

PATENT ASSIGNMENT

Electronic Version v1.1  
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	LICENSE
CONVEYING PARTY DATA	
Name	Execution Date
Pure Energy Visions Corporation	11/28/2007
RECEIVING PARTY DATA	
Name:	Hybrid Energy Technologies Inc.
Street Address:	317 Reid Street
City:	Peterborough
State/Country:	CANADA
Postal Code:	K9H 3R2
PROPERTY NUMBERS Total: 2	
Property Type	Number
Application Number:	11287263
Patent Number:	7718305
CORRESPONDENCE DATA	
Fax Number:	(604)683-3558
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	604-443-7682
Email:	brian.lee@gowlings.com
Correspondent Name:	Brian Y. Lee
Address Line 1:	550 Burrard Street, Suite 2300
Address Line 2:	c/o Gowling Lafleur Henderson LLP
Address Line 4:	Vancouver, CANADA V6C 2B5
ATTORNEY DOCKET NUMBER:	V83341GEN
NAME OF SUBMITTER:	Brian Y. Lee
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## **MASTER LICENSE AGREEMENT**

This is an Agreement by and between Hybrid Energy Technologies Inc. (the LICENSEE) having a place of business at 11 Port Rush Trail, Markham, Ontario, Canada, L6C 2A1 and Pure Energy Visions Corporation (the LICENSOR) having a place of business 30 Pollard Street, Richmond Hill, Ontario, Canada, L4B 1C3.

WHEREAS, the business of LICENSOR includes developing, manufacturing and marketing rechargeable alkaline battery products and developing fuel cell technologies; and

WHEREAS, the LICENSEE has strategic relationships with companies to provide funding, technical expertise and manufacturing capabilities for the commercialization of the LICENSOR'S technologies; and

WHEREAS, it is the desire of the parties to enter into a licensing relationship described in this Agreement wherein LICENSOR would grant the LICENSEE certain rights relating to its technologies.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to the following terms and conditions:

### **1. DEFINITIONS**

1.1 "Licensed Products" means all LICENSORS products, inventions; formulations/compositions; manufacturing processing techniques; designs; production, application and use specifications; technical, business, marketing information; improvements; modifications; developments; know-how; trade secrets; proprietary information; confidential information; and information contained within a patent or license and other related rights relating to the LICENSOR'S Direct Methanol Fuel Cell (DMFC) and its XL formula rechargeable alkaline technology for non-cylindrical batteries and related charging technologies.

1.2 "Territory" means worldwide.

1.3 "Net Revenues" means all monetary amounts generated and/or acquired by LICENSEE relating to Licensed Products, less associated taxes, custom duties, and/or tariffs, less associate discounts, allowances, credits on returns and reimbursements, and less associated freight, insurance, and other delivery expenses.

1.4 "LICENSEE" includes all affiliates, subsidiaries and other parties not dealing at arm's length with LICENSEE.

1.5 "LICENSOR" includes all affiliates, subsidiaries and other parties not dealing at arm's length with LICENSOR.

### **2. LICENSE-RELATED TERMS**

2.1 LICENSOR Product Rights. The LICENSOR grants LICENSEE an exclusive license to make, have made, use, and sell and otherwise dispose of Licensed Products, within the Territory in arms length transactions conditional on the fact that the LICENSEE will develop whatever plans and alliances that are necessary to initiate the development of both Alkaline Rechargeable non-cylindrical batteries and Direct Methanol Fuel Cells within one year of the execution of this

agreement. In addition, the LICENSEE must employ best efforts to create manufacturing and sales for both products.

