

LyondellBasell Industries AF S.C.A., et al. Hypothetical Liquidation Analysis

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LyondellBasell Industries AF S.C.A., et al. Hypothetical Liquidation Analysis

A. Introduction

Under the “best interests of creditors” test set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of a claim or interest who does not accept the plan, with property of a value (as of the effective date of the Plan) that is not less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. The Debtors believe that the Plan meets the “best interests of creditors” test as set forth in section 1129(a)(7) of the Bankruptcy Code. Classes 3, 4, 5, 7A, 7B, 7C, 7D, 8, 9, 10, 11, 12 and 13 are impaired under the Plan. The Debtors believe that the holders of Allowed Claims in each impaired class will receive at least as much under the Plan as they would if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

To demonstrate that the Plan satisfies the “best interests of creditors” test, the Debtors present the following hypothetical liquidation analysis (“Liquidation Analysis”), based on certain assumptions discussed herein. Capitalized terms not defined herein shall have the meanings ascribed to them in the Disclosure Statement to which this analysis is attached as Exhibit B. The Liquidation Analysis was prepared by AP Services LLC (“APS”), one of the Debtors’ professionals, with the assistance of management and other professionals retained by the Debtors. Underlying the Liquidation Analysis are a number of estimates and assumptions that are inherently subject to significant economic, competitive and operational uncertainties and contingencies beyond the control of the Debtors. The Liquidation Analysis assumes that there are no proceeds from the recoveries of any potential preferences, fraudulent conveyances, or other causes of action, and no value was assigned to additional proceeds that might result from the sale of certain items with intangible value. The Debtors believe the Liquidation Analysis and the conclusions set forth herein are fair and accurate, and represent the best judgment of APS and management with regard to the results of a chapter 7 liquidation of the Debtors.

The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good-faith estimate of the proceeds that would be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code, and it is not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants.

NEITHER THE DEBTORS NOR THEIR ADVISORS MAKE ANY REPRESENTATIONS OR WARRANTY THAT ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS PRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

The Liquidation Analysis is predicated on conversion of the Debtors' chapter 11 cases to chapter 7 liquidation on April 30, 2010. The balance sheets of each of the Debtors and their direct and indirect non-Debtor subsidiaries as of December 31, 2009 are used as reasonable proxies for their respective April 30, 2010 balance sheets.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' Schedules and Proofs of Claim filed to date. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted in these Chapter 11 Cases, but which could be asserted and Allowed in the future or asserted and Allowed in a chapter 7 liquidation, including Administrative Expenses, wind-down costs, trustee fees, and tax liabilities.

B. General Approach and Summary Results

The Plan constitutes 94 distinct chapter 11 plans, one for each Debtor. Although each of the 94 Debtors was individually analyzed for purposes of this Liquidation Analysis, they have been placed into categories in order to simplify presentation. The chart below presents the categories and the number of Debtors within each.¹

Category	7-A	7-B	7-C	7-D	Total
Obligor Debtors	31	0	0	6	37
Non-Obligor Debtors with Assets	0	6	2	0	8
Non-Obligor Debtors with No Assets ²	0	48	1	0	49
Total	31	54	3	6	94

7-A – Non-Schedule III Obligor Debtors

7-B – Non-Obligor Debtors

7-C – MSC, MPI and MPCO

7-D – Schedule III Obligor Debtors

The proceeds from the hypothetical liquidation of all assets of the 37 Obligor Debtors and the eight Non-Obligor Debtors with Assets were estimated based on the assumptions discussed below, and then applied to the estimated values of Claims against such Debtors to determine liquidation recovery estimates for each Class of Claims and Interests under the Plan. These liquidation recovery estimates were compared to the estimated chapter 11 recoveries under the Plan. As shown in the table below, for each Class of Claims or Interests, liquidation under chapter 7 of the Bankruptcy Code would yield recoveries that

¹ Exhibit 1 lists all 94 Debtors, by category.

² Certain of these entities have relatively few assets, but either no Claims against them have been scheduled or filed, or if Claims have been filed, such Claims are not expected to be Allowed, or the assets are so minimal that the result would be a 0% recovery when applied to the Claim population.

are no better than—and, in many cases, worse than—the recoveries available under the chapter 11 Plan.

Class	Description	Estimated Recovery	
		Ch. 11 Plan (%)*	Liquidation (%)
--	Administrative Expenses	100.0	0.0
--	DIP New Money Claims and DIP ABL Claims	100.0	100.0
--	Priority Tax Claims	100.0	0.0
1	Priority Non-Tax Claims	100.0	0.0
2	Secured Tax Claims	100.0	0.0
3	DIP Roll-Up Claims	100.0	41.0
4	Senior Secured Claims ^{3,4}	77.2	8.0
5	Bridge Loan Claims	6.3	0.0
6	Other Secured Claims	100.0	0.0
7-A	General Unsecured Claims Against the Non-Schedule III Obligor Debtors ⁵	16.8	16.8
7-B	General Unsecured Claims Against Non-Obligor Debtors		
	Basell Capital Corporation	N/A	0.0
	Basell Impact Holding Company	N/A	0.0
	Circle Steel Corporation	N/A	0.0
	Duke City Lumber Company, Inc.	0.0	0.0
	Equistar Bayport, LLC	0.0	0.0
	Equistar Funding Corporation	N/A	0.0
	Equistar Polypropylene, LLC	N/A	0.0
	Equistar Transportation Company, LLC	N/A	0.0
	Glidco Leasing, Inc.	N/A	0.0
	Glidden Latin America Holdings Inc.	N/A	0.0
	HOISU Ltd.	0.0	0.0
	HPT 28 Inc.	N/A	0.0
	HPT 29 Inc.	N/A	0.0
	HW Loud Company	N/A	0.0
	IMWA Equities II, Co., L.P.	N/A	0.0
	ISB Liquidating Company	N/A	0.0
	LeMean Property Holdings Corporation	N/A	0.0
	LPC Partners Inc.	N/A	0.0
	Lyondell Asia Pacific, Ltd.	0.0	0.0
	LyondellBasell Advanced Polyolefins USA Inc.	100.0	38.0

* N/A indicates that no Claims have been scheduled or filed, or if filed, are expected to be Allowed.

³ Recoveries were determined on a post-Rights Offering basis.

⁴ The holders of Senior Secured Facility Claims will receive a recovery of 66.1% due to the portion of their recovery allocated to the Settlement Consideration and Class 5.

⁵ Claims in Classes 7-A, 7-C, 7-D and 8 will receive \$450 million in the hypothetical liquidation analysis pursuant to the Lender Litigation Settlement, which is not conditioned upon the confirmation of the chapter 11 Plan. For purposes of the Liquidation Analysis, the \$450 million is paid out of the cash collateral or total recovery estimated for the holders of Senior Secured Facility Claims and Bridge Loan Claims.

