

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: X
: Chapter 11
: Lyondell Chemical Company, *et.al.*, : Case No. 09-10023
: Debtors. : (Jointly Administered)
: X

**MONTHLY OPERATING REPORT FOR THE PERIOD FROM
APRIL 1, 2009 TO APRIL 30, 2009**

DEBTORS' ADDRESS: 1221 McKinney, Suite 700, Houston, Texas 77010

DEBTORS' ATTORNEYS: Deryck A. Palmer, Esq.
John J. Rapisardi, Esq.
George A. Davis, Esq.
Andrew M. Troop, Esq.
CADWALADER, WICKERSHAM & TAFT LLP
One World Financial Center
New York, New York 10281
Telephone: (212) 504-6000
Facsimile: (212) 504-6666

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under penalty of perjury, that the information contained therein is complete, accurate and truthful to the best of my knowledge.

/s/ Alan S. Bigman

Alan S. Bigman
Chief Financial Officer

DATE: May 29, 2009

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS
INDEX TO COMBINED FINANCIAL STATEMENTS AND SCHEDULES

	<u>Page</u>
Combined Financial Statements (Unaudited) as of and for the Month Ended April 30, 2009:	
Combined Statement of Income	3
Combined Balance Sheet.....	4
Combined Statement of Cash Flows	6
Notes to Unaudited Combined Financial Statements	7
1. Basis of Presentation	8
2. Chapter 11 Proceedings.....	9
3. Debt.....	12
4. Prior Period Adjustments	17
5. Reorganization Items.....	18
Schedules:	
Schedule 1. Schedule of Disbursements	
April 30, 2009	19
Schedule 2. Debtor Questionnaire	
April 30, 2009	22

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS
COMBINED STATEMENT OF INCOME
(UNAUDITED)

<u>Millions of dollars</u>	For the month ended April 30, 2009
Sales and other operating revenues:	
Trade	\$ 1,325
Non-Debtor affiliates	37
	1,362
Operating costs and expenses:	
Cost of sales	1,355
Asset impairments	5
Selling, general and administrative expenses	28
Research and development expenses	2
	1,390
Operating loss	(28)
Interest expense	(94)
Interest income	2
Other expense, net	(5)
Loss before reorganization items, equity investments and income taxes	(125)
Reorganization items	(81)
Income from equity investments	49
Loss before income taxes	(157)
Benefit from income taxes	(109)
Net loss from continuing operations	\$ (48)
Discontinued operations	--
Net loss	\$ (48)

See Notes to the Combined Financial Statements.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS
COMBINED BALANCE SHEET
(UNAUDITED)

<u>Millions of dollars</u>	<u>April 30,</u> <u>2009</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 843
Short-term investments	12
Accounts receivable:	
Trade, net	1,012
Related parties	1
Non-Debtor affiliates	293
Inventories	1,726
Short-term loan receivables - non-Debtor affiliates	623
Current deferred income tax assets	545
Prepaid expenses and other current assets	543
Total current assets	5,598
Property, plant and equipment, net	10,132
Investments and long-term receivables:	
Investment in PO joint venture	568
Long-term loan receivables - non-Debtor affiliates	2,133
Investments in non-Debtor affiliates	4,815
Other investments and long-term receivables	27
Intangible assets, net	1,720
Other assets	175
Total assets	\$ 25,168

See Notes to the Combined Financial Statements.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS
COMBINED BALANCE SHEET
(UNAUDITED)

<u>Millions of dollars</u>	<u>April 30,</u> <u>2009</u>
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current liabilities:	
Current maturities of long-term debt	\$ 8,704
Short-term debt	5,635
Short-term payables - non-Debtor affiliates	237
Accounts payable:	
Trade	839
Related parties	10
Non-Debtor affiliates	654
Accrued liabilities	922
Total current liabilities	17,001
Other liabilities	358
Deferred income taxes	2,876
Liabilities subject to compromise	12,076
Commitments and contingencies	
Stockholder's equity:	
Common stock	60
Additional paid-in capital	563
Retained deficit	(7,528)
Accumulated other comprehensive loss	(357)
	(7,262)
Minority interests	119
Total stockholder's deficit	(7,143)
Total liabilities and stockholder's equity	\$ 25,168

See Notes to the Combined Financial Statements.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS
COMBINED STATEMENT OF CASH FLOWS
(UNAUDITED)

<u>Millions of dollars</u>	<u>For the month ended April 30, 2009</u>
Cash flows from operating activities:	
Net loss	\$ (48)
Net income - discontinued operations	--
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	91
Reorganization charges	81
Reorganization-related payments	(11)
Asset impairment	5
Equity investments - income	(49)
Deferred income taxes	(118)
Foreign currency exchange loss	29
Changes in assets and liabilities that provided (used) cash:	
Accounts receivable	40
Inventories	82
Accounts payable	(67)
Other, net	(43)
Net cash used in operating activities - continuing operations	(8)
Net cash provided by operating activities - discontinued operations	--
Net cash used in operating activities	(8)
Cash flows from investing activities:	
Expenditures for property, plant and equipment	(16)
Proceeds from loans to non-Debtor affiliates	50
Short-term investments	11
Other, net	(1)
Net cash provided by investing activities	44
Cash flows from financing activities:	
Net borrowings under debtor-in-possession revolving credit facility	400
Payment of debt issuance costs	(11)
Other, net	(1)
Net cash provided by financing activities	388
Effect of exchange rate changes on cash	--
Increase in cash and cash equivalents	424
Cash and cash equivalents at beginning of period	419
Cash and cash equivalents at end of period	\$ 843

