

SETTLEMENT AGREEMENT AND RELEASE

This settlement agreement and release (the “Agreement”) is made as of the ___ day of February, 2015 by and among New Jersey Department of Environmental Protection (“DEP” or “Department”) and the Commissioner of the New Jersey Department of Environmental Protection (“Commissioner”), each in its named, individual, proprietary, governmental, and sovereign capacities, as *parens patriae*, and as trustee of the natural resources of New Jersey, and the Administrator of the New Jersey Spill Compensation Fund (“Administrator”), on the one hand (collectively, referred to as “Plaintiffs” (defined below)), and the Creditor Representative (defined below) and Lyondell Chemical Company (“Lyondell”) on the other hand, regarding the settlement of certain claims. This Agreement relates to the litigation captioned *New Jersey Department of Environmental Protection, et al. v. Atlantic Richfield Co., et al.*, Civil Action No. 08 Civ. 00312 pending in the United States District Court for the District of New Jersey (the “Litigation”) and related Multi-District Litigation (defined below).

I. BACKGROUND

A. The Plaintiffs initiated the Litigation on or around June 28, 2007 by filing a complaint against Lyondell and other defendants in the Superior Court of the State of New Jersey, Mercer County, Docket MER-L-1622-07, pursuant to the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 to -23.24 (the “Spill Act”), the Water Pollution Control Act, N.J.S.A. 58:10A-1 to -20, and the common law. The matter was removed to the United States District Court for the District of New Jersey, and later assigned to the multi-district litigation in the United States District Court for the Southern District of New York, MDL No. 1358 (SAS) (“Multi-District Litigation”).

B. The Plaintiffs filed amended complaints; the latest was the Fourth Amended Complaint, filed June 19, 2012 (the “Complaint”).

C. Plaintiffs, in their Complaint, seek past and future damages they allegedly have incurred and will incur as a result of alleged widespread contamination of the waters of New Jersey by MTBE (defined below).

D. Plaintiffs, in their Complaint, seek past and future costs they have incurred and will incur as a result of alleged widespread contamination of the waters of New Jersey by MTBE.

E. Plaintiffs, in their Complaint, seek injunctive relief concerning the remediation of MTBE discharges.

F. Lyondell is a Delaware corporation with its principal place of business at 1221 McKinney Street, Suite 700, Houston, Texas.

G. Lyondell filed responsive pleadings in the Litigation in which it denied liability and asserted various defenses to the allegations contained in the Complaint.

H. On January 6, 2009, Lyondell and various of its affiliates commenced the jointly-administered Chapter 11 cases captioned *In re Lyondell Chemical Company, et al.*, Chapter 11, Case No. 09-10023 (REG) in the United States Bankruptcy Court for the Southern District of New York (the “Chapter 11 Case”).

I. On June 29, 2009, the Department filed a proof of claim, Claim No. 7822, in the Chapter 11 Case asserting, among others, the same claims as asserted in the Litigation (the “NJ POC”).

J. On March 12, 2010, the Debtors (defined below) filed their Third Amended Joint Plan of Reorganization for the LyondellBasell Debtors in the Chapter 11 Case (the “Plan” -

docketed in the Chapter 11 Case as Exhibit A to the Confirmation Order (defined below), docket number 4418). The Plan was confirmed by the Bankruptcy Court on April 23, 2010 and became effective on April 30, 2010 (the “Plan Effective Date”). As a result of confirmation of the Plan and the occurrence of the Plan Effective Date, the Reorganized Debtors (defined below) emerged from Chapter 11.

K. On the Plan Effective Date, pursuant to the Plan and the Creditor Representative Plan Supplement, dated April 30, 2010, the Creditor Representative was appointed (the “Creditor Representative”).

L. On April 15, 2011, the Debtors filed the Debtors’ One Hundred Fifty-Fifth Tier One Omnibus Objection to Certain Proofs of Claim Relating to the MTBE Actions (the “Claims Objection”) [Docket No. 6602], objecting to, among others, the NJ POC.

M. On September 11, 2012, the Creditor Representative filed the Motion of the Creditor Representative to Estimate Disputed Claims and to Establish a Distribution Reserve for Purposes of Making Distributions of Fixed Settlement Consideration (the “Reserve Motion”) [Docket No. 7105].