Class	Description	Estimated Recovery	
		Ch. 11 Plan (%)*	Liquidation (%)
	LyondellBasell AF GP S.à.r.l.	100.0	0.0
	Lyondell Bayport, LLC	N/A	0.0
	Lyondell Chemical Holding Company	N/A	0.0
	Lyondell Chemical International Company	N/A	0.0
	Lyondell Chemical Properties, L.P.	N/A	0.0
	Lyondell Chemical Wilmington, Inc.	N/A	0.0
	Lyondell General Methanol Company	N/A	0.0
	Lyondell Greater China, Ltd.	100.0	100.0
	Lyondell Intermediate Holding Company	N/A	0.0
	MHC Inc.	1.07	0.0
	Millennium Holdings, LLC	0.36	0.2
	Millennium Petrochemicals LP LLC	N/A	0.0
	Millennium Realty Inc.	0.0	0.0
	MWH South America LLC	N/A	0.0
	National Distillers & Chemical Corporation	0.0	0.0
	NDCC International II	N/A	0.0
	Penn Export Company, Inc.	N/A	0.0
	Penn Navigation Company	N/A	0.0
	Penn Shipping Company, Inc.	0.0	0.0
	Penntans Company	N/A	0.0
	PH Burbank Holdings, Inc.	0.0	0.0
	Power Liquidating Company, Inc.	N/A	0.0
	Quantum Acceptance Corp.	N/A	0.0
	Quantum Pipeline Company	0.0	0.0
	SCM Chemicals Inc.	N/A	0.0
	SCM Plants, Inc.	0.0	0.0
	Suburban Propane GP, Inc.	0.0	0.0
	Tiona, Ltd.	0.0	0.0
	UAR Liquidating Inc.	N/A	0.0
	USI Chemicals International Inc.	N/A	0.0
	USI Credit Corp.	N/A	0.0
	USI Puerto Rico Properties, Inc.	N/A	0.0
	Walter Kidde & Company, Inc.	N/A	0.0
	Wyatt Industries, Inc.	0.0	0.0
7-C	General Unsecured Claims Against MSC, MPI and MPCO		
	Millennium Specialty Chemicals Inc. and Millennium Petrochemicals Inc.	99.8% ⁴	24.7%*

⁴ This recovery is determined on a combined basis for MPI and MSC. This recovery is subject to change and will be updated in such event.

16.8% of this recovery is on account of the Settlement Consideration, and accordingly, the holders of Senior/Bridge Guarantee Claims or Senior/Bridge Deficiency Claims at this Class do not participate in that portion of the recovery, but share pro rata in any recovery in excess of the proceeds from the Settlement Consideration.

	Millennium US Op Co LLC	16.8%**	16.8%**
7-D	General Unsecured Claims Against Schedule III Obligor Debtors		
	Millennium America Holdings Inc.	16.8**	16.8**
	Millennium America Inc.	16.8**	16.8**
	Millennium Chemicals Inc.	16.8**	16.8**
	Millennium Petrochemicals GP LLC	16.8**	16.8**
	Millennium Petrochemicals Partners, LP	16.8**	16.8**
	Millennium Worldwide Holdings I Inc.	16.8**	16.8**
8	2015 Notes Claims	16.8	16.8
9	Securities Claims	N/A	N/A
10	Subordinated Claims	N/A	N/A
11	Equity Interests in LBFC	N/A	N/A
12	Equity Interests in LBAFGP and LBIAF	N/A	N/A
13	Equity Interests in Schedule III Debtors	N/A	N/A
14	Equity Interests in Debtors (other than LBFC, LBAFGP, LBIAF and Schedule III Debtors)	N/A	N/A

As the chart above demonstrates, the DIP New Money Claims and DIP ABL Claims are estimated to receive 100% recoveries both under the Plan and in any hypothetical liquidation scenario. The DIP Roll-Up Claims and Senior Secured Claims are expected to receive more under the Plan than in a liquidation. Aside from the \$450 million recovery to holders of General Unsecured Claims against the Obligor Debtors, MSC, MPI and MPCO, and holders of 2015 Notes pursuant to the Lender Litigation Settlement, no recoveries should be expected for Claims other than DIP loans and Senior Secured Claims in a liquidation of the Obligor Debtors. Certain of the Non-Obligor Debtors are expected to provide recoveries to certain other creditors, but in no event could such creditors expect to receive more in a chapter 7 liquidation than under the Plan.

Liquidation proceeds are distributed to creditors pursuant to the DIP Order and in accordance with absolute priority. As such, liquidation proceeds from U.S. Debtors first go to satisfy the carved-out professional fees and DIP New Money Claims, with any excess being distributed to the DIP Roll-Up Claims and then Senior Secured Claims. Liquidation proceeds from EAI entities are distributed pro rata to the DIP Roll-Up and Senior Secured Claims. The first \$450 million of proceeds distributable to the holders of Senior Secured Facility Claims and Bridge Loan Claims will be transferred to the chapter 7 trustee to be distributed on a Pro Rata basis to the holders of General Unsecured Claims against the Obligor Debtors, MSC, MPI and MPCO, and the holders 2015 Notes pursuant to the Lender Litigation Settlement. See Exhibit 2 for the allocation of the \$450 million Settlement Consideration. To the extent the DIP Roll-Up Claims are not paid in full from

** Recoveries to this Class are on account of the Settlement Consideration, and accordingly, holders of Senior/Bridge Guarantee Claims and Senior/Bridge Deficiency Claims at this Class do not participate in this recovery. As set forth in Section 4.10 of the Plan, holders of General Unsecured Claims and Senior/Bridge Deficiency Claims against each Schedule III Obligor Debtor (other than MCI) will also be entitled to receive a contractual right from the applicable MCI Subsidiary. In addition, holders of General Unsecured Claims and Senior/Bridge Deficiency Claims against MCI will be entitled to receive a beneficial trust interest in the Millennium Custodial Trust.

the EAI liquidation proceeds, the remaining liquidation proceeds from the U.S. Debtors (after paying carved-out professional fees and DIP New Money Claims) are used to satisfy the DIP Roll-Up Claims before the Senior Secured Claims.

