

The Hon. Michael Kirby Contract Law Moot

Melbourne, Australia

23-25 September 2013

THE PROBLEM

**Organised by:
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Victoria University**

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Arbitration Information

Arbitration Forum:	Institute of Arbitrators and Mediators Australia Level 13, 200 Queen St Melbourne VIC 3000 Australia Telephone: 03 8648 6578 Facsimile: 03 8648 6480 Email: vic.chapter@iama.org.au
Arbitrators:	Arbitrator 1 Arbitrator 2 Arbitrator 3
Claimant:	Enviro Clean Australia Pty Ltd 21 Darling Street Macair, VIC 3054 Ph: (613) 9934 9999 Fax: (613) 9934 8888
Respondent:	ASCON Technology LLC 10 Clements Avenue, Suite 1234 New York, NY 10007 Ph: (212) 456-7891 Fax: (212) 123-7891
Claimant's representatives:	Student 1 and 2 Henderson & Associates 777 Bourke Street, Melbourne, Victoria 3000 Telephone: 03 9999 7777 Facsimile: 03 9999 7766 Email: hendersonassociate@henderson.com.au
Respondent's representatives:	Student 1 and 2 Wilson & Baker Lawyers 155 Queen Street, Melbourne, Victoria 3000 Telephone: 03 9999 1234 Facsimile: 03 9999 1255 Email: wilsonbakerlawyers@wilsonbaker.com.au

Summary of Facts

1. Enviro and ASCON entered into three (3) separate agreements, namely, the Joint Venture Agreement (“JV Agreement”), the Licence and Supply Agreement (“Licence Agreement”) and the Purchase and Sale of Equipment Agreement (“Equipment Agreement”).
2. The JV Agreement was entered into on 10 December 2011 and both parties agreed that it will be interpreted and construed in accordance with the laws of Victoria.
3. The purpose of the joint venture was, in effect, to license and sell to Enviro certain asbestos destruction technology (the “ASCON Tech ®”) of ASCON in the “Territory” as defined in the JV Agreement.
4. The respective joint venture interests of the parties under the JV Agreement was:
 - a. ASCON: 20% Share of net profit of the joint venture
 - b. Enviro: 80% Share of net profit thereof.
5. The JV Agreement also made provision for distributions of net profits, accounting and audit matters general management and meeting, assignment of interests, and matters pertaining to termination or dissolution, among other things.
6. The JV Agreement was to continue for a term of ten (10) years although Enviro had further rights to renew the agreement for successive terms of five (5) years each.
7. Lastly, the JV Agreement also expressly incorporated the terms and conditions of the Licence Agreement.
8. The Licence Agreement was dated 23 December 2011 and, like the JV Agreement, was to be interpreted and construed in accordance with the laws of Victoria.
9. The Licence Agreement gave further effect to the purposes of the JV Agreement. For instance, it recited the intention of ASCON to provide to Enviro the requisite technical information, trade secrets, equipment and chemicals and services.
10. The Licence Agreement also provided considerable detail as to the nature of the relevant licences and services to be provided by ASCON, including, consulting services, engineering services, provision of chemicals and so on.

11. Naturally, the Licence Agreement required Enviro to make various payments (in AUD) to ASCON in return for the grant of licences, the supply of conversion equipment, chemicals, services and so on.
12. Enviro was also to provide, in advance, an expense account to cover all expenses and work being performed by ASCON including, for example, travel, meals and lodging relating to the performance of the joint venture arrangements. There is no maximum amount prescribed for the potential expenses.
13. In addition, four (4) one-off contract payments were to be made as follows:
 - a. \$50,000 on the signing of the Licence Agreement;
 - b. \$50,000 within 30 days thereafter;
 - c. \$50,000 upon the completion of the first ASCON Tech ® conversion system (that is, upon the completed building of an ASCON Tech ® process conversion equipment and system as engineered, designed, and built by or for the purpose of the JV Agreement); and
 - d. \$50,000 upon Australian Environmental Protection Agency (“AEPA”) Approval
14. Finally, Enviro was to provide ASCON with a Letter of Credit (then of no specified amount).
15. Like the JV Agreement, the term of the Licence Agreement was 10 years with Enviro having the right to renew for further successive terms of 5 years each.
16. Enviro and ASCON entered into the Equipment Agreement on 5 April 2012.
17. Under this agreement, ASCON agreed to sell to Enviro the equipment and components comprising the ASCON Tech ® conversion system. The system was to be designed, assembled and tested in the United States before being dismantled and shipped to Australia for re-erection.
18. The components of the ASCON Tech ® conversion system included, amongst other, crushers, conveyor systems, pumps, tanks, electrical panels and controls.
19. The milestones schedule indicated the period of the assembling to be approximately 6 months. Nevertheless, the term of the Equipment Agreement was one (1) year although the parties could extend for additional one (1) year period by written agreement.
20. Enviro has made various payments to ASCON.

21. During **August** 2012, and on the basis of alleged late payments by Enviro, ASCON purported to terminate the Licence Agreement (and, consequently, the JV Agreement) and, in effect, has since refused to resurrect any joint venture arrangements between the parties unless Enviro:
- a. Provided a standby Letter of Credit in the sum of **AUD\$1** million; and
 - b. Paid all outstanding invoices; and
 - c. Paid the 4th license payment.
22. ASCON contended that the delays in payment was simply “a delaying tactic” in respect of discharging contractual obligations which were then due and payable to ASCON.
23. Enviro has decided not to proceed any further with the joint venture arrangements and is now seeking reimbursement of all moneys paid as well as damages for its expectation and reliance loss, including loss of profits.
24. ASCON is denying all the alleged breaches of the three Agreements and is now similarly seeking to claim damages for its expectation and reliance loss, including loss of profits which arose from the following alleged breaches of the Agreements committed by Enviro:
- (a) Breach of Clause 15 and the implied duty to co-operate under the JV Agreement;
 - (b) Breach of Clauses 6.1.b; 7.1.c; 7.1.d; 8.2; 8.3; 8.4; 21.5 and the implied duty to co-operate under the Licence Agreement;
 - (c) Breach of Clauses 2.2 and 14 of the Equipment Agreement.
25. The legal representatives of both parties have discussed the preferred method of resolving the dispute and have made the decision to resolve the dispute by arbitration in accordance with the Institute of Arbitrators and Mediators Australia Arbitration Rules. The seat of arbitration shall be Victoria, Australia. The language of the arbitration shall be English. The number of arbitrators shall be three. Each party will appoint its arbitrator and the President of the Institute of Arbitrators and Mediators Australia will appoint the third arbitrator.
26. The Claimant has sent the Notice of Dispute and the Respondent has received the Notice.