N. To allow the Creditor Representative to make additional distributions to other creditors in the Chapter 11 Case and to permit the administration of the Chapter 11 Case to continue toward final completion, and to avoid the cost, uncertainty, disruption, and inconvenience of proceeding to trial in the Litigation or on the Claims Objection and the Reserve Motion, after negotiations and compromise, and following a formal mediation involving Plaintiffs, Lyondell, and the Creditor Representative, the Creditor Representative and Plaintiffs separately and without Lyondell reached the economic resolution contained in this Agreement.

O. Although Lyondell does not agree with the economic resolution contained in this Agreement as reached by the Creditor Representative and the Plaintiffs, at the request of the Plaintiffs, Lyondell has agreed to become a Party (defined below) to this Agreement. All Parties (defined below) acknowledge that Lyondell believes that, based on the merits of the Plaintiffs' claims, the economic consideration being provided to the Plaintiffs pursuant to this Agreement exceeds Lyondell's position as to the justifiable settlement value for those claims.

P. Without any admission of liability by Lyondell or the Creditor Representative and solely to avoid the expense, burden and delay of future litigation and to facilitate additional distributions in the Chapter 11 Case, and prior to any verdict or finding of liability, the Parties now desire to settle the Litigation, the Claims Objection and the Reserve Motion, all disputes related to the Litigation, the Claims Objection and the Reserve Motion among the Parties, and any and all demands, actions, suits, claims, cross-claims, and counter claims on the terms set forth in this Agreement. In entering into this Agreement, none of the Parties makes any admission of any fact, responsibility, fault, or liability.

Q. The Plaintiffs have concluded that this Agreement is fair, reasonable, and in the public interest.

THEREFORE the Parties to this Agreement hereby stipulate and agree as follows:

II. PARTIES BOUND

1. This Agreement applies to, and is binding upon, the Parties. The Parties agree and expressly intend that the Released Entities (defined below) that are not Parties to this Agreement are third party beneficiaries of this Agreement.

III. DEFINITIONS

2. Unless otherwise expressly provided, terms used in this Agreement that are defined in the Spill Act or in the regulations promulgated under the Spill Act, shall have their statutory or regulatory meaning. Whenever the terms defined above are used in this Agreement, they shall have the meanings set forth above. Whenever the terms listed below are used in this Agreement, the following definitions shall apply:

“Allowed” shall have the meaning ascribed to it in the Plan.

“Allowed NJ GUC Claim” means the Allowed general unsecured claim under the Plan in the amount of \$30,000,000.00, in full and final satisfaction of the NJ POC, to be provided under this Agreement and not subject to dispute under any provision of the Plan.

“Bankruptcy Code” shall mean the United States Bankruptcy Code, codified at 11 U.S.C. §§ 101 et seq.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the Southern District of New York, having jurisdiction over the Debtors’ Chapter 11 cases.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure.

“Bar Date Order” shall mean the order of the Bankruptcy Court dated April 16, 2009, as amended on May 14, 2009, and docketed in the Chapter 11 Case as docket numbers 1547 and 1741, establishing the deadlines by which proofs of claim were required to be filed against the Debtors in the Chapter 11 Case.

“Confirmation Order” shall mean the order of the Bankruptcy Court entered on April 23, 2010 and docketed in the Chapter 11 Case as docket number 4418, confirming the Plan.

“Damages” shall mean all damages caused by discharges of MTBE prior to the Effective Date of this Agreement (defined below), whether or not known or suspected to exist by Plaintiffs, that threaten or affect waters of New Jersey, including but not limited to natural

resource damages, sought in the Complaint. “Damages” do not include any obligation of the Debtors or Reorganized Debtors to perform remediation in compliance with all applicable statutes, regulations and orders, with respect to those matters specifically reserved by the Plaintiffs in Section VI below, unless the obligations to perform remediation at such sites (i) would have been dischargeable in the Chapter 11 Case by the Debtors or Reorganized Debtors, (ii) are expressly released in this Agreement or (iii) are ones for which a covenant not to sue is granted in Section V below. Damages also do not include Past Cleanup and Removal Costs or Future Cleanup and Removal Costs.