See Notes to the Combined Financial Statements.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS

TABLE OF CONTENTS

	<u>Page</u>
1. Basis of Presentation.....	8
2. Chapter 11 Proceedings	9
3. Debt.....	12
4. Prior Period Adjustments	17
5. Reorganization Items	18

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

1. Basis of Presentation

On January 6, 2009, Lyondell Chemical Company (the “Company”), certain of its subsidiaries and certain subsidiaries of its parent, LyondellBasell Industries AF S.C.A., (collectively, the “initial Debtors”) filed voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code (“U.S. Bankruptcy Code”) in the U.S. Bankruptcy Court in the Southern District of New York (“U.S. Bankruptcy Court”). In addition, voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code were filed by LyondellBasell Industries AF S.C.A. (LyondellBasell or the “Parent”) and its European general partner, LyondellBasell AF GP S.à.r.l., on April 24, 2009 and by thirteen additional U.S. subsidiaries on May 8, 2009, (collectively, with the initial Debtors, the “Debtors”). All 94 of these cases are jointly administered in the U.S. Bankruptcy Court (see Note 2).

The accompanying combined financial statements of the Debtors have been prepared solely for the purpose of complying with the monthly reporting requirements of the U.S. Bankruptcy Court and do not give effect to the May 8, 2009 filing by the thirteen additional U.S. subsidiaries.

The monthly information presented herein is unaudited and has been prepared from the books and records of Lyondell Chemical Company and Related Debtors on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As discussed in Note 2, the chapter 11 filing and related matters raise some doubt about the ability of the Debtors and LyondellBasell to continue as a going concern. The accompanying combined financial statements of the Debtors do not reflect any adjustments relating to the recoverability of assets and classification of liabilities that might result from the outcome of these uncertainties.

Pursuant to accounting principles generally accepted in the United States of America (“U.S. GAAP”), certain pre-petition liabilities of the Debtors have been reclassified to long-term liabilities on the accompanying consolidated balance sheet as liabilities subject to compromise. Liabilities subject to compromise currently include the Debtors’ long-term debt that is considered undersecured and initial Debtor amounts due to vendors and employees for goods and services received prior to the January 6, 2009 and April 24, 2009 petition dates and, in the future, may include damage claims created by the Debtors’ rejection of executory contracts. The initial Debtors continue to analyze and reconcile these amounts; therefore, the amounts reflected herein are current estimates and subject to change as additional analysis takes place. Liabilities subject to compromise are distinguished from fully-secured pre-petition liabilities of the Debtors, and post-petition liabilities of the Debtors.

These combined financial statements are based on the Debtors’ combined financial statements as of and for the four months ended April 30, 2009, which have not yet been finalized. Accordingly, the financial information herein is subject to change and any such change could be material (see Note 4). In addition, these statements do not contain all disclosures that would be required for presentation in accordance with U.S. GAAP.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

2. Chapter 11 Proceedings

The chapter 11 cases are being jointly administered under the caption “In re Lyondell Chemical Company, et. al.”

Although under applicable non-bankruptcy law the commencement of the Bankruptcy Cases constituted an event of default under many of the debt agreements of LyondellBasell and many of its direct and indirect subsidiaries and affiliates, and an event of termination under certain of their asset-backed facilities, the ability of lenders to enforce their rights under the credit facilities and the ability of other creditors to seek payment of pre-petition liabilities or to take actions against the Debtors under other agreements are stayed in substantially all cases in accordance with applicable provisions of the U.S. Bankruptcy Code. Moreover, the termination provisions in many agreements with the Debtors triggered by the commencement of the Bankruptcy Cases are not enforceable under the U.S. Bankruptcy Code. Since the commencement of the Bankruptcy Cases, the Debtors have replaced certain of their asset-backed facilities with new, DIP financing. In addition, each DIP Financing lender entered into forbearance agreements, as applicable, with respect to the exercise of certain remedies under the amended and restated pre-petition Senior Secured Credit Agreement and Interim Loan, each originally dated as of December 20, 2007. For additional information on the DIP Financing, see Note 3.

The Debtors continue to operate their businesses and manage their properties as “debtors in possession” under the jurisdiction of the U.S. Bankruptcy Court and in accordance with the applicable provisions of the U.S. Bankruptcy Code and orders of the U.S. Bankruptcy Court. In general, as debtors-in-possession, the Debtors continue to operate as ongoing businesses, but may not engage in certain transactions without the prior approval of the U.S. Bankruptcy Court. As part of the bankruptcy process, the Debtors will seek to negotiate a plan of reorganization with their creditors. Ultimately, the Debtors intend to file a plan of reorganization that they will seek to have confirmed by the U.S. Bankruptcy Court. Confirmation of the plan of reorganization will discharge pre-petition liabilities against the Debtors and permit the Debtors to commence distributions to their creditors in accordance with the terms of that plan.