Carved-out professional fees and DIP New Money Claims get paid in full from U.S. Debtor liquidation proceeds;

DIP Roll-Up and Senior Secured Claims share *pari passu* in EAI liquidation proceeds;

First \$450 million of proceeds distributable to the holders of Senior Secured Facility Claims and Bridge Loan Claims are used to pay the holders of General Unsecured Claims against the Obligor Debtors, MSC, MPI and MPCO, and the holders of 2015 Notes pursuant to the Lender Litigation Settlement;

Remaining proceeds from Obligor Debtors pay DIP Roll-Up Claims, but not in full;

DIP Roll-Up Claims midpoint recovery = 41%

Senior Secured Claims midpoint recovery = 8%

The eight Non-Obligor Debtors with Assets have been evaluated on a case-by-case basis, as set forth below. The Liquidation Analysis for five of these entities has been performed in detail, while a high-level review reveals that the results for the three other entities would be essentially equivalent to the Plan (either full recoveries or no recoveries).

Lastly, by definition, the 49 Non-Obligor Debtors with No Assets have no assets. Therefore, there are equally no recoveries available to any creditors of these entities either under the Plan or in a chapter 7 liquidation.

C. Liquidation Analysis for Obligor Debtors

Exhibit 2 presents a summary of the Liquidation Analysis results for the Obligor Debtors. The assumptions used to estimate net proceeds in a chapter 7 liquidation are presented below. Exhibit 3 presents a summary of the Liquidation Analysis results for the EAI entities, and the estimated net proceeds from the EAI assets are included in Exhibit 2 and factored into the distributions to creditors of the Obligor Debtors. The liquidation recovery rate assumptions provided below are the same for the assets of both the Obligor Debtors and the EAI entities, except where noted.

Book Values

Unless stated otherwise, the book values used in this Liquidation Analysis are the unaudited net book values of the Debtors as of December 31, 2009 and are assumed to be a proxy for the assets of these entities as of the hypothetical conversion date (April 30, 2010).

The book values have not been subject to any review, compilation or audit by an independent accounting firm.

Cash and Cash Equivalents and Short-Term Investments

The Liquidation Analysis assumes that operations during the liquidation period would not generate additional cash available for distribution except for net proceeds from the disposition of non-cash assets.

The liquidation value for all entities is estimated to be approximately 100% of the net book value as of December 31, 2009.

Trade Accounts Receivable

The analysis of accounts receivable assumes that a chapter 7 trustee would retain certain existing staff of the Debtors to handle an aggressive collection effort for outstanding trade accounts receivable for the entities undergoing an orderly liquidation.

Collectible accounts receivable are assumed to include all third-party trade accounts receivable.

A range of discount factors based on the January 1, 2010 U.S. asset backed facilities effective advance rates were applied to receivables to estimate liquidation values.

Collections during a liquidation of the Debtors may be further compromised by likely claims for damages for breaches of (or the likely rejection of) customer contracts, and attempts by customers to set off outstanding amounts owed to the Debtors against such claims.

The liquidation values of trade accounts receivable were estimated at 60.0% to 70.0% of the net book value as of December 31, 2009 for purposes of this Liquidation Analysis.

Other Receivables

Income Tax Receivable – This account reflects IRS tax receivables with estimated recoveries in the range of 0% to 20% of net book value, per discussion with the Debtors' tax department.

Receivables: Other Miscellaneous – Other miscellaneous receivables accounts include a federal fuels refund, license fees, and the global settlement of Bayer fixed costs (a monthly payment arrangement over three years). The range for recoverability of these assets is 8% to 15% based on the Debtors' knowledge of these assets.

Deferred Tax Assets – Estimated to be 0% of the net book value in a chapter 7 liquidation scenario.

Other receivables are included on balance sheets that do not relate to core businesses and are from a limited number of customers. The range for recoverability of such assets is estimated at 18% to 33% due to collectibility issues and the current bankruptcy status of the Debtors.

Certain of these assets have different percentage assumption differences for EAI assets based on discussions with the Debtors' management.

Intercompany Receivables

There are four types of intercompany receivables assets of the Obligor Debtors, listed below, that are assumed to have no value in a chapter 7 liquidation scenario:

- Receivables from Obligor Debtor Entities – As explained above, Obligor Debtors provide no recovery to unsecured creditors, which makes these intercompany claims worthless.
- Receivables from Non-Obligor Debtor Entities – The Obligor Debtors have no intercompany receivables from Non-Obligor Debtor Entities that have asset values.
- Receivables from North American Non-Debtors – The Obligor Debtors have no intercompany receivables from North American Non-Debtors that have asset values.
- Receivables from EAI Non-Debtors – As explained above, this Liquidation Analysis assumes that the liquidation asset values of EAI entities are available to the DIP Roll-Up Claims and the Senior Secured Claims. Therefore, there are no asset values from EAI entities remaining for unsecured creditors, which makes these intercompany receivable assets of the Obligor Debtors worthless in a chapter 7 liquidation.
- It is also assumed that intercompany receivable assets of the EAI entities have no value.

Inventory

The Debtors' inventories are comprised of raw materials, work-in-process (“WIP”) and finished goods, as well as supplies and materials.

Types of inventory products include polymers (polyethylene and polypropylene), chemicals (ethylene and propylene), and refining products (such as gasoline, diesel, and jet fuel).

The recovery analysis was performed by reviewing the external field examination and bank appraisal by entity for the period ending September 30, 2009, which was in effect at the end of 2009.

The September 30, 2009 gross recovery advance rates for raw materials, WIP and finished goods were discounted by approximately 7% for ineligibles to reflect the recovery ranges for each entity whose inventory secures bank financing.

The “supplies and materials” component of inventory is assumed to have a recovery range of 50% to 75% for all entities.

The recovery ranges vary by entity and type of inventory, as presented in the table below.

The products produced in EAI are primarily polymers and chemicals, and the inventory liquidation assumptions for EAI approximate those of Basell USA Inc.

	Lyondell Chemical Company	Basell USA Inc.	Equistar Chemicals, LP	Houston Refining LP	Millennium Petrochemicals, Inc. (Virginia)
Raw Materials	68.7% - 78.7%	60.9% - 70.9%	69.9% - 79.9%	71.6% - 81.6%	57.3% - 67.3%
Work-In-Process	54.5% - 64.5%	68.7% - 78.7%	64.7% - 74.7%	67.6% - 77.6%	57.3% - 67.3%
Finished Goods	67.3% - 77.3%	68.7% - 78.7%	79.6% - 89.6%	67.6% - 77.6%	73.2% - 83.2%

Prepays and Other Current Assets

Prepaid expenses and other current assets include prepaid taxes, prepaid insurance, prepaid rents and leases, and other current assets.

Prepaid expenses and other current assets are estimated to have no value in a liquidation scenario.

Property, Plant, and Equipment (“PP&E”)

PP&E includes all owned land, land improvements and buildings, battery limit process units, off sites, support assets and construction in progress.

Appendix I is a report prepared by American Appraisal Associates, Inc. that includes projected liquidation values of PP&E as of April 1, 2010 that were used for this Liquidation Analysis.

