

12/17/03

12-22-2003



Form PTO-1595 (Rev. 03/01) R. 102629071 PATENTS ONLY U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

OMB No. 0651-0027 (exp. 5/31/2002)

Tab settings ⇌ ⇌ ⇌

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
Clive Graham LANGLEY

Additional name(s) of conveying party(ies) attached?  Yes  No

2. Name and address of receiving party(ies)  
Name: NEPTUNE MARINE SERVICES LIMITED

Internal Address: \_\_\_\_\_

Street Address: 219-221 York Street,  
Subiaco, Western Australia, AUSTRALIA

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Additional name(s) & address(es) attached?  Yes  No

3. Nature of conveyance:

Assignment  Merger

Security Agreement  Change of Name

Other \_\_\_\_\_

Execution Date: 9/12/2003

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) 10/399,121

B. Patent No.(s) \_\_\_\_\_

Additional numbers attached?  Yes  No

6. Total number of applications and patents involved:

7. Total fee (37 CFR 3.41).....\$ 40.00

Enclosed

Authorized to be charged to deposit account

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

Name: LEWIS F. GOULD, JR.

Internal Address: CUSTOMER NO. 08933

Street Address: DUANE MORRIS LLP  
ONE LIBERTY PLACE

City: PHILADELPHIA State: PA Zip: 19103

8. Deposit account number:  
04-1679

OPR/FINANCE  
DEC 17 AM 7:18

DO NOT USE THIS SPACE

9. Signature.

LEWIS F. GOULD, JR. \_\_\_\_\_ 12/15/2003

Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and documents:

12/19/2003 LNWELLER 00000097 10399121 01 FC:0021 40.00 OP

Mail documents to be recorded with required cover sheet information to: Commissioner of Patents & Trademarks, Box Assignments Washington, D.C. 20231

PATENT REEL: 014798 FRAME: 0793

**NEPTUNE MARINE SERVICES LIMITED**

**CLIVE GRAHAM LANGLEY**

---

**DEED OF ASSIGNMENT OF INTELLECTUAL PROPERTY**

---

**Blakiston & Crabb**  
Solicitors  
1202 Hay Street  
WEST PERTH WA 6005  
Tel: (08) 9322 7644  
Fax: (08) 9322 1506  
Ref: ML.MC.NMSL/7981

**PATENT**  
**REEL: 014798 FRAME: 0794**

## TABLE OF CONTENTS

1.	INTERPRETATION	1
2.	ASSIGNMENT	3
3.	ESCROW OF SHARES	3
4.	SECONDARY TRADING	4
5.	PATENT APPLICATIONS	4
6.	MORAL RIGHTS	5
7.	SETTLEMENT	5
8.	WARRANTIES	6
9.	RESTRAINT	8
10.	INDEMNITIES	9
11.	NOTICES	10
12.	CONFIDENTIALITY	11
13.	GENERAL	11
14.	GST	13
	SCHEDULE 1	
	ANNEXURE A	

DEED OF ASSIGNMENT OF INTELLECTUAL PROPERTY

THIS DEED is dated 12 September 2003.

BETWEEN:

NEPTUNE MARINE SERVICES LIMITED ACN 105 665 843 of 219-221 York Street, Subiaco, Western Australia ("Assignee");

AND

CLIVE GRAHAM LANGLEY of 2 Princep Road, Attadale, Western Australia, 6156 ("Assignor").

RECITALS:

- A. The Assignor is the legal and beneficial owner of all of the Intellectual Property.
- B. The Assignor has agreed to assign and transfer to the Assignee all of its legal and beneficial interest in the Intellectual Property on the Settlement Date and the Assignee has agreed to the assignment on the terms and conditions set out in this Deed.