Exhibit 1

Joint Venture Agreement

THE JOINT VENTURE AGREEMENT made and entered into as of the **10th December 2011** by and between **Enviro Clean Australia Pty Ltd (hereinafter referred to as “Enviro”)** and **ASCON Technology LLC (hereinafter referred to as “ASCON”)**. Said parties being hereinafter referred to collectively as the “Parties” and individually as a “Party”.

RECITALS

WHEREAS, the Parties hereto desire to form a Joint Venture for the purpose of selling the “ASCON Tech ®” technology for the destruction and conversion of asbestos to a non-toxic material, in the “Territory” (see Licence Agreement for “Territory”) as hereinafter defined and set forth; and

WHEREAS, the Parties agree to share in the profits derived from the Joint Venture, as provided herein; and

WHEREAS, the Parties acknowledged and re-affirm their agreement to the terms set forth in the above-mentioned Licence Agreement pertaining to the ASCON Tech®;

WHEREAS, the Parties desire to reflect in writing their respective rights, duties, and responsibilities with respect to said Joint Venture;

NOW, THEREFORE, in consideration of the premises and of the mutual promises, obligations, and agreements contained herein, the Parties hereto, intending to be legally bound, do hereby agree as follows:

AGREEMENT

1 JOINT VENTURE DESCRIPTION

- 1.1 Formation.** The Parties hereby form a joint venture (the “Joint Venture”), which Joint Venture shall be limited to the purposes and scope described in Article 3 hereof.
- 1.2 Name.** The name of the Joint Venture shall be Enviro Clean Tech (hereinafter referred to as “ECTech”)
- 1.3 Principal Place of Business.** The principal place of business of the Joint Venture shall be located at Level 2, 100 Elizabeth Street, Melbourne VIC 3000 or at such other place as may be designated in writing from time to time by the Parties (as defined herein).

2 JOINT VENTURE INTEREST

2.1 Joint Venture Percentage Interest. The Joint Venture Percentage Interest of each Party shall be as follows: ASCON shall receive 20% share of the net profit of the Joint Venture and Enviro shall receive 80% share of the net profit as that term is hereinafter defined.

2.2 Notwithstanding the fact that ASCON will receive 20% of the net profit, it will have control of the use of the ASCON Tech ® technology and input into the decision-making of the Joint Venture when it pertains to the use, license or sale of the ASCON Tech ® technology as set forth under the Licence Agreement. The terms and conditions of the Licence Agreement are incorporated herein with the same force and effect as if such terms and conditions were fully set forth herein.

3 JOINT VENTURE PURPOSE

3.1 Purpose and Objectives. The purpose and objectives of the Joint Venture will be to license the ASCON Tech ® in the “Territory”. ASCON shall provide ASCON Tech ® training in asbestos destruction and conversion to a non-toxic material, engineering services, consulting services, ASCON® equipment building services and ASCON® chemical sales to Enviro and ASCON® licenses to Enviro trained owners and/or contractors certified and trained in the ASCON® process by Enviro.

3.2 Enviro will be the sole provider in the “Territory”. As sole provider, Enviro will charge a reasonable mark-up, which will cover overhead, general and administrative expense, and profit, on all ASCON services, equipment, chemicals and licenses issued by ASCON.

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4 DEFINITIONS

4.1 “ASCON® Tech Mark”- The registered trademark and service mark ASCON ® and any mark containing ASCON® in any font or style of presentation.

4.2 “ASCON® Tech”- All proprietary technical information, including Trade Secrets owned by or licensed to, or developed by or on behalf of ASCON, which relates to methods, products or apparatus useful in the destruction of asbestos and/or the conversion of asbestos or asbestos containing materials, to a non-hazardous material.

4.3 “ASCON® Products”- The products listed hereto and similar or replacement products used for the same purposes sold by or on behalf of ASCON for use in practicing the ASCON® Method:

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- 4.4 “ASCON® Method or ASCON® Process”-** ASCON® technology for the destruction and conversion of asbestos to a non-toxic material.
- 4.5 “ASCON® Process Equipment”-** ASCON® process conversion equipment and systems as engineered, designed and built by or for Enviro for the purpose of converting asbestos or asbestos containing materials to non-hazardous material.
- 4.6 “Capital Contributions”-** The amount of money and the fair market value of any property contributed to the Joint Venture by a Partner. This shall include all such contributions to the capital of the Joint Venture whenever made.

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5 SPECIFIC TERMS OF THE SUPPLY AND LICENCE AGREEMENT

The terms and conditions of the Licence Agreement are incorporated herein with the same force and effect as if such terms and conditions were fully set forth herein.

6 CONTRIBUTIONS

- 6.1 Initial Contribution.** The initial capital contribution of each Party shall be as follows:

ASCON - \$0.

Enviro – AUD\$50,000.

- 6.2 Required Additional Capital Contributions.** ASCON shall not be responsible for contributing any additional funds to the capital of the Joint Venture.

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9 MANAGEMENT

- 9.1 General.** Except as otherwise provided in this Agreement, all decisions affecting the Joint Venture’s business and affairs shall be made by both Parties.
- 9.2 Management Authority.** Except as otherwise provided for herein, ECTech shall have the authority to manage the day-to-day operations and affairs of the Joint Venture.

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10 RESERVATION OF RIGHTS

All rights, title and interest in and to the ASCON® Tech Mark, the ASCON® Products, the ASCON® Method and ASCON® Process Equipment shall remain the sole property of ASCON.

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15 NO WITHDRAWAL FROM THE JOINT VENTURE

Each of the Parties hereby covenants and agrees that it will not withdraw from the Joint Venture prior to the end of the term of the Joint Venture, unless otherwise agreed by both Parties or dictated by the Licence and Supply Agreement. Each Party further covenants and agrees that it will carry out its duties and responsibilities hereunder until the Joint Venture is terminated, liquidated, and dissolved pursuant to Article 19 hereof.

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19 DISSOLUTION AND LIQUIDATION OF THE JOINT VENTURE

Dissolving Events. Each of the following shall constitute a Dissolving Event:

- a. The abandonment or discontinuance of the Joint Venture based on approval of both parties;
- b. The agreement of both Parties to dissolve the Joint Venture;
- c. The sale by the Joint Venture of all or substantially all of its assets, which sale shall require the unanimous consent of the Parties; or
- d. Upon any event of termination specified elsewhere in the Agreement.