**2.2 License Fee.** The LICENSEE will pay the LICENSOR \$800,000 cash plus the LICENSEE will provide the LICENSOR with 8,400,000 shares of Ethanoil and Gas Corporation (or its successor) currently selling on the OTC Pink Sheets. These shares will have a 12 month hold. Payments to be made as follows:

- \$200,000 on closing and 8,400,000 shares of Ethanoil and Gas Corporation issued in the name of PEVC or its designate, as soon after as can be issued by the transfer agent and;
- \$200,000 45 days after closing
- \$400,000 on March 15th, 2008

### **3. FUEL CELL RELATED TERMS**

**3.1** The LICENSEE shall pay the LICENSOR a royalty of two percent (2%) of Net Revenues generated by the LICENSEE from the sale or other transfer of "fuel cell products" by and/or on behalf of the LICENSEE to any third party, other than sales to Pure Energy Visions Inc. (Pure Energy) or any related parties. "Net Revenues" means all monetary amounts generated and/or acquired by LICENSEE (including the monetary value of any non-cash consideration) relating to Licensed Products, less associated taxes, custom duties, and/or tariffs, less associate discounts, allowances, credits on returns and reimbursements, and less associated freight, insurance, and other delivery expenses.

**3.2** The LICENSOR shall grant to the LICENSEE an option to buy the DMFC Rights for the entire territory at the price of \$1.00 US beginning ninety (90) days after the entire fee plus interest outlined in Section 2 is paid to PEVC. Thereafter no Royalties shall be payable by the LICENSEE to the LICENSOR except as set out in Section 3.3 below.

**3.3** In the event that the LICENSEE purchases the DMFC Rights, the LICENSEE will not be entitled to any Improvements from the LICENSOR after the date of completion of such purchase. If the LICENSEE chooses to continue to pay the Royalties to the LICENSOR as set out herein, the LICENSEE will be entitled to all Improvements developed by the LICENSOR.

**3.4** All royalty amounts due the LICENSOR shall be paid by the LICENSEE on a calendar quarterly basis within thirty (45) days of the end of each such calendar quarter. The LICENSEE shall include with each payment a report of the applicable Net Revenues, number of units sold, and price per unit.

**3.5** The LICENSEE shall keep and maintain adequate records in accordance with accepted practices for purposes of determining all royalty amounts due the LICENSOR hereunder. The LICENSOR and/or a designated representative shall have a right to require an audit of all records of the LICENSEE for purposes of determining the accuracy of payments made or payable to The LICENSOR hereunder. In the event that any audit reveals a deficiency in the amount due the LICENSOR, the amount of the deficiency, interest accruing at the rate of ten percent (10%) per annum from the date on which payment was actually due and all reasonable costs associated with such audit shall be paid by the LICENSEE to the LICENSOR within thirty (30) days of LICENSOR receiving notification of the deficiency.

**3.6** The ownership of any patents, brand names, copyrights or any other property rights, either preexisting or new, will owned by LICENSEE or its designate.



3.7 The LICENSOR agrees that LICENSOR will provide introductions and any other such assistance (not having any financial cost to LICENSOR) required for the successful development and commercialization of the DMFC.

3.8 The LICENSOR will have the opportunity to bid on any manufacturing requirements related to the DMFC and related technologies.

3.9 The LICENSEE agrees that it will grant the right to Pure Energy to acquire the finished DMFC cells or systems on a cost plus 20% basis to sell under the Pure Energy umbrella and will not compete directly with Pure Energy at retail.

#### **4. FINANCIAL-RELATED TERMS RECHARGEABLE ALKALINE**

4.1 The LICENSEE shall pay the LICENSOR a royalty two percent (2%) of Net Revenues (or equivalent) generated by LICENSEE from the sale or other transfer of each Licensed Product by and/or on behalf of LICENSEE to any third party, other than sales to Pure Energy Visions Inc. (Pure Energy) or any related parties. "Net Revenues" means all monetary amounts generated and/or acquired by the LICENSEE (including the monetary value of any non-cash consideration) relating to Licensed Products, less associated taxes, custom duties, and/or tariffs, less associate discounts, allowances, credits on returns and reimbursements, and less associated freight, insurance, and other delivery expenses.

4.2 After three years from the effective date of this agreement and each subsequent 1 year period the royalty can be reduced one time by 50% (to 1%) at the discretion of the LICENSEE by providing 1 years notice. If notice is given the LICENSEE has the right to revoke the notice at any time during the notice period. In the event that the royalty is reduced the LICENSEE will not be entitled to any technology improvements from the LICENSOR be it intellectual property or know-how. If the LICENSEE chooses to continue to pay the royalty the LICENSEE will be entitled to all technology improvements from the LICENSOR.

