

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Additional Estimates 2004-2005, 16 February 2005

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
OUTCOME/OUTPUT: Outcome 1, Output 1.2
TOPIC: RESTRICTIONS ON SYNTROLEUM LICENCE
REFERENCE: HANSARD 16/02/05, PAGE E53

QUESTION No.21
(Hansard 16/02/05, p.E53)

Senator Campbell asked about:

What restrictions are there on the assignment of the Syntroleum licence?

ANSWER

The conditions for assignment of the Amended Licence Agreement are unchanged from those quoted by Mr Hartwell in his second response on page E6 Economics Committee Hearings of Tuesday, 1 June 2004. That response is set out below.

Senator GEORGE CAMPBELL—It is a simple question: do we or do we not own the licensing rights—the technology rights?

Mr Hartwell—Yes, we have at the moment under the existing contractual arrangements—I can read from the agreement, just to give you a broad idea of what we do have:

Subject to the terms and conditions of this agreement—

and that is the existing licence agreement---

the licence or grants to the licensee are limited, nonexclusive, nontransferable, except as provided in article 8—

and that is the transferable conditions—

... a licence to use the licensed patent rights and licensed technical information to design, construct, operate and maintain licensed facilities under a separate site.

That is essentially what I am saying to you. That is what we have under the existing agreement. That still remains in place.

Senator GEORGE CAMPBELL—What are the provisions under clause 8?

Mr Hartwell—Basically, clause 8 says:

Subject to section 802 this agreement shall not be assigned by the licensee without the prior written consent of the licensor, which consent will not be unreasonably withheld, except that the licensee may, upon written notice to the licensor, assign this agreement to a department, bureau, division, agency or similar government entity that is under the control of the licensee.

It does go on to say:

Under no circumstances shall this agreement be assigned to Exxon Corporation, Royal Dutch Shell or Sasol Ltd.

While there are some 40 pages of dense legalese within this licensing agreement and it is registered under US law in the state of Delaware, those are essentially the two main provisions.