“Day” shall mean a calendar day unless expressly stated to be a “Business Day,” meaning a day other than a Saturday, Sunday, or State of New Jersey holiday. In computing time under this Agreement, where the last day would fall on a Saturday, Sunday, or State of New Jersey holiday, time shall run until the close of business of the next Business Day while counting days pursuant to the definition of “next day” in Bankruptcy Rule 9006(a)(5).

“Debtors” shall mean the Debtors as defined in the Plan.

“Effective Date of this Agreement” shall mean the first Business Day following the last to occur of the following: (1) the Rule 9019 Order becomes a Final Order; and (2) the Litigation Court Order becomes a Final Order.

“Final Order” means (A) with respect to the Bankruptcy Court, a Rule 9019 Order (defined below) entered by the Bankruptcy Court, and (i) the time to appeal or petition for certiorari has expired and no timely appeal or petition for certiorari shall then be pending; or (ii) if a timely appeal or writ of certiorari thereof has been sought, the order shall have been affirmed to the highest court to which such order was appealed, or certiorari shall have been denied or reargument or rehearing or remand shall have been denied or resulted in no modification of such

order, and time to take any further appeal, petition for certiorari, or move for modification of such order, or move for reargument or rehearing, shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rules governing procedure in the Bankruptcy Court, may be filed with respect to such order shall not cause the order not to be a Final Order; and (B) with respect to the Litigation Court, an order entered by the Litigation Court approving this Agreement, and (i) thirty-five (35) calendar days shall have elapsed without an appeal or request for interlocutory appeal or petition for certiorari or a motion for reconsideration having been filed, or (ii) if a timely appeal or request for interlocutory appeal or petition for certiorari or a motion for reconsideration has been filed and shall then be pending within thirty-five (35) calendar days of the Litigation Court's order, then the order shall have been affirmed to the highest court to which such order was appealed, or certiorari shall have been denied or reargument or rehearing or remand shall have been denied or resulted in no modification of such order, and time to take any further appeal, petition for certiorari, or move for modification of such order, or move for reargument or rehearing, shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rules governing procedure in the Litigation Court, may be filed with respect to such order shall not cause the order not to be a Final Order.

"Future Cleanup and Removal Costs" shall mean all direct and indirect costs of any kind for any purpose the Plaintiffs incur on or after the Effective Date of this Agreement, including oversight costs, with respect to MTBE that threatens or affects the waters of New Jersey for which any Released Entity could be responsible under any applicable federal or state statute, regulation or order.

“Litigation Court” shall mean the court having jurisdiction over the Litigation and from which the Litigation Court Order will be sought.

“Litigation Court Order” shall mean an order of the Litigation Court approving this Agreement.

“MTBE” shall mean methyl tertiary butyl ether, whether neat or as a part of gasoline or as a contaminant of other fuel, and the degradation byproducts of commercial grade MTBE, including tertiary butyl alcohol (“TBA”). In addition, MTBE shall include TBA when TBA is present in MTBE gasoline.

“Paragraph” shall mean a portion of this Agreement identified by an Arabic numeral or an upper case letter.

“Parties” shall mean the Plaintiffs, the Creditor Representative and Lyondell when referred to collectively in this Agreement.

“Party” shall mean the Plaintiffs, the Creditor Representative or Lyondell when referred to individually in this Agreement.

“Past Cleanup and Removal Costs” shall mean all direct and indirect costs of any kind for any purpose the Plaintiffs incurred before the Effective Date of this Agreement, including oversight costs, with respect to MTBE that threatens or affects the waters of New Jersey.

“Plaintiffs” shall mean plaintiffs DEP, the Commissioner, and the Administrator, including in their capacities as described in paragraphs 14 to 18 of the Complaint, and any successor department, agency or official.

“Released Entities” shall mean the Debtors, the Reorganized Debtors, Lyondell-Citgo Refining LP, a Delaware Limited Partnership, and the Creditor Representative, and includes their related entities, including predecessors, successors, and all past and present officers, directors,

shareholders and employees (each, a “Related Entity”), but only to the extent that the alleged liability of the Related Entity is based on its status and in its capacity as a Related Entity, and not to the extent that the alleged liability of the Related Entity with respect to MTBE contamination arose independently of its status and capacity as a Related Entity.