AGREED as follows:

1. INTERPRETATION

1.1 In this Deed, the following words and expressions shall have the following meanings, unless the context otherwise requires:

"Author" means the Assignor;

"Business" means the business of the Assignee in relation to the development, production, sale or distribution of devices for isolating a surface for underwater welding;

"Business Day" means a day on which trading banks in Western Australia are open for business;

"Claim" means, in relation to any person, a claim, action, proceeding damage, loss, cost, expense or liability incurred by or to or made or recovered by or against the person, however arising and whether present, unascertained, immediate, future or contingent;

"Consideration" means the issue by the Assignee to the Assignor (or its nominee or nominees) of 1,000,000 Shares, at a deemed issue price of 3 cents per Share; and

"Corporations Act" means the Corporations Act 2001 (Cth);

"Effective Date" means the date of this Deed;

"Intellectual Property" means all intellectual and industrial property or rights, (including, without limitation, applications for the grant of or registration of such property or rights) whether granted or subsisting by statute, or arising at common law or in equity, including without limitation:

- (a) the items identified in Schedule 1;
- (b) all copyrights, trademarks, design, confidential information, client lists, trade secrets or other proprietary rights, whether registered or unregistered or rights to or in any inventions, innovations, registered designs or rights to or in registrable designs; and
- (c) all Technical Documentation and Know-How,

whether existing or arising in Australia or any other part of the world and whether created and in existence before or after the date of execution of this Deed which are in any way related to or connected with the Technology;

"Know-How" means the body of technical knowledge, experience and skills and all information, ideas, concepts and manufacturing instructions, in whatever form, relating to or for use in connection with the Technology and the use and exploitation of the Technology and includes both the whole body of such knowledge, experience, skills and information and also any one or more parts of the same;

"Moral Rights" means any of the rights described in Article 6bis of the Berne Convention for the Protection of Literary and Artistic Works 1886, being "droit moral" or other analogous rights arising under the Copyright Act 1968 and any other law of the commonwealth of Australia, that exist or that may come to exist, anywhere in the world, including without limitation:

- (a) a right of attribution of ownership; or
- (b) a right not to have authorship falsely attributed; or
- (c) a right of integrity of authorship;

"Patent Applications" means the patent applications set out in Schedule 1;

"Settlement" means settlement of the sale and purchase of the Intellectual Property under clause 7;

"Settlement Date" means 5 Business Days after the Effective Date or any other date which is agreed in writing by the parties;

"Shares" means fully paid ordinary shares in the capital of the Assignee;

"Technical Documentation" means all reports documentation, research and development records and reports and other documentation in which the Know-How, Intellectual Property, confidential information or Technology is recorded

and all other technical documentation associated with the Know-How, Intellectual Property and Technology including reports, letters, designs, drawings, formulae, processes, materials, computer data bases, photographs and the like relating in any manner whatever to the Technology in the Assignor's possession or control on the date of this Deed and created after the date of this Deed; and

"Technology" means all technology, information, research and development, processes, empirical and testing data (including all components and improvements to this technology), Know-How, trade secrets, data and all improvements thereto whether written or oral including all Technical Documentation, in relation to the underwater welding method developed by the Assignor;

"Tradeable Shares" means those Shares that are not subject to escrow pursuant to clause 3 of this Deed;

"Warranty" means each of the warranties and representations referred to in clause 8.2; and

"Warranty Expiry Date" means the day being 24 months from the Settlement Date.

## 2. ASSIGNMENT

- 2.1 The Assignor as the legal and beneficial owner hereby assigns or shall cause to be assigned to the Assignee all of its legal and beneficial interest in the Intellectual Property, and the Assignee accepts the assignment of such interest in the Intellectual Property, free from any encumbrance or third party interest for the Consideration and otherwise on the terms and conditions of this Deed.
- 2.2 The Assignor warrants to the Assignee that it is entitled to transfer its interest in the Intellectual Property to the Assignee free and clear of all third party interests, charges, mortgages and other encumbrances whatsoever.
- 2.3 The Assignee reserves its rights to take any action or lodge any claims or damages against the Assignor in respect to the Intellectual Property and any other rights it has under this Deed.

## 3. ESCROW OF SHARES

- 3.1 The Assignor agrees that all or some of the Shares allotted to the Assignor constituting the Assignor's portion of the Consideration may be escrowed for a period prescribed by Chapter 9 of the Listing Rules and the Assignor will do all such things and sign all such documents as are required by the Listing Rules to give effect to the escrow of the Shares allotted to the Assignor for the prescribed period including entering into a restriction agreement prescribed in the Listing Rules. In the event of a default by the Assignor under this clause, the Assignor hereby appoints the Assignee as its attorney for such purposes.

