LyondellBasell Industries N.V.
Form S-1/A
February 04, 2011

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As filed with the Securities and Exchange Commission on February 4, 2011

File No. 333-170130

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1 to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LYONDELLBASELL INDUSTRIES N.V.
(Exact name of registrant as specified in its charter)

The Netherlands	**2860**	**98-0646235**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Weena 737
3013AM Rotterdam
The Netherlands
31 10 275 5500
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Craig B. Glidden
Weena 737
3013AM Rotterdam
The Netherlands
31 10 275 5500
(Name, Address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration Statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration Statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer þ	Smaller reporting company o

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Ordinary shares, par value 0.04 per share(2)	32,978,193	$36.52	$1,204,363,608.36	$139,826.61

(1) The Form S-1 filed October 25, 2010 included 258,602,043 shares to be registered, and $506,870 in registration fees were paid on that date. In this Amendment No. 1, an additional 32,978,193 shares are being registered and only the filing fee for the registration of the additional shares is being paid herewith. Estimated solely for the purposes of calculating the amount of the registration fee pursuant to Rule 457(c) under the Securities Act based upon the average of the high and low sales prices of the registrant s ordinary shares on February 2, 2010, as reported on the New York Stock Exchange.

(2) The Form S-1 as filed on October 25, 2010 included 150,197,023 Class A shares, 108,405,020 Class B ordinary shares and an additional 108,405,020 Class A shares issuable upon conversion of Class B shares into Class A shares. At the close of business on December 6, 2010, all Class B shares converted into Class A shares on a one-to-one basis. The proposed maximum offering price per share was the same for both classes of shares. The Company has deleted the references to the Class B shares and aggregated the number of shares, proposed maximum aggregate offering price and registration fee in this registration fee table for the Class A shares only. Because there is only one class of share outstanding, the Registrant refers to those shares as ordinary shares.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED FEBRUARY 4, 2011

Preliminary Prospectus

LyondellBasell Industries N.V.

291,580,236 Class A ordinary shares

This prospectus relates to the offer and resale by certain of our shareholders, referred to as selling shareholders of up to an aggregate of 291,580,236 ordinary shares of LyondellBasell Industries N.V. We are not selling any shares under this prospectus. We will not receive any proceeds from the sales of ordinary shares being offered by the selling shareholders.

The distribution of ordinary shares offered hereby may be effected in one or more transactions that may take place, including ordinary brokers transactions, privately negotiated transactions or through sales to one or more dealers for resale of such securities as principals, at fixed prices, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at varying prices determined at the time of sale or at negotiated prices. We are required to pay all fees and expenses incident to the registration of the ordinary shares. Usual and customary or specifically negotiated brokerage fees or commissions may be paid by the selling shareholders.

Our shares are listed on the New York Stock Exchange under the symbol LYB. On February 1, 2011, the last reported sales price for our shares was $36.84 per share.

Investing in these securities involves a high degree of risk. See Risk Factors beginning on page 3 of this prospectus for factors you should consider before buying our ordinary shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2011.

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You should rely only on the information contained in this prospectus and any applicable prospectus supplement or amendment. We have not authorized any person to provide you with different information. This prospectus is not an offer to sell, nor is it an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is complete and accurate as of the date on the front cover of this prospectus, but our business, financial condition or results of operations may have changed since that date.

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CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this prospectus are forward-looking statements within the meaning of the U.S. federal securities laws. These forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, business trends, the impact of fresh-start accounting, the impact of our bankruptcy on our future performance and other information that is not historical information. Forward-looking statements can be identified by words such as estimate, believe, expect, anticipate, plan, may, should, continue, budget that convey the uncertainty of future events or outcomes. Many of these forward-looking statements have been based on expectations and assumptions about future events that may prove to be inaccurate. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. Our actual results (including the results of our joint ventures) could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to:

- our ability to comply with debt covenants and service our substantial debt;
- availability of cash and access to capital markets;
- the business cyclicality of the chemical, polymers and refining industries;
- the availability, cost and price volatility of raw materials and utilities, particularly the cost of oil and natural gas;
- competitive product and pricing pressures;
- uncertainties associated with the U.S. and worldwide capital markets and economies;
- labor conditions;
- our ability to attract and retain key personnel;
- operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental risks);
- the supply/demand balances for our and our joint ventures products, and the related effects of industry production capacities and operating rates;
- our ability to achieve expected cost savings and other synergies;
- legal and environmental proceedings;
- tax rulings, consequences or proceedings;
- technological developments, and our ability to develop new products and process technologies;

current and potential governmental regulatory actions in the U.S. and in other countries, including potential climate change regulation;

political unrest and terrorist acts; and

risks and uncertainties posed by international operations, including foreign currency fluctuations.

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Any of these factors, or a combination of these factors, could materially affect our future results of operations (including those of our joint ventures) and the ultimate accuracy of the forward-looking statements. These forward-looking statements are not guarantees of future performance, and our actual results and future developments (including those of our joint ventures) may differ materially from those projected in the forward-looking statements. Our management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels.

All forward-looking statements in this prospectus are qualified in their entirety by the cautionary statements contained in this section and elsewhere in this prospectus. See Description of Business, Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations for additional information about factors that may affect our businesses and operating results (including those of our joint ventures).

Use caution and common sense when considering these forward-looking statements. We do not intend to update these statements unless applicable securities laws require us to do so.

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This summary does not contain all of the information you should consider before buying our ordinary shares. You should read the entire prospectus carefully, especially the Risk Factors section and the consolidated financial statements and the related notes before deciding to invest in our ordinary shares.