4.3 All royalty amounts due the LICENSOR shall be paid by the LICENSEE on a calendar quarterly basis within thirty (30) days of the end of each such calendar quarter. The LICENSEE shall include with each payment a report of the applicable Net Revenues, number of units sold, and price per unit.

4.4 The ownership of any new recipe patents will be jointly owned by the LICENSEE and Pure Energy Visions Corporation. Design patents will be owned by the LICENSEE.

4.5 The LICENSEE agrees to grant the right to Pure Energy Visions Corporation to acquire the finished batteries at the lower of, a cost plus 20% basis or at 5% lower cost than charged to any arms length third party. The LICENSEE also agrees it will not compete directly with Pure Energy in retail markets.

#### **5. REPRESENTATIONS/WARRANTIES**

5.1 Right to License. LICENSOR represents and warrants to LICENSEE that LICENSOR has the right to enter into this Agreement, including without limitation the right to grant LICENSEE the rights set forth in Paragraph 2.1 above.

## 6. POTENTIAL THIRD-PARTY INFRINGEMENT & OTHER PATENT ISSUES

6.1 Notification. Each party shall notify the other party of the existence of any potential infringement/misappropriation of the Licensed Products by any third party within a reasonable time after acquiring information sufficient to form a reasonable belief as to the existence of such potential infringement/misappropriation.

6.2 Non-Enforcement. In the event LICENSOR does not immediately enforce its rights against a third party which is potentially infringing and/or misappropriating such rights, the presence of which is having a substantial adverse economic effect upon the commercial activities of LICENSEE relating to this Agreement, LICENSEE will have the right to enforce LICENSOR's rights against the third party at its own expense. In this event any penalties or remedies paid in favor of LICENSOR shall be collected in full by LICENSEE.

## 7. INDEMNIFICATION

7.1 LICENSOR. LICENSEE shall be solely responsible and/or liable for any and all actions undertaken by LICENSEE under this Agreement.

7.2 LICENSEE. LICENSOR shall be solely responsible and/or liable for any and all actions undertaken by LICENSOR under this Agreement.

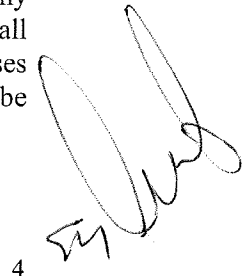
## 8. DISPUTE RESOLUTION

8.1 Mediation. (a) Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be first addressed in mediation proceedings between the parties. The location of such proceedings shall be in Ontario, Canada.

(b) Mediation proceedings shall be initiated by providing notification to the other party pursuant to Paragraph 9.3 in which the party desiring mediation designates one of its executive officers to be its representative for the mediation proceedings and in which the subject matter of the controversy or claim is specifically identified. The receiving party shall thereafter designate one of its executive officers to be its representative for the mediation proceedings, such designation to be made within five (5) business days after receiving notification from the initiating party and to be submitted in writing to the Initiating party pursuant to Paragraph 9.3.

(c) The party-designated executive officers shall, following a reasonable investigation period not to exceed sixty (60) days, initiate negotiations to resolve the dispute. In the event the parties do not reach an agreement to resolve the claim or controversy within sixty (60) days after negotiations are initiated, the claim or controversy shall be settled by binding arbitration pursuant to Paragraph 8.2.

8.2 Arbitration. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, which is not resolved by mediation pursuant to Paragraph 8.1, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having competent jurisdiction thereof. Prior to any arbitration hearing, each party shall make available to the other party and upon the request of the other party documents and witnesses relevant to the issues in arbitration. The location of any such arbitration proceedings shall be Ontario Canada.

A handwritten signature in black ink, appearing to be 'SM' followed by a stylized flourish, is located in the bottom right corner of the page.