20 EFFECT OF OCCURRENCE OF DISSOLVING EVENT AND LIQUIDATION OF JOINT VENTURE

20.1 Upon the occurrence of a Dissolving Event listed in Article 19 (a)- (d) hereof, the purpose of the Joint Venture shall be deemed accomplished or abandoned and the Joint Venture shall continue solely for the purpose of winding up its affairs and collecting amounts due. Accordingly, unless otherwise agreed by both Parties, all of the assets of the Joint Venture shall be sold for cash. The Proceeds of such sales, together with all amounts owed to and collected by the Joint Venture, shall be applied in the following manner and order of priority:

- a. To the payment of debts and liabilities of the Joint Venture and the expenses of liquidation in the order or priority as provided by law; then
- b. To the Parties in proportion to their Joint Venture Percentage Interests.

21 TERM AND TERMINATION

- 21.1 Unless terminated earlier as provided below, this Agreement shall continue for a term of ten (10) years from the effective date stated above. Enviro shall have the right to renew this Agreement for successive terms for five years each, by submitting to ASCON in writing an indication of its intent to renew. ASCON shall have the right to update the terms of the Agreement, effective the beginning of any renewal term, upon sixty (60) days prior notice to Enviro, in order to conform it to those of licences then being granted by ASCON to others to use the ASCON® Method. If Enviro is not willing to accept the terms as updated, it shall have the right to terminate this Agreement by notice to ASCON to that effect.
- 21.2 If Enviro breaches any of its material obligations under this Agreement, ASCON shall have the right to give Enviro notice of such breach and, if Enviro fails to cure such breach within forty-five (45) days after the receipt of such notice, ASCON may terminate this Agreement and the licences granted immediately by Notice to Enviro to that effect.
- 21.3 No termination of this Agreement, regardless of cause, shall relieve Enviro of the obligation to pay ASCON for ASCON® Products, services and equipment ordered prior to termination.

22 ENTIRE AGREEMENT

This Agreement is intended by the Parties to be the final expression of their Agreement and is the complete and exclusive statement of the terms thereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made.

This Agreement and its performance shall be governed by the laws of the State of Victoria, Australia.

IN WITNESS WHEREOF, the Parties hereto have executed and sealed this Agreement as of this 10th day of December, 2011.

ASCON Technology LLC

By: David Smith 10th December 2011
Attest: Nora Jones 10th December 2011

Enviro Clean Australia Pty Ltd

By: Tony Jones 10th December 2011
Attest: Rodney Jones 10th December 2011

Exhibit 2

Licence Agreement

THE LICENCE AGREEMENT made and entered into as of the **23rd December 2011** by and between **Enviro Clean Australia Pty Ltd (hereinafter referred to as “Enviro”)** and **ASCON Technology LLC (hereinafter referred to as “ASCON”)**. Said parties being hereinafter referred to collectively as the “Parties” and individually as a “Party”.

WITNESSETH THAT:

WHEREAS, ASCON has an exclusive licence to patent rights in the United States and abroad and proprietary technical information and trade secrets, all of which related to the ASCON® Method of asbestos destruction and conversion to a non-toxic material and proprietary methods, equipment, chemicals and services used in carrying out the ASCON® Method.

WHEREAS, Enviro wishes to receive the ASCON® proprietary technical information, and a licence to practice the ASCON® Method, and to receive the ASCON® Equipment, Chemicals and Services for use in its asbestos destruction and conversion operations; and

WHEREAS, ASCON, through its managing member, Mr. David. Smith, has extensive experience in asbestos destruction industry and wishes to provide an exclusive licence to Enviro to practice the ASCON® Method in the Territory, under ASCON patent rights, proprietary technical information and trade secrets with the right to train and certify others in the ASCON® Method, and after training and certification, have a licence issued by ASCON to their certified owners and contractors and ASCON® Certificates issued to their certified asbestos workers, who successfully complete the ASCON® training course, for the purpose of exploiting the ASCON® process and ASCON® Chemicals within the Territory;

WHEREAS, ASCON is willing to grant such a licence to Enviro as spelled out below;

NOW, WHEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, both Parties agree as follows:

1 ASCON® INFORMATION

- 1.1** ASCON shall make available to Enviro such portions of the ASCON® Proprietary Technical Information as ASCON deems necessary for Enviro to practice the ASCON® Method.

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2 DEFINITIONS

- 2.1 “ASCON® Method or ASCON® Process”**- A non-thermal process which destroys all six forms of asbestos by chemical-physical means.
- 2.2 “Territory”**- On the signing of this Agreement, the Territory will be Australia, Christmas Island, Cocos Island and Singapore.

3 LICENCE AGREEMENT

- 3.1** ASCON hereby grants Enviro an exclusive licence in the Territory under the ASCON® Patents to perform and have performed the ASCON® Method.
- 3.2** ASCON also grants Enviro an exclusive licence in the Territory to train and certify owners of facilities containing asbestos, their certified asbestos workers, their contractors and their certified asbestos workers in the safe handling and operation of the ASCON® Process.

4 SUPPLY OF ASCON® EQUIPMENT, CHEMICALS AND SERVICES

- 4.1** Enviro agrees to purchase all of its requirements of ASCON® Equipment and Services solely from ASCON at a price of cost plus fixed 10%.

5 CONSULTING SERVICES

- 5.1** ASCON will provide the following consulting services:
- a.** Provision of written materials for the purposes of training and certifying other contractors, and owners who wish to practice the ASCON® Method as well as their certified asbestos workers;
 - b.** Support in the writing of ASCON® PowerPoint presentation for the purpose of government approvals and sales;
 - c.** Support in writing a business plan for ECTech;
 - d.** Support in obtaining both Australian Country Environmental Protection Agency approvals and Australian individual state Environmental Protection Agency Approvals;
 - e.** Support and assist in technical writing for the ASCON® process for Enviro use only;
 - f.** Support and assist in the training of Enviro personnel and consultation and support for the purpose of licensing, training and certifying other contractors, and owners who wish to practise the ASCON® Method as well as their certified asbestos workers;

- g. Support and assist in presenting ASCON® Worker Chemical Seminar Process Equipment “Hands on” Training; Cross-Training on all equipment; Quality Assurance and Quality Control Program; Facility Management Plan; Respirator Protection Plan; Chemical Hygiene Communication Plan; Health and Safety Plan; Lock-Out/Tag-Out Procedures. All of which Enviro will have in place within sixty (60) days of the signing of the Licence Agreement;
- h. Support and assist Enviro in all requirements to implement the ASCON® process, and
- i. Support marketing efforts, i.e. support the drafting of the Marketing Plan and support identification of potential markets in the Territory.