SUMMARY INFORMATION

The Offering	This is an offering of an aggregate of up to 291,580,236 of our ordinary shares by certain selling shareholders.
Shares Offered By the Selling Shareholders	291,580,236 shares, par value 0.04 per share.
Offering Price	Determined at the time of sale by the selling shareholders
Ordinary Shares Outstanding as of February 1, 2011	An aggregate of 566,002,295 shares.
Use of Proceeds	We will not receive any of the proceeds of the shares offered by the selling shareholders.
Dividend Policy	We currently intend to retain any future earnings to fund working capital. Therefore, we do not currently anticipate paying cash dividends.
Trading Symbol	Our shares are traded on the New York Stock Exchange under the symbol LYB.

Overview

LyondellBasell Industries N.V. (LyondellBasell N.V.) is a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law by deed of incorporation dated October 15, 2009.

LyondellBasell Industries N.V. was formed to serve as the parent holding company for certain subsidiaries of LyondellBasell Industries AF S.C.A. (LyondellBasell AF) after completion of proceedings under chapter 11 of title 11 of the United States Bankruptcy Code. LyondellBasell AF and 93 of its subsidiaries were debtors (the Debtors) in jointly administered bankruptcy cases in the United States Bankruptcy Court in the Southern District of New York . Other subsidiaries of LyondellBasell AF were not involved in the Bankruptcy Cases. On April 23, 2010, the Bankruptcy Court approved our Third Amended and Restated Plan of Reorganization and we emerged from bankruptcy on April 30, 2010 (the date of our emergence from bankruptcy being the Emergence Date).

Prior to the Emergence Date, LyondellBasell Industries N.V. had not conducted any business operations. Accordingly, unless otherwise noted or suggested by context, all financial information and data and accompanying financial statements and corresponding notes, as of and prior to the Emergence Date, as contained in this prospectus, reflect the actual historical consolidated results of operations and financial condition of LyondellBasell AF for the periods presented and do not give effect to the Plan of Reorganization or any of the transactions contemplated thereby or the adoption of fresh-start accounting. Thus, such financial information may not be representative of our performance or financial condition after the Emergence Date. Except with respect to such historical financial information and data and accompanying financial statements and corresponding notes or as otherwise noted or suggested by the context, all other information contained in this prospectus relates to LyondellBasell Industries N.V. and its subsidiaries following

the Emergence Date. When we use the terms LyondellBasell Industries N.V., we, the Company, us, our or simil words in this prospectus, unless the context otherwise requires, we are referring to LyondellBasell Industries N.V. and its subsidiaries following emergence from the Bankruptcy Cases. For more information on the Bankruptcy Cases, see Legal Proceedings Bankruptcy Cases and Reorganization.

As of the Emergence Date, LyondellBasell AF s equity interests in its indirect subsidiaries terminated and LyondellBasell Industries N.V. now owns and operates, directly and indirectly, substantially the same business

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as LyondellBasell AF owned and operated prior to emergence from the Bankruptcy Cases. References herein to our historical consolidated financial information (or data derived therefrom) should be read to refer to the historical financial information of LyondellBasell AF.

LyondellBasell Industries N.V. is the successor to the combination in December 2007 of Lyondell Chemical Company (Lyondell Chemical) and Basell AF S.C.A. (Basell), which created one of the world s largest private petrochemical companies with significant worldwide scale and leading product positions.

Our executive offices are located at Weena 737, 3013 AM Rotterdam, The Netherlands. Our telephone number is 31-10-713-62-59 and our internet address is www.lyondellbasell.com.

This prospectus includes industry data that we obtained from periodic industry publications, including Chemical Marketing Associates, Incorporated (CMAI); Turner, Mason & Company; Platts (a reporting service of The McGraw-Hill Companies); SRI Consulting (SRI); Tecnon Orbicom; PIRA Energy Group; Chemical Market Resources; DeWitt & Company, Inc. (DeWitt); Oil and Gas Journal; Bloomberg L.P. (Bloomberg); Energy Information Administration (EIA); and internal company reports and estimates. The industry sources that we reference request or require that, if we reproduce the information they provide, we inform readers that they make no warranty, express or implied, as to the accuracy or completeness of, nor assume any liability for, such information. We believe that the industry data we obtained from industry publications are reliable and are the data commonly and regularly used for analysis of our industry.

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RISK FACTORS

Before investing in the securities offered hereby, you should carefully consider the following risk factors and all of the other information contained in this prospectus. If any of the possible events described below occur, our business, financial condition or results of operations could be materially and adversely affected.

Risks Relating to Our Bankruptcy Cases and Emergence

Our actual financial results may vary significantly from the projections that were filed with the Bankruptcy Court.

In connection with our disclosure statement relating to the Plan of Reorganization (the Disclosure Statement), and the hearing to consider confirmation of the Plan of Reorganization, we prepared projected financial information to demonstrate to the Bankruptcy Court the feasibility of the Plan of Reorganization and our ability to continue operations upon our emergence from the Bankruptcy Cases. This projected financial information was prepared by, and is the responsibility of, management of LyondellBasell Industries N.V. PricewaterhouseCoopers LLP neither examined, compiled nor performed any procedures with respect to the projected financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP report included in this document relates to the historical financial information of LyondellBasell A.F. It does not extend to the projected financial information prepared for the Bankruptcy Court and should not be read to do so. Those projections were prepared solely for the purpose of the Bankruptcy Cases and have not been, and will not be, updated on an ongoing basis. Those projections are not included in this prospectus and have not been incorporated by reference into this prospectus and should not be relied upon in connection with the purchase or sale of ordinary shares. At the time they were prepared, the projections reflected numerous assumptions concerning our anticipated future performance and with respect to prevailing and anticipated market and economic conditions that were and remain beyond our control and that may not materialize. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks and the assumptions underlying the projections and/or valuation estimates may prove to be wrong in material respects. Actual results may vary significantly from those contemplated by the projections that were prepared in connection with the Disclosure Statement and the hearing to consider confirmation of the Plan of Reorganization.

