

August 1, 2017

TO: (I) HOLDERS OF GENERAL UNSECURED CLAIMS AGAINST LYONDELL CHEMICAL COMPANY AND ITS AFFILIATED DEBTORS AND (II) TRUST BENEFICIARIES

**Re: *In re Lyondell Chemical Company, et al.*, Case No. 09-10023
Notice of Second Trust Distribution**

As you are aware, pursuant to the plan of reorganization (the “Plan”¹) confirmed in respect of Lyondell Chemical Company (“Lyondell”) and certain of its affiliates (collectively, the “Debtors”), two trusts – the LB Litigation Trust (the “Litigation Trust”) and the LB Creditor Trust (together with the Litigation Trust, the “Trusts”) – were formed for the purpose of pursuing certain causes of action for the benefit of the Trust Beneficiaries.²

The purpose of this letter is to provide you notice of the second distribution from the Litigation Trust. As described in our last update to the Trust Beneficiaries (the “Prior Update”), as of April 30, 2017, (i) the Trusts together held approximately \$24 million in net proceeds from the settlement of various causes of action and (ii) the Trustee had determined to pursue an appeal (the “Appeal”) from the Decision in the Blavatnik Action (each as defined therein). A copy of the Trustee’s opening brief in the Appeal, submitted on July 28, is available on the Trusts’ website (<http://www.kccllc.net/lbtrust>).

At the time of the Prior Update, the Trustee was continuing to assess whether and in what amount, subject to necessary reserve for future fees and expenses (including relating to the Appeal), it would be possible to make a second distribution from these settlement proceeds and the portion of the judgment in the Trustee’s favor in the Blavatnik Action.

Today, the Litigation Trust will make an interim distribution of **\$12 million** to the Trust Beneficiaries. As with the Trustee’s first interim distribution, this second interim distribution will be made (1) in the case of 2015 Notes Claims, to the 2015 Notes Trustee, for subsequent distribution to the holders of such Claims, (2) in the case of Millennium Notes Claims, to the Millennium Notes Trustee, for subsequent distribution to the holders of such Claims, (3) in the case of Claims of current and former employees of Lyondell, to the Reorganized Debtors, for subsequent distribution to the holders of such Claims and (4) in all other cases, directly by the Trusts’ administrator, Verdolino & Lowey, P.C. (“V&L”).

Please see the distribution notice from V&L (attached hereto as Exhibit A) for additional information and contact information regarding this second interim distribution.

¹ Capitalized terms used but not defined herein have the meanings given them in the Plan.

² “Trust Beneficiaries” refers to the Creditor Trust Beneficiaries and Litigation Trust Beneficiaries – which the Plan defines (in pertinent part) as holders of Allowed (i) Class 7-A Claims (except the holders of the Deficiency Claims on account of the Senior Secured Claims and the Bridge Loan Claims), (ii) Class 7-C Claims (except the Senior/Bridge Guarantee Claims), (iii) Class 7-D Claims (except the Senior/Bridge Deficiency Claims) and (iv) Class 8 Claims.

EDWARD S. WEISFELNER,
SOLELY IN HIS CAPACITY AS
MANAGER OF THE CREDITOR
REPRESENTATIVE, TRUSTEE OF THE LB
LITIGATION TRUST, AND TRUSTEE OF
THE LB CREDITOR TRUST

By his counsel,

Steven D. Pohl
Brian T. Rice
BROWN RUDNICK LLP
One Financial Center
Boston, Massachusetts 02111

Exhibit A



August 1, 2017

TO: (I) HOLDERS OF ALLOWED GENERAL UNSECURED CLAIMS AGAINST LYONDELL CHEMICAL COMPANY AND ITS AFFILIATED DEBTORS AND (II) OTHER TRUST BENEFICIARIES

In re: Lyondell Chemical Company, et al. - Chapter 11, Case No. 09-10023
Notice of Distribution from the LB Litigation Trust to Holders of Allowed General Unsecured Claims

Dear Creditor:

The purpose of this letter is to notify you of a distribution that is being made from the LB Litigation Trust (the "Trust") to holders of allowed general unsecured claims and other beneficiaries of the Trust.

As you may be aware, Lyondell Chemical Company and certain of its affiliated entities (collectively, the "Debtors") filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code on January 6, 2009. In April 2010, the United States Bankruptcy Court for the Southern District of New York entered an order confirming the Debtors' Third Amended Joint Plan of Reorganization (the "Plan"). On April 30, 2010, the Plan became effective and the Trust was formed.

Since the Plan effective date, the Trust has pursued certain causes of action transferred to it under the Plan, for the benefit of holders of allowed general unsecured claims and other beneficiaries of the Trust. We are pleased to announce that at this time the Trust is now able to make a second distribution to you of approximately 0.48% of your allowed claim amount from recoveries obtained to date in connection these actions. For purposes of effectuating these distributions, the Trustee has retained Verdolino & Lowey, P.C., as Trust Administrator.

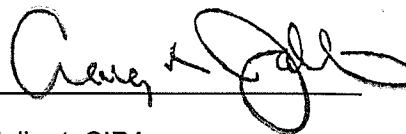
Please redeem your checks promptly, as they will be null and void if not deposited within 120 days of the date of issuance.

We encourage each recipient of this letter to visit the Trust's website at <http://www.kccllc.net/lbtrust>, where the Tenth Status Update for Unsecured Creditors has recently been posted, which along with prior updates, contains more detailed information relating to these ongoing matters. A summary of previous distributions to creditors that have taken place from the Disputed Claims Reserve is also available on the website.

If you have any questions regarding this distribution, please contact Matthew Flynn at mflynn@vlpc.com.

Very truly yours,

VERDOLINO & LOWEY, P.C.,
as Administrator

By: 

Craig R. Jalbert, CIRA

Enclosure