6 ENGINEERING SERVICES

- 6.1** ASCON will be the sole provider of engineering services for the purpose of designing and building ASCON® conversion system equipment. Enviro will be the sole distributor of engineering services through ASCON:
- a. ASCON will be the sole equipment provider and designer for all components of the ASCON® Process;
 - b. Enviro will provide necessary representative samples of asbestos or asbestos containing materials for treatability studies;
 - c. Enviro will provide any necessary building drawings, building or containment specifications and dimensions and entrance and exit locations, property size etc that will house and use the ASCON® process and Equipment.
 - d. ASCON will be the sole equipment designer and builder for ASCON® Licensees who use the ASCON® Process and Enviro will be the sole distributor of equipment for the Territory through ASCON;
 - e. ASCON will provide equipment testing before shipping of equipment.

7 GENERAL OBLIGATIONS OF ENVIRO

- 7.1** The general obligations of Enviro are as follows:
- a. To safely and effectively operate asbestos conversion facilities for the treatment of asbestos using the ASCON® Process;
 - b. To train and certify in the ASCON® Method, asbestos contractors and their certified asbestos workers, to train and certify the owners of facilities with asbestos containing material and their certified asbestos workers in the safe and effective treatment of asbestos using the ASCON® Process and to monitor the aforementioned safe operation of the ASCON® Process;

- c. Actively and diligently promote, market and advertise the ASCON® Process throughout the Territory;
- d. Provide ASCON with adequate amounts of asbestos samples for treatability studies for the purpose of chemical formulations to maximize material throughput and minimize ASCON® chemical use;
- e. Rent, lease or sell ASCON® asbestos conversion systems throughout the Territory through ASCON, as the sole sales representatives of ASCON;

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8 PAYMENTS

8.1 All equipment and services provided by ASCON will be billed at a cost plus fixed 10% fee that will include direct and indirect costs; General and Administrative Costs; Overhead rates and a fixed fee. An hourly rate will be provided, as well as all other costs needed to support these costs of charges.

8.2 Enviro will provide in advance, an expense account, as specified in 8.4 below, with sufficient monies to cover all expenses and work being performed by ASCON to include but not to be limited to travel, meals and loading in the U.S. and abroad. (Attachment A) These charges will be at the reasonably best rate available.

8.3 One-time contract payments are to be scheduled as follows:

1. AUD\$50,000.00 on signing of this Agreement;
2. AUD\$50,000.00 within 30 days of signing this Agreement;
3. AUD\$50,000 upon first ASCON® Conversion System Completion;
4. AUD\$50,000.00 upon Australian EPA approval.

8.4 Payments for services including Consultation, Engineering Design and the Building of Equipment and Training of Enviro personnel will be made in AUD currency by a Letter of Credit acceptable to ASCON, which will represent the monthly estimated costs of the aforementioned services. Funds will be released from the Letter of Credit, after approval of invoices by Enviro for these services. Approval must be within one week of invoice submittal to Enviro.

9 TERM AND TERMINATION

9.1 Unless terminated earlier as provided below, this Agreement shall continue for a term of ten (10) years from the effective date stated above. Enviro shall have the right to renew this Agreement for successive terms for five (5) years each, by submitting to ASCON in writing an indication of its intent to renew. ASCON shall have the right to update the terms of the

Agreement, effective the beginning of any renewal term, upon sixty (60) days prior notice to Enviro, in order to conform it to those of licences then being granted by ASCON to others to use the ASCON® Method. If Enviro is not willing to accept the terms as updated, it shall have the right to terminate this Agreement by notice to ASCON to that effect.

- 9.2** If Enviro breaches any of its material obligations under this Agreement, ASCON shall have the right to give Enviro notice of such breach and, if Enviro fails to cure such breach within forty-five (45) days after the receipt of such notice, ASCON may terminate this Agreement and the licences granted immediately by Notice to Enviro to that effect.
- 9.3** No termination of this Agreement, regardless of cause, shall relieve Enviro or licensees of the obligation to pay ASCON for ASCON® Products, services and equipment ordered prior to termination.

10 ENTIRE AGREEMENT

This Agreement is intended by the Parties to be the final expression of their Agreement and is the complete and exclusive statement of the terms thereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made.

This Agreement and its performance shall be governed by the laws of the State of Victoria, Australia.

IN WITNESS WHEREOF, the Parties hereto have executed and sealed this Agreement as of this 23rd day of December, 2011.

ASCON Technology LLC

By: David Smith 23rd December 2011

Attest: Nora Jones 23rd December 2011

Enviro Clean Australia Pty Ltd

By: Tony Jones 23rd December 2011

Attest: Rodney Jones 23rd December 2011

Attachment A

Task	Scope of Work	Estimated Budget AUD
PM	Project Management	\$92,500.00
CS	Consulting Support	\$121,500.00
SP	Subcontract Procurement	\$5,000.00
PRE	Pre-AEPA Research and Conference	\$10,000.00
DRA	Drawing and Documentation	\$20,500.00
EC	Engineering and Consulting	\$34,000.00
TS	Treatability Study	\$10,000.00
TR	Transite Recycle Value	\$10,000.00
ED	Engineering and Design	\$85,000.00
EP	Equipment Procurement (Refer to Equipment Agreement)	
	2 Mega Mills	\$345,000.00
	Pumps and Instrumentation	\$100,000.00
	Trailer Con/Peripheral Equipment	\$280,000.00
	Size Reduction Equipment	\$125,000.00
	Conveyor System	\$60,000.00
	Holding Tanks	\$100,000.00
	Peripheral Debris and Wash System	\$125,000.00
MSC	Modular System Construction	\$80,000.00
SI	System Integration and Test	\$50,000.00
AT	Australia Testing	\$40,000.00
RDD	RD&D Testing	\$60,000.00
TML	Travel, Meals and Lodging	\$23,000.00
RB	Report and Billing	\$7,700.00
CHE	First Chemical Sales	\$15,800.00
	Total	\$1,800,000.00

Exhibit 3

Purchase and Sale of Equipment Agreement

This Agreement for Purchase and Sale of Equipment is entered into as of the 5th April 2012 by and between **Enviro Clean Australia Pty Ltd (hereinafter referred to as “Buyer”)** and **ASCON Technology LLC (hereinafter referred to as “Seller”)**. Said parties being hereinafter referred to collectively as the “Parties” and individually as a “Party”.