#### 4. SECONDARY TRADING

- 4.1 The Assignor must not offer any Tradeable Shares for sale to any person ("Offer") within 12 months from the date of issue of the Shares unless:
- (a) the Offer does not require disclosure as a result of section 708 of the Corporations Act (excluding section 708 (1) of the Corporations Act); or
  - (b) the Offer does not require disclosure as a result of ASIC Class Order 02/1180, or any variation or replacement of this Class Order (collectively, "Class Order"); or
  - (c) the Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
  - (d) the Offer is received by a person outside Australia.
- 4.2 For the avoidance of doubt, clause 4.1(c) does not create any obligation on the Assignee to issue a disclosure document (whether at its cost or otherwise).
- 4.3 The title to, property in and risk of the Intellectual Property:
- (a) until Settlement, remains solely with the Assignor, and
  - (b) passes to the Assignee on and from Settlement.
- 4.4 The Assignor agrees at Settlement to take up (or cause its nominee or nominees to take up) the Shares constituting the Consideration and thereafter to be bound by the constitution of the Assignee.
- 4.5 The Assignee represents, warrants and covenants with the Assignor that on their allotment at Settlement, the Shares constituting the Consideration will rank *pari passu* in all respects with the then issued shares of that class in the capital of the Assignee.

#### 5. PATENT APPLICATIONS

- 5.1 The Assignor hereby authorises the Assignee to prosecute the Patent Applications and the Assignor will do all such things as the Assignee considers necessary in order to obtain the acceptance of the Patent Applications and the grant of the patents thereon.
- 5.2 In respect of those Patent Applications that are provisional, the Assignor hereby authorises the Assignee to continue the provisional Patent Applications, including to file further applications for patents or like privileges anywhere in the world claiming convention priority from the provisional Patent Applications and to do all such things as it considers necessary in order to obtain the acceptance of such further applications and the grant of patents or the like privileges based on the provisional Patent Applications and such further applications.

## 6. MORAL RIGHTS

- 6.1 As soon as practicable after and with effect on and from the Effective Date, the Author will provide written consent in relation to the Author's Moral Rights substantially in the form of the Deed attached as Annexure A for the purposes of providing the Assignee with an irrevocable and unconditional consent (to the fullest extent permitted by law – either present or future) by the Author to do any act or omission which may, except for that Deed, infringe the Moral Rights of the Author.

## 7. SETTLEMENT

- 7.1 Settlement is to occur on the Settlement Date at venue or at any other time or place agreed in writing by the parties.
- 7.2 At Settlement, the Assignor must deliver or cause to be delivered to the Assignee at such place as nominated by the Assignor:
- (a) any document or documents reasonably required by the Assignee to vest full possession and benefit of the Intellectual Property in the Assignee;
  - (b) evidence that relevant notifications have been made to the appropriate regulatory authorities to ensure that the relevant registers recording the items of Intellectual Property are amended to reflect the assignment of the Intellectual Property to the Assignee;
  - (c) the certificate of registration or other title document of each item of Intellectual Property; and
  - (d) written consent in relation to the Assignor's Moral Rights substantially in the form of the Deed attached as Annexure A.
- 7.3 In addition to the obligations set out in clause 7.2, the Assignor must do all things necessary to confer on the Assignee title to the Intellectual Property and do all acts and execute any documents reasonably necessary on the part of the Assignor to effect Settlement.
- 7.4 The obligations of the Assignee at Settlement are to:
- (a) deliver or cause to be delivered to the Assignor the Consideration by way of a certificate for the Shares to be issued to the Assignor; and
  - (b) do all acts and execute any documents reasonably necessary on the part of the Assignee to effect Settlement.
- 7.5 For 360 days after Settlement, if the Assignee gives the Assignor notice (the "assistance notice") so requesting, the Assignor must at its own expense furnish the Assignee with any information in the possession or control of the Assignor concerning the matters (if any) relating to the Intellectual Property or its conduct specified in the assistance notice.