Our financial condition and results of operations are not comparable to the financial condition or results of operations reflected in our historical financial statements.

Since April 30, 2010, we have been operating our business under a new capital structure. In addition, as required by fresh-start accounting, at April 30, 2010 our assets and liabilities were recorded at fair value, based on values determined in connection with the implementation of our Plan of Reorganization, which are significantly different than amounts in LyondellBasell AF s historical financial statements. Accordingly, our financial condition and results of operations from and after the Emergence Date are not comparable to the financial condition or results of operations reflected in LyondellBasell AF s historical financial statements included elsewhere in this prospectus.

The bankruptcy may have affected our relationship with key customers, suppliers, employees and others.

Our bankruptcy may have significantly harmed relationships we have with key customers, joint venture partners, suppliers, employees, hedging counterparties and others. Our ability to negotiate favorable terms from suppliers, hedging counterparties and others and our ability to attract, motivate and retain key employees and managers also has been affected by the bankruptcy.

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Risks Relating to Our Indebtedness

We have a significant level of debt and we could incur additional debt in the future. Our debt could have significant consequences for our business and future prospects.

At September 30, 2010, we have approximately $7.3 billion of total consolidated debt, which represents approximately 42% of our total book capitalization. In addition, we have approximately $514 million of letters of credit outstanding.

Our debt and the limitations imposed on us by our financing arrangements could have significant consequences for our business and future prospects, including the following:

- we may be required to dedicate a substantial portion, or all, of our cash flow from operations to payments of principal and interest on our debt;
- we may not be able to obtain necessary financing in the future for working capital, capital expenditures, acquisitions, debt service requirements or other purposes and we may be required under the terms of those financing arrangements to use the proceeds of any financing we obtain to repay or prepay existing debt;
- we may be exposed to risks inherent in interest rate fluctuations to the extent our borrowings are at variable rates of interest, which would result in higher interest expense in the event of increases in interest rates;
- we could be more vulnerable during downturns in our business and be less able to take advantage of significant business opportunities and to react to changes in our business and in market or industry conditions; and
- we may have a competitive disadvantage relative to our competitors that have less debt.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. Our future cash flows may be insufficient to meet all of our debt obligations and other commitments and any insufficiency could negatively impact our business. To the extent we are unable to repay our indebtedness as it becomes due or at maturity with cash on hand, we will need to refinance our debt, sell assets or repay the debt with the proceeds from equity offerings. Additional indebtedness or equity financing may not be available to us in the future for the refinancing or repayment of existing indebtedness, and we may not be able to complete asset sales in a timely manner sufficient to make such repayments. In that case, we would be unable to make principal and interest payments, and our continued viability would be threatened.

We may not be able to generate sufficient cash to service our debt obligations; there can be no assurance that our capital resources will be sufficient to meet our working capital requirements.

Our ability to meet our obligations will depend upon our financial and operating performance, which is subject to prevailing economic and competitive conditions and financial, business and other factors beyond our control. We may be unable to maintain a level of cash flows sufficient to permit us to meet our obligations. We have a significant level of debt, and we may incur additional debt in the future. Our debt could have significant consequences for our business and future business prospects.

We finance our ongoing working capital, capital expenditure, debt service and other funding requirements through a combination of cash and cash equivalents, cash flows from operations, borrowings under the U.S. ABL Facility, the European Securitization and other receivables securitization and financing arrangements. We will need to access the

cash flow from our foreign subsidiaries on an efficient basis. At September 30, 2010, we had approximately $4.8 billion of cash and cash equivalents. We currently believe that our liquidity arrangements and cash on hand provide us with sufficient financing to meet our funding requirements, but we are subject to risks attendant to the cyclicality and volatility of our businesses which can

materially impact our working capital needs. Among other things, we are subject to risks that our working capital requirements can spike with high oil prices.

If our cash flow from operations and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and we cannot assure you that we would be able to implement such alternative measures on satisfactory terms or at all. Our debt instruments may limit our ability to effect such actions as well.

Failure to comply with covenants or to pay principal of, and interest on, indebtedness when due could result in an acceleration of debt.

A breach of covenants of or the failure to pay principal and interest when due under our debt or other financing could result in a default or cross-default under all or some of those instruments. If any such default or cross-default occurs, the applicable lenders or noteholders may elect to declare all outstanding borrowings, together with accrued interest and other amounts payable thereunder, to be immediately due and payable. In such circumstances, such lenders or noteholders may also have the right to terminate any commitments they have to provide further borrowings, and the counterparties under securitization programs or facilities may be entitled to terminate further purchases of interests in accounts receivable and receive all collections from previously sold interests until they have collected on their interests in those receivables, thus reducing our liquidity. In addition, following such an event of default, lenders or noteholders may have the right to proceed against the collateral granted to them to secure the obligations, which in some cases may include available cash. If the obligations under any material financing arrangement were to be accelerated, it is likely that we would not have, or be able to obtain, sufficient funds to make these accelerated payments, and as a result we could be forced to again file for bankruptcy protection or liquidation.

