

REVIEW OF OBJECTIONS BY CATEGORY

<u>OBJECTION</u>	<u>RESPONSE</u>	<u>OBJECTING PARTY</u>
Solicitation Issues		
Temporarily allowing contingent, unliquidated or disputed claims at \$1.00 for voting purposes disenfranchises creditors.	This is a standard provision. Moreover, if a creditor disagrees with the amount of its claim for voting purposes, it can file a motion pursuant to Bankruptcy Rule 3018 to temporarily allow the claim in a different amount.	ConocoPhillips ¹
The time period before the Voting Deadline by which the Debtors can object to a claim for it to be disallowed is too short.	The Debtors have modified the Disclosure Statement Order and proposed solicitation procedures to lengthen the time to 20 days prior to the Voting Deadline.	ConocoPhillips
Claims, Contract and Distribution Issues		
The Disclosure Statement does not adequately describe treatment of chapter 5 causes of action, including whether they may be asserted, how that decision will be made, scope of such claims or any analysis of such claims.	The Disclosure Statement has been updated to describe treatment of chapter 5 causes of action in connection with the Lender Litigation Settlement. <i>See</i> DS at 103-105. The Lender Litigation Settlement provides that the estate will (i) assign causes of action under section 547 and section 548 of the Bankruptcy Code to the Litigation Trust, and (ii) abandon causes of action under section 544 of the Bankruptcy Code, such that state law avoidance claims will be contributed	ConocoPhillips

¹ Attached hereto as Schedule A is a list of each objection indicating the docket number and the term used herein to describe such objection. Other terms have the meanings ascribed to them in the Debtors' Third Amended Disclosure Accompanying Third Amended Joint Chapter 11 Plan of Reorganization for the LyondellBasell Debtors, dated March 10, 2010 (the "Disclosure Statement" or "DS").

	<p>under the Plan to the Creditor Trust.</p> <p>The Litigation Trust will prosecute certain of the Assigned Preference Claims (but not such claims against Excluded Persons) for the benefit of holders of Allowed General Unsecured Creditors, holders of Senior/Bridge Deficiency Claims, and the Reorganized Debtors. The Litigation Trust will prosecute the Non-Settling Defendant Claims for the benefit of holders of Allowed General Unsecured Claims and holders of Senior/Bridge Deficiency Claims (in the latter case, after the principal amounts of all Allowed General Unsecured Claims have been paid in full under the Plan).</p> <p>The Lender Litigation Settlement also provides that the Creditor Trust will prosecute state law avoidance claims for the benefit of holders of Allowed General Unsecured Claims and holders of Senior/Bridge Deficiency Claims (in the latter case, after the principal amounts of all Allowed General Unsecured Claims have been paid in full under the Plan). <i>See</i> DS at 105-106.</p>	
The Disclosure Statement should disclose the magnitude of section 503(b)(9) claims or whether the Debtors will have cash sufficient to pay such claims.	The Disclosure Statement has been revised to disclose that the Debtors estimate that there will be \$26 million -- \$32 million in Allowed section 503(b)(9) Claims. <i>See</i> DS at 70. The exit financing and rights offering described in the disclosure statement ensures that the Debtors will have sufficient cash at emergence to pay the entirety of these 503(b)(9) Claims.	ConocoPhillips
The setoff and recoupment procedures	The procedures for setoff and recoupment are	ConocoPhillips