In order to emerge from the Bankruptcy Cases, the Debtors must develop a plan of reorganization that complies with the requirements of the U.S. Bankruptcy Code. In addition, the Debtors must repay their obligations under the DIP Financing. The Debtors believe that their current and forecasted level of activity through December 15, 2009 will be sufficient to maintain compliance with the DIP Financing and related forbearance agreements as discussed below, and to allow the Debtors to develop and seek approval of a plan of reorganization and related restructuring of their debt. However, should business activity levels be below expectations or should margin volatility require more liquidity than the amount to which the Debtors have access through the DIP Financing or should any non-Debtor legal entity be subjected to an involuntary bankruptcy proceeding, the Debtors could default on their DIP Financing obligations. Upon an event of default, the DIP Financing lenders could seek to impose onerous credit and other terms as a condition for waiving the default or demand other concessions. Ultimately, the lenders could declare all the funds borrowed under the DIP Financing, together with accrued and unpaid interest, due and payable and could exercise remedies against their collateral and seek other relief. The outcome of these events and the chapter 11 reorganization proceedings is uncertain, which raises substantial doubt about the ability of LyondellBasell to continue as a going concern.

In April 2009 and May 2009, the Initial Debtors and LyondellBasell and its general partner filed their required Schedules of Assets and Liabilities and the Statements of Financial Affairs in the U.S. Bankruptcy Court. On May 8, 2009, the date by which substantially all creditors must file their proofs of claim was reset to June 30, 2009.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

2. Chapter 11 Proceedings—(Continued)

As part of their reorganization plan, the Debtors are developing a new five-year plan. The DIP Financing Agreement requires the Debtors to meet the following milestones related to the plan of reorganization and associated disclosure statement:

- by August 15, 2009, deliver a draft of the plan of reorganization and disclosure statement to the DIP lenders;
- by September 15, 2009, file the plan of reorganization and disclosure statement with the U.S. Bankruptcy Court;
- by October 15, 2009, obtain the U.S. Bankruptcy Court's approval of the disclosure statement, provided that if the Debtors have commenced a hearing seeking approval of the disclosure statement before such date with the reasonable belief that approval could be obtained by October 15, 2009, but the hearing is not concluded by October 23, 2009 due to the lack of the U.S. Bankruptcy Court's availability, the deadline is extended to October 30, 2009; and
- by December 1, 2009, obtain U.S. Bankruptcy Court confirmation of the plan of reorganization, provided that if the Debtors have commenced a hearing seeking confirmation before such date with the reasonable belief that confirmation could be obtained by December 1, 2009, but it is not obtained by such date due to the lack of the U.S. Bankruptcy Court's availability, the confirmation deadline shall be extended by up to twenty-one days.

In 2009, the Company announced that as part of their reorganization plan, the Debtors are developing a new five-year plan, which encompasses reductions in the total workforce and the closure of at least 20 offices, including R&D sites, and 10 or more manufacturing sites, many of which have already been announced. The planned reduction in workforce includes more than 3,000 employees, or approximately 17% of the Company's employees, and 2,000 contractors, or approximately 30% of the Company's contractors. In April 2009, the Debtors announced a voluntary separation program for eligible U.S. employees and in May 2009 announced a voluntary separation program for the Netherlands and Germany.

Based on current market conditions and the uncompetitive financial situation as a result of the Chocolate Bayou olefins plant property lease and related agreements, on March 13, 2009, the Debtors exercised an option under chapter 11 to reject the site lease and to permanently shutdown the unit by August 4, 2009. On March 13, 2009, the U.S. Bankruptcy Court had approved the long-term idling of the Debtors' olefins plant at Chocolate Bayou, Texas, the reduction of approximately 220 employees supporting olefins operations at the site and the rejection of certain executory contracts and unexpired leases related to the facility. Accordingly, in the first quarter of 2009, LyondellBasell recorded a pretax charge of \$612 million for impairment of the entire carrying value of the facility.

On February 26, 2009, the Debtors received Bankruptcy Court approval for the reduction of the workforce at the ethylene glycol facility in Beaumont, Texas, following completion of initial phases of certain post-hurricane remediation at the site. The plant, which sustained damage during Hurricane Ike in September 2008, was not returned to service. LyondellBasell's first quarter 2009 earnings reflect a \$50 million pretax charge for impairment of the entire carrying value of this facility.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

2. Chapter 11 Proceedings—(Continued)

Environmental Remediation—As of March 31, 2009, the Debtors have discontinued funding and/or ceased performing cleanups at various third-party sites (including sites where the Debtors were subject to a CERCLA or similar state order to fund or perform such cleanup). The Debtors intend to seek a determination from the U.S. Bankruptcy Court that any claims or fines asserted against a Debtor with respect to such sites would be pre-petition claims, the collection of which is stayed by the applicable provisions of the U.S. Bankruptcy Code and will ultimately be discharged as a general unsecured claim under the Debtors' plan of reorganization.