Investments and Long-Term Receivables

Investments and long-term receivables are comprised of a VAT refund, an investment in an insurance company, and a long-term note receivable pertaining to a tax sharing agreement.

The VAT receivable is considered to be a likely collection and is assumed to have a recovery range of 80% to 100%.

The long-term tax sharing receivable is assumed to have a recovery range of 0% to 10%, because the Debtors have no control over collection inasmuch as the timing of monetizing the receivable is at the discretion of a third party that may or may not decide to monetize its tax attributes.

Certain of these assets have different percentage assumption differences for EAI assets based on discussions with the Debtors’ management.

EAI equity investments in joint ventures are shown on the balance sheet at the cost of the original investment adjusted for dividends received. The liquidation value for these investments in joint ventures has been estimated by applying an equity and liquidation discount rate to the forecasted dividends from 2010 to 2025 in addition to an estimated terminal value.

Intercompany Investments

As explained in the summary above, values for investments associated with all EAI entities have been included in this Liquidation Analysis at estimated liquidation values.

There are 21 Non-Debtor entities and one Non-Obligor Debtor entities (Lyondell Greater China, Ltd.) with estimated aggregate values in the range of \$336 million to \$373 million. The intercompany investment values of the Obligor Debtors are listed below. All other Non-Debtor entities are valued at \$0.

**Obligor Debtor North American Non-Debtor
Intercompany Investments Summary**
(\$ millions)

	<u>Low</u>	<u>High</u>
Basell Mexico, S. de R.L. de C.V.	\$1.1	\$1.1
Baselltech USA Inc.	0.0	0.0
Lyondell Advanced Polyolefins USA Inc.	0.0	0.0
Lyondell Asia Holdings Limited (Hong Kong)	0.0	0.0
Lyondell Centennial Corp.	27.5	35.4
Lyondell Chemical Italia S.r.l.(Italy)	0.0	0.0
Lyondell Chimie France SAS (France)	0.0	0.6
Lyondell Chimie TDI SCA (France)	7.5	7.6
Lyondell China Holdings Limited (Hong Kong)	0.2	0.2
Lyondell France Holdings SAS (France)	55.4	69.2
Lyondell Greater China, Ltd.	83.5	94.5
Lyondell Greater China Holdings Ltd. Hong Kong Corp	0.1	0.1
Lyondell Greater China Trading Limited (PRC)	1.9	2.1
Lyondell POJV GP, LLC	0.0	0.0
Lyondell POTech GP, Inc.	0.1	0.1
Lyondell POTech LP, Inc.	0.1	0.1
Olefins JV LPC	93.8	95.5
PO JV, LP	41.0	41.0
PO Offtake, LP	0.0	0.0
POSM Delaware, Inc.	0.0	0.0
POSM II Limited Partnership, L.P.	23.9	25.4
POSM II Properties Partnership, L.P.	0.0	0.0
Smith Corona Marchant Finance A.G. Swiss Corp	<u>0.1</u>	<u>0.1</u>
	\$336.1	\$373.1

Equity amounts presented in the table above are inclusive of ownership percentages.

Intangible Assets

Intangible assets are comprised primarily of patents, technology related to licensing revenue and catalysts, emission rights, and unamortized debt financing costs.

Appendix I is a report prepared by American Appraisal Associates, Inc. that includes liquidation values of intangible assets that were used for this Liquidation Analysis.

Included in intangible assets are unamortized debt issuance/financing costs, which are assumed to have a \$0 liquidation value.

Insurance Proceeds

Insurance proceeds related to business disruption and property damage claims from hurricane Ike have been estimated by legal entity.

Other Long-Term Assets

Other long-term assets include pension assets, cash value of life insurance policies, precious metals, non-current restricted cash and non-current assets held for sale.

Pension Assets – MHC Inc. holds pension assets that in the course of a liquidation scenario would be turned over to the Pension Benefit Guaranty Corporation (explained further below).

Cash Surrender Value of Life Insurance – Life insurance is held on the books at cash surrender value, which is assumed to be 100% recoverable.

Precious Metals – Millennium Petrochemicals, Inc. (Virginia) holds precious metals (rhodium, gold, and silver). These metals are assumed to generate a recovery rate of 85% to 95% based on a recent analysis performed by the Debtors.

Other Non-Current Assets – Included in this account is additional cash surrender value of life insurance valued at 100%, deferred railcar charges (similar to a prepaid asset) valued at 0%, and an R&D facility in Maryland that is held for sale and expected to have limited value based on how difficult it has been to sell it.

Costs Associated with Liquidation

Payroll/Overhead – Wind-down costs include the costs to retain certain key employees and maintain critical corporate operations during wind-down, and are estimated at 2% of gross asset proceeds.

Liquidation Costs of PP&E – Liquidation costs are based on historical experience in other chapter 7 cases and are calculated at 10% of the gross PP&E proceeds.

Chapter 7 Trustee Fees – Trustee fees are estimated based on historical experience in other chapter 7 cases and are calculated at 3% of the gross asset proceeds. The same percentage assumption is used for Insolvency Practitioner fees of European insolvencies of the EAI assets.

Chapter 7 Professional Fees – The professional fees include the cost of attorneys, (including specialized environmental counsel), financial advisors, accountants, brokers and other professionals retained by a chapter 7 trustee. It is assumed that professional fees would be 1.5% of gross asset proceeds.

EAI claims are deducted against proceeds available from EAI assets, and the net proceeds are added to the Obligor Debtors' proceeds in the Liquidation Analysis. The EAI claim reductions are based on approximate December 31, 2009 balance sheet amounts for those EAI entities that have positive equity values.

Additional redundancy costs have been added to the liquidation assumptions of the EAI entities as follows:

- EAI redundancy costs were estimated by legal entity based on an assessment of the following jurisdictions: Benelux, Germany, Spain, France, Great Britain, Italy and The Netherlands.
- An estimated factor was developed for each jurisdiction indicating severance pay relative to the salary and tenure of the respective employees as of September 2009. The estimated factor considers union influences as well as the impact of a large case and associated publicity.

- Redundancy costs per employee were calculated by multiplying the average monthly salary per employee, assuming 13 periods per year, times the average years of service times the estimated factor.
- Headcounts by legal entity were provided as of September 2009 in order to develop redundancy costs by legal entity.

D. Liquidation Analysis for Non-Obligor Debtors with Assets

Exhibits 4 through 8 present the results for the Liquidation Analysis for the five Non-Obligor Debtors explained in detail below. As noted above, the eight Debtors in this category include five entities that have been evaluated on a case-by-case basis and three entities for which even a high-level review reveals recoveries that would be essentially equivalent to those under the Plan (either 100% recoveries or none at all).