“Reorganized Debtors” shall mean the Reorganized Debtors as defined in the Plan.

“Rule 9019 Order” means an order of the Bankruptcy Court approving this Agreement and allowing the Allowed NJ GUC Claim under Bankruptcy Rule 9019.

“Section” when used with reference to this Agreement shall mean a portion of this Agreement identified by a roman numeral.

“Upstream Activities” means the manufacture, sale, supply, distribution, exchange, transfer, purchase, trading, marketing, and/or branding of MTBE or gasoline with MTBE. This definition does not include a discharge of MTBE or gasoline with MTBE at or from a facility, as defined by N.J.A.C. 7:1E-1.6, in New Jersey that occurs at a time that the facility is owned or operated by a Released Entity while the Released Entity is engaged in the manufacture, sale, supply, distribution, exchange, transfer, purchase, trading, marketing, and/or branding of MTBE or gasoline with MTBE.

IV. CREDITOR REPRESENTATIVE’S COMMITMENTS

3. (a) Within ten (10) Business Days of the Effective Date of this Agreement, the Creditor Representative shall (i) distribute to the Plaintiffs ninety-four thousand, one hundred and seventy-four (94,174) class A shares of LyondellBasell Industries NV common stock, and (ii) pay the Plaintiffs four million, four hundred eighty-seven thousand, one hundred and ninety-two dollars (\$4,487,192) in cash. The amounts in this Paragraph 3(a) represent the total stock and cash (including any and all dividends declared on such stock) that the Plaintiffs would have

received on account of the Allowed NJ GUC Claim in the two distributions made to holders of Allowed general unsecured claims prior to the date hereof. The Creditor Representative shall distribute and pay such consideration in accordance with the instructions provided by the Plaintiffs.

(b) The Plaintiffs shall be entitled to receive such other and further distributions by the Creditor Representative on account of the Allowed NJ GUC Claim as may be made generally to the holders of Allowed general unsecured claims under and pursuant to the Plan.

V. PLAINTIFFS' COVENANTS AND RELEASES

4. (a) In consideration of the payments and distributions described in Section IV above, and upon receipt of the payment of cash and distribution of stock described in Paragraph 3(a) above, and except as otherwise provided in Section VI below but nonetheless subject to Section VII below, the Plaintiffs, fully and forever release, discharge, covenant not to sue, and agree not to otherwise take judicial, administrative, or other action against the Released Entities, pursuant to Section 106 or 107(a) of the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. 9607(a), Section 58:10-23.11f of the Spill Act, or any other statute or regulation for recovery of Damages, Past Cleanup and Removal Costs, or injunctive relief sought in the Complaint (but not injunctive relief for any substance other than MTBE or gasoline containing MTBE), including attorneys’ fees, consultants’ and experts’ fees, and other litigation costs related to Damages, Past Cleanup and Removal Costs, or injunctive relief sought in the Complaint (but not injunctive relief for any substance other than MTBE or gasoline containing MTBE).

(b) Notwithstanding any other provision of this Agreement, in consideration of the payments and distributions described in Section IV above, and upon receipt of the payment

of cash and distribution of stock described in Paragraph 3(a) above, the Plaintiffs fully and forever release, discharge, covenant not to sue, and agree not to otherwise take judicial, administrative, or other action against the Released Entities for either or both of the following: (i) any and all causes of action, demands, actions, suits, claims, cross-claims, and counter claims based upon the Released Entities' liability to Plaintiffs under the common law or theories of products liability with respect to MTBE discharges that threaten or affect the waters of New Jersey, or based solely upon the Released Entities' liability (to the extent such liability exists) under any applicable federal or state statute, regulation or order, premised upon Released Entities' Upstream Activities; and (ii) any and all causes of action, demands, actions, suits, claims, cross-claims, and counter claims for discharges of MTBE or gasoline with MTBE that occurred prior to the Plan Effective Date except for Released Entities' obligations, if any, pursuant to N.J.S.A. 58:10B-1.3, to clean up (a) sites they owned, at the time of the discharge, if prior to April 30, 2010, and (b) sites that they owned or operated prior to April 30, 2010 if the site was subject to the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., unless such causes of action, demands, actions, suits, claims, cross-claims, and counter claims for discharges of MTBE or gasoline with MTBE were dischargeable in the Chapter 11 Case by the Debtors or Reorganized Debtors.