## 8. WARRANTIES

- 8.1 The Assignor warrants and represents to the Assignee, as an inducement to the Assignee to enter into this Deed and to acquire the Intellectual Property, and it is a condition of this Deed, that each of the statements set out in clause 8.2 (each as a separate warranty and representation) is true, complete and accurate, both at the Effective Date and the Settlement Date.
- 8.2 The Assignor represents, warrants and undertakes to the Assignee at that:
- (a) neither the execution of this Deed nor the performance by the Assignor of its obligations will cause the Assignor to be in breach of any deed to which it is a party or is subject;
  - (b) each item of Intellectual Property is presently subsisting and the particulars of each as set out in Schedule 1 are true and correct;
  - (c) the Assignor has full right and title to the Intellectual Property;
  - (d) the Assignor is entitled to make all applications for the Intellectual Property which it has made and none of the inventions which are the subject of any such applications are part of the state of the art;
  - (e) all trade mark applications and Patent Applications (comprised in the Intellectual Property) have been made in the prescribed form and the prescribed manner;
  - (f) the Assignor has not granted any licences or other user rights to any person in relation to any rights, title or interest in the Intellectual Property or the inventions the subject of the Intellectual Property;
  - (g) the Assignor has not entered into any deed or arrangement involving the sale, mortgage, pledge, granting of options or any other rights over the Assignor's rights, title and interest in the Intellectual Property;
  - (h) the use by the Assignee and any sub-licensee of the Assignee of the Intellectual Property will not infringe any patent, trade mark, registered design, copyright or similar or other industrial commercial property rights of any person nor give rise to payment by the Assignee or any sub-licensee of the Assignee of any royalty to any third party or to any liability to pay compensation;
  - (i) the Assignee shall have and enjoy quiet possession of the Intellectual Property uninterrupted by the Assignor or any person claiming under the Assignor;
  - (j) the Assignor is not aware of any fact by which the Intellectual Property may be declared invalid;
  - (k) the Author of the Intellectual Property is the Assignor;

- (l) the Assignor will provide a consent as the Author of the Intellectual Property as set out in clause 6;
- (m) no other party has any claim to the Intellectual Property or the rights to exploit the Intellectual Property;
- (n) it has the full capacity to enter into and be bound by this Deed;
- (o) it has provided to the Assignee all of the information in its possession or control on the Intellectual Property that an assignee for value would ordinarily expect to receive; and
- (p) it is not aware of any purchaser of products manufactured using the Intellectual Property making any claim against the Assignor that the products were not fit for purpose or otherwise failed to perform in accordance with representations made by the Assignor.

8.3 The Assignor must indemnify, and keep indemnified, the Assignee against:

- (a) any Claim against the Assignee to the extent that the Claim arises from or is connected with any breach of any of the Warranties or of any other term of this Deed;
- (b) any loss or damage incurred by the Assignee because any item of Intellectual Property was worth less than it would have been worth had there been no breach of that kind; and
- (c) any taxes which may be incurred by the Assignee arising from the performance by the Assignor of its obligations under this clause 8.2.

8.4 The Warranties and the provisions of clauses 8.1 and 8.2 will remain in full force and be binding notwithstanding Settlement until the Warranty Expiry Date and, where before the Warranty Expiry Date the Assignee gives the Assignor notice of Claim for a breach of a Warranty, that Warranty does not cease on the Warranty Expiry Date and continues after that date to the extent required to enable the Assignee to prosecute that Claim.

8.5 The Assignee warrants and represents to the Assignor, as an inducement to the Assignor to enter this Deed and to assign the Intellectual Property, and it is a condition of this Deed that each of the statements set out in clause 8.6 below (each as a separate warranty and representation) is true, complete and accurate, both at the Effective Date and at the Settlement Date.

8.6 The Assignee represents, warrants and undertakes to the Assignor that:

- (a) the execution and deliver of this Deed has been properly authorised by all necessary corporate action of the Assignee;
- (b) the Assignee has full corporate power and lawful authority to execute and deliver this Deed and to consummate and perform or cause to be performed their obligations under this Deed;

- (c) this Deed constitutes a legal, valid and binding obligation of the Assignee enforceable in accordance with its terms by appropriate legal remedy; and
- (d) this Deed does not conflict with or result in a breach of or default under any provision of the Assignee's constitution or any material term or provision of any Deed or deed or any writ, order or injunction, judgment, law, rule or regulation to which they are a party or are subject or by which they are bound.