Our debt or other financing arrangements contain a number of restrictive covenants that impose significant operating and financial restrictions on us. These include covenants restricting, among other things, our ability to: (i) incur, assume or permit to exist indebtedness or guarantees; (ii) incur, assume or permit to exist liens; (iii) make loans and investments; (iv) make external dividends or distributions; (v) engage in mergers, acquisitions, and other business combinations; (vi) prepay, redeem or purchase certain indebtedness; (vii) make dispositions of assets; (viii) engage in transactions with affiliates; and (ix) enter into or permit to exist contractual obligations limiting the ability of certain restricted subsidiaries to make distributions, repay intercompany indebtedness, make loans or sell or transfer any property, in each case to LyondellBasell Industries N.V. or any of its restricted subsidiaries. There also is a minimum fixed charge coverage ratio contained in our U.S. ABL Facility that is applicable if availability under the facility falls below certain levels. We currently are in compliance with all of our restrictive and financial covenants; however, the ability to meet financial requirements can be affected by events beyond our control and, over time, these covenants may not be satisfied.

The current instability and uncertainty in the worldwide financial markets have created increased counterparty risk.

We have exposure to various financial institutions under commodity hedging contracts, and the risk of counterparty default is currently higher in light of existing capital market and economic conditions. Reduced liquidity or financial losses resulting from exposure to the risk of counterparties could have a material adverse effect on our cash flow and financial condition.

Our disclosure of our liquidity constraints and the Bankruptcy Cases reduced the availability of trade credit.

The public disclosure of our liquidity constraints and the Bankruptcy Cases impaired our ability to maintain normal credit terms with certain of our suppliers. As a result, we have been required to pay cash in advance to certain vendors and have experienced restrictions on the availability of trade credit, which further reduced our liquidity. We believe that since emergence from Chapter 11 on April 30, 2010, our ability to

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obtain and maintain normal credit terms has improved. However, it is possible that trade credit will continue to be negatively effected by our having been in bankruptcy.

Risks Relating to Our Business

Disruptions in financial markets and the economic downturn may continue to adversely affect our customers, and, therefore, our business.

Our results of operations have been materially affected by adverse conditions in the financial markets and depressed economic conditions generally, both in the U.S. and elsewhere around the world. The economic downturn in the businesses and geographic areas in which we sell our products substantially reduced demand for our products and resulted in decreased sales volumes. Recently, concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit and the instability of financial and credit markets in the U.S. and worldwide have contributed to increased volatility and diminished expectations for the global economy and markets. These factors, combined with volatile raw material prices, declining business and consumer confidence, increased unemployment and continuing financial market fluctuations, precipitated a worldwide economic recession that could continue for an extended period of time. The recession adversely affected our business because of a reduction in worldwide demand for our products, in particular from our customers in industrial markets generally and specifically in the automotive and housing industries. As a result of the weaker business environment, we shut down certain production facilities and performed impairment reviews of our remaining productive assets. These actions resulted in charges of $696 million for asset write-offs, primarily related to a lease rejection, and $228 million for impairment of the carrying value of our investments in certain joint ventures in 2009 and $5,207 million of asset impairments during 2008, including a $4,982 million write-off of all our remaining goodwill in 2008. Additional asset impairments could occur in future periods. Adverse changes in our future estimated operating results could result in non-cash impairment charges in the future related to our assets. Moreover, many of our customers and suppliers rely on access to credit to adequately fund their operations. Disruptions in financial markets and economic slowdown may adversely impact the ability of our customers to finance the purchase of our products as well as the creditworthiness of those customers. These same factors may also impact the ability and willingness of suppliers to provide us with raw materials for our business.

The cyclicality and volatility of the industries in which we participate may cause significant fluctuations in our operating results.

Our business operations are subject to the cyclical and volatile nature of the supply-demand balance in the chemical and refining industries, and our future operating results are expected to continue to be affected by this cyclicality and volatility. These industries historically have experienced alternating periods of capacity shortages leading to tight supply conditions, causing prices and profit margins to increase, followed by periods when substantial capacity is added, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins. In addition to changes in the supply and demand for products, the volatility these industries experience occurs as a result of changes in energy prices and changes in various other economic conditions around the world. The cyclicality and volatility of the chemical and refining industries results in significant fluctuations in profits and cash flow from period to period and over the business cycles.

The global economic and political environment continues to be uncertain, and a decline in demand could place further pressure on our results of operations. In addition, new capacity additions, especially in Asia and the Middle East, are expected to lead to another period of oversupply and low profitability. The timing and extent of any changes to currently prevailing market conditions is uncertain and supply and demand may be unbalanced at any time. As a consequence, we are unable to accurately predict the extent or duration of future industry cycles or their effect on our business, financial condition or results of operations, and can give no assurances as to any predictions made herein with respect to the timing, extent or duration of future industry cycles.

As a result of such industry cycles, we may be required to reduce production at or idle certain facilities for an extended period of time or exit a business because of an oversupply of a particular product and/or a

lack of demand for that particular product, or high raw material prices, which makes production uneconomical. We may also reduce production at certain of our facilities because we have either fixed or minimum off-take arrangements with joint ventures or third parties with respect to other facilities. Any decision to permanently close facilities or exit a business could result in impairment and other charges to earnings. Temporary outages sometimes last for several quarters or, in certain cases, longer, and could cause us to incur costs, including the expenses of maintaining and restarting these facilities. In addition, even though we may need to reduce production, we may still be required to continue to purchase or pay for utilities or raw materials under take-or-pay supply agreements. It is possible that factors such as increases in raw material costs or lower demand in the future will cause us to reduce operating rates, idle facilities or exit uncompetitive businesses.

Costs and limitations on supply of raw materials and energy may result in increased operating expenses.