(c) In consideration of the payments and distributions described in Section IV above, and upon receipt of the payment of cash and distribution of stock described in Paragraph 3(a) above, the Plaintiffs fully and forever release, discharge, covenant not to sue, and agree not to otherwise take judicial, administrative, or other action relating to the NJ POC or the Allowed NJ GUC Claim against the Creditor Representative, subject to the Creditor Representative's obligations in Section IV.

5. The covenants and releases contained in this Section V shall take effect upon the Plaintiffs receiving the payment of cash and distribution of stock described in Paragraph 3(a) above.

6. The covenants and releases contained in this Section V extend only to Released Entities, and not to any other defendant, party, person, or entity.

7. The covenants and releases contained in this Section V do not pertain to any matters other than those expressly stated.

VI. PLAINTIFFS' RESERVATIONS

8. Except as set forth in Paragraph 4(b) but nonetheless subject to Section VII below, (a) nothing in this Agreement precludes Plaintiffs from taking judicial, administrative, or other action against the Released Entities to require any of the Released Entities to perform remediation in compliance with all applicable statutes, regulations, and orders and (b) Lyondell agrees (and to the extent that it can do so, it agrees for all Debtors and Reorganized Debtors) that all investigation and remediation of hazardous substances that any of them perform under State oversight (as opposed to federal oversight), if any, will be performed pursuant to the Site Remediation Reform Act, N.J.S.A. 58:10C-1 et seq., and the accompanying regulations and guidance, notwithstanding N.J.S.A. 58:10C-27(e).

9. Subject to Section VII below, the Plaintiffs reserve, and this Agreement is without prejudice to, all rights against the Released Entities, except those expressly released (including, for the avoidance of doubt, the release of any and all claims against the Creditor Representative) or for which there is a covenant not to sue in Section V. This reservation of rights includes, but is not limited to, the following:

- a. liability arising from the Debtors and Reorganized Debtors being in any way responsible for a hazardous substance other than MTBE that is discharged into the waters of New Jersey. The Debtors and Reorganized Debtors shall not be entitled to an offset or reduction in such liability or damages where hazardous substances other than MTBE are the basis for such liability or damages, except as provided by Paragraph 4(b);
- b. liability for Future Cleanup and Removal Costs, except as provided by Paragraph 4(b);
- c. liability for all claims paid in the future by the Spill Fund concerning the discharge of MTBE threatening or affecting the waters of New Jersey for which any of the Debtors and Reorganized Debtors is responsible under the statutes of New Jersey, except as provided by Paragraph 4(a) or 4(b);
- d. criminal liability; and
- e. liability for any discharge of any substance by any of the Released Entities in violation of federal or state law that occurs after the Effective Date of this Agreement.

VII. NO LIMITATION ON BANKRUPTCY DISCHARGE

10. Nothing in this Agreement, the Rule 9019 Order or the Litigation Court Order shall limit or alter, or is intended to limit or alter, the benefits, rights, defenses to claims, the discharge of debt or claims, or injunctions, afforded to or for the benefit of the Debtors and Reorganized Debtors pursuant to the Plan (including, without limitation, pursuant to Article XI of the Plan), the Confirmation Order (including, without limitation, pursuant to paragraphs 34 and 35 of the Plan), the Bankruptcy Code (including, without limitation, pursuant to section

524(a)(2) and section 1141(d)(1) of the Bankruptcy Code), the Bar Date Order (including, without limitation, page 9 of the Bar Date Order) or otherwise in or in connection with the Chapter 11 Case.

11. Without limiting the generality of Paragraph 10 above, and for the avoidance of doubt, if the pursuit of any right or claim is otherwise barred or enjoined by, or any right or claim has otherwise been discharged by or by the operation of, the Plan, the Confirmation Order, the Bankruptcy Code or the Bar Date Order, the Parties agree that the Plaintiffs are not preserving (a) such barred, enjoined, or discharged right or claim and may not pursue such right or claim even if nominally excluded from the releases provided in Section V above, (b) such barred, enjoined, or discharged right or claim nominally reserved by the Plaintiffs under Section VI above, including, without limitation, a claim for remediation, or (c) such barred, enjoined, or discharged claim for Past Cleanup or Removal Costs or Future Cleanup or Removal Costs.

