

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: :
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LYONDELL CHEMICAL COMPANY, et al., : **Chapter 11**
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Debtors. : **Case No. 09-10023 (REG)**
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**DECLARATION OF MICHAEL J. KRATOCHWILL IN
SUPPORT OF THE APPLICATION OF THE DEBTORS FOR
AN ORDER AUTHORIZING EMPLOYMENT AND RETENTION OF
NEXANT, INC. TO PERFORM CERTAIN CONSULTING AND VALUATION
SERVICES**

Michael J. Kratochwill declares as follows:

1. I am a Vice President of Nexant, Inc.
2. I make this Declaration in support of the Application for an order authorizing the employment and retention of Nexant, Inc. and its affiliates (“Nexant”) as industry experts and valuation consultants pursuant to 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014(a) in connection with the industry and business outlook and enterprise valuation of certain of the above-captioned debtors, as debtors-in-possession (collectively, the “Debtors”) in these reorganization cases and certain of their affiliates. Except as otherwise noted, I have personal knowledge of the matters set forth herein.
3. Nexant, Inc. is an industry-expert consultant (in the energy, petroleum, chemical and polymer/plastic sectors) that has provided industry-expert consulting and valuation services for over 40 years. Nexant is a U.S. and international market leader in providing industry analysis and asset valuation to major companies and financial institutions for business and strategy

planning, project feasibility and finance due diligence, technology and market studies, business combination synergy analysis, corporate restructuring, and capital investment analysis purposes. Nexant employs approximately 400 employees and operates in 11 U.S. offices, as well as in 10 additional offices located worldwide outside the U.S.

4. As set forth more fully in the engagement letter, dated March 11, 2009 (the “Nexant Engagement Letter”), the Debtors requested for Nexant to provide postpetition consulting support, on such topics as markets, economics, business planning, asset appraisals, business valuations, strategies and forecasts, and/or testimony or other support or report preparation with regard to such issues and topics, in accordance with the terms of the Nexant Engagement Letter.

5. Except as set forth in this Declaration, to the best of my knowledge, neither I, Nexant, nor any officer, director, shareholder or employee thereof, insofar as I have been able to ascertain, has any connection with the Debtors, their creditors, or any other party in interest, or their respective attorneys or accountants.

6. In connection with the preparation of this Declaration, Nexant conducted a review of its conflicts check systems with respect to the lists of potential parties in interest in these reorganization cases, including the Debtors’ secured lenders, insurers, professionals, litigation parties, significant equity investors, indenture trustees, bondholders, counterparties to leases and executory contracts, significant customers, current and former officers and directors, and letter of credit insurers and beneficiaries.

7. Nexant has in the past provided services and/or consulting to, and likely in the future will also provide services or consulting to, parties in interest in matters unrelated to these cases. To the extent our search indicated that Nexant has a relationship with any party in interest in matters unrelated to these chapter 11 cases, the names of such entities and Nexant’s relationship therewith are set forth in Schedule 1 attached hereto and incorporated herein. Each of the

entities listed on Schedule 1, section 1, is a current client, former client, or is related to a current client or affiliate thereof, in connection with a matter wholly unrelated to the Debtors. To the best of my knowledge and information, the annual fees paid to Nexant by any of the entities on the Client Match List (and their respective affiliates) for any of the last three (3) years did not exceed 1% (one percent) of Nexant's annual gross revenue for such year.

8. It is Nexant's intent to update and expand its ongoing conflict search for additional parties in interest in an expedient manner and update this information as necessary from time to time. Nexant is confident that the disclosed representation of such parties in interest in unrelated matters will not affect its representation of the Debtors in these proceedings.

9. Furthermore, as a result of its diverse practice, Nexant from time to time may appear in other cases, proceedings and transactions as an expert involving these or other different professionals, some of which may represent claimants and parties in interest in these reorganization cases. Nexant has in the past provided services related to several attorneys and law firms in the legal community, some of which may be involved in these proceedings, and may do so again in the future. In addition, Nexant has in the past and will likely in the future be working with or against other professionals involved in these cases in matters unrelated to these cases. Based on our current knowledge of the professionals involved, and to the best of my knowledge, none of these business relations constitute interests materially adverse to the Debtors herein in matters upon which Nexant is to be employed, and none are in connection with these cases.

10. Except as set forth in this Declaration, to the best of my knowledge, neither I, Nexant, nor any officer, director, shareholder, or employee thereof, insofar as I have been able to ascertain, holds or represents an interest adverse to the estates. Nexant qualifies as a "disinterested person" under 11 U.S.C. § 101(14), as modified by 11 U.S.C. § 1107(b).