The costs of raw materials and energy represent a substantial portion of our operating expenses, and energy costs generally follow price trends of, and vary with the market conditions for, crude oil and natural gas. These price trends may be highly volatile and cyclical. In the past, raw material and energy costs have experienced significant fluctuations that adversely affected our business segments. Moreover, fluctuations in currency exchange rates can add to this volatility.

There have been, and will likely continue to be, periods of time when we are unable to pass raw material and energy cost increases on to customers quickly enough to avoid adverse impacts on our results of operations. Our results of operations have been impacted by the volatility of these costs. Customer consolidation also has made it more difficult to pass along cost increases to customers. Cost increases also may increase working capital needs, which could reduce our liquidity and cash flow. In addition, when raw material and energy costs increase rapidly and are passed along to customers as product price increases, the credit risks associated with certain customers can be compounded. To the extent we increase our product sales prices to reflect rising raw material and energy costs, demand for products may decrease as customers reduce their consumption or use substitute products, which may have an adverse impact on our results of operations. See We sell products in highly competitive global markets and face significant price pressures.

In addition, higher North American and European natural gas prices relative to natural gas cost-advantaged regions, such as the Middle East, could diminish the ability of many chemical producers to compete internationally since the price of natural gas and natural gas liquids (NGLs) affects a significant portion of the industry s raw materials and energy sources. This environment may cause a reduction in our exports from North America and Europe, and has in the past reduced, and may in the future reduce, the competitiveness of U.S. and European producers. This Middle East production may increase the competition for product sales within North America and Europe with respect to product which could otherwise be sold in other geographic regions if not for such regions natural gas cost advantage. This may result in lower margins in North America and Europe in the future. Furthermore, across our business, there are a limited number of suppliers for some of our raw materials and utilities and, in some cases, the number of sources for and availability of raw materials and utilities is specific to the particular geographic region in which a facility is located. It is also common in the chemical and refining industries for a facility to have a sole, dedicated source for its utilities, such as steam, electricity and gas. Having a sole or limited number of suppliers may result in our having limited negotiating power, particularly in the case of rising raw material costs. Alternatively, where we have multiple suppliers for a raw material or utility, these suppliers may not make up for the loss of a major supplier. Any new supply agreements we enter into may not have terms as favorable as those contained in our current supply agreements. For some of our products, the facilities or distribution channels of raw material suppliers and utilities suppliers and our production facilities form an integrated system. This is especially true in the U.S. Gulf Coast where the infrastructure of the chemical and refining industries is tightly integrated such that a major disruption of supply of a given commodity or utility can negatively affect numerous participants, including suppliers of other raw materials.

If one or more of our significant raw material or utility suppliers were unable to meet its obligations under present supply arrangements, raw materials become unavailable within the geographic area from which they are now sourced, or supplies are otherwise disrupted, our businesses could suffer reduced supplies or be forced to incur increased costs for our raw materials or utilities, which would have a direct negative impact on

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plant operations. For example, hurricanes have in the past negatively affected crude oil and natural gas supplies, as well as supplies of other raw materials, utilities (such as electricity and steam), and industrial gases contributing to increases in operating costs and, in some cases, disrupting production. In addition, hurricane-related disruption of vessel, barge, rail, truck and pipeline traffic in the U.S. Gulf Coast area would negatively affect shipments of raw materials and product.

In addition, with increased volatility in raw material costs, our suppliers could impose more onerous terms on us, resulting in shorter payment cycles and increasing our working capital requirements.

External factors beyond our control may cause fluctuations in demand for our products and in our prices and margins.

External factors beyond our control may cause volatility in the price of raw materials and other operating costs, as well as significant fluctuations in demand for our products, and can magnify the impact of economic cycles on our businesses. Examples of external factors include:

- supply of and demand for crude oil and other raw materials;
- changes in customer buying patterns and demand for our products;
- general economic conditions;
- domestic and international events and circumstances;
- competitor actions;
- the addition of new capacity in the marketplace;
- governmental regulation; and
- severe weather and natural disasters.

Also, we believe that worldwide events have had in recent years, and may continue to have, an impact on our businesses. We currently license our technology to customers in the Middle East and have three joint ventures in Saudi Arabia. We also have offices in Egypt, Dubai and Turkey and third-party commercial representatives throughout the Middle East. The threat of armed hostilities or acts of terrorism may impact our businesses in the Middle East or elsewhere, or the businesses of our customers.

In addition, a number of our products are highly dependent on durable goods markets, such as the construction and automotive markets, which also are cyclical and impacted by many of the external factors referenced above. Many of our products are components of other chemical products that, in turn, are subject to the supply-demand balance of both the chemical and refining industries and general economic conditions. The recent volatility of prices for crude oil and natural gas resulted in more volatile raw material and utility costs as compared to prior years. The impact of the factors cited above and others beyond our control may once again contribute to a slowdown in the business cycle or impact economic recovery, reducing demand and lowering operating rates and, ultimately, reducing our profitability.

Further, volatility in costs and pricing can result in commercial disputes with customers and suppliers with respect to interpretations of complex contractual arrangements. Significant adverse resolution of any such disputes also could reduce our profitability.

We sell products in highly competitive global markets and face significant price pressures.

We sell our products in highly competitive global markets. Due to the commodity nature of many of our products, competition in these markets is based primarily on price and to a lesser extent on product performance, product quality, product deliverability, reliability of supply and customer service. As a result, we generally are not able to protect our market position for these products by product differentiation and may not be able to pass on cost increases to our customers.