Litigation—On April 16, 2009, the U.S. Bankruptcy Court held a hearing on a motion by the Debtors (the "Stay Motion") to enforce the automatic stay and for an injunction against further prosecution of a lawsuit filed in the Superior Court of California by certain California city and county government plaintiffs, captioned County of Santa Clara, et al. v. Atl. Richfield Co., et al., Case No. CV 788657 (the "Santa Clara Lawsuit"), that asserted a public nuisance claim against defendants arising from the alleged effects of exposure to lead paint in houses and buildings, and seeking an order requiring the defendants to fund a remedial fund for lead paint removal. On April 23, 2009, the U.S. Bankruptcy Court entered an order on the Stay Motion: (i) requiring the California government plaintiffs to file a commitment by a stated deadline agreeing to refrain from proceeding against Millennium Holdings LLC (a Debtor), in the Santa Clara Lawsuit or asserting claims against such Debtor based on the operative facts in that case without first moving for and obtaining leave to do so from the U.S. Bankruptcy Court; and (ii) if such plaintiffs fail to file such a commitment by the deadline, enjoining them from proceedings against such Debtor in the Santa Clara Lawsuit or otherwise asserting claims based on the operative facts in that case. The U.S. Bankruptcy Court also stated from the bench at the hearing on the Stay Motion that any such claim asserted against the Debtors would be a pre-petition claim that is barred by the automatic stay provisions of the U.S. Bankruptcy Code (and would not qualify under any "police power" exception to the automatic stay).

Other—On April 27, 2009, the Debtors, Access Industries Holdings, LLC and certain of its affiliates (collectively, the "Access Group") entered into a stipulation (the "Stipulation") pursuant to which the Access Group agreed to limit its ability to engage in equity and debt transactions to protect and preserve the value of the Debtors' net operating loss carryforward ("NOL"). Specifically, Access Group agreed that it would not: (i) dispose of its equity interests in certain of the Debtors to the extent such disposition would result in it owning less than 50% of LyondellBasell's outstanding voting stock; (ii) prior to making a transfer that results in direct or indirect ownership of no more than 50% of LyondellBasell, acquire pre-petition debt claims against, or Roll-Up Loans owed by, the Debtors; (iii) report a worthless stock deduction with respect to equity of any of the Debtors; or (iv) undertake any other transaction, that could result in the Debtors losing the benefit of their NOLs. In addition, Access Group agreed to indemnify the Debtors for taxes and professional fees arising out of its breach of the Stipulation. Parties subsequently amended the Stipulation primarily to clarify and expand upon the terms of the indemnity. The Stipulation was approved by the U.S. Bankruptcy Court on May 21, 2009.

On April 29, 2009, the Company was informed by Access that Nell Limited ("Nell"), an Access affiliate and the indirect owner of 100% of the share capital of the Company, had entered into an agreement to contribute its indirect ownership interest in the Company to ProChemie GmbH, a wholly owned subsidiary of ProChemie Holding Ltd. ("ProChemie Holding"). Following the closing of the transaction, which is subject to customary conditions, regulatory approvals, and a review of the transaction structure by the U.S. Bankruptcy Court, Nell and ProChemie Holding will each own 50% of ProChemie, which will own, indirectly, 100% of the share capital of the Company.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

2. Chapter 11 Proceedings—(Continued)

On January 6, 2009, as a result of the commencement of the Bankruptcy Cases, the statutory auditor of LyondellBasell's French entities was required to initiate a process called "Procédure d'Alerte," which is a legal mechanism that ultimately can lead to court-supervised reorganization or restructuring of a company's obligations. It is designed to permit companies the time and resources to restructure and reduce their debts while they continue their daily operations, and requires the Company's Chairman of the Commercial Court to provide perspective on information about the Company provided by the statutory auditor. LyondellBasell's French entities have responded to all requirements of the Chairman of the Commercial Court of Salon de Provence/Nanterre and continue to manage their operations. At December 31, 2008, LyondellBasell's net investment in the French entities was \$1.6 billion.

For additional information regarding the Chapter 11 proceedings, please refer to LyondellBasell's Consolidated Financial Statements for the Year Ended December 31, 2008, which have been posted to its website at www.lyondellbasell.com.

3. Debt

In connection with the Chapter 11 cases, and after obtaining forbearance agreements from the lenders under the current senior secured and other secured loans, the Debtors received Bankruptcy Court approval of Debtor-in-Possession financing (the "DIP Financing"), which provided senior secured super priority debtor-in-possession financing facilities in an aggregate amount of up to \$8,040 million on March 1, 2009, with an option to increase one of the facilities by up to \$460 million through the addition of new lenders.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

3. Debt—(Continued)

Loans, notes, debentures and other debt due to banks and other unrelated parties consisted of the following:

<u>Millions of dollars</u>	<u>April 30, 2009</u>
<u>Debtor-in-Possession Credit Agreement</u>	
Term Facility due 2009:	
New Money Loans	\$ 2,167
Roll-Up Loans – Senior Secured Credit Facility:	
Term Loan A due 2013 – U.S. tranche	385
Term Loan B due 2014 – U.S. tranche	2,015
Term Loan B due 2014 – German tranche	465
Revolving Credit Facility	203
ABL Facility	400
	<u>5,635</u>
<u>Pre-Petition Debt</u>	
First lien secured debt:	
Senior Secured Credit Facility:	
Term Loan A due 2013 - U.S. tranche	1,044
Term Loan B due 2014:	
U.S. tranche (\$60 million of discount)	5,399
German tranche	1,258
Revolving Credit Facility	548
Debentures due 2010, 10.25% (\$3 million of premium)	102
Debentures due 2020, 9.8% (\$3 million of discount)	222
Debentures due 2026, 7.55% (\$20 million of discount)	130
Other	1
	<u>14,339</u>
Less:	
Current maturities	(8,704)
Short-term debt	(5,635)
	<u>\$ --</u>

The following debt outstanding immediately preceding the Chapter 11 filings, on January 6, 2009, has been reclassified from long-term debt and is currently reflected on the accompanying balance sheet as “Liabilities subject to compromise.”