1 SYSTEMS PURCHASED

- 1.1** For the period beginning on the effective date of this Agreement as stated above, the Buyer shall purchase the Buyer’s requirements for ASCON® Tech components(s), as specified in Attachment A of this Agreement from the Seller and the Seller shall supply the Buyer’s requirements for such systems.
- 1.2** The Seller will manufacture and deliver to the Buyer the ASCON® Tech System in accordance with the Milestone Schedule in Attachment B of this Agreement.

2 PAYMENTS

- 2.1** The purchase price to be paid by the Buyer to the Seller for each component(s) and all spare parts will be negotiated in good faith based upon the estimated manufacturing cost for such component(s).
- 2.2** The purchase price for all components supplied under this Agreement shall be payable within thirty (30) days of the receipt of the relevant invoice from the Seller.

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7 TITLE AND RISK OF LOSS

Title to and the risk of loss, injury or destruction of any System or its component(s) from any cause whatsoever shall pass to the Buyer, upon the delivery and acceptance of such System to the delivery location.

8 TERMINATION

- 8.1** The Seller may not withhold performance or terminate this Contract void if the Buyer disputes any invoice or portion of any invoice in good faith and fails to pay such invoice while the dispute is pending.
- 8.2** The Buyer may withhold payment in whole or part of any amount due or claimed by the Seller to such extent as may be necessary to protect the

Buyer from loss on account of defective systems or services, third party claims arising from the Seller's performance under this Agreement, failure of the Seller to make payments promptly to employee, suppliers, and contractors, and exceptions through audits or liabilities of the Seller to the Buyer under this Agreement.

8.3 Either Party may terminate this Contract at any time during Term, upon forty-five (45) days prior written notice to the other party, if the other party materially breaches any term or condition of this Agreement and fails to cure such breach within the forty-five (45) days cure period. A "material breach" shall mean a material misstatement or omission in any representation or warranty of a party, or a breach or default in the performance of any agreement, covenant or obligations of a Party hereto which, in any such case, deprives the non-breaching Party of a material right or benefits in any material respect.

...

13 ENTIRE AGREEMENT

This Agreement is intended by the Parties to be the final expression of their Agreement and is the complete and exclusive statement of the terms thereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made.

This Agreement and its performance shall be governed by the laws of the State of Victoria, Australia.

14 AUTHORITY AND ASSURANCES

The Parties executing this Agreement on behalf of the Buyer and the Seller represent and warrant that they have the corporate and other authority to enter into this Agreement and to bind their respective companies to all the terms and conditions of this Agreement.

Both Parties agree to execute such additional documents and perform such acts as are reasonably necessary to effectuate the intent of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed and sealed this Agreement as of this 5th day of April, 2012.

ASCON Technology LLC

By: David Smith 5th April 2012

Attest: Nora Jones 5th April 2012

Enviro Clean Australia Pty Ltd

By: Tony Jones 5th April 2012

Attest: Rodney Jones 5th April 2012

Attachment A

ASCON® Tech System Component(s) Breakdown Estimate

Components	AUD
2 Mega Mills	\$345,000.00
Pumps and Instrumentation	\$100,000.00
Trailer Con/Peripheral Equipment	\$280,000.00
Size Reduction Equipment	\$125,000.00
Conveyor System	\$60,000.00
Holding Tanks	\$100,000.00
Peripheral Debris and Wash System	\$125,000.00
Miscellaneous	\$50,000.00
Subtotal	\$1,185,000.00
Profit (10%)	\$118,500.00
Estimated Total	\$1,303,500.00

Attachment B

Milestones Schedule

Project	May	June	July	Aug	Oct	Nov	Dec	Jan 2013
Subcontract Procurement	x	x	x					
Drawing Approvals		x	x					
Fabrication				x	x			
Factory Acceptance Test						x		
Ship to Systemisation Site							x	
Setup for Systemisation							x	
Training Systemisation Test							x	
Disconnect & Package for Shipment to Australia								x

Exhibit 4

Date: 27 December 2011

From: Tony Jones (Tjones@enviro.com.au)

To: David Smith (David.smith@ascon.com)

Subject: 1st Payment

Dear David,

How are you? I hope you are enjoying the festive season.

I just wanted to inform you that we have made the payment of \$50,000 *directly* to ASCON's account. We note that the next payment is due sometimes end of next month.

Thank you and enjoy the snow!

Cheers,

Tony Jones
Director
Enviro Clean Australia Pty Ltd
21 Darling Street
Macair, VIC 3054
Ph: (613) 9934 9999
Fax: (613) 9934 8888

Exhibit 5

Date: 6 March 2012

From: David Smith (David.smith@ascon.com)

To: Tony Jones (Tjones@enviro.com.au)

Subject: Purchase Order

Dear Tony,

We had a Board meeting the other day they advised me that:

- 1) Your company is required to make the 2nd payment of \$50,000 to start the AEPA, WorkCare Approval Process and Equipment Design;
- 2) You are required to provide a business and marketing plan for approval by our Board.

I explained to the Board that it would be almost impossible for Item 2 to be done within this month and so they have agreed to give you an extension until 30 May to supply these documents. I could not convince them to give your company an extra time for Item 1 though.

As I have stated in the past, I am very fond of you and your brother. Unfortunately, you have put me in a very bad position and made me look as though my business acumen and judgment of character are very poor because I have defended, to some extent, your non-compliance with the agreements, especially allowing you to make the second licence fee payment late.

Please let me know in writing if you intend to comply with the above.

Best regards,

David Smith
Manager

“Clean Asbestos Conversion Brings Value to Your Business”™

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007
Ph: (212) 456-7891
Fax: (212) 123-7891

Exhibit 6

Date: 7 March 2012

From: Tony Jones (Tjones@enviro.com.au)

To: David Smith (David.smith@ascon.com)

Subject: RE Purchase Order

Dear David,

Thank you for the continued support and we are very committed to making this work. We have been working tirelessly behind the scene to move the venture forward and we have committed a lot of resources and money to the project so far. We admit that everything has not fallen within the perimeters that we agreed to because of the complex issues we are dealing with, especially with prospective investors.