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In addition, we face increased competition from companies that may have greater financial resources and different cost structures or strategic goals than us, such as large integrated oil companies (many of which also have chemical businesses), government-owned businesses, and companies that receive subsidies or other government incentives to produce certain products in a specified geographic region. Increased competition from these companies, especially in our olefin and refining businesses, could limit our ability to increase product sales prices in response to raw material and other cost increases, or could cause us to reduce product sales prices to compete effectively, which could reduce our profitability. Competitors that have greater financial resources than us may be able to invest significant capital into their businesses, including expenditures for research and development. In addition, specialty products we produce may become commoditized over time. Increased competition could result in lower prices or lower sales volumes, which would have a negative impact on our results of operations.

As a result of these competitive pressures, increases in raw material and other costs may not necessarily correlate with changes in prices for our products, either in the direction of the price change or in magnitude. In addition, our ability to increase product sales prices, and the timing of those increases, are affected by the supply-demand balances for our products, as well as the capacity utilization rates for those products. Timing differences in pricing between rising raw material costs, which may change daily, and contract product prices, which in many cases are negotiated only monthly or less often, sometimes with an additional lag in effective dates for increases, may reduce our profitability. Even in periods during which raw material prices decline, we may suffer decreasing profits if raw material price reductions occur at a slower rate than decreases in the selling prices of our products.

Interruptions of operations at our facilities may result in liabilities or lower operating results.

We own and operate large-scale facilities, and our operating results are dependent on the continued operation of our various production facilities and the ability to complete construction and maintenance projects on schedule. Material operating interruptions at our facilities, including interruptions caused by the events described below, may materially reduce the productivity and profitability of a particular manufacturing facility, or our business as a whole, during and after the period of such operational difficulties. In the past, we had to shut down plants on the U.S. Gulf Coast, including the temporary shutdown of the Houston Refinery, as a result of hurricanes striking the upper Texas coast.

In addition, because the Houston Refinery is our only North American refining operation, an outage at the refinery could have a particularly negative impact on our operating results. Unlike our chemical and polymer production facilities, which may at times have sufficient excess capacity to mitigate the negative impact of lost production at another similar facility of ours, we do not have the ability to increase refining production elsewhere in the U.S. in an effort to mitigate the negative impact on operating results resulting from an outage at the Houston Refinery.

Although we take precautions to enhance the safety of our operations and minimize the risk of disruptions, our operations, along with the operations of other members of the chemical and refining industries, are subject to hazards inherent in chemical manufacturing and refining and the related storage and transportation of raw materials, products and wastes. These potential hazards include:

- pipeline leaks and ruptures;
- explosions;
- fires;
- severe weather and natural disasters;
- mechanical failure;

unscheduled downtimes;

supplier disruptions;

labor shortages or other labor difficulties;

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transportation interruptions;

remediation complications;

chemical and oil spills;

discharges or releases of toxic or hazardous substances or gases;

storage tank leaks;

other environmental risks; and

terrorist acts.

Some of these hazards may cause personal injury and loss of life, severe damage to or destruction of property and equipment and environmental damage, and may result in suspension of operations, the shutdown of affected facilities and the imposition of civil or criminal penalties. Furthermore, except for claims that were addressed by the Plan of Reorganization, we also will continue to be subject to present and future claims with respect to workplace exposure, exposure of contractors on our premises as well as other persons located nearby, workers compensation and other matters.

We maintain property, business interruption, product, general liability, casualty and other types of insurance, including pollution and legal liability, that we believe are in accordance with customary industry practices, but we are not fully insured against all potential hazards incident to our business, including losses resulting from natural disasters, war risks or terrorist acts. Changes in insurance market conditions have caused, and may in the future cause, premiums and deductibles for certain insurance policies to increase substantially and, in some instances, for certain insurance to become unavailable or available only for reduced amounts of coverage. If we were to incur a significant liability for which we were not fully insured, we might not be able to finance the amount of the uninsured liability on terms acceptable to us or at all, and might be obligated to divert a significant portion of our cash flow from normal business operations.

Further, because a part of our business involves licensing polyolefin process technology, our licensees are exposed to similar risks involved in the manufacture and marketing of polyolefins. Hazardous incidents involving our licensees, if they do result or are perceived to result from use of our technologies, may harm our reputation, threaten our relationships with other licensees and/or lead to customer attrition and financial losses. Our policy of covering these risks through contractual limitations of liability and indemnities and through insurance may not always be effective. As a result, our financial condition and results of operation would be adversely affected, and other companies with competing technologies may have the opportunity to secure a competitive advantage.

Our crude oil supply agreement with PDVSA Oil is subject to the risk of enforcing contracts against non-U.S. commercial affiliates of a sovereign nation and political, force majeure and other risks.

Our crude oil supply agreement with PDVSA Oil provides for the purchase and supply of 215,000 barrels per day of heavy, high sulfur crude oil (approximately 81% of the refining capacity at the Houston Refinery). The contract runs through July 31, 2011. There are risks associated with reliance on PDVSA Oil for supplies of crude oil and with enforcing the provisions of contracts with companies such as PDVSA Oil that are non-U.S. commercial affiliates of a sovereign nation. For example, currently and from time to time in the past, PDVSA Oil has declared itself in a force majeure situation and subsequently reduced deliveries of crude oil purportedly based on announced OPEC production

cuts. All of the crude oil supplied by PDVSA Oil under the crude oil contract is produced in Venezuela, and it is impossible to predict how governmental policies may change under the current or any subsequent Venezuelan government. In addition, there are risks associated with enforcing judgments of U.S. courts against entities whose assets are located outside of the U.S. and whose management does not reside in the U.S. Any modification, breach or termination of the crude oil contract, or any interruption in this source of crude oil on its current terms, may adversely affect us, as alternative crude oil supplies with similar margins may not always be available for purchase and may require modifications to the Houston Refinery that may result in significant costs or down time. In addition, the Venezuelan government has in recent times taken control of assets of foreign firms. As these firms pursue

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international arbitration awards as a result of these takings, our crude supply from PDVSA Oil could be threatened or interrupted by any awards in favor of these foreign firms that contemplate confiscation of PDVSA Oil crude supplies.