LyondellBasell Advanced Polyolefins USA Inc.

The liquidation value is based on the independent appraisals of PP&E and the asset recovery assumptions above, resulting in a midpoint estimate of approximately \$11.4 million.

The costs associated with liquidation represent the same percentage of asset value assumptions as used for the Obligor Debtors, as explained above.

The midpoint estimate for total claims against this entity approximates \$13.5 million, which results in a 100% recovery for secured, priority and administrative creditors and a 38% recovery for general unsecured creditors.

The Plan provides for an estimated full recovery for all creditors of this entity and, therefore, creditors would receive less in a chapter 7 liquidation than they will receive under the Plan.

MHC Inc.

The only valuable assets of this entity include pension plan assets of approximately \$16.8 million.

Pension plan assets are fully offset by pension liabilities.

No other assets are available for distribution, resulting in a 0% recovery for all other creditors.

Millennium Holdings LLC

The only valuable asset of this entity is cash of \$8.5 million.

Costs of liquidation are assumed to be \$0 with the exception of chapter 7 trustee fees of 3% of gross asset proceeds.

The estimated midpoint liquidation recovery for general unsecured creditors is approximately 0.2%, which is less than the recovery for general unsecured creditors of this entity under the Plan.

Millennium Petrochemicals Inc. (Virginia)

The liquidation value is based on the independent appraisals of PP&E and the asset recovery assumptions above, resulting in a midpoint estimate of approximately \$162 million.

The costs associated with liquidation represent the same percentage of asset value assumptions as used for the Obligor Debtors, as explained above.

There are sufficient assets proceeds to satisfy all estimated secured, administrative and priority claims.

General unsecured claims are \$439 million, because this entity is an unsecured guarantor of the Senior Facilities Agreement and Bridge Facilities Agreement, resulting in an estimated midpoint liquidation recovery for general unsecured creditors of approximately 23.5%, which is less than the recovery for general unsecured creditors of this entity under the Plan.

Millennium Specialty Chemicals Inc.

The liquidation value is based on the independent appraisals of PP&E and the asset recovery assumptions above, resulting in a midpoint estimate of approximately \$51 million.

The costs associated with liquidation represent the same percentage of asset value assumptions as used for the Obligor Debtors, as explained above.

There are sufficient assets proceeds to satisfy all estimated secured, administrative and priority claims.

General unsecured claims are \$369 million, because this entity is an unsecured guarantor of the Senior Facilities Agreement and Bridge Facilities Agreement, resulting in an estimated midpoint liquidation recovery for general unsecured creditors of approximately 18.0%, which is less than the recovery for general unsecured creditors of this entity under the Plan.

Other Non-Obligor Debtors with Assets

There are three other Debtors in this category, the creditors of which would receive no more under a chapter 7 liquidation than they will receive under the Plan.

Lyondell Greater China, Ltd. – All creditors of this Debtor will be satisfied in full under the Plan. Therefore, it is not possible for creditors to receive more in a chapter 7 liquidation.

Lyondell Chemical International Co. – The only asset of this Debtor is its equity in Lyondell Greater China, Ltd., listed immediately above. The Debtors do not believe this Debtor has any creditors. Therefore, any equity value that may be realized from Lyondell Greater China, Ltd. would stream up to this entity's direct parent, Lyondell Chemical Company (an Obligor Debtor). The equity value of Lyondell Greater China, Ltd. is included above in the intercompany investments values for the Obligor Debtors.

Lyondell Asia Pacific, Ltd. – The only valuable asset of this Debtor is cash of \$0.5 million. This entity has administrative claims of \$1.2 million and therefore, there are no recoveries to unsecured creditors under the Plan or a chapter 7 liquidation.

E. Liquidation Analysis for Non-Obligor Debtors with No Assets

The 49 Debtors in this category have no assets. Therefore, no recoveries would be available to any creditors that may exist at these entities.

F. Summary of Conclusions

In summary, chapter 7 liquidation would provide, for each Class of creditors and with respect to all Debtors, recoveries less than or equal to the recoveries under the Plan, or no recovery at all.

For the 37 Obligor Debtors, comparisons of recoveries in a chapter 7 liquidation to recoveries under the Plan appear to be most relevant with respect to DIP Roll-UP Claims and Senior Secured Claims. The midpoint estimate of proceeds available for distribution from the Obligor Debtors is \$4.5 billion. It is estimated that the \$3.6 billion in carved-out professional fees, DIP New Money Claims and DIP ABL Claims would receive recoveries in full under both a liquidation and the Plan. Next, DIP Roll-Up Claims of \$3.2 billion would receive \$1.3 billion (\$0.9 billion from U.S. Debtors and \$0.4 billion from EAI entities), or a 41% recovery under a liquidation compared to a 100% recovery under the Plan. Holders of General Unsecured Claims against the Obligor Debtors, MSC, MPI and MPCO, and holders of 2015 Notes will receive \$450 million pursuant to the Lender Litigation Settlement, which is not conditioned upon the Confirmation of the Chapter 11 plan. The recoveries to these creditors under the Plan would be equivalent to the recoveries under a hypothetical liquidation scenario. Senior Secured Claims of approximately \$9.5 billion would be next in line to receive \$0.7 billion from EAI entities, or a 8% recovery under a liquidation, which is significantly less than the recovery under the Plan. No proceeds would remain to satisfy other secured, priority and unsecured creditors of these entities in a chapter 7 liquidation. Moreover, the proceeds that could be realized from liquidation of Obligor Debtors' assets would not exceed their going concern values, and the DIP Roll-Up Claims and Senior Secured Claims would receive substantially less in a chapter 7 liquidation than under the Plan.

For the eight Non-Obligor Debtors with Assets, each analysis shows that recoveries would be no greater in a chapter 7 liquidation than under the Plan.

For the remaining 49 Debtors, which have no assets, no recoveries would be available to any creditors in a chapter 7 liquidation.