We will deposit \$25,000 into your account tomorrow to start the AEPA WorkCare + design process and the remaining balance will be paid next month.

I would also appreciate if you could work with me on the business plan and marketing plan.

We are full steam ahead to make this work in the Eastern Hemisphere and with your ongoing help, both companies will reap the rewards we have set out to achieve.

Any news on the third agreement?

Warm regards,

Tony Jones
Director

Enviro Clean Australia Pty Ltd

21 Darling Street

Macair, VIC 3054

Ph: (613) 9934 9999

Fax: (613) 9934 8888

Exhibit 7

Date: 15 March 2012

From: David Smith (David.smith@ascon.com)

To: Tony Jones (Tjones@enviro.com.au)

Subject: 2nd Payment

Dear Tony,

We confirm we have received the payment of \$25,000 and I have also sent the corresponding copy of the Equipment Agreement along with the breakdown in costs for different parts.

Bob (our R&D officer) and I are working to see if we can save some money and make the equipment simpler.

Once done, I will invoice for the down payment and for work that has been done to date. I have started to work on your business plan but won't get back to it until next week. Once finished I will send to you for review.

I will also have Sue work on your marketing plan.

I look forward to the trip across and the meeting with WorkCare.

Best regards,

David Smith
Manager

"Clean Asbestos Conversion Brings Value to Your Business"™

ASCON Technology LLC

10 Clements Avenue, Suite 1234

New York, NY 10007

Ph: (212) 456-7891

Fax: (212) 123-7891

Exhibit 8

Date: 20 April 2012

From: David Smith (David.smith@ascon.com)

To: Tony Jones (Tjones@enviro.com.au)

Subject: Equipment Contract and Invoice EA 1001 & EA 1002

Dear Tony,

We have received the signed copy of the Equipment Contract in the mail and the balance of the 2nd licence payment. I have attached the first two Invoices here.

We have also been able to reduce the cost of the equipment by approximately \$30,000 by redesigning the primary mixer. This could also mean that we could be weeks ahead for shipment to Australia.

All contracts are in place, except for the pump contractor.

I am getting really excited to meet you all again next week.

PS: The amounts are all in AUD

Regards,

David Smith
Manager

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ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007
Ph: (212) 456-7891
Fax: (212) 123-7891

Attachment 1:

Invoice

EA 1001

Date Prepared: 18 April 2012

Due Date: 18 May 2012

ASCON Technology LLC

10 Clements Avenue, Suite 1234

New York, NY 10007

Ph: (212) 456-7891

Fax: (212) 123-7891

Bill To

Enviro Clean Australia Pty Ltd

21 Darling Street

Macair, VIC 3054

Ph: (613) 9934 9999

Fax: (613) 9934 8888

No.	Description	Amount AUD
1.	Contract Negotiation, Contract Preparation, Pre-engineering Conference and Travel	\$37,500.00
	Invoice Total	\$37,500.00

Attachment 2:

**Invoice
EA 1002
Date Prepared: 18 April 2012
Due Date: 18 May 2012**

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007
Ph: (212) 456-7891
Fax: (212) 123-7891

Bill To

Enviro Clean Australia Pty Ltd
21 Darling Street
Macair, VIC 3054
Ph: (613) 9934 9999
Fax: (613) 9934 8888

No.	Description	Amount AUD
	Equipment Down Payment to Drawing Approval	
1.	Smasher & Sentry Crushers	\$44,443.00
2.	Screw Conveyors	\$25,976.00
3.	Primary Mixer	\$32,373.00
4.	Peristaltic Pumps	\$79,649.00
5.	Certification Tanks	\$14,400.00
6.	Electrical Panel & Hookups	\$22,124.00
7.	Debris Wash systems	\$45,000.00
8.	Replacement Shafts	\$11,000.00
9.	Miscellaneous	\$5,409.00
	Sub-total of the above	\$280,374.00
	Fee (10%)	\$28,037.40
	Invoice Total	\$308,411.40

Exhibit 9

Date: 27 April 2012

From: Tony Jones (Tjones@enviro.com.au)

To: David Smith (David.smith@ascon.com); Rodney Jones (Rjones@enviro.com.au)

Subject: Future Needs and Directions

Good afternoon everyone,

This is a file note with regards to our discussions held at WorkCare yesterday. David Smith went through his presentation of the ASCON Tech ® conversion system to members of WorkCare Victoria and several other union officials. I will confirm other attendees once I have their names.

David went through the presentation frame by frame and allowed question of the process, the destruction of asbestos, the overall plant structure proposed and the time that he has taken to develop the system over the past 27 years.

There was much negativity towards the ability of the system to actually destroy asbestos, that the process would have harmful by-products and that the process would not be effective in the total destruction of asbestos products, the main one being highlighted for the majority of the discussion was the asbestos roofing products.

I am not going to highlight all the comments made, however, David did have adequate answer for all questions raised. Now we just have to produce supporting documentations from USA E.P.A to progressively eliminate the negativity raised during our two-hour long presentation. We now have to arrange for the following documentation/evidence to be produced:

1. MSDS: Material Safety Data Sheet, for each chemical used in the process;
2. Copies of proposed plans and layout of fixed structure of the Destruction Plant to be located in Werribee;
3. Werribee local council approval to store and process Asbestos;
4. Video of the actual plant working fully from USA, perhaps up to 30 minutes, we must ensure the suppression of dust is evident;
5. Employee records and ongoing health check records of staff employed by ASCON USA confirming that there are no side-effects, sickness or deaths related to asbestos;
6. The background of ASCON USA;
7. Business Plan, Marketing Plan and Training Manual (we think that your company is best equipped to compile and provide these documents. Other than for WorkCare purposes, we need these ASAP to start promoting the ASCON® Method and Process throughout the "Territory");
8. Evidence of a monitoring system for the initial test.

In summary, this is Round One, might have been against the ropes but we have many to go to win the fight and we will win the fight.

Warm regards,

Tony Jones
Director

Enviro Clean Australia Pty Ltd

21 Darling Street

Macair, VIC 3054

Ph: (613) 9934 9999

Fax: (613) 9934 8888

Exhibit 10

Date: 19 May 2012

From: Tony Jones (Tjones@enviro.com.au)

To: David Smith (David.smith@ascon.com)

Subject: Moving forward

Dear David,

We cannot schedule another meeting with WorkCare unless you provide us with all the relevant documents as per my email dated 27 April 2012. We need these urgently. How are you going with both the business and marketing plans?