## 9. TERM/TERMINATION

9.1 The term of the Rechargeable Alkaline portion of the license will be until the date of the expiration of the last of the patents used in the production of products. After that period, any rights that the LICENSOR may carry an interest in will be granted to the LICENSEE in perpetuity with no further royalties or fees. In the event that the purchase option referred to in 3.2 and 3.3 is not exercised, the term for the Fuel Cell portion of the License will be for 10 years after which, all of the rights under the license will be granted royalty free in perpetuity with no further royalties or fees.

9.2 Bankruptcy Provision. In the event that LICENSOR goes out of business by filing for bankruptcy or by any other means the rights granted to LICENSEE under this agreement shall survive in whole.

9.3 Termination. This Agreement may be terminated by either party upon the written consent of both parties or if the other party breaches any material obligation under this Agreement and fails to diligently proceed to cure such breach within sixty (60) days after receipt of written notification from the terminating party which sets forth the basis of the material breach and the terminating party's intent to terminate the Agreement due to the material breach.

9.4 Sell-off Rights. Upon termination of this Agreement for any reason, LICENSEE shall have the right to dispose of all Licensed Products on hand at the time of termination and to produce sufficient Licensed Products to fulfill all commitments for the Licensed Products, provided, however that LICENSEE shall make all reports and make all payments required under this Agreement.

## 10. EFFECTIVE DATES

10.1 Effective Dates. This Agreement shall become effective on the date undersigned below ("Effective Date").

## 11. MISCELLANEOUS

11.1 Assignment. Neither party may assign this Agreement, in whole or in part, without the prior written consent of the other party; except, however, that either party may assign, without the other part's prior written consent, all rights under or realized pursuant to this Agreement to a purchaser of all or substantially all of the assets of the party to which the Agreement relates, or in the event of the merger, to the surviving entity, provided that any such purchaser or surviving entity agrees in writing to undertake all corresponding obligations hereunder.

11.2 Agency. No agency relationship is established between the parties by this Agreement, and neither party will have the right and will not attempt to bind, act for, or otherwise make representations on behalf of the other party unless expressly agreed in writing. Each party shall be responsible for the indemnity of the other party with respect to any claims resulting from any acts or omissions in breach of this Paragraph 10.2.

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11.3 Notice. Any notice, demand, or other communication required or permitted to be given or made in this Agreement shall be in writing and shall be sufficiently given or made if:

(a) Delivered in person during normal business hours on a business day and left with a receptionist or other responsible employee of the relevant party at the applicable address set forth below;

(b) Sent by registered mail; or

(c) Sent by an electronic means of sending messages, including telex or facsimile transmission, which produces a paper record ("Electronic Transmission") during normal business hours on a business day charges prepaid and confirmed by prepaid first class mail;

in the case of notice to LICENSEE, addressed to it at:

Wayne Hartford  
11 Port Rush Trail  
Markham, Ontario  
L6C 2A1

and in case of notice to LICENSOR, addressed to it at:

Stephen Meldrum  
30 Pollard Street  
Richmond Hill, Ontario  
Canada, L4B 1C3

11.4 Entire Agreement. This agreement constitutes the entire agreement and understanding relating to the subject matter hereof, and supersedes all previous communications, proposals, representations, and agreements, whether oral or written, relating hereto.

11.5 Modifications. This Agreement may only be modified by a further written agreement executed by authorized representatives of both parties.

11.6 Non-Waiver. A waiver of any right hereunder by either party on any occasion shall not in any way constitute a waiver of such right or any other right on any subsequent occasion.

11.7 Surviving Terms and Conditions. Articles 6, and 7 shall survive any termination of this Agreement.

11.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.





IN WITNESS HEREOF, and by their signatures below, the undersigned individuals represent that they have the requisite authority to bind their respective entities to the terms and conditions set forth above.

**For LICENSOR**

Pure Energy Visions Corporation

By: 

Name: Stephen Meldrum

Date: November 28, 2007

**For LICENSEE**

Hybrid Energy Technologies Inc.

By: 

Name: Wayne Hartford

Date: November 28, 2007