<p>set forth in the Plan are deficient. The Debtors should be required to disclose specific estimates of setoff and to assert setoff or recoupment through a formal Court process.</p>	<p>appropriate and standard. There is no legal reason why the Debtors should be required to disclose specific estimates of setoff or why setoff and recoupment have to be pursued through a formal Court process.</p> <p>Further, the Disclosure Statement has been revised to indicate that the Debtors can only assert a setoff right for one year following the Effective Date. <i>See</i> DS at 112.</p>	
<p>Disclosure Regarding the Trusts and Schedule III Distributions</p>		
<p>The Disclosure Statement does not adequately describe the Millennium Custodial Trust or the Environmental Custodial Trust, including how these trusts will function, how they will resolve claims, the extent insurance will be used to satisfy claims, who will be appointed trustee, the role of the Trust Advisory Board or how the Wind-Up Funds and the Millennium Trust Chain Assets will be apportioned among the Schedule III Debtors.</p>	<p>The Disclosure Statement provides as much detail as currently available with respect to the Millennium Custodial Trust and Environmental Custodial Trust. This information constitutes sufficient disclosure for purposes of voting to accept to reject the Plan. Additionally, the Plan Supplement will include the Millennium Trust Agreement and Environmental Trust Agreement, which will provide additional details regarding these trusts.</p> <p>The Debtors are in the process of searching for a Millennium Trust Trustee. They have solicited proposals and are interviewing and negotiating fees with potential trustees.</p> <p>The Debtors have reached a settlement in principle of major terms, subject to finalization of all terms and final approval by management of the settling parties, with the Environmental Protection Agency and other state environmental agencies regarding the funding of the Environmental Custodial Trust.</p>	<p>Mt. McKinley</p>

	The basic terms of the settlement have been incorporated in the Disclosure Statement. <i>See</i> DS at 101.	
The Disclosure Statement should contain more information regarding the Litigation Trust, including governance, timing of formation, counsel, distributions and funding.	In light of the Lender Litigation Settlement, the Disclosure Statement has been substantially revised to address, among other things, the structure, purpose, distributions and funding of the Litigation Trust. <i>See</i> DS at 103-105. The Litigation Trust Agreement will be filed with the Plan Supplement and will include additional detail regarding this trust.	ConocoPhillips
The Lender Litigation Settlement		
The Disclosure Statement should contain more information regarding the Committee Litigation and the Lender Litigation Settlement, including: a list of claims and causes of action in the Committee Litigation, amounts of recovery sought on these claims, the Debtors' and Committee's analysis of the claims, the identity of the remaining defendants and their ability to satisfy a money judgment amount of secured deficiency claims being waived.	The Committee Litigation and the Lender Litigation Settlement are subject to a separate approval process under Bankruptcy Rule 9019. All necessary information will be provided in connection with the Motion of the Debtors and Official Committee of Unsecured Creditors to Approve Revised Settlement Agreement with Financing Party Defendants in Committee Litigation, filed on March 6, 2010 [docket no. 3891].	ConocoPhillips
The Disclosure Statement should explain why the 2015 Noteholders and holders of claims against certain Millennium entities recover as part of Class 7-A.	The 2015 Noteholders are entitled to a recovery of settlement proceeds as part of the global settlement with the Committee, the Millennium Noteholders, the Bridge Lenders and the Senior Secured Lenders. Additionally, 2015 Noteholders hold	ConocoPhillips

	claims against Debtors that are obligated on the Senior Secured Debt. Accordingly, the 2015 Noteholders, in addition to the holders of General Unsecured Claims, could have potentially benefited if the liens of the Seniors Secured Lenders had been avoided pursuant to the Committee Litigation, and are thus entitled to their pro rata share of the Settlement Consideration.	
The Debtors do not include any justification for the de facto substantive consolidation of the General Unsecured Claims against the Obligor Debtors.	There is no de facto substantive consolidation of the General Unsecured Claims against the Obligor Debtors. The holders of General Unsecured Claims against Obligor Debtors are sharing pro rata in the proceeds of the settlement produced by the Committee Litigation. The Lender Litigation Settlement is subject to a separate approval process, pursuant to Bankruptcy Rule 9019 and the allocation of settlement proceeds will be addressed by the Plan. It should be noted that, absent the Lender Litigation Settlement, holders of General Unsecured Claims against Obligor Debtors would not receive any recoveries.	ConocoPhillips
Insurance-Related Objections		
The Debtors should provide specific information regarding the insurance coverage for certain personal injury claims.	Pursuant to a stipulation with the parties, the Debtors have shared this insurance information as part of discovery in the relevant state court action. The information is not necessary for a determination of whether to vote for or against the Plan.	Crane Victims
The Plan improperly provides for the	The Plan does not provide for the assignment of	MMIC, Mutual Marine (joinder), the