Certain activities related to a project raise compliance issues under U.S. law.

We have identified an agreement related to a project in Kazakhstan under which a payment was made in late 2008 that raises compliance concerns under the U.S. Foreign Corrupt Practices Act (the FCPA). We have engaged outside counsel to investigate these activities, under the oversight of a special committee established by the Supervisory Board, and to evaluate internal controls and compliance policies and procedures. We made a voluntary disclosure of these matters to the U.S. Department of Justice in late 2009 and are cooperating fully with that agency. We cannot predict the ultimate outcome of this matter at this time or whether we will discover other matters raising compliance issues, including under other statutes. In this respect, we may not have conducted our business in compliance with the FCPA and may not have had policies and procedures in place adequate to ensure compliance. We cannot reasonably estimate any potential penalty that may arise from these matters. We are in the process of adopting and implementing more stringent policies and procedures designed to ensure compliance. We cannot predict the ultimate outcome of this matter at this time since our investigations are ongoing. Violations of these laws could result in criminal and civil liabilities and other forms of relief that could be material to us.

Our non-U.S. operations conduct business in countries subject to U.S. economic sanctions and certain activities raise compliance issues under U.S. law.

Certain of our non-U.S. subsidiaries conduct business in countries subject to U.S. economic sanctions, including Iran. U.S. and EU laws and regulations prohibit certain persons from engaging in business activities, in whole or in part, with sanctioned countries, organizations and individuals.

We have and continue to adopt more significant compliance policies and procedures to ensure compliance with all applicable sanctions laws and regulations. In connection with our continuing review of compliance risks in this area, we made a voluntary disclosure of certain matters to the U.S. Treasury Department and intend to continue cooperating fully with that agency. In addition, we have made the decision to terminate all business by the Company and its direct and indirect subsidiaries with the government, entities and individuals in Iran, Syria and Sudan.

These business activities present a potential risk that could subject the Company to civil and criminal penalties as well as private legal proceedings that could be material to us. Likewise, violations of these laws could result in criminal and civil liabilities and other forms of relief that could be material to us. We cannot predict the ultimate outcome of this matter at this time because our investigations and withdrawal activities are ongoing.

We are addressing certain significant deficiencies with respect to our internal controls.

In connection with our ongoing internal control reviews during the second half of 2009, our management identified three significant deficiencies in our internal control process. These deficiencies related to (i) segregation of duties related to freight contracting at our Houston Refinery, (ii) supervision and training of our internal accounting staff with respect to recording of our equity investments in joint ventures and (iii) inadequate support for review and reconciliation of a consolidation entry. We are remediating these deficiencies through changes in personnel; improved training; changes from manual to automated controls; and implementation of additional control procedures. These deficiencies did not have a material impact on our financial results or operations; however, there can be no assurance that we will not identify internal control deficiencies in the future or that any such identified deficiencies will not have a material impact on our operating results or financial statements.

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Our operations could be adversely affected by labor relations.

Approximately 1020 of our employees located in North America and the vast majority of our employees located in Europe and South America are represented by labor unions and work councils. Our operations have been in the past, and may be in the future, significantly and adversely affected by strikes, work stoppages and other labor disputes. Approximately 50% of our unionized North American employees are covered by a collective bargaining agreement between Houston Refining LP and the United Steelworkers Union, which became effective on January 20, 2010 and expires on January 31, 2012.

Our operations and assets are subject to extensive environmental, health and safety and other laws and regulations, which could result in material costs or liabilities.

We cannot predict with certainty the extent of future liabilities and costs under environmental, health and safety and other laws and regulations and whether any such liabilities and costs will be material. We also may face liability arising our of the normal course of business with respect to commercial matters, including alleged personal injury or property damage due to exposure to chemicals or other hazardous substances at our current or former facilities or chemicals that we manufacture, handle or own. In addition, because our products are components of a variety of other end-use products, we, along with other members of the chemical industry, are inherently subject to potential claims related to those end-use products. Although claims of the types described above have not historically had a material impact on our operations, a substantial increase in the success of these types of claims could result in the expenditure of a significant amount of cash by us to pay claims, and could reduce our operating results.

We (together with the industries in which we operate) are subject to extensive national, regional, state and local environmental laws, regulations, directives, rules and ordinances concerning, and are required to have permits and licenses regulating, emissions to the air, discharges onto land or surface waters or into groundwater and the generation, handling, storage, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Many of these laws and regulations provide for substantial fines and potential criminal sanctions for violations, and such permits and licenses are subject to renewal, modification and in some circumstances, revocation. Some of these laws and regulations are subject to varying and conflicting interpretations. In addition, some of these laws and regulations require us to meet specific financial responsibility requirements. We generally expect that regulatory controls worldwide will become increasingly more demanding, including lower ozone ambient air standards in the U.S. and additional requirements related to climate change in the U.S. and other areas of the world where we operate, but cannot accurately predict future developments, such as increasingly strict environmental laws, and inspection and enforcement policies, as well as higher compliance costs, which might affect the handling, manufacture, use, emission or disposal of products, other materials or hazardous and non-hazardous waste. Stricter environmental, safety and health laws, regulations and enforcement policies could result in increased costs and liabilities to us or limitations on our operations, and could subject our handling, manufacture, use, reuse or disposal of substances or pollutants to more rigorous scrutiny than at present.

