z	Membrane cell washing
Sterling Canada, Inc.	United States	5256261	10/26/93	Lipsztajn M Rizzi J	Membrane cell operation
Sterling Canada, Inc.	United States	5851374	12/22/98	Cowley G Lipsztajn M	Process for Production of Chlorine Dioxide
Sterling Canada, Inc.	United States	5366714	11/22/94	Bigauskas TD	Hydrogen peroxide based chlorine dioxide process
Sterling Canada, Inc.	United States	4915927	4/10/90	Lipsztajn M Twardowski Z Cowley G	Electrosynthesis of chloric acid

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EXHIBIT A TO SECURITY AGREEMENT

STERLING CHEMICALS, INC.; STERLING CANADA, INC.; STERLING PULP CHEMICALS, INC.;

STERLING PULP CHEMICALS, US, INC.; PATENT SECURITY AGREEMENT
STERLING CHEMICALS ENERGY, INC.; and STERLING CHEMICALS
INTERNATIONAL, INC.

This PATENT SECURITY AGREEMENT (this "Agreement"), dated as of July 23
1999, is made between 1 (~~individually and collectively~~) (the "Assignor"),
and HARRIS TRUST COMPANY OF NEW YORK, as Collateral Agent (together with any
successor(s) thereto in such capacity, the "Collateral Agent") for each of the Collateral Agent
and the Holders of the Senior Secured Notes.

WITNESSETH:

WHEREAS, Sterling Chemicals, Inc., Sterling Canada, Inc., Sterling Pulp Chemicals, Inc., Sterling Pulp Chemicals, US, Inc., Sterling Fibers, Inc., Sterling Chemicals Energy, Inc., and Sterling Chemicals International, Inc., and the Collateral Agent, as trustee, have entered into that certain indenture dated as of July 23, 1999 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Indenture"), pursuant to which Sterling Chemicals, Inc. issued \$295 million in the aggregate principal amount of 12³/₈% Senior Secured Notes due 2006 (together with any notes issued in replacement thereof or in exchange or substitution therefor, the "Senior Secured Notes"); and

WHEREAS, the terms of the Indenture require that the Assignor (i) pledge to the Collateral Agent for the ratable benefit of the Holders (as defined in the Indenture) of the Senior Secured Notes, and grant to the Collateral Agent for the ratable benefit of the Holders of the Senior Secured Notes a second priority security interest in the Collateral (as defined herein) and (ii) execute and deliver this Agreement in order to secure the payment and performance by the Assignor of all of its obligations under the Indenture and the Senior Secured Notes (the "Obligations");

NOW, THEREFORE, in consideration of the premises, the Assignor hereby agrees with the Collateral Agent for its benefit and the ratable benefit of the Holders of the Senior Secured Notes as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement dated July 23, 1999 by and among Sterling Chemicals, Inc., Sterling Canada, Inc., Sterling Pulp Chemicals, Inc., Sterling Pulp Chemicals, US, Inc., Sterling Fibers, Inc., Sterling Chemicals Energy, Inc., Sterling Chemicals International, Inc. and Harris Trust Company of New York as indenture trustee and collateral agent for the benefit of the Holders of the Senior Secured Notes.

SECTION 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Obligations, the Assignor does hereby pledge and hypothecate to the Collateral Agent, and grant to the Collateral Agent a security interest in, for its benefit and the benefit of each Holder, all of the following property (the "Patent Collateral"), whether now owned or hereafter acquired or existing by it:

Exhibit A

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(a) all letters patent and applications for letters patent in the United States, including all patent applications in preparation for filing in the United States and including each patent and patent application referred to in Item A of Schedule I attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses in the United States, including each patent license referred to in Item B of Schedule I attached hereto; and

(d) all proceeds of, and rights associated with, the foregoing (including license royalties and proceeds of infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, referred to in clauses (a) or (b) above, and for breach or enforcement of any patent license referred to in clause (c) above;

in each case, to the extent, but only to the extent, that any of the foregoing is necessary or appropriate for the continued operation of the plant facilities of Assignor located in Valdosta-Lowndes County, Georgia, Galveston County, Texas and Santa Rosa County, Florida.

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Assignor for the purpose of registering the security interest of the Collateral Agent in the Patent Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent for its benefit and the benefit of each Holder. The Security Agreement (and all rights and remedies of the Collateral Agent and each Holder thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Security Interest. Upon the earliest to occur of (i) the sale, transfer or other disposition of any Patent Collateral in accordance with the Indenture, (ii) the day of the Legal Defeasance of all Obligations pursuant to Section 8.02 of the Indenture, (iii) the Satisfaction Date and (iv) such other termination date as is provided in the Indenture, the Collateral Agent shall, at the Assignor's expense, execute and deliver to the Assignor all instruments and other documents as may be necessary or proper to release the Lien on the Patent Collateral which has been granted hereunder.