11. If Nexant's retention is approved by the Court, it intends to apply to the Court for allowances of compensation and reimbursement of expenses for industry-expert and valuation consulting services in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, corresponding Local Bankruptcy Rules for the Southern District of New York, orders of the Court and guidelines established by the United States Trustee. The customary hourly rates for professional time fees, subject to periodic adjustments, charged by Nexant personnel anticipated to be assigned to this engagement are as follows:

<u>Staff Position Titles</u>	<u>Rate (\$/hour)*</u>
Michael J. Kratochwill, Vice President	\$550
Andrew B. Swanson, Vice President	\$550
Bruce F. Burke, Vice President	\$550
Roger Green, Vice President	\$550
Edward S. Glatzer, Principal	\$425
John S. Boepple, Sr. Project Manager	\$425
William L. Tittle, Principal / Sr. Project Manager	\$425
David Alston, Project Manager	\$375
Alastair Hensman, Project Manager	\$375
Luann M. Farrell, Sr. Consultant	\$325
Nelson G. Vasquez, Sr. Consultant	\$325
Andrew Powell, Consultant	\$275
Stewart Hardy, Consultant	\$275
Wansoo Byun, Consultant	\$275
Tammy P. Lo, Sr. Analyst	\$200
Will Cameron, Senior Analyst	\$200
Alexander Eng, Analyst	\$200
Donnie Wickham, Analyst	\$200
Jody-Kaye Thomas, Analyst	\$200
Tzyy Lok, Analyst	\$200
Document Processing Operators, Information Researchers	\$100

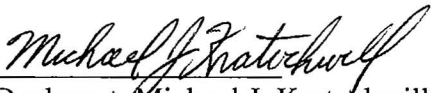
* Note: If Nexant's hourly fees to be charged are adjusted, Nexant will notify the United States Trustee and the unsecured creditors' committee.

Not all of these staff (above) will be working full time on this engagement at any point in time. However, Nexant staff will be assigned to work on this engagement depending on the nature of the work tasks, the level of skills/experience and subject matter expertise required, their availability in consideration of other duties within Nexant, and the goal of performing the work effectively in as timely and economical a manner as is practical for the benefit of the Debtors. Depending on the tasks involved, other Nexant staff may also work on this engagement from time to time, and would bill time at hourly rates according to their staff position title, consistent with the above rate table.

In addition to the above hourly rates for professional time fees, Nexant will also seek reimbursement for necessary expenses incurred, which shall include, but not be limited to, travel, photocopying, delivery service, postage, vendor charges and other out-of-pocket expenses incurred in providing professional services.

12. At present, Nexant cannot estimate the approximate fees and other reimbursable charges for the services to be provided by Nexant under this engagement, since the nature, scope, duration and intensity of our services are being developed as the work is proceeding with the Debtor.

13. Nexant has no agreement with any other entity to share any compensation received, nor will any be made, except as permitted under section 504(b)(1) of the Bankruptcy Code.


Declarant: Michael J. Kratochwill
Title: Vice President

Nexant, Inc.
44 South Broadway
White Plains, NY 10601

Dated: White Plains, New York

March 26, 2009

Schedule 1

Disclosure of Nexant, Inc.: Results of Conflicts Search

1. Nexant has performed consulting engagements for, and / or has sold “off the shelf” copies of our publicly published reports on the energy and chemical industry and their various segments to, the following entities which are among the parties in interest (or to an entity that is related or affiliated to a named party in interest) during the last four years (2004 – 2008). Most of these engagements have now expired, but some continue on at this time.

Air Products and Chemicals

Apollo Management, L.P.

Barclays Bank

Basell Germany Holdings GmbH

Basell North America Inc.

BASF Corporation

BNP Paribas Asset Management

BP Energy Company

Chevron Corporation

Citgo Petroleum Corporation

Citigroup Global Markets Ltd.

Conoco Phillips

Credit Suisse

Deutsche Bank

Dow Chemical Company

Evonik Industries AG

ExxonMobil Chemical Corp.