Categories of Debtor Entities

Exhibit 1

OBLIGOR DEBTORS

7 - A Basell Finance USA Inc.
7 - A Basell Germany Holdings GmbH
7 - A Basell North America Inc.
7 - A Basell USA Inc.
7 - A Equistar Chemicals, LP
7 - A Houston Refining LP
7 - A LBI Acquisition LLC
7 - A LBIH LLC
7 - A Lyondell (Pelican) Petrochemical L.P. 1, Inc.
7 - A Lyondell Chemical Company
7 - A Lyondell Chemical Delaware Company
7 - A Lyondell Chemical Espana Co.
7 - A Lyondell Chemical Europe, Inc.
7 - A Lyondell Chemical Nederland, Ltd.
7 - A Lyondell Chemical Products Europe, LLC
7 - A Lyondell Chemical Technology 1, Inc.
7 - A Lyondell Chemical Technology Management, Inc.
7 - A Lyondell Chemical Technology, L.P.
7 - A Lyondell Chimie France LLC
7 - A Lyondell Equistar Holdings Partners
7 - A Lyondell Europe Holdings Inc.
7 - A Lyondell Houston Refinery Inc.
7 - A Lyondell LP3 GP, LLC
7 - A Lyondell LP3 Partners, LP
7 - A Lyondell LP4 Inc.
7 - A Lyondell Petrochemical L.P. Inc.
7 - A Lyondell Refining Company LLC
7 - A Lyondell Refining I, LLC
7 - A LyondellBasell Finance Company
7 - A LyondellBasell Industries AF S.C.A.
7 - D Millennium America Holdings Inc.
7 - D Millennium America Inc.
7 - D Millennium Chemicals Inc.
7 - D Millennium Petrochemicals GP LLC
7 - D Millennium Petrochemicals Partners, LP
7 - D Millennium Worldwide Holdings I Inc.
7 - A Nell Acquisition (US) LLC

NON- OBLIGOR DEBTORS WITH ASSETS

7 - B Lyondell Asia Pacific, Ltd.
7 - B Lyondell Chemical International Co.
7 - B Lyondell Greater China, Ltd.
7 - B LyondellBasell Advanced Polyolefins USA Inc.
7 - B MHC Inc.
7 - B Millennium Holdings, LLC
7 - C Millennium Petrochemicals Inc.(Virginia)
7 - C Millennium Specialty Chemicals Inc.
7 - C Millennium US Op Co LLC

NON- OBLIGOR DEBTORS WITH NO ASSETS

7 - B Basell Capital Corporation
7 - B Basell Impact Holding Company
7 - B Equistar Bayport, LLC
7 - B Lyondell Bayport, LLC
7 - B Lyondell Chemical Holding Company
7 - B Lyondell Chemical Properties, L.P.
7 - B Lyondell Chemical Wilmington, Inc
7 - B Lyondell General Methanol Company
7 - B Lyondell Intermediate Holding Company
7 - B LyondellBasell AFGP S.à r.l.
7 - B Circle Steel Corporation
7 - B Duke City Lumber Co.
7 - B Equistar Funding Corporation
7 - B Equistar Polypropylene, LLC
7 - B Equistar Transportation Company, LLC
7 - B Glidco Leasing Inc.
7 - B Glidden Latin America Holdings
7 - B HOISU Ltd.
7 - B HPT 28 Inc.
7 - B HPT 29 Inc.
7 - B HW Loud Company
7 - B IMWA Equities II, Co., L.P.
7 - B ISB Liquidating Company
7 - B LeMean Property Holdings Corp.
7 - B LPC Partners Inc.
7 - B Millennium Petrochemicals LP LLC
7 - B Millennium Realty Inc.
7 - B MWH South America LLC
7 - B National Distillers & Chemical Corporation
7 - B NDCC International II
7 - B Penn Export Company, Inc.
7 - B Penn Navigation Company
7 - B Penn Shipping Company Inc.
7 - B Penntans Company
7 - B PH Burbank Holdings, Inc.
7 - B Power Liquidating Company, Inc.
7 - B Quantum Acceptance Corp
7 - B Quantum Pipeline Company
7 - B SCM Chemicals Inc.
7 - B SCM Plants Inc.
7 - B Suburban Propane GP, Inc.
7 - B Tiona, Ltd.
7 - B UAR Liquidating Inc.
7 - B USI Chemicals International Inc.
7 - B USI Credit Corp.
7 - B USI Puerto Rico Properties, Inc.
7 - B Walter Kidde & Company, Inc.
7 - B Wyatt Industries, Inc.

Obligor Debtors
Liquidation Analysis

Exhibit 2

<i>(MILLIONS)</i>	<u>NBV</u>	<u>Low</u>	<u>High</u>	<u>Midpoint</u>
Cash & Equivalents & Short Term Investments	\$238.1	\$238.1	\$238.1	\$238.1
Trade Accounts Receivable	1,248.1	748.9	873.7	811.3
Other Receivables	268.1	8.4	57.0	32.7
Intercompany Receivables	30,474.1	0.0	0.0	0.0
Inventory	1,872.5	1,295.9	1,511.0	1,403.5
Prepays and Other Current Assets	305.4	0.0	0.0	0.0
Property, Plant & Equipment, net	9,366.5	1,577.4	1,577.4	1,577.4
Investments and Long-Term Receivables	27.5	0.2	1.8	1.0
Intercompany Investments	43,823.1	336.1	373.1	354.6
Intangible Assets, net	1,254.1	427.6	427.6	427.6
Insurance Proceeds	0.0	0.0	229.6	114.8
Other Long-Term Assets	72.2	61.6	63.6	62.6
Gross Proceeds	\$88,949.4	\$4,694.2	\$5,352.9	\$5,023.5
Costs Associated with Liquidation:				
Payroll/Overhead		(93.9)	(107.1)	(100.5)
Liquidation Costs of PP&E		(157.7)	(157.7)	(157.7)
Chapter 7 Trustee Fees		(140.8)	(160.6)	(150.7)
Chapter 7 Professional Fees		(70.4)	(80.3)	(75.4)
Net Estimated Proceeds before EAI Assets		\$4,231.3	\$4,847.2	\$4,539.2
EAI Net Estimated Proceeds <i>(See Exhibit 3)</i>		1,366.1	1,767.5	1,566.8
DIP Roll-Up Claims		(349.1)	(451.7)	(400.4)
Senior Secured Claims		(566.9)	(865.8)	(716.3)
Settlement Agreement		<u>(450.0)</u>	<u>(450.0)</u>	<u>(450.0)</u>
		0.0	0.0	0.0
Remaining Proceeds Available for Distribution		\$4,231.3	\$4,847.2	\$4,539.2
Waterfall of Available Proceeds:				
Professional Fee Carve Out		25.0	25.0	25.0
DIP New Money / ABL Revolver/ DIP Fees / Standby LCs		3,578.9	3,578.9	3,578.9
DIP Roll-Up Claims		627.4	1,243.3	935.4
Senior Secured Claims		0.0	0.0	(0.0)
		\$4,231.3	\$4,847.2	\$4,539.2
Non Obligor Estimated Proceeds <i>(See Exhibits 7 & 8)</i>		17.0	43.0	29.4
Senior Secured Claims		(17.0)	(43.0)	(29.4)
DIP Roll Up Claims Beginning Balance		\$3,244.6	\$3,244.6	\$3,244.6
DIP Roll Up Claims Recovery percentage		30%	52%	41%
Senior Secured Claims Beginning Balance		\$9,450.8	\$9,450.8	\$9,450.8
Senior Secured Claims Recovery percentage		6%	10%	8%
Proceeds Available After Senior Secured Claims		\$0.0	\$0.0	\$0.0
Claims Receiving No Distribution: <i>(Excluding Distribution from the \$450M Lender Litigation Settlement)</i>				
Secured Tax Claims		16.2	10.5	13.4
Bridge Loan Claims		8,297.5	8,297.5	8,297.5
Other Secured Claims		319.0	232.0	275.5
Administrative Expenses (less carve out)		2,138.6	2,067.8	2,103.2
Priority Tax Claims		14.4	4.1	9.3
Priority Non-Tax Claims		0.8	0.3	0.5
General Unsecured Claims		1,688.7	1,226.2	1,457.4
2015 Note Claims		1,351.7	1,351.7	1,351.7
		\$13,826.8	\$13,190.1	\$13,508.4