<u>Millions of dollars</u>	<u>April 30, 2009</u>
Bank credit facilities:	
Interim Loan	\$ 8,000
Senior Notes due 2015, \$615 million	615
Senior Notes due 2015, €500 million	664
Senior Debentures due 2026, 7.625%	241
State of Maryland	1
Total	<u>\$ 9,521</u>

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

3. Debt—(Continued)

The DIP Financing described below matures on, and requires the Debtors to emerge from the Bankruptcy Cases by, December 15, 2009, provided that if the confirmation date of the plan of reorganization is extended, the maturity date of the DIP Financing will be extended by a like number of days. The capitalization of LyondellBasell upon emergence of the Debtors from the Bankruptcy Cases is subject to confirmation of a reorganization plan by the U.S. Bankruptcy Court.

DIP Financing—On January 8, 2009, the Debtors received interim U.S. Bankruptcy Court approval of senior secured super priority DIP Financing. On March 1, 2009, the Debtors received final U.S. Bankruptcy Court approval of the DIP Financing, comprising (i) a \$6,500 million term loan facility (“DIP Term Loan Facility”); and (ii) up to \$1,540 million, subject to a borrowing base, representing a new asset-based facility (“DIP ABL Facility”). The DIP Term Loan Facility consists of: (a) \$3,250 million of new funding (“New Money Loans”) and (b) \$3,250 million representing a dollar-for-dollar roll up, or conversion, of previously outstanding senior secured loans (“Roll-Up Loans”).

The initial proceeds of the DIP Financing were used: (i) to refinance, in full, (A) the Senior Secured Inventory-Based Facility, (B) the \$1,150 million Accounts Receivable Securitization Facility (see Note 11), (C) the \$200 million North American accounts receivable securitization program, (D) the \$100 million super emergency interim DIP Financing; (ii) to pay related transaction costs, fees and expenses; (iii) to provide working capital; and (iv) for other general corporate purposes of the Debtors as well as the non-U.S. subsidiaries of LyondellBasell. Not more than €700 million of the proceeds under the DIP Financing may be used to fund LyondellBasell’s non-U.S. subsidiaries. Total cash held by LyondellBasell’s foreign operations may not exceed €200 million, after excluding restricted cash, including cash that is not immediately available due to bi-monthly settlement procedures under the European receivables securitization program, tax and legal considerations in certain countries, and pursuant to letters of credit and guarantees. On a weekly basis, cash in excess of the €200 million limit must be transferred to Lyondell Chemical Company, provided that the excess is at least €5 million.

Each DIP Financing lender has agreed to enter into forbearance agreements, as applicable, with respect to the exercise of certain remedies under the amended and restated pre-petition Senior Secured Credit Agreement and Interim Loan, originally dated as of December 20, 2007.

DIP Term Loan Facility—On January 9, 2009, the Debtors borrowed \$2,167 million dollars under the DIP Term Loan Facility and received proceeds, net of related fees, of \$2,089 million. Of the \$2,089 million proceeds: (i) \$672 million was used, together with borrowing under the DIP ABL Facility, to refinance, in full, the pre-existing asset-based facilities; (ii) \$507 million was used to fund the operations of non-U.S. subsidiaries; and (iii) \$100 million was used to repay a demand note related to emergency post-petition funding. During the remainder of its term, the Debtors may borrow an additional \$1,083 million under the DIP Term Loan Facility. In April 2009, the Debtors paid fees of \$11 million primarily related to the DIP Facilities and in March 2009, the Debtors paid fees of \$39 million, including \$38 million related to the DIP Term Loan Facility and \$1 million related to the DIP ABL Facility.

Upon completion of the syndication of the DIP Financing on March 5, 2009, the roll up of \$3,250 million into the DIP Term Loan became effective. This roll up was comprised of: (i) \$385 million of the U.S. Tranche A Dollar Term Loan; (ii) \$2,015 million of the U.S. Tranche B Dollar Term Loan, (iii) \$465 million of the German Tranche B Euro Term Loan, (iv) \$203 million of the U.S. Revolving Credit Facility, held by the Debtors, (v) \$128 million of the Dutch Tranche A Dollar Term Loan; and (vi) \$54 million of the Dutch Revolving credit facility, owned by a non-debtor affiliate.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