## 9. RESTRAINT

### 9.1

- (a) For the purposes of clause 9.1(b) the expression "competitive with the Business" means competition in a material part of the Business.
- (b) The Assignor agrees that it must not do, and must ensure that neither it nor any Controlled Entity (as defined in clause 9.1(c)) does, any of the following without the prior written consent of the Assignee:
  - (i) directly or indirectly carry on (whether alone or in partnership or joint venture with anyone else) or be otherwise concerned with or interested in (whether in the capacity as trustee, principal, agent, shareholder, unitholder or other securities holder, investor, creditor, promoter, adviser or in any other capacity) a business similar to or competitive with the Business (except for a holding of less than 5% of the securities of a public company calculated on a fully diluted basis) for which ever is the widest geographical area specified in clause 9.1(b)(ii) and longest period specified in clause 9.1(b)(iii), which may be enforceable.
    - (ii) Area:
      - A. World;
      - B. Australia, or
      - C. Western Australia.
    - (iii) Period:
      - A. 2 years;
      - B. 1 year; or
      - C. 6 months.
- (c) "Controlled Entity" of a person means:
  - (i) a company in which that person directly or indirectly (including as a beneficiary or potential beneficiary under a unit or

discretionary trust) has 10% or more of the votes or is entitled to receive on a distribution of income or capital 10% or more of such distribution; or

(ii) a trust of which the person or a company referred to in sub-clause 9.1(c)(i) is a beneficiary or potential beneficiary.

(d) Each provision in sub-clauses 9.1(b)(i), (ii) and (iii) will be interpreted disjunctively.

9.2 The Assignor acknowledges that in relation to this Deed and in particular this clause 9 it is aware that it is entitled to obtain legal advice.

9.3 The Assignor acknowledges that monetary damages alone would not be adequate compensation to the Assignee for such breach of clause 9.1 by the Assignor and that the Assignee is entitled to seek an injunction from a court of competent jurisdiction if:

(a) the Assignor fails to comply or threatens to fail to comply with clause 9.1; or

(b) the Assignor has reason to believe that the Assignor will not comply with clause 9.1.

9.4 If notwithstanding the other provisions of this clause 9 any part of an undertaking in clause 9.1 is unenforceable, it may be severed without affecting the remaining enforceability of that or the other undertakings.

9.5 The obligations under this clause 9 survive the Settlement.

9.6 The Assignor acknowledges that the covenants in respect of restraint of trade contained in this clause 9 are fair and reasonable and that the Assignee is relying upon this acknowledgment in entering into this Deed.

## 10. INDEMNITIES

10.1 The Assignor indemnifies and keeps indemnified the Assignee against all damages, losses, costs, expenses and liabilities claimed, suffered or incurred, whether before or after the Effective Date as a consequence of any breach of any of its representations, warranties or undertakings in this Deed or any failure to perform its obligations under this Deed including any damages, losses, costs, expenses and liabilities claimed, suffered or incurred by any third party.

10.2 The Assignee indemnifies and keep indemnified the Assignor against all damages, losses, costs, expenses and liabilities claimed, suffered or incurred, whether before or after the Effective Date as a consequent of any breach of any of their representations, warranties or undertakings in this Deed or any failure to perform its obligations under this Deed including any damages, losses, costs, expenses and liabilities claimed, suffered or incurred by any third party.

## 11. NOTICES

- 11.1 A notice, demand, certification or other communication under this Deed shall be in writing, in the English language and may be given by an agent of the sender.
- 11.2 In addition to any means authorised by law a communication may be given by:
- (a) being personally served on a party;
  - (b) being left at the party's current address for service;
  - (c) being sent to the party's current address for service by pre-paid ordinary mail; or
  - (d) facsimile to the party's current number for service.
- 11.3 The address and numbers for service are initially:

**Assignee:**

Attention: Blair Sergeant

Address: 219-221 York Street  
SUBIACO WA 6008

Facsimile: (08) 9382 1322

**Assignor:**

Name: Clive Graham Langley

Address: 2 Princep Road, WA 6163

Facsimile: (08) 9434 4177

A party may from time to time change its address or numbers for service by notice to the other party.