**EAI Entities
Liquidation Analysis**

Exhibit 3

<i>(MILLIONS)</i>	<u>NBV</u>	<u>Low</u>	<u>High</u>	<u>Midpoint</u>
Cash & Equivalents & Short Term Investments	\$271.0	\$271.0	\$271.0	\$271.0
Trade Accounts Receivable	1,858.7	392.0	457.3	424.7
Other Receivables	146.0	10.4	17.7	14.1
Intercompany Receivables	14,111.2	0.0	0.0	0.0
Inventory	1,302.9	398.9	463.3	431.1
Prepays and Other Current Assets	119.6	0.0	0.0	0.0
Property, Plant & Equipment, net	4,867.6	473.4	473.4	473.4
Investments and Long-Term Receivables	1,166.4	453.0	819.5	636.3
Intercompany Investments	13,123.6	0.0	0.0	0.0
Intangible Assets, net	305.0	6.0	6.0	6.0
Other Long-Term Assets	24.0	0.3	(0.0)	0.2
Gross Proceeds	\$37,296.0	\$2,005.0	\$2,508.2	\$2,256.6
Costs Associated with Liquidation:				
Redundancy Costs		(47.6)	(116.8)	(82.2)
Payroll/Overhead		(40.1)	(50.2)	(45.1)
Liquidation Costs of PP&E		(47.3)	(47.3)	(47.3)
Insolvency Practitioner		(60.1)	(75.2)	(67.7)
Professional Fees		(30.1)	(37.6)	(33.8)
Net Estimated Proceeds Available for EAI Claims		\$1,779.7	\$2,181.1	\$1,980.4
Less EAI Claims:				
Approximate 12/31 Balance Sheet Obligations		(413.6)	(413.6)	(413.6)
Net Estimated EAI Proceeds for Secured Debt		\$1,366.1	\$1,767.5	\$1,566.8

LyondellBasell Advanced Polyolefins USA Inc.
Liquidation Analysis

Exhibit 4

<i>(MILLIONS)</i>	<u>NBV</u>	<u>Low</u>	<u>High</u>	<u>MidPoint</u>
Cash & Equivalents & Short Term Investments	\$0.0	\$0.0	\$0.0	\$0.0
Trade Accounts Receivable	0.4	0.2	0.3	0.2
Other Receivables	0.1	0.1	0.1	0.1
Intercompany Receivables	41.1	0.0	0.0	0.0
Inventory	0.2	0.1	0.1	0.1
Prepays and Other Current Assets	0.1	0.0	0.0	0.0
Property, Plant & Equipment, net	23.1	9.4	9.4	9.4
Investments and Long-Term Receivables	0.0	0.0	0.0	0.0
Intangible Assets, net	16.0	0.0	0.0	0.0
Other Long-Term Assets	2.9	1.4	1.7	1.6
Gross Proceeds	\$83.9	\$11.2	\$11.6	\$11.4
Costs Associated with Liquidation:				
Payroll/Overhead		(0.2)	(0.2)	(0.2)
Liquidation Costs of PP&E		(0.9)	(0.9)	(0.9)
Chapter 7 Trustee Fees		(0.3)	(0.3)	(0.3)
Chapter 7 Professional Fees		(0.2)	(0.2)	(0.2)
Net Estimated Proceeds Available for Distribution		\$9.6	\$9.9	\$9.7
Total Estimated Claims:				
Secured Claims		\$0.0	\$0.0	0.0
Administrative Expenses		7.4	7.4	7.4
Priority Claims		0.0	0.0	0.0
General Unsecured Claims		6.2	6.0	6.1
		\$13.6	\$13.4	\$13.5
Recovery % for Secured Claims		100%	100%	100%
Recovery % for Administrative Claims		100%	100%	100%
Recovery % for Priority Claims		100%	100%	100%
Recovery % for General Unsecured Claims		35%	42%	38%
Proceeds Remaining as Equity Value		\$0.0	\$0.0	\$0.0

MHC Inc.
Liquidation Analysis

Exhibit 5

<i>(MILLIONS)</i>	<u>NBV</u>	<u>Low</u>	<u>High</u>	<u>Midpoint</u>
Cash & Equivalents & Short Term Investments	\$0.0	\$0.0	\$0.0	\$0.0
Trade Accounts Receivable	0.0	0.0	0.0	0.0
Other Receivables	0.0	0.0	0.0	0.0
Intercompany Receivables	7.7	0.0	0.0	0.0
Inventory	0.0	0.0	0.0	0.0
Prepays and Other Current Assets	0.0	0.0	0.0	0.0
Property, Plant & Equipment, net	0.0	0.0	0.0	0.0
Investments and Long-Term Receivables	0.0	0.0	0.0	0.0
Intangible Assets, net	0.0	0.0	0.0	0.0
Other Long-Term Assets	16.8	16.8	16.8	16.8
Gross Proceeds	\$24.5	\$16.8	\$16.8	\$16.8
Claims Designated for Specific Creditors:				
Pension Claims		(16.8)	(16.8)	(16.8)
		(16.8)	(16.8)	(16.8)
Net Estimated Proceeds Available for Distribution		\$0.0	\$0.0	\$0.0
Claims Receiving No Distribution:				
Administrative Expenses		0.0	0.0	0.0
Priority Claims		0.0	0.0	0.0
General Unsecured Claims		114.6	73.1	93.9
		\$114.6	\$73.1	\$93.9
Recovery % for All Creditor Classes		0%	0%	0%