VIII. LYONDELL'S COVENANT NOT TO SUE

12. Lyondell, for itself and, to the fullest extent possible, for all of the Released Entities, covenants not to sue or assert any claim or cause of action against Plaintiffs with respect to claims, causes of action and other claims or requests for relief for which the Released Entities are being released or are receiving a covenant not to sue as set forth in Section V of this Agreement.

13. The covenant in Paragraph 12 above does not apply (i) where the Plaintiffs sue or take judicial, administrative, criminal or other action against a Released Entity pursuant to Section VI above or related to MTBE or gasoline containing MTBE; or (ii) in any action to enforce or obtain the benefits and rights provided by this Agreement.

IX. NO FINDINGS OR ADMISSIONS OF LIABILITY

14. Nothing contained in this Agreement shall be considered an admission by the Debtors or Reorganized Debtors of any wrongdoing or liability of the Debtors or Reorganized Debtors.

X. EFFECT OF SETTLEMENT AND CONTRIBUTION PROTECTION

15. Nothing in this Agreement shall be construed to create any rights in, or grant any cause of action to, any person other than Plaintiffs, Released Entities, and the Creditor Representative. The preceding sentence shall not be construed to waive or nullify any rights that any person not a signatory to this Agreement may have under applicable law.

16. All rights, including, but not limited to, any right to indemnification and contribution, defenses, claims, demands, and causes of action that any of the Released Entities may have concerning any matter, transaction, or occurrence, whether or not arising out of the subject matter of the Complaint, against any person not a Party to this Agreement are expressly reserved.

17. Upon entry of the Rule 9019 Order and the Litigation Court Order, this Agreement shall constitute a judicially approved settlement within the meaning of N.J.S.A. 58:10-23.11f.a.(2)(b) and 42 U.S.C. § 9613(f)(2), and will resolve the liability of the Released Entities to the Plaintiffs for the purpose of providing contribution protection to the Released Entities from contribution actions under CERCLA, the Spill Act, the Joint Tortfeasors Contribution Law, N.J.S.A. 2A:53A-1 et seq., the Comparative Negligence Act, N.J.S.A. 2A:15-5.1 to -5.8, or any other statute, regulation or common law principle related to the causes of action pleaded in the Complaint or matters addressed in this Agreement. The Parties agree, and by entering the Rule 9019 Order and the Litigation Court Order the Bankruptcy and Litigation Courts find, that, upon receipt of the payment of cash and distribution of stock described in

Paragraph 3(a) above, the Released Entities are entitled to protection from contribution actions pursuant to Sections 113(f)(2) of CERCLA, 42 U.S.C. §§ 9613(f)(2), the Spill Act, N.J.S.A. 58:10-23.11f.a.(2)(b), and any other statute, regulation, or common law principle that provides contribution rights against the Released Entities with regard to the subject matter of the Complaint or matters addressed in this Agreement.

18. In accordance with N.J.S.A. 58:10-23.11e2, the Plaintiffs published a copy of the draft Agreement on Plaintiffs' website, published notice of this Agreement in the New Jersey Register, and arranged for notice, as described in the following paragraph, to other parties in the Litigation and to the other potentially responsible parties. Such notice included the following information:

- a. the caption of this Litigation and the Multi-District Litigation;
- b. the names of the Released Entities, and for these purposes the names of the Debtors shall be as set forth on the attached Exhibit "A" and the names of the Reorganized Debtors shall be as set forth on the attached Exhibit "B";
- c. a summary of the terms of this Agreement; and
- d. that a copy of the draft Agreement is available on the Plaintiffs' website.

19. In fulfillment of N.J.S.A. 58:10-23.11e2, the Plaintiffs and Lyondell have provided written notice of this Agreement to all other parties in the Litigation and to other potentially responsible parties by:

- a. Lyondell sending a letter to liaison defense counsel in the Litigation and serving a copy of such letter on counsel of record in the Litigation via LexisNexis File and Serve;

- b. Lyondell publishing notice in the following newspapers, and the Creditor Representative reimbursing Lyondell for the out of pocket cost of such publication within 30 days of Lyondell invoicing the Creditor Representative:
 - i. Asbury Park Press;
 - ii. Atlantic City Press;
 - iii. Bergen Record;
 - iv. Burlington County Times;
 - v. New Jersey Herald;
 - vi. South Jersey Times; and
 - vii. Star Ledger; and
- c. Plaintiffs distributing a copy of the New Jersey Register Notice via the Site Remediation Program's listserv which the public can access at <http://nj.gov/dep/srp>.