SECTION 5. Acknowledgment. The Assignor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the Lien on the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. The Indenture or any other Security Agreements, etc. This Agreement is a Security Agreement executed pursuant to the Indenture and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Indenture.

Exhibit A

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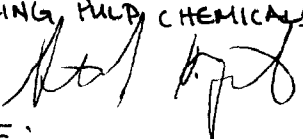
SECTION 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original (whether such counterpart is originally executed or an electronic copy of an original) and all of which shall constitute together but one and the same agreement. This Agreement shall become effective and binding as of the date first above written when a counterpart hereof executed on behalf of the Assignor shall have been received by the Collateral Agent.

SECTION 8. Agreement Subject to Senior Debt Intercreditor Agreement.
Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed by the parties hereto that this Agreement shall be subject to the terms of the Senior Debt Intercreditor Agreement.

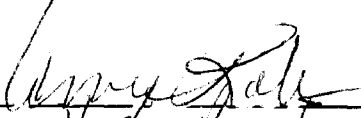
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

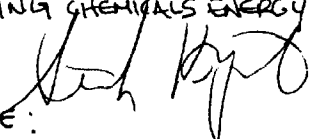
ASSIGNOR:

By: _____
Title: _____

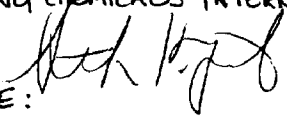
STERLING PULP CHEMICALS US, INC.
BY: 
TITLE:

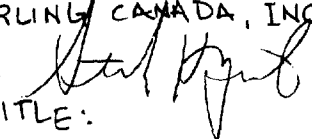
HARRIS TRUST COMPANY OF NEW YORK,
as Collateral Agent, on behalf of the Holders of
the Senior Secured Notes

By: 
Title: Vice President

STERLING CHEMICALS ENERGY, INC.
BY: 
TITLE:

STERLING CHEMICALS, INC.
BY: 
TITLE:

STERLING CHEMICALS INTERNATIONAL, INC.
BY: 
TITLE:

STERLING CANADA, INC.
BY: 
TITLE:

STERLING PULP CHEMICALS, INC.
BY: 
TITLE:

Exhibit A

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[CORPORATE NOTARY PAGE]

Multi-State Corporate Acknowledgment

State of New York
County of New York

On this 23rd day of July, 1999, before me, the undersigned officer, personally appeared

Stewart H. Yontz, with a residence at 1200 Smith St.

personally known and acknowledged himself/herself/themselves to me, or produced
Suite 1900, Houston, TX 77002 as identification to be the

Treasurer President

of *Sterling Chemicals, Inc., (hereinafter, the "Corporation")

and that as such officer(s), being duly authorized to do so pursuant to its bylaws or a resolution of its board of directors, executed, subscribed and acknowledged the foregoing instrument for the purposes therein contained, by signing the name of the Corporation by himself/herself/themselves in their authorized capacities as such officer(s) as his/her/their free and voluntary act and deed and the free and voluntary act and deed of said Corporation.

In Witness Whereof, I hereunto set my hand and official seal.

Grace Avedissian
Notary Public

Notarial Seal

My Commission Expires:

GRACE AVEDISSIAN
NOTARY PUBLIC, State of New York
No. 01AV6001100
Qualified in New York County
Commission Expires January 5, 2000

* Sterling Chemicals, Inc., Sterling Canada, Inc., Sterling Pulp Chemicals, Inc., Sterling Pulp Chemicals, US, Inc., Sterling Fibers, Inc., Sterling Chemicals Energy, Inc., and Sterling Chemicals International, Inc.

ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Chemicals International, Inc.	United States	4,421,707	12/20/83	Kourtz & Daftary	Acrylic Wet Spinning Process
Sterling Chemicals International, Inc.	United States	4,459,332	7/10/84	Giglia	Flocked Fabric Laminate for Protection Against Chemical Agents
Sterling Chemicals International, Inc.	United States	4,495,030	1/22/85	Giglia	Filter Paper
Sterling Chemicals International, Inc.	United States	4,565,727	1/21/86	Giglia & Battistelli	Non-woven Activated Carbon Fabric
Sterling Chemicals International, Inc.	United States	4,597,843	7/1/86	Goupil & Musolino	Enhanced Bulk Porosity of Polymer Structures Via Plasma Technology
Sterling Chemicals International, Inc.	United States	4,866,107	9/12/89	Doxsee, Evans, O'Toole	Acrylic Containing Friction Materials
Sterling Chemicals International, Inc.	United States	4,904,343	2/27/90	Giglia & Battistelli	Non-woven Activated Carbon Fabric
Sterling Chemicals International, Inc.	United States	4,929,502	5/29/90	Giglia	Fibrillated Fibers and Articles Made Therefrom
Sterling Chemicals International, Inc.	United States	5,155,174	10/13/92	Chang, Anderson & Ley	Surface-Modified Polyacrylonitrile Fibrous Substrates
Sterling Chemicals International, Inc.	United States	5,180,630	1/19/93	Giglia	Fibrillated Fibers and Articles Made Therefrom