assignment of Insurance Policies in contravention of anti-assignment provisions.	Insurance Policies. Each Insurance Policy will be assumed by the same entity that held such policy prior to the Effective Date. The Disclosure Statement has been revised to clarify this issue. <i>See</i> DS at 117-118.	Insurers
The Disclosure Statement does not disclose how the Trusts will access insurance.	The Trusts will not access any insurance. Rather, each entity that currently holds an Insurance Policy will continue to hold such policy after the Effective Date. <i>See</i> DS at 117-118.	MMIC, Mutual Marine (joinder)
The Plan improperly limits the insurers rights to participate in the resolution of claims for which there is insurance coverage.	The Plan and Disclosure Statement have been revised to include that to the extent an Insurance Policy or Insurance Agreement provides the Insurer (or third party claims administrator) the right to participate with respect to the handling, administration, settlement, negotiation, arbitration or litigation of a claim for which a Debtor or a third party claimant seeks coverage, the Insurer (or third party claims administrator) may participate in such after the Effective Date to the same extent it would have been entitled to participate pursuant to its Insurance Policy or Insurance Agreement had the Chapter 11 Cases not occurred. <i>See</i> DS at 114; Plan at 69. This clarification resolves that portion of the objections.	MMIC, Mutual Marine (joinder), Insurers
The Plan and Disclosure Statement do not contain adequate assurance of future performance of the assumed Insurance Policies.	The Plan and Disclosure Statement have been revised to clarify that the Plan is insurance neutral, including that obligations owed by each party under the relevant insurance policies are continuing and the Plan has no affect on these obligations. <i>See</i> DS at 117; Plan at 73-74.	The Insurers

	The Disclosure Statement also includes financial projections for the Reorganized Debtors, including sources and uses, and this information evidences adequate assurance of the Reorganized Debtors' future performance. <i>See</i> Exhibit C to the Disclosure Statement.	
The Plan is not insurance neutral.	The Plan and Disclosure Statement have been revised to clarify that the Plan is insurance neutral. <i>See</i> DS at 117-118; Plan at 73-74.	The Insurers
The releases are not consistent with insurance neutrality because they relieve the Debtors of their obligations under the Policies.	The Disclosure Statement has been revised to clarify that nothing in the releases will affect the Reorganized Debtors' obligations under the assumed Insurance Policies following the Effective Date. <i>See</i> DS at 117-118.	The Insurers
The Plan improperly confers jurisdiction with the Bankruptcy Court to consider coverage litigation, and the Disclosure Statement should contain more information regarding coverage litigation.	<p>The Disclosure Statement has been revised to include that coverage litigation will be handled in the court where it is currently pending or, if not currently pending in any court, coverage claims will be heard in the forum specified in the relevant Insurance Policy or Insurance Agreement or, if no forum is so specified, in a court of competent jurisdiction. <i>See</i> DS at 117-118.</p> <p>The Debtors do not believe additional information related to coverage litigation is material information necessary to making a determination to vote in favor of or against the Plan.</p>	The Insurers; MMIC, Mutual Marine (joinder)
Miscellaneous		

The Disclosure Statement is unclear and not user friendly.	The Disclosure Statement describes a complicated Plan and company in a manner intended to be as clear and user-friendly as possible.	Port of Houston
The Debtors should provide more information regarding the Reliance Industries to purchase LyondellBasell.	<p>The Disclosure Statement has been revised to include additional information regarding the Reliance purchase proposal. <i>See</i> DS at 67-68.</p> <p>Further, it is black letter law that a debtor is not obligated to provide information regarding any other possible or proposed plan; the statute itself states so: “adequate information need not include . . . information about any other possible or proposed plan.” 11 U.S.C. § 1125(a)(1); <u>see also In re WorldCom, Inc.</u>, 2003 Bankr. LEXIS 1401, *165 (Bankr. S.D.N.Y. Oct. 31, 2003) (“the Debtors are not obligated to provide information regarding any other possible or proposed plan of reorganization.”); <u>Kirk v. Texaco, Inc.</u>, 82 B.R. 678, 684 (S.D.N.Y. 1988) (“the Appellants could not oppose the Disclosure Statement successfully merely by citing its failure to discuss some other possible plan, such as one in which releases would not be given.”); <u>Colorado Mountain Express v. Aspen Limousine Service, Inc. (In re Aspen Limousine Service, Inc.)</u>, 193 B.R. 325, 334 (D. Colo. 1996) (“The amendment [to section 1125] supports those cases in which it was held that a disclosure statement does not have to disclose the existence of other plans or the terms of such plans.”)</p>	ConocoPhillips
The Debtors should disclose the	The Disclosure Statement has been revised to	ConocoPhillips