This notice is deemed compliant with the notice requirement of N.J.S.A. 58:10-23.11e2.

20. a. As soon as practicable after the deadline for receipt of comments sought in the notice to be provided by the Plaintiffs pursuant to Paragraph 18 above, the Plaintiffs shall inform the Reorganized Debtors and the Creditor Representative whether the Department intends to withdraw or withhold its consent to the entry of the Rule 9019 Order and the Litigation Court Order based on such comments.

b. Within seven (7) Business Days of Plaintiffs informing the Reorganized Debtors and the Creditor Representative as required in Paragraph 20(a), the Creditor Representative, with the consent of the Plaintiffs, will move the Bankruptcy Court for entry of the Rule 9019 Order.

c. As soon as practical after the entry of the Rule 9019 Order, the Plaintiffs will move the Litigation Court for entry of the Litigation Court Order.

d. Upon the Effective Date of this Agreement, the Claims Objection and the Reserve Motion shall be deemed withdrawn with respect to the NJ POC and the NJ POC shall be reduced and allowed as the Allowed NJ GUC Claim. Within five (5) Business Days of the Effective Date, the Creditor Representative shall file a notice in the Chapter 11 Case that the Claims Objection and the Reserve Motion have been withdrawn with respect to the NJ POC.

21. In any subsequent administrative or judicial proceeding initiated by the Plaintiffs relating to matters not addressed in this Agreement, the Debtors and Reorganized Debtors shall not assert, and may not maintain, any defense or claim based upon the principles of the entire controversy doctrine; provided, however, that nothing in this Paragraph affects the enforceability of this Agreement.

XI. GENERAL PROVISIONS

22. Nothing in this Agreement shall be deemed to constitute preauthorization of a claim against the Spill Fund within the meaning of N.J.S.A. 58:10-23.11k or N.J.A.C. 7:1J.

23. This Agreement shall be governed and interpreted under the laws of the State of New Jersey.

24. If any provision of this Agreement or the application thereof to any person or circumstance, to any extent, is held to be invalid or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

XII. RETENTION OF JURISDICTION

25. The Bankruptcy Court and the Litigation Court retain jurisdiction over both the subject matter of this Agreement and the Parties for the duration of the performance of the terms and provisions of this Agreement for the purpose of enabling any of the Parties to apply to the Bankruptcy Court or the Litigation Court at any time for such further order, direction, or relief as may be necessary or appropriate for the construction or any agreed modification of this Agreement, or to effectuate or enforce compliance with its terms. The Parties hereby consent to any request to reopen the Chapter 11 Case, to the extent that is necessary to enable any of the Parties to apply to the Bankruptcy Court for such relief. Nothing in this Agreement shall impair the right or the ability of any Party to enforce this Agreement or seek redress for the breach thereof.

XII. NO OBJECTION

26. Provided that (a) the Agreement for which Bankruptcy Court approval is sought by the Creditor Representative is in form and substance exactly the same as this Agreement, (b) the Rule 9019 Motion filed by the Creditor Representative is substantially in form and substance the same as the Rule 9019 Motion attached as Exhibit "C", (c) the Rule 9019 Order entered by the Bankruptcy Court is in substance exactly the same as the Rule 9019 Order attached as Exhibit "D", and (d) neither the Creditor Representative nor the Plaintiffs assert that, by not challenging the Agreement or objecting to the Rule 9019 Motion or the entry of the Rule 9019 Order or the Litigation Court Order, Lyondell is taking, or has taken, any position other than the position that the economic consideration being paid to the Plaintiffs under the Agreement exceeds Lyondell's position as to the justifiable settlement value for those claims, Lyondell will not (i) challenge, object to, or contest the validity of this Agreement, (ii) object to

the entry of the Rule 9019 Order or the Litigation Court Order, or (iii) appeal from, or otherwise contest the validity of the Rule 9019 Order or the Litigation Court Order. Nothing in this paragraph is intended to prevent, nor does it prevent, Lyondell from submitting a statement or response to the Rule 9019 Motion provided it does not challenge, object to, or contest the validity of the Agreement or object to the entry of the Rule 9019 Order, and, if made in accordance with this Paragraph, such statement or response will not be treated as a violation by Lyondell of this Agreement.