We have made the payment for Invoices EA 1001 and 1002 and the 3rd licence fee payment.

At this stage, could you also advise us of a final figure for the equipment purchase? We are of the opinion that a fixed price contract would be more beneficial for both parties.

Could you also provide more information/details in any future invoices. For example, please specify what are included under "Miscellaneous" or explain how we can reconcile this with the Equipment Breakdown Estimation.

Warm regards,

Tony Jones
Director

Enviro Clean Australia Pty Ltd

21 Darling Street

Macair, VIC 3054

Ph: (613) 9934 9999

Fax: (613) 9934 8888

Exhibit 11

Date: 28 May 2012

From: David Smith (David.smith@ascon.com)

To: Tony Jones (Tjones@enviro.com.au)

Subject: Invoice EA 1003 Attached

Dear Tony,

Please See Attached.

Thank you for the payment.

Tony, we are of the opinion that your people in Australia are too dependent on us here. Remember, this is a joint venture and it takes two to tango. We are starting to feel the burden. LET'S MAKE THIS WORK TOGETHER.

I am afraid we cannot provide that figure as yet and it is impossible in a venture such as this to have a "fixed contract price".

In addition, before we could provide you with the OH&S related documentation, please make the 4th licence payment to our account as soon as possible.

Regards,

David Smith
Manager

"Clean Asbestos Conversion Brings Value to Your Business"™

ASCON Technology LLC

10 Clements Avenue, Suite 1234

New York, NY 10007

Ph: (212) 456-7891

Fax: (212) 123-7891

Attachment:

**Invoice
EA 1003
Date Prepared: 15 May 2012
Due Date: 15 June 2012**

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007
Ph: (212) 456-7891
Fax: (212) 123-7891

Bill To

Enviro Clean Australia Pty Ltd
21 Darling Street
Macair, VIC 3054
Ph: (613) 9934 9999
Fax: (613) 9934 8888

No.	Description	Amount AUD
1.	Consulting Support	\$35,285.48
2.	Preparation of Business Plan and Training Manual	\$550.00
3.	Video Producer and Director	\$500.00
4.	Travel, Meals and Lodging	\$3,213.08
5.	Miscellaneous	\$2,088.91
	Sub-total of the above	\$41,637.47
	Fee (10%)	\$4,163.75
	Invoice Total	\$45,801.22

Exhibit 12

Date: 25 June 2012

From: David Smith (David.smith@ascon.com)

To: Tony Jones (Tjones@enviro.com.au)

Subject: Invoice EA 1004 & 1005 Attached

Dear Tony,

We have received the payment for Invoice EA 1003. I would like to remind you that the payment was made late. I am sure you do not want me to face the same predicament with the Board again. I can only give you my personal details for insurance purposes as soon as you make the payment for Invoice EA 1004 & 1005.

Regards,

David Smith
Manager

“Clean Asbestos Conversion Brings Value to Your Business”™

ASCON Technology LLC

10 Clements Avenue, Suite 1234

New York, NY 10007

Ph: (212) 456-7891

Fax: (212) 123-7891

Attachment 1:

Invoice

EA 1004

Date Prepared: 20 June 2012

Due Date: 20 July 2012

ASCON Technology LLC

10 Clements Avenue, Suite 1234

New York, NY 10007

Ph: (212) 456-7891

Fax: (212) 123-7891

Bill To

Enviro Clean Australia Pty Ltd

21 Darling Street

Macair, VIC 3054

Ph: (613) 9934 9999

Fax: (613) 9934 8888

No.	Description	Amount AUD
1.	Consulting Support	\$15,285.48
2.	Engineering and Design	\$10,000.00
3.	Miscellaneous	\$2,000.08
4.	Drafting Monitoring Manual	\$213.00
5.	Overhead Allocation	\$116.91
	Sub-total of the above	\$27,615.47
	Fee (10%)	\$2,761.55
	Invoice Total	\$30,377.02

Attachment 2:

**Invoice
EA 1005
Date Prepared: 20 June 2012
Due Date: 20 July 2012**

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007
Ph: (212) 456-7891
Fax: (212) 123-7891

Bill To

Enviro Clean Australia Pty Ltd
21 Darling Street
Macair, VIC 3054
Ph: (613) 9934 9999
Fax: (613) 9934 8888

No.	Description	Amount AUD
1.	Screw Conveyor Systems (4 Units)	\$115,285.48
2.	Primary Mixer with Immediate Necessary Spare Parts, Variable Speed Drive and Chiller (1 Unit)	\$100,000.00
2.	Certification tanks (2 Units)	\$50,000.00
5.	Miscellaneous	\$11,116.91
	Sub-total of the above	\$276,402.39
	Profit (10%)	\$27,640.24
	Invoice Total	\$304,042.63

Exhibit 13

Date: 1 August 2012

From: Tony Jones (Tjones@enviro.com.au)

To: David Smith (David.smith@ascon.com)

Subject: Disappointment

Dear David,

We are disappointed that you have not provided us with your personal details to enable us to protect our investment thus far. As mentioned numerous times in our phone call conversations, we need to take out a key person insurance otherwise we feel that our investment thus far is unacceptably high risk.

We also require a final figure for the machinery purchase.

We also have not received any MSDS information on all chemicals to be used, any safety procedures or monitoring systems. Without this kind of information, we cannot gain Victorian EPA and WorkCare Approvals. Need we remind you that we DO NOT hold any formula for the process of destruction of asbestos and other processes within the plant structure. (Refer to our email dated 27 April 2012).

We have responsibility to our shareholders to provide accurate and precise information when requested. As you can appreciate, it is extremely difficult to move forward and resolve this when we cannot see any co-operation from you. We want to move forward on a level playing field, fully transparent with accurate and precise information and a figure that can be properly budgeted towards.

Regards,

Tony Jones
Director

Enviro Clean Australia Pty Ltd

21 Darling Street

Macair, VIC 3054

Ph: (613) 9934 9999

Fax: (613) 9934 8888

Exhibit 14

Date: 15 August 2012

From: David Smith (David.smith@ascon.com)

To: Tony Jones (Tjones@enviro.com.au)

Subject: RE Disappointment

Dear Tony,

A contract is a contract. Both Invoices EA 1004 and 1005 have not been paid yet. We are also very disappointed.