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PATENT

REEL: 010452 FRAME: 0891

ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Chemicals International, Inc.	United States	5,192,604	3/9/93	Giglia	Fibrillated Fibers and Articles Made Therefrom
Sterling Chemicals International, Inc.	United States	5,270,384	12/14/93	Chang, Anderson & Ley	Surface-Modified Polyacrylonitrile Fibrous Substrates
Sterling Chemicals International, Inc.	United States	5,272,198	12/21/93	Kaminski & Evans	Asbestos-Free Microdenier Acrylic Fiber Reinforced Material for Gaskets and the Like
Sterling Chemicals International, Inc.	United States	5,284,910	2/8/94	Chang, Anderson & Ley	Surface-Modified Polyacrylonitrile Fibrous Substrates
Sterling Chemicals International, Inc.	United States	5,306,782	4/26/94	Chang, Anderson & Ley	Surface-Modified Polyacrylonitrile Fibrous Substrates
Sterling Chemicals International, Inc.	United States	5,362,562	11/8/94	Evans, Maranci & Kaminski	Crimped Acrylic Fibers Having Improved Thixotropic Performance
Sterling Chemicals International, Inc.	United States	5,372,632	12/13/94	Avotins & Evans	Process for Producing Fiber Bonded Agglomerated Ore Materials
Sterling Chemicals International, Inc.	United States	5,385,978	1/31/95	Evans, Maranci & Kaminski	Crimped Acrylic Fibers Having Improved Thixotropic Performance
Sterling Chemicals International, Inc.	United States	5,464,465	11/7/95	Avotins & Evans	Fiber Bonded Agglomerated Ore Materials

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ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Chemicals International, Inc.	United States	5,472,995	12/5/95	Kaminski & Evans	Asbestos-Free Gaskets and the Like Containing Blends of Organic Fibrous and Particulate Components
Sterling Chemicals International, Inc.	United States	5,520,866	5/28/96	Kaminski & Evans	Process for the Preparation of Friction Materials Containing Blends of Organic Fibrous and Particulate Components
Sterling Chemicals International, Inc.	United States	5,889,080	3/30/99	Kaminski & Evans	Friction Materials Containing Blends of Organic Fibrous and Particulate Components
Sterling Chemicals International, Inc.	United States	5,889,082	3/30/99	Kaminski & Evans	Method for Manufacturing Friction Materials Containing Blends of Organic Fibrous and Particulate Components
Sterling Canada, Inc.	United States	4325934	4/20/82	Swindells R Fredette MC	Chlorine dioxide process
Sterling Canada, Inc.	United States	4251503	4/12/81	Cowley G Swindells R	Control system for chlorine dioxide plants
Sterling Canada, Inc.	United States	4251224	2/17/81	Cowley G Swindells R	Control system for chlorine dioxide plants
Sterling Canada, Inc.	United States	4250159	2/10/81	Cowley G	Small scale chlorine dioxide plant
Sterling Canada, Inc.	United States	4336120	12/28/82	Cowley G	Small scale chlorine dioxide plant

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PATENT

REEL: 010452 FRAME: 0893

ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Canada, Inc.	United States	4393035	7/12/83	Fredette MC	Method of producing hydrochloric and sulfuric acid from chlorine, sulfur dioxide and water
Sterling Canada, Inc.	United States	4393036	7/12/83	Fredette MC	Method of making mixed acid for R7 process
Sterling Canada, Inc.	United States	4729817	3/8/88	Reeve D Francis RC	Hydrogen peroxide delignification
Sterling Canada, Inc.	United States	4465658	8/14/84	Fredette MC	Chlorine dioxide process
Sterling Canada, Inc.	United States	4473540	9/25/84	Fredette MC	Chlorine dioxide process
Sterling Canada, Inc.	United States	4678655	7/7/87	Twardowski Z	Effluent acid recovery from Mathieson plants
Sterling Canada, Inc.	United States	4627969	12/9/86	Fredette MC Yang CS	Production of chlorine dioxide
Sterling Canada, Inc.	United States	4931268	6/5/90	Fredette MC Yang CS	Production of chlorine dioxide
Sterling Canada, Inc.	United States	4683039	7/28/87	Twardowski Z McGilvery JD	Prevaporation of chlorine dioxide
Sterling Canada, Inc.	United States	4780304	10/25/88	Bechberger EJ McGregor CR	Acid injection nozzle
Sterling Canada, Inc.	United States	5066477	11/19/91	Zell MS Fredette MC	Production of chlorine dioxide
Sterling Canada, Inc.	United States	4731169	3/15/88	Lipsztajn M	Selective removal of chlorine from solutions of chlorine dioxide and chlorine