XIII. MODIFICATION

27. This Agreement may only be modified by written agreement between the Parties with approval by the Bankruptcy Court or the Litigation Court and represents the entire integrated agreement between the Plaintiffs and the Released Entities, and supersedes all prior negotiations, representations or agreements, either written or oral.

28. Nothing in this Agreement shall be deemed to alter the Bankruptcy Court's or the Litigation Court's power to enforce, supervise, or approve modifications to this Agreement.

29. If for any reason the Bankruptcy Court or the Litigation Court should decline to approve this Agreement in the form presented, this Agreement is voidable at the sole discretion of any Party upon a reasonably timely written notice thereof and the terms of the Agreement may not be used as evidence in any litigation among the Parties or third parties; provided, however, that in such event, the Parties shall negotiate in good faith and use best efforts to enter into a revised agreement and to seek approval thereof from the Bankruptcy Court and Litigation Court.

30. Within thirty (30) Days of the Plaintiffs' receipt of the consideration described in Paragraph 3(a) above, Plaintiffs shall file the appropriate papers with the Litigation Court

requesting that the Court dismiss the Complaint as to Lyondell and Lyondell-Citgo Refining LP with prejudice pursuant to Fed. R. Civ. P. 41(a)(2).

XIV. SIGNATORIES/SERVICE

31. Each undersigned representative of the Parties to this Agreement certifies that he or she is authorized to enter into the terms and conditions of this Agreement, and to execute and legally bind each such Party to this Agreement.

32. This Agreement may be signed and dated in any number of counterparts, each of which shall be an original, and such counterparts shall together be one and the same Agreement.

33. In this paragraph, each of the Parties identifies agents who are authorized to accept service of process by mail on their respective behalf with respect to all matters arising under or relating to this Agreement, and each agrees to accept service in this manner, and to waive the formal service requirements set forth in the New Jersey Rules of Court or Federal Rules of Civil Procedure, including service of a summons. To the fullest extent possible, Lyondell identifies this agent and agrees to accept service in this manner and to waive the formal service requirements set forth in the New Jersey Rules of Court or Federal Rules of Civil Procedure, including service of a summons, not only for itself but for all Reorganized Debtors.

For Lyondell:

CT Corporation System
1999 Bryan Street
Suite 900
Dallas, TX 75201-3136

For Creditor Representative:

Steven D. Pohl, Esq.
Brown Rudnick LLP
One Financial Center

Boston, Massachusetts 02111
(617) 856-8200
spohl@brownrudnick.com

34. The Parties to this Agreement agree that it was negotiated fairly between them at arm's length and that the final terms of this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a Party to it on the grounds that such Party drafted or was more responsible for drafting the provision(s).

[SIGNATURES ON FOLLOWING PAGES]

NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: _____
Anthony J. Farro, Director
Publicly Funded Site Remediation
Site Remediation Program

Dated: _____

By: _____
Rich Boornazian, Assistant Commissioner
Natural & Historic Resources

Dated: _____

NEW JERSEY SPILL COMPENSATION FUND

By: _____
Anthony J. Farro, Administrator
New Jersey Spill Compensation Fund

Dated: _____

John J. Hoffman,
Acting Attorney General of New Jersey
Attorney for Plaintiffs

By: _____
Gwen Farley
Deputy Attorney General

Dated: _____

THE CREDITOR REPRESENTATIVE,
APPOINTED PURSUANT TO THE THIRD
AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION FOR LYONDELLBASELL
DEBTORS AND CREDITOR
REPRESENTATIVE PLAN SUPPLEMENT

By: _____
Steven D. Pohl, Counsel to the
Creditor Representative

Dated: _____

LYONDELL CHEMICAL COMPANY

By: _____
Mark A. Waite
Lead Counsel, Disputes & HSE

Dated: _____