Flint Hills Resources LP

Goldman Sachs

Goldman Sachs Asset Management

ING Bank

JP Morgan Asset Management

Kellogg, Brown & Root Industrial

Linde Gas LLC

Lyondell Chemical Company

LyondellBasell Advanced Polyolefins USA

LyondellBasell Industries

Marathon Petroleum Company LLC

Marubeni Corporation

Merrill Lynch Capital Corp.
Morgan Stanley
Morgan Stanley & Co., Inc.
Nomura Asset Management
PDVSA Petroleo S.A.
Shell Chemical Corporation
Shell Petrochemicals N.V.
Societe Generale
Solutia, Inc.
State of California
Sud-Chemie, Inc.
Sunoco Chemicals Polymers Division
Sumitomo Chemical Company
Westlake Petrochemicals LP
WestLB Mellon Asset Management

2. In addition, we note that the equity (stockholding) of Nexant, Inc. is owned by a number of private equity investment firms. None of these shareholders is involved in the management of Nexant's services or consulting engagements in any manner. The majority of the shares of Nexant, Inc. are owned by investment funds that are primarily owned by TeleSoft Partners, itself a private equity firm. TeleSoft Partners, to the best of our knowledge, is not related to any of the parties in interest. However, we note the following: (a) **Morgan Stanley Dean Witter Equity Funding, Inc.** owns a small minority share of the shareholding of Nexant, Inc. i.e. 3%, and our understanding is that this entity is an affiliate of Morgan & Stanley & Co., Inc., a party in interest in this case. (b) **The Beacon Group Energy Investment Fund II, L.P.**, owns a minority share of the shareholding of Nexant, Inc., i.e. 14%, and our understanding is that this entity is related to The Beacon Group, which in turn is an affiliate of JP Morgan, Chase & Co., which in turn is an affiliate of one of the parties in interest in this case.

EXHIBIT C

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: :
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LYONDELL CHEMICAL COMPANY, et al., : **Chapter 11**
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Debtors. : **Case No. 09-10023 (REG)**
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**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF
NEXANT INC. TO PERFORM CERTAIN VALUATION SERVICES**

Upon the Application (the “Application”) of Lyondell Chemical Company and certain of its subsidiaries and affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors” and each, a “Debtor”), for an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”) and rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), authorizing and approving the employment and retention of Nexant Inc. and its affiliates (“Nexant”) to perform certain valuation services in the above-captioned chapter 11 cases, pursuant to the terms set forth in the Application; and upon the Declaration of Michael J. Kratochwill, a Vice President of Nexant, filed in support of the Application and annexed to the Application as Exhibit B (the “Declaration”); and the Court being satisfied, pending a final hearing on reasonable notice, based on the representations made in the Application and in the Declaration, that Nexant does not hold or represent an interest adverse to the Debtors’ estates and is a “disinterested person” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section

1107(b) of the Bankruptcy Code, and, as required by section 327(a) and referenced by section 328(c) of the Bankruptcy Code, neither represents nor holds an interest adverse to the Debtors and their estates; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. § 1334; and due and proper notice of the Application having been provided; and it appearing that no other or further notice of the Application need be provided; and the Court having determined that the relief sought in the Application is in the best interests of the Debtors, their estates and their creditors; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Application is granted as set forth herein; and it is further

ORDERED that, pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors are authorized to employ and retain Nexant as their valuation consultants, as of the date of the commencement of the Debtors' cases, on the terms set forth in the Application and the engagement letter, dated March 11, 2009 (the "Engagement Letter"); and it is further

ORDERED that the terms of the Engagement Letter, including without limitation, the fee and expense provisions, are reasonable terms and conditions of employment and are approved; and it is further

ORDERED that all requests of Nexant for payment of indemnity pursuant to the Engagement Letter shall be made by means of an application (interim or final as the case may be) and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Engagement Letter and is reasonable based

upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, however, that in no event shall Nexant be indemnified in the case of its own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct; and it is further

ORDERED that in no event shall Nexant be indemnified if the Debtor or a representative of the estate, asserts a claim for, and a court determines by final order that such claim arose out of, Nexant's own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct; and it is further

ORDERED that in the event that Nexant seeks reimbursement for attorneys' fees from the Debtors pursuant to the Engagement Letter, the invoices and supporting time records from such attorneys shall be included in Nexant's own applications (both interim and final) and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of this Court under the standards of §§ 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under § 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy Section 330(a)(3)(C) of the Bankruptcy Code; and it is further

ORDERED that Nexant shall be compensated for its postpetition services and expenses in accordance with the procedures set forth in section 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules and Local Bankruptcy Rules for the Southern District of New York as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court, and such compensation shall not be contingent upon entry of any further order authorizing employment and retention; and it is further

ORDERED that this Court will retain jurisdiction to construe and enforce the terms of the Application, the terms of the Debtors' engagement of Nexant as a professional in their cases, and this Order.

Dated: New York, New York
May ____, 2009

UNITED STATES BANKRUPTCY JUDGE