3. Debt—(Continued)

Loans under the DIP Term Loan Facility bear interest at either the Base Rate or the Eurodollar Rate, (both as defined in the DIP Term Loan Facility), plus, in either case, an applicable margin. The Eurodollar Rate cannot decrease below 3% for New Money Loans and for 62% of the Roll-Up Loans cannot decrease below 3.25%. In the case of New Money Loans, the applicable margin per annum is 9% for Base Rate Loans and 10% for Eurocurrency Loans. The applicable margin per annum for Roll-Up Loans is 2.69% for Base Rate Loans and 3.69% for Eurocurrency Loans, subject to adjustment. In the event of default, interest will increase by 200 basis points. Interest on Eurocurrency Loans is payable on the last day of the applicable interest period and for Base Rate Loans, on the last day of each calendar month. Additional fees under the DIP Term Loan Facility include a 1.5% per annum fee on the daily unused portion of the New Money Loan commitments and a 3% exit fee due upon prepayment of New Money Loans. An exit fee is also applicable to any voluntary reduction of the New Money Loan commitments. To the extent a New Money Loan commitment is voluntarily reduced or an outstanding New Money Loan is prepaid, such amounts cannot be borrowed or re-borrowed.

Subject to certain limitations, net proceeds arising from the disposition of assets, or the settlement of casualty claims relating to collateral on which DIP Term Facility lenders have a first priority security interest, or from the incurrence of debt, must be used to repay outstanding New Money Loans under the DIP Term Facility must be used to repay outstanding New Money Loans under the DIP Term Loan Facility and reduce undrawn commitments, pay down the DIP ABL Facility loans and, finally, to repay the Roll-Up Loans.

DIP ABL Facility—Pursuant to the DIP ABL Facility, the Debtors may, subject to a borrowing base, borrow up to \$1,570 million. The borrowing base is determined using formulae applied to accounts receivable and inventory balances, and is reduced to the extent of outstanding letters of credit under the facility, which are currently limited to \$400 million, although the limit can be increased to \$700 million with additional issuing bank participation. Under the terms of the DIP ABL Facility, the asset-based facility may be increased up to \$2,000 million, in increments of at least \$25 million. On March 12, 2009, the Debtors exercised their option to increase the DIP ABL Facility by designating a New Lender, increasing the commitments under the DIP ABL Facility from \$1,540 million to \$1,570 million. At April 30, 2009, there were \$400 million of borrowings outstanding under the DIP ABL Facility and outstanding letters of credit totaled \$360 million. The borrowing base was \$1,074 million, after giving effect to a \$100 million unused availability requirement.

Subject to certain exceptions in the DIP ABL Facility Agreement and provisions in the DIP Term Loan Agreement, net proceeds arising from the disposition of assets, the incurrence of debt or casualty claims related to collateral of the ABL Facility must be used to repay outstanding loans under the DIP ABL Facility. In addition, if on any day the Debtors total amount of loans outstanding under the DIP ABL Facility, including the amount of outstanding letters of credit, exceed the maximum available under the DIP ABL Facility, a payment equal or greater to the excess borrowings must be made on the following business day.

Covenants—Subject to certain exceptions, the DIP Facilities contain covenants that restrict, among other things, debt incurrence, lien incurrence, investments, certain payments on indebtedness, sales of assets and mergers, amendment of terms of certain indebtedness and material obligations, alterations in the conduct of Lyondell's business, and affiliate transactions and distributions of LyondellBasell and its subsidiaries.

In addition, the DIP Facilities contain covenants that establish or require the Debtors to maintain quarterly capital expenditures at levels below the maximum defined in the DIP Facilities, daily minimum levels of liquidity and monthly minimum levels of cumulative Consolidated EBITDAR, (as defined in the DIP Facilities).

The DIP Facilities also contain a covenant establishing certain milestones related to the plan of reorganization, including obtaining the U.S. Bankruptcy Court's confirmation of the plan by December 1, 2009, subject to the extension described in Note 2.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

3. Debt—(Continued)

Security and Guarantees—Loans under the DIP Agreements are secured by first priority interests in and liens on substantially all pre-petition and post-petition property of the borrowers and U.S. guarantors under the DIP Agreements, including, but not limited to, material fee-owned property and equipment, general intangibles, investment and intellectual property, and proceeds of the foregoing, as well as share capital of certain subsidiaries. The collateral provided by Basell Germany Holdings GmbH (“Germany Holdings”) is limited to the share capital of its direct subsidiaries.

Guarantors include each borrower, certain Debtors, any Additional Debtor, (as defined in the DIP Agreements), LyondellBasell and each LyondellBasell subsidiary that is a guarantor of the pre-existing Senior Secured Credit Facility and Interim Loan. The guarantees are joint and several and full and unconditional.

Pre-petition debt—Immediately prior to filing for protection under Chapter 11 of the U.S. Bankruptcy Code, the Debtors’ pre-petition debt primarily consisted of outstanding amounts under the following debt instruments:

- Senior Secured Credit Facility;
- Senior Secured Inventory-Based Credit Facility;
- Interim Loan;
- Senior Debenture due 2026, 7.625%;
- Debentures due 2010, 10.825%;
- Debentures due 2020, 9.8%;
- Debentures due 2026, 7.55%;
- Senior Notes due 2015, \$615 million; and
- Senior Notes due 2015, €500 million.