- 11.4 A communication given by:
- (a) post shall be deemed received if posted within Australia to an Australian address on the third Business Day after posting and in any other case, on the fifth Business Day after posting; and
  - (b) facsimile shall be deemed received when the sender's facsimile machine produces a transmission report stating that the facsimile was sent to the addressee's facsimile number.
- 11.5 A communication given by facsimile shall be deemed given in the form transmitted unless the message is not fully received in legible form and the addressee immediately notifies the sender of that fact.

11.6 If a communication to party is received by a party:

- (a) after 5:00 pm (Western Australian Standard time); or
- (b) on a day which is not a Business Day,

that party will be deemed to have been received it at the commencement of the next Business Day.

## 12. CONFIDENTIALITY

12.1 The parties must maintain absolute confidentiality concerning the existence and terms of this Deed and no public announcement or communication relating to the negotiations of the parties or the existence, subject matter or terms of this Deed may be made or authorised by or on behalf of a party without the prior written approval of the other parties except that a party may make such disclosures in relation to this Deed as it may in its absolute discretion think necessary:

- (a) to its professional advisers, bankers, financial advisers and financiers or to any person whose consent is required under this Deed or for a transaction contemplated by it upon those persons undertaking to keep confidential any information so disclosed; or
- (b) to comply with any applicable law or the requirement of any regulatory body (including any relevant stock exchange).

## 13. GENERAL

13.1

- (a) Each party shall bear its own legal and other costs and expenses in connection with the preparation, execution and completion of this Deed and of other related documentation.
- (b) The Assignee shall pay all stamp duty, including any fines and penalties, payable in connection with this Deed.

13.2 Each party agrees, at its own expense, on the request of another Party, to do everything reasonably necessary to give full effect to this Deed and the transactions contemplated by it, including, but not limited to, the execution of documents.

13.3 This Deed supersedes all prior negotiations, understandings and Deeds about its subject matter and embodies the entire Deed between the parties.

13.4 This Deed may be amended or varied only by a written document signed by the parties.

13.5

- (a) A waiver of a provision of this Deed or a right or remedy arising under this Deed, including this clause, must be in writing and signed by the party granting the waiver.
  - (b) A single or partial exercise of a right does not preclude a further exercise of that right or the exercise of another right.
  - (c) Failure by a party to exercise a right or delay in exercising that right does not prevent its exercise or operate as a waiver.
  - (d) A waiver is only effective in the specific instance and for the specific purpose for which it is given.
- 13.6 Any present or future legislation which operates to vary an obligation or right, power or remedy of a person in connection with this Deed is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.
- 13.7 Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall as to such jurisdiction, be read down so as to be valid and enforceable or if it cannot be so read down, shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Deed or affecting the validity or enforceability of such provision in any other jurisdiction.
- 13.8 Before Settlement, no party may assign or transfer any of its rights or obligations under this Deed without the prior consent in writing of all the other party.
- 13.9 No provision of this Deed:
- (a) merges on or by virtue of Settlement, or
  - (b) is in any way modified, discharged or prejudiced by reason of any investigations made or information acquired by or on behalf of the Assignee.
- 13.10 This Deed may be executed by any number of counterparts (including by facsimile) and all of those counterparts taken together shall constitute one and the same instrument.
- 13.11 This Deed is governed by the laws of Western Australia. The parties irrevocably submit unconditionally to the non-exclusive jurisdiction of the courts of Western Australia and any courts that may hear appeals from those courts in respect of any proceedings in connection with this Deed. Each Party waives any right it has to object to an action being brought in those courts including, but not limited to, claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