We believe we have provided adequate detail of the subject matter of such invoices. Whilst we are prepared to address any reasonable specific enquiry, we view your request as simply, a delaying tactic in respect of discharging contractual obligations that are now due and payable to ASCON.

This delay leaves ASCON exposed to its suppliers for which it has previously entered into contractual obligations in reliance of statements from Australia as to financial resources available to discharge obligations, and without previously insisting on the letter of credit contemplated by the licence agreement.

ASCON is paying its suppliers consistent with its obligations. ASCON is not prepared to remain exposed in these circumstances and, wherever possible, will attempt to defer if not cancel arrangement with its suppliers.

Enviro is acquiring a single, multi component system from ASCON pursuant to the Equipment Agreement. The issue of insurable interest Enviro has in the subject of the partially completed contract and the (progressive) value of that interest is a matter for Enviro and its insurers.

Moreover, despite your desire to have a fixed price contract, the arrangement that has been struck between the parties does not permit this. Variables such as design work and travelling expenses etc are not specifically set out.

As to the Licence agreement, Enviro does not hold and will not be given access to ASCON's confidential formulae and other proprietary information. Furthermore, it is Enviro's obligations to obtain whatever registrations and permits required in order to introduce and implement the ASCON® process in Australia. Similarly, it is Enviro's obligations to provide necessary representative samples of asbestos or asbestos containing material for treatability studies. Without these samples, we cannot identify relevant chemicals.

Whilst the existing defaults continue, and without the provision of a Letter of Credit (AUD\$1,000,000.00), I am not obliged to and decline to participate in any insurance concerning myself that Enviro may wish to seek. The experience of Enviro to date suggests that it is either under-funded or over-committed. But

these are problems for Enviro to resolve. Ultimately, it is Enviro's choice whether to discharge its obligations or face the consequences of failing to do so.

Regards,

David Smith
Manager

"Clean Asbestos Conversion Brings Value to Your Business"™

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007
Ph: (212) 456-7891
Fax: (212) 123-7891

Exhibit 15

ASCON Technology LLC

“Clean Asbestos Conversion Brings Value to Your Business”™

Notice of Termination (Joint Venture Agreement, Licence Agreement and Purchase and Sale of Equipment Agreement)

Dated: 1 October 2012

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007

To: **Enviro Clean Australia Pty Ltd**
21 Darling Street
Macair, VIC 3054
Attention: Tony Jones

1. Enviro Clean Australia Pty Ltd has materially breached the “Joint Venture Agreement”, the Licence Agreement” and the “Purchase and Sale of Equipment Agreement” entered into with ASCON Technology LLC.
2. Enviro Clean Australia Pty Ltd has failed or refused to remedy the material breach(es) in full.
3. By this Notice, ASCON Technology LLC hereby terminates the said Agreements and the licences thereby granted to Enviro Clean Australia Pty Ltd.
4. ASCON Technology LLC continues to expressly reserve all of its rights in relation to or arising under the said Agreements, any other breaches of the said Agreements generally, and does not waive any such rights by this Notice.

Exhibit 16

Enviro Clean Australia Pty Ltd

NOTICE OF BREACH

Dated: 10 October 2012

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007

FOR THE URGENT ATTENTION OF MR DAVID SMITH

1. ASCON Technology LLC has materially breached the Joint Venture Agreement entered into with Enviro Clean Australia Pty Ltd on 10 December 2011.

Particulars of Breach:

- (a) Failing to provide adequate engineering and consulting services;
- (b) Failing to co-operate;
- (c) Failing to provide adequate notice of breach.

2. ASCON Technology LLC has materially breached the Licence Agreement entered into with Enviro Clean Australia Pty Ltd on 23 December 2011.

Particulars of Breach:

- (a) Failing to provide written materials for the purposes of training;
- (b) Failing to provide support in drafting a business plan for ECTech;
- (c) Failing to provide support in obtaining relevant environmental protection approvals;
- (d) Failing to support and assist in all requirements to implement the ASCON® Process;
- (e) Failing to support marketing efforts;
- (f) Failing to co-operate;
- (g) Failing to provide adequate notice of breach.

3. ASCON Technology LLC has materially breached the Purchase and Sale of Equipment Agreement entered into with Enviro Clean Australia Pty Ltd on 5 April 2012.

Particulars of Breach:

- (a) Failing to negotiate costs;
- (b) Failing to provide adequate information pertaining to costs;
- (c) Wrongfully terminating the Agreement;

- (d) Failing to provide adequate notice of breach;
- (e) Failing to perform such acts as reasonably necessary to effectuate the intent of the Agreement;
- (f) Failing to co-operate.

Should your company fail to cure the aforementioned breaches within forty-five (45) days of receipt of this Notice, Enviro Clean Australia Pty Ltd will terminate all three Agreements and take all necessary legal action.

4. Enviro Clean Australia Pty Ltd refused to comply with any requests from ASCON Technology LLC as those requests were made with undue pressure.

Tony Jones 10 October 2012

Rodney Jones 10 October 2012

Exhibit 17

Enviro Clean Australia Pty Ltd

NOTICE OF TERMINATION

Dated: 30 November 2012

ASCON Technology LLC
10 Clements Avenue, Suite 1234
New York, NY 10007

FOR THE URGENT ATTENTION OF MR DAVID SMITH

1. ASCON Technology LLC has materially breached the “Joint Venture Agreement”, the “Licence Agreement” and the “Purchase and Sale of Equipment Agreement” entered into with Enviro Clean Australia Pty Ltd.
2. ASCON Technology LLC has failed or refused to remedy the material breach(es) in full.
3. By this Notice, Enviro Clean Australia Pty Ltd hereby terminates the said Agreements.
4. Enviro Clean Australia Pty Ltd continues to expressly reserve all of its rights in relation to or arising under the said Agreements, any other breaches of the said Agreements generally, and does not waive any such rights by this Notice.

Tony Jones 30 November 2012

Rodney Jones 30 November 2012

Exhibit 18

Procedural Order(s)

1. The Arbitral Tribunal has been duly constituted and all procedural issues have been settled between the Parties.
2. Notwithstanding Order 1, the Arbitral Tribunal at the hearing may hear any procedural issues that are also substantive in nature that may arise under the three Agreements.
3. Both the Claimant and the Respondent must provide the Arbitral Tribunal with a Memorandum in support of its legal position.