The Senior Secured Credit Facility, Senior Secured Inventory-Based Credit Facility and the Interim Loan, as well as a \$1,150 million accounts receivable securitization facility, were entered into on December 20, 2007 in connection with the acquisition of the Company by LyondellBasell. The Senior Secured Credit Facility was amended and restated on April 30, 2008 and further amended on December 1, 2008. The Interim Loan was amended and restated on April 30, 2008 and on October 17, 2008. The \$1,150 million accounts receivable securitization facility and the Senior Secured Inventory-Based Credit Facility were terminated as a result of the Chapter 11 filing.

The Debtors also had an accounts receivable securitization program, which was entered into in 2005, to provide funding of up to \$200 million to U.S. subsidiaries of LyondellBasell. In connection with the Chapter 11 filing, this facility was also terminated and repaid with proceeds from the DIP Financing. The Senior Secured Credit Facility loans under which the Debtors had outstanding borrowings included the \$1,500 million U.S. Tranche A Dollar Term Loan due 2013; the \$7,550 million U.S. Tranche B Dollar Term Loan and €1,300 million German Tranche B Euro Term Loan due 2014; and the \$800 million U.S. Revolving Credit Facility. The Debtors also had loans outstanding under the Interim Loan, including \$3,500 million of fixed rate second lien loans, \$2,000 million of floating rate second lien loans and \$2,500 million of floating rate third lien loans. As a result of the Chapter 11 filing on January 6, 2009, the outstanding balance of the German Tranche B Euro Term Loan was converted to \$1,723 million U.S. dollars, using the currency adjustment mechanism, as defined. The Chapter 11 filing constituted an event of termination under the facilities, and on January 9, 2009, a portion of the DIP Financing proceeds was used to refinance, in full, the Senior Secured Inventory-Based Credit Facility and other pre-petition asset-based facilities of the Debtors.

The Senior Secured Credit Facility is secured by first priority interests in all material assets including, but not limited to, material fee-owned property and equipment, general intangibles, investment and intellectual property, and proceeds of the foregoing, of all borrowers and guarantors under the facility, as well as share capital of certain subsidiaries, except Millennium Chemicals Inc., a wholly owned subsidiary of the Company. The Interim Loan is secured by a second priority interest over the collateral securing the Senior Secured Credit Facility.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS

NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

3. Debt—(Continued)

In March 2009, the Debtors began paying interest, at the non-default rate, on the outstanding amounts under the Senior Secured Credit Facility not designated as Roll-Up Loans, subject to a minimum liquidity test calculated on the last day of the previous month. Interest will be paid to the extent minimum liquidity, as defined, does not decrease below \$1,015 million as a result of the payment. Any unpaid interest at the end of the period may be asserted as a claim by the lender.

Pursuant to the adequate protection provisions of the Bankruptcy Court's final order approving the DIP Financing, the pre-petition Senior Secured Credit Facility, the Debentures due 2010 and 2020 and the 7.55% Senior Notes due 2026, on a pari passu basis, were granted a third priority lien on the DIP Term Loan and DIP ABL Facility collateral ("DIP Collateral"), described above under "Security and Guarantees." The pre-petition Senior Secured Credit Facility continues to have a first priority lien, on a pari passu basis with the Roll-Up Loans, on pre-petition Senior Secured Credit Facility collateral that is not DIP Collateral. Additionally, under the adequate protection provisions, the Interim Loan was granted a fourth priority lien on the DIP Collateral and continues to have a second priority lien on pre-petition Senior Secured Credit Facility collateral that is not DIP Collateral.

Notes due 2015—On February 6, 2009, the Initial Debtors filed a motion with the U.S. Bankruptcy Court seeking a preliminary injunction prohibiting certain creditors from enforcing pre-petition guarantees issued by LyondellBasell for obligations of the Debtors and certain Non-Debtors and seeking to prevent the holders of LyondellBasell's 8.375% Senior Notes due 2015 (the "Senior Notes") from among other things, taking action to accelerate the maturity of the Senior Notes. On February 26, 2009, the U.S. Bankruptcy Court granted this injunction for a period of 60 days. LyondellBasell and its general partner filed voluntary petitions for relief under chapter 11 of the U.S. Bankruptcy Code on April 24, 2009 (prior to the expiration of the 60-day period). As a result of these filings, the ability of creditors to enforce their claims against LyondellBasell and its general partner is stayed by applicable provisions of the U.S. Bankruptcy Code.

On March 23, 2009, the trustee under the indenture dated August 10, 2005 relating to the Senior Notes, served a notice that an event of default had occurred under the indenture as a result of the commencement of the Bankruptcy Cases and LyondellBasell's failure to pay interest on the Senior Notes when due, which failure continued beyond the applicable grace period. Pursuant to the Intercreditor Agreement dated December 21, 2007, the notice of default started the 179-day period during which the holders of the Senior Notes and the trustee may not take action to enforce their rights with respect to the Senior Notes or the guarantees thereof. Claims against the Debtors with respect to the Senior Notes and any guarantees are subject to the automatic stay pursuant to applicable provisions of the U.S. Bankruptcy Code.

As indicated above, the Interim Loan, the Senior Notes due 2015 and the Senior Debentures due 2026 were reclassified from long-term debt to liabilities subject to compromise.

