



Uni offshoot sees sense in rejecting China

A \$10m offer was not enough to persuade Zedelef to sell its technology

STUART KENNEDY INVESTMENT

A UNIVERSITY spinout company with promising optical-fibre sensing technology knocked back a \$10 million offer from Chinese investors so the invention would stay onshore.

University of NSW spinout Zedelef has developed a sensing system that uses optical, rather than electrical, signals. The sensors have major applications around monitoring the flow of explosive substances such as oil and gas because there is no chance of an electrical spark, and they can be deployed over vast distances without needing to supply power to the sensors.

"In many circumstances, such as oil and gas monitoring with volatile, explosive atmospheres,

electronics is not allowed or if it's allowed it's very costly. Our approach is entirely based on optics so it does not involve electronics," said Francois Ladouceur, one of Zedelef's three founders. The other Zedelef founders are Zourab Brodzeli and Leonardo Silvestri.

"You can string our sensors along an optical fibre 1000km long and read them from a base without having to provide power to the sensors."

The technology can also be used for underwater surveillance, where it can potentially dramatically simplify towed sonar arrays.

Professor Ladouceur is closing an investment round to fund the development of the sensors from prototypes to commercial products. "There are still engineering issues that cannot be solved in a university context," Professor Ladouceur said.

Zedelef has investment proposals that range between \$600,000 and \$1.2m that would

bring either the sensors or entire sensing systems to market within 10 to 12 months.

Late last year the outfit was approached by Chinese investors with a \$10m offer that would have seen the technology developed very rapidly but production moved to China.

"We were very excited at first, but the bulk of the money would have gone to building a manufacturing plant and just two to three million would have stayed in Australia developing prototypes into products."

Professor Ladouceur said it was also unclear where the intellectual property would reside.

"Our fear was that we would have completely lost control of the technology," he said.

The offer was eventually rejected.

"The technology was developed here and we would like the action to be here, we would like Australia to benefit," Professor Ladouceur said.



Zourab Brodzeli, left, and Francois Ladouceur of Zedelef, which has attracted a range of investment proposals

MAYA BASKAU/UNSW