Millennium Holdings LLC
Liquidation Analysis

Exhibit 6

<i>(MILLIONS)</i>	<u>NBV</u>	<u>Low</u>	<u>High</u>	<u>Midpoint</u>
Cash & Equivalents & Short Term Investments	\$8.5	\$8.5	\$8.5	\$8.5
Trade Accounts Receivable	0.0	0.0	0.0	0.0
Other Receivables	0.0	0.0	0.0	0.0
Intercompany Receivables	74.1	0.0	0.0	0.0
Inventory	0.0	0.0	0.0	0.0
Prepays and Other Current Assets	0.0	0.0	0.0	0.0
Property, Plant & Equipment, net	1.1	0.0	0.0	0.0
Investments and Long-Term Receivables	0.0	0.0	0.0	0.0
Intangible Assets, net	0.0	0.0	0.0	0.0
Other Long-Term Assets	0.0	0.0	0.0	0.0
Gross Proceeds	\$83.7	\$8.5	\$8.5	\$8.5
Costs Associated with Liquidation:				
Payroll/Overhead		0.0	0.0	0.0
Liquidation Costs of PP&E		0.0	0.0	0.0
Chapter 7 Trustee Fees		(0.3)	(0.3)	(0.3)
Chapter 7 Professional Fees		0.0	0.0	0.0
Net Estimated Proceeds Available for Distribution		\$8.3	\$8.3	\$8.3
Less Secured and Administrative Claims:				
Secured Claims		0.0	0.0	0.0
Administrative Expenses		5.2	5.2	5.2
Priority Claims		0.0	0.0	0.0
		5.2	5.2	5.2
Proceeds Available after Secured/Admin Claims		\$3.0	\$3.0	\$3.0
General Unsecured Claims		\$1,408.0	\$1,018.4	\$1,213.2
General Unsecured Claims Estimated Recovery %		0.2%	0.3%	0.2%

Millennium Petrochemicals Inc. (Virginia)
Liquidation Analysis

Exhibit 7

<i>(MILLIONS)</i>	<u>NBV</u>	<u>Low</u>	<u>High</u>	<u>Midpoint</u>
Cash & Equivalents & Short Term Investments	\$3.0	\$3.0	\$3.0	\$3.0
Trade Accounts Receivable	36.3	21.8	25.4	23.6
Other Receivables	2.0	1.1	1.3	1.2
Intercompany Receivables	8,023.9	0.0	0.0	0.0
Inventory	26.1	17.6	21.1	19.4
Prepays and Other Current Assets	11.2	0.0	0.0	0.0
Property, Plant & Equipment, net	189.5	31.8	31.8	31.8
Investments and Long-Term Receivables	0.0	0.0	0.0	0.0
Intangible Assets, net	45.5	0.0	0.0	0.0
Insurance Proceeds	0.0	0.0	3.6	1.8
Other Long-Term Assets	91.9	76.9	85.9	81.4
Gross Proceeds	\$8,429.4	\$152.2	\$172.2	\$162.2
Costs Associated with Liquidation:				
Payroll/Overhead		(3.0)	(3.4)	(3.2)
Liquidation Costs of PP&E		(3.2)	(3.2)	(3.2)
Chapter 7 Trustee Fees		(4.6)	(5.2)	(4.9)
Chapter 7 Professional Fees		(2.3)	(2.6)	(2.4)
Net Estimated Proceeds Available for Distribution		\$139.1	\$157.8	\$148.5
Less Secured, Admin and Priority Claims:				
Secured Claims		1.0	0.8	0.9
Administrative Expenses		118.5	115.1	116.8
Priority Claims		0.4	0.4	0.4
		119.9	116.3	118.1
Proceeds Available after Secured/Admin/Priority Claims		\$19.2	\$41.6	\$30.4
Guarantees / General Unsecured Claims:				
Senior Secured Loan Guarantees		350.0	350.0	350.0
Other General Unsecured Claims		114.0	64.5	89.3
		\$464.0	\$414.5	\$439.3
Recoveries:				
Senior Secured		14.5	35.1	24.2
Estimated Senior Secured Loan Recovery %		4.1%	10.0%	6.9%
Other General Unsecured Claims - Liquidation		4.7	6.5	6.2
Other General Unsecured Claims - Lender Litigation Settlement		17.5	12.0	15.0
		\$22.2	\$18.5	\$21.2
General Unsecured Claims Estimated Recovery %		19.5%	28.7%	23.8%

Millennium Specialty Chemicals Inc.
Liquidation Analysis

Exhibit 8

<i>(MILLIONS)</i>	<u>NBV</u>	<u>Low</u>	<u>High</u>	<u>Midpoint</u>
Cash & Equivalents & Short Term Investments	\$0.5	\$0.5	\$0.5	\$0.5
Trade Accounts Receivable	18.5	11.1	12.9	12.0
Other Receivables	0.9	0.9	0.9	0.9
Intercompany Receivables	310.4	0.0	0.0	0.0
Inventory	33.8	22.5	26.2	24.4
Prepays and Other Current Assets	2.0	0.0	0.0	0.0
Property, Plant & Equipment, net	67.7	13.5	13.5	13.5
Investments and Long-Term Receivables	0.0	0.0	0.0	0.0
Intangible Assets, net	0.3	0.0	0.0	0.0
Other Long-Term Assets	0.0	0.0	0.0	0.0
Gross Proceeds	\$434.0	\$48.4	\$53.9	\$51.2
Costs Associated with Liquidation:				
Payroll/Overhead		(1.0)	(1.1)	(1.0)
Liquidation Costs of PP&E		(1.3)	(1.3)	(1.3)
Chapter 7 Trustee Fees		(1.5)	(1.6)	(1.5)
Chapter 7 Professional Fees		(0.7)	(0.8)	(0.8)
Net Estimated Proceeds Available for Distribution		\$43.9	\$49.1	\$46.5
Less Secured, Admin and Priority Claims:				
Secured Claims		0.0	0.0	0.0
Administrative Expenses		41.2	40.8	41.0
Priority Claims		0.0	0.0	0.0
		41.2	40.8	41.0
Proceeds Available after Secured/Admin/Priority Claims		\$2.7	\$8.2	\$5.5
Guarantees / General Unsecured Claims:				
Senior Secured Loan Guarantees		350.0	350.0	350.0
Other General Unsecured Claims		24.2	14.2	19.2
		\$374.2	\$364.2	\$369.2
Recoveries:				
Senior Secured		2.5	7.9	5.2
Estimated Senior Secured Loan Recovery %		0.7%	2.3%	1.5%
Other General Unsecured Claims - Liquidation		0.2	0.3	0.3
Other General Unsecured Claims - Lender Litigation Settlement		3.7	2.7	3.2
		\$3.9	\$3.0	\$3.5
General Unsecured Claims Estimated Recovery %		16.1%	20.9%	18.3%