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ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Canada, Inc.	United States	4853096	8/1/89	Lipzajtajn M McGilvery JD Twardowski Z	Production of chlorine dioxide in an electrolytic cell
Sterling Canada, Inc.	United States	4767510	8/30/88	Lipzajtajn M	Electrolytic production of chlorine dioxide
Sterling Canada, Inc.	United States	4802959	2/7/89	Lipzajtajn M	Electrosynthesis of persulfate
Sterling Canada, Inc.	United States	4806215	2/21/89	Twardowski Z	Combined process for the production of chlorine dioxide and sodium hydroxide
Sterling Canada, Inc.	United States	5174868	12/29/92	Lipzajtajn M Twardowski Z Fredette MC	Chlorine dioxide generation from chloric acid
Sterling Canada, Inc.	United States	5284553	2/8/94	Lipzajtajn M Twardowski Z Fredette MC	Chlorine dioxide generation from chloric acid
Sterling Canada, Inc.	United States	5116595	5/26/92	Scribner HC Fredette MC Bechberger EJ	Metathesis of acidic by-product of chlorine dioxide generating apparatus
Sterling Canada, Inc.	United States	5593653	1/14/97	Scribner HC Fredette MC Bechberger EJ Pu C	Metathesis of acidic by-product of chlorine dioxide generating apparatus
Sterling Canada, Inc.	United States	5205995	4/27/93	Scribner HC Fredette MC Bechberger EJ	Metathesis of acidic by-product of chlorine dioxide generating apparatus

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ISSUED PATENTS

OWNER	COUNTRY	PATENT NO.	ISSUE DATE	INVENTOR(S)	TITLE
Sterling Canada, Inc.	United States	5399332	3/21/95	Pu C	Dynamic leaching procedure for metathesis
Sterling Canada, Inc.	United States	5676920	10/14/97	Lipsztajn M	Low acidity chlorine dioxide generation process
Sterling Canada, Inc.	United States	5277768	1/11/94	Twardowski Z	Membrane cell washing
Sterling Canada, Inc.	United States	5256261	10/26/93	Lipsztajn M Rizzi J	Membrane cell operation
Sterling Canada, Inc.	United States	5851374	12/22/98	Cowley G Lipsztajn M	Process for Production of Chlorine Dioxide
Sterling Canada, Inc.	United States	5366714	11/22/94	Bigauskas TD	Hydrogen peroxide based chlorine dioxide process
Sterling Canada, Inc.	United States	4915927	4/10/90	Lipsztajn M Twardowski Z Cowley G	Electrosynthesis of chloric acid

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LATHAM & WATKINS

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DANA LATHAM (1898-1974)

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FAX + 7-503 956-5556



December 15, 1999

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WASHINGTON D.C. 20004-2505
TELEPHONE (202) 637-2200
FAX (202) 637-2201

Commissioner of Patents and Trademarks
Box Assignment
Washington, D. C. 20231
Attn.: Assignment Branch

Re: Recordation of Patent Security Agreement

Dear Sir:

We enclose 2 Recordation Form Cover Sheet, along with an original executed Patent Security Agreement, dated July 23, 1999, by and among Sterling Chemicals, Inc., Sterling Canada, Inc., Sterling Pulp Chemicals, Inc., Sterling Pulp Chemicals, US, Inc., Sterling Chemicals Energy, Inc., and Sterling Chemicals International, Inc., in favor of Harris Trust Company of New York, as Collateral Agent, pursuant to which Sterling Chemicals, Inc., Sterling Canada, Inc., Sterling Pulp Chemicals, Inc., Sterling Pulp Chemicals, US, Inc., Sterling Chemicals Energy, Inc., and Sterling Chemicals International, Inc. have granted Harris Trust Company, as Collateral Agent a security interest in 56 Patents as listed on the attached Schedule I.

Also enclosed is a check in the amount of \$2,240.00 as payment for the recording fees.

NY_DOCS\82134.32 [W97]

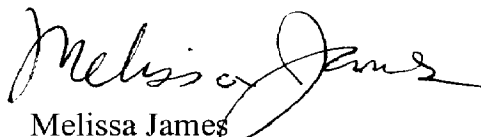
Commissioner of Patents and Trademarks

December 15, 1999

Page Two

The recorded Security Agreement should be returned to me at the New York address on this letterhead. Please call me at 212-906-1367 if you have any questions.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Melissa James".

Melissa James

Legal Assistant

Enclosures

cc: Wylie Allen, Esq.