4. Prior Period Adjustments

Concurrent with the preparation of these April 2009 combined financial statements, the Debtors' combined financial statements as of and for the quarter ended March 31, 2009 are being finalized and include an adjustment that affected amounts previously reported in the Debtors' January, February and March 2009 combined financial statements. An adjustment was made to the Debtors' March 31, 2009 combined financial statements to recognize \$24 million of interest expense related to the 3% exit fee, which will be paid upon prepayment or any voluntary reduction of the New Money Loans. This prior period adjustment is reflected in the April 2009 combined statement of income.

LYONDELL CHEMICAL COMPANY AND RELATED DEBTORS
NOTES TO THE COMBINED FINANCIAL STATEMENTS—(Continued)

5. Reorganization Items

Reorganization items included net charges of \$81 million in April 2009, which consisted of professional fees and other costs associated with the Chapter 11 proceedings.

Lyondell Chemical Properties, L.P.	09-10057 (REG)	\$0
Lyondell Chemical Technology 1, Inc.	09-10101 (REG)	\$0
Lyondell Chemical Technology Management, Inc.	09-10058 (REG)	\$0
Lyondell Chemical Technology, L.P.	09-10059 (REG)	\$102
Lyondell Chemical Wilmington, Inc	09-12952 (REG)	\$0
Lyondell Chimie France LLC	09-10060 (REG)	\$0
Lyondell Equistar Holdings Partners	09-10072 (REG)	\$0
Lyondell Europe Holdings Inc.	09-10026 (REG)	\$0
Lyondell General Methanol Company	09-12945 (REG)	\$0
Lyondell Greater China, Ltd.	09-10061 (REG)	\$2,961
Lyondell Houston Refinery Inc.	09-10028 (REG)	\$0
Lyondell Intermediate Holding Company	09-12947 (REG)	\$0
Lyondell LP3 GP, LLC	09-10062 (REG)	\$0
Lyondell LP3 Partners, LP	09-10063 (REG)	\$0
Lyondell LP4 Inc.	09-10029 (REG)	\$0
Lyondell Petrochemical L.P. Inc.	09-10030 (REG)	\$0
Lyondell Refining Company LLC	09-10064 (REG)	\$0
Lyondell Refining I, LLC	09-10094 (REG)	\$0
LyondellBasell Advanced Polyolefins USA Inc.	09-10065 (REG)	\$3,880
LyondellBasell AFGP S.à r.l.	09-12519 (REG)	\$0
LyondellBasell Finance Company	09-10066 (REG)	\$0
LyondellBasell Industries AF S.C.A.	09-12518 (REG)	\$0
MHC Inc.	09-10073 (REG)	\$60
Millennium America Holdings Inc.	09-10074 (REG)	\$0
Millennium America Inc.	09-10031 (REG)	\$1
Millennium Chemicals Inc.	09-10075 (REG)	\$5
Millennium Holdings, LLC	09-10071 (REG)	\$650
Millennium Petrochemicals GP LLC	09-10070 (REG)	\$0
Millennium Petrochemicals Inc.(Virginia)	09-10069 (REG)	\$27,455
Millennium Petrochemicals LP LLC	09-10100 (REG)	\$0
Millennium Petrochemicals Partners, LP	09-10099 (REG)	\$0
Millennium Realty Inc.	09-10077 (REG)	\$0
Millennium Specialty Chemicals Inc.	09-10076 (REG)	\$9,033
Millennium US Op Co LLC	09-10098 (REG)	\$686
Millennium Worldwide Holdings I Inc.	09-10097 (REG)	\$0
MWH South America LLC	09-10096 (REG)	\$0
National Distillers & Chemical Corporation	09-10078 (REG)	\$0
NDCC International II	09-10079 (REG)	\$0
Nell Acquisition (US) LLC	09-10080 (REG)	\$0
Penn Export Company, Inc.	09-10081 (REG)	\$0
Penn Navigation Company	09-10082 (REG)	\$0
Penn Shipping Company Inc.	09-10085 (REG)	\$0
Penntans Company	09-10095 (REG)	\$0
PH Burbank Holdings, Inc.	09-10103 (REG)	\$0
Power Liquidating Company, Inc.	09-10084 (REG)	\$0
Quantum Acceptance Corp	09-10083 (REG)	\$0
Quantum Pipeline Company	09-12951 (REG)	\$0
SCM Chemicals Inc.	09-12955 (REG)	\$0
SMC Plants Inc.	09-10102 (REG)	\$0
Suburban Propane GP, Inc.	09-10086 (REG)	\$0
Tiona, Ltd.	09-10087 (REG)	\$0

UAR Liquidating Inc.	09-10088 (REG)	\$0
USI Chemicals International Inc.	09-10089 (REG)	\$0
USI Credit Corp.	09-10090 (REG)	\$0
USI Puerto Rico Properties, Inc.	09-10091 (REG)	\$0
Walter Kidde & Company, Inc.	09-10092 (REG)	\$0
Wyatt Industries, Inc.	09-10093 (REG)	\$0

Total Disbursements		\$2,224,903
----------------------------	--	-------------

Debtor Questionnaire

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?	X	
7	Are any post petition receivables (accounts, notes or loans) due from related parties?	X	
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?	X	
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X

Note 1 – The debtors report these payments under the required reporting provided for in the first day motions covering foreign vendors, critical vendors, taxing authority payments, and employee related payments.

Note 2 – These are ordinary course amounts due.