14. GST

- 14.1 If GST is imposed on any Supply made under this Deed by a party ("Supplier") to another Party ("Recipient") then the Recipient must pay to the Supplier an amount equal to that GST in addition to any other amount payable or other consideration provided for the Supply.
- 14.2 The Recipient's obligation to pay an amount equal to the GST under clause 14.1 only applies if the Supplier has given the Recipient a Tax Invoice for the Supply that details the relevant amount in respect of which GST is payable and the amount of that GST.
- 14.3 If the amount paid by the Recipient under clause 14.1 differs from the amount of GST payable at law by the Supplier on the Supply, the amount paid by the Recipient to the Supplier will be adjusted accordingly.
- 14.4 If, after the date of this Deed, there is any abolition or reduction of any existing taxes, duties or statutory charges (including but not limited to sales tax, fuel excise, stamp duty, financial institutions duty and debits tax) that applied at the time of commencement ("Tax Reduction"), the amount otherwise payable by the Recipient under this Deed must be reduced so that the full benefit of any reduction to the Supplier's costs that relate to performing this Deed (including overheads and indirect costs) resulting directly or indirectly from the Tax Reduction, is passed on to the Recipient.
- 14.5 For the purposes of this clause 14:

"GST" means the goods and services tax described in the GST Act or any similar tax;

"GST Act" means A New Tax System (Goods and Services Tax) Act 1999 and related Acts;

"Supply" has the same meaning as in section 9.10 of the GST Act;

"Tax Invoice" means a valid tax invoice that meets the requirements of the GST Act and any regulations governing the GST and any relevant requirements of the Australian Taxation Office (or other relevant administering body or person); and

the amount of GST on any Supply is calculated before the allowance of any input tax or other credits.



SCHEDULE 1

INTELLECTUAL PROPERTY

PATENTS

This family of patent applications relates to devices for isolating a surface for underwater welding. Each of the patent applications below claims convention priority from Australian Provisional Patent Application Nos. PQ7237 and PR1866 filed 21 May 2000 and 5 December 2000 respectively:

Country	Patent Application No.	Title	Effective Filing Date	Status
Australia	2001254515	Device for Isolating a Surface for Welding	02/05/01	Pending
Europe*	01927488.5	Device for Isolating a Surface for Welding	02/05/01	Pending
USA	10/399121	Device for Isolating a Surface for Welding	02/05/01	Pending

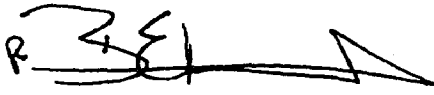
\* European patent applications designates the following countries:

- Austria
- Belgium
- Switzerland and Liechtenstein
- Cyprus
- Germany
- Denmark
- Spain
- Finland
- France
- United Kingdom
- Greece
- Ireland
- Italy
- Luxembourg
- Monaco
- Netherlands
- Portugal
- Sweden
- Turkey

EXECUTED by the parties as a Deed.

SIGNED by )  
CLIVE GRAHAM )  
LANGLEY )  
in the presence of: )



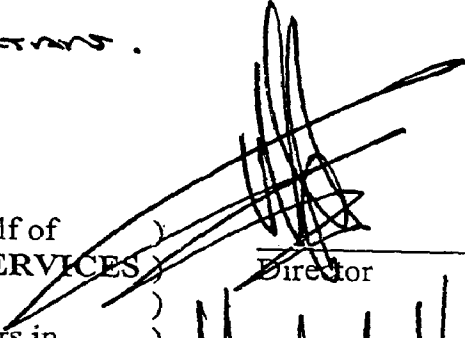
Witness: 

Name: Brian SERGIANT

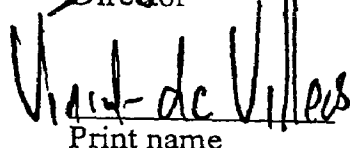
Address: 28 Russett St. Fremont, CA

Occupation: Accountant.

SIGNED for and on behalf of )  
NEPTUNE MARINE SERVICES )  
LIMITED )  
by authority of its Directors in )  
accordance with section 127 of )  
the Corporations Act )

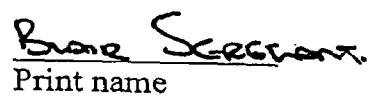


Director

  
Print name



Secretary/Director

  
Print name