allocation of Administrative Expenses, adequate protection liens and other amounts to demonstrate that there are no unencumbered assets at Basell USA, Inc. and Lyondell Chemical.	include a footnote that details the allocation of these expenses and claims to each of Basell USA, Inc. and Lyondell Chemical, demonstrating that there are no unencumbered assets at either entity. <i>See</i> DS at 10.	
The Disclosure Statement does not provide adequate information regarding the valuation of the Debtors, including (i) an explanation for the change in valuation between the Petition Date the date of the Disclosure Statement (ii) detail regarding financial projections and (iii) detail regarding the valuation methodologies used by the Debtors' financial advisors.	<p>The Disclosure Statement has been revised to include an explanation regarding the change in valuation between the Petition Date and the date of the Disclosure Statement. <i>See</i> DS at 147 and Exhibit H to the Disclosure Statement.</p> <p>The Debtors have worked with the Splinter Bridge Holders to comply with their requests for information, to the extent reasonable, including providing them with a copy of Evercore's imputed valuation analysis of LyondellBasell as of February 2010.</p> <p>The Disclosure Statement includes the latest financial projections from the Debtors. The information provided regarding these projections, and the methodologies employed by Evercore, is sufficient for making a decision to vote in favor of or against the Plan.</p>	Splinter Bridge Holders

SCHEDULE A

Pending Objections

Mt. McKinley Insurance Company and Everest Reinsurance Company (“MMIC”), Objection of [docket no. 3706]

Ad Hoc Committee of Bridge Loan Claimants (“Splinter Bridge Holders”), Response of [docket no. 3729]

Certain Insurers (“Insurers”), Limited Objection of [docket no. 3710]

ConocoPhillips Company (“ConocoPhillips”), Objection of [docket no. 3285] and Amended Objection [docket no. 3712]

Crane Accident Victims (“Crane Accident”), Objection of [docket no. 3697]

Mutual Marine Office, Inc. (“Mutual Marine”), Joinder to Objection of MMIC [docket no. 3716]

Port of Houston Authority (“Port of Houston”), Response and Objection of [docket no. 2967]

Resolved Objections

Aaron and Tisha Palms (“Palms”), Objection of [docket no. 3698]

Ascend Performance Materials, LLC and Solutia Inc. (“Ascend/Solutia”), Joint Objection of [docket no. 3135]

Cat-Spec, LTD. (“Cat-spec”), Objection of

Dell Financial Services L.L.C (“Dell”), Objection of [docket no. 3160]

GIM Channelview Cogeneration, LLC and GIM Retail Energy, LLC (“GIM”), Objection and Reservation of Rights of [docket no. 3709]

H&S Constructors, Inc. (“H&S”), Objection of [docket no. 2973] and Amended Objection [docket no. 3703]

Law Debenture Trust Company of New York (“Law Debenture”), Limited Objection and Joinder of the Objection of the Committee [docket no. 3708]

Official Committee of Unsecured Creditors (“Committee”), Objection of [docket no. 3713]

Shaw Maintenance, Inc. and Shaw Global Energy Services, Inc. (“Shaw”), Limited Objection of [docket no. 2878]

Specialty Tank Services, LTD. (“STS”), Objection of

United Steelworker, (“USW”), Objection of [docket no. 3730]

Westchester Fire Insurance Company, Objection of [docket no. 3711]

WHM Custom Services, Inc., Diamond Refractory Services, L.P., M&I Electric Industries, Inc., Tiger Tower Services, LLC, Oliver Equipment Company, Inc. and Gajeske Incorporated (the “Lienholders”), Joinder in the Limited Objection of Shaw [docket no. 2983]

Wilmington Trust Company (“Wilmington”), Objection of [docket no. 3717]