For example, under the European Union (EU) Integrated Pollution Prevention and Control Directive (IPPC), EU Member State governments are to adopt rules and implement an environmental permitting program relating to air, water and waste for individual facilities. While the EU countries are at varying stages in their respective implementation of the IPPC permit program, we have submitted all necessary IPPC permit applications required to date, and in some cases received completed permits from the applicable government agency. However, we do not know with certainty what future IPPC permits will require, or the costs of compliance with the IPPC permit program. The EU also has passed legislation governing the registration, evaluation and authorization of chemicals (Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals, or REACH). Under REACH, we are required to register chemicals and gain authorization for the use of certain substances. As an importer of chemicals and materials from outside the EU, we are subject to additional registration obligations. Legislation or rulings similar to

REACH may also be adopted outside the EU Member States, which could add to our obligations. Some risk of environmental costs and liabilities is inherent in our operations and products, and there is no assurance that material costs and liabilities will not be incurred.

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Environmental laws may have a significant effect on the nature and scope of cleanup of contamination at current and former operating facilities and at other sites at which hazardous substances generated by our current or former subsidiaries were disposed, the costs of transportation and storage of raw materials and finished products and the costs of the storage and disposal of wastewater. In the U.S., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (CERCLA) may impose joint and several liability for the costs of remedial investigations and cleanup actions, as well as damages to natural resources, on the entities that generated hazardous substances, arranged for disposal of the hazardous substances, transported to or selected the disposal sites and the past and present owners and operators of such sites. All such responsible parties (or any one of them, including us) may be required to bear all of such costs regardless of fault, the legality of the original disposal or ownership of the disposal site. Under the EU Environmental Liability Directive, EU Member States may require the remediation of soil and groundwater contamination in certain circumstances, under the polluter pays principle. The scope of events and circumstances that could trigger remediation requirements and the level of remediation required vary from Member State to Member State. Similar environmental laws and regulations that have been or may be enacted in other countries outside of the U.S. may impose similar liabilities and costs upon us.

We also have liabilities under the U.S. Resource Conservation and Recovery Act and various U.S. state and non-U.S. government regulations related to several current and former plant sites. Some of our manufacturing sites have an extended history of industrial chemical manufacturing and use, including on-site waste disposal. We are aware of soil, groundwater and surface water contamination at some of our sites, and we may find contamination at other sites in the future. It is anticipated that corrective measures will be necessary to comply with federal and state requirements with respect to some of these facilities. We also are responsible under applicable environmental laws for a portion of the remediation of certain off-site waste disposal facilities. Prior to the filing of the Bankruptcy Cases, we contributed funds to the cleanup of several waste sites throughout the U.S. under CERCLA. We also have been named as a Potentially Responsible Party (PRP) under CERCLA or similar laws at several other sites. Our policy is to accrue remediation expenses when it is probable that such efforts will be required and the related expenses can be reasonably estimated. Estimated costs for future environmental compliance and remediation are necessarily imprecise due to such factors as the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the identification of presently unknown remediation sites, uncertainties relating to the choice and cost of remedial actions at various sites and the allocation of costs among the potentially responsible parties under applicable statutes. If actual expenditures exceed the amounts accrued, that could have an adverse effect on our results of operations and financial position. For further discussion regarding environmental matters and related accruals, see Description of Business Environmental Capital Expenditures, Note 25 to the Consolidated Financial Statements of LyondellBasell AF for the year ended December 31, 2009 and Note 16 to the unaudited Consolidated Financial Statements of LyondellBasell N.V. for the quarter ended September 30, 2010.

In addition to the matters described above, we are subject to other material regulatory requirements that could result in higher operating costs, such as regulatory requirements relating to the security of our facilities, and the transportation, exportation or registration of our products. Although we have compliance programs and other processes intended to ensure compliance with all such regulations, we are subject to the risk that our compliance with such regulations could be challenged. Non-compliance with certain of these regulations could result in the incurrence of additional costs, penalties or assessments that could be material.

We may incur substantial costs to comply with, and demand for our products may be reduced by, climate change legislation and regulatory initiatives.

There has been a broad range of proposed or promulgated state, national and international laws focusing on greenhouse gas (GHG) reduction. These proposed or promulgated laws apply or could apply in countries where we have interests or may have interests in the future. After the international meetings in Copenhagen, laws in this field

continue to evolve and, while they are likely to be increasingly widespread and stringent, at this stage it is not possible to accurately estimate either a timetable for implementation or our future

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compliance costs relating to implementation. Within the framework of EU emissions trading, we were allocated certain allowances of carbon dioxide per year for the affected plants of our European sites for the 2005 to 2007 period. For the second trading period (2008 to 2012), a number of our chemical plants are included in the Europe-wide trading system. We expect to incur additional costs as a result of the existing emissions trading scheme and in relation to any future carbon or other greenhouse gas emission trading schemes.

In the U.S., the EPA recently issued its final endangerment finding that is expected to lead to the agency promulgating federal GHG regulations and emissions limits under the Clean Air Act, even without Congressional action. The EPA has issued mandatory GHG reporting requirements which could lead to further obligations. The recent EPA action could be a precursor to further federal regulation of carbon dioxide emissions and other greenhouse gases, and may affect the outcome of other climate change lawsuits pending in United States federal courts in a manner unfavorable to our industry. In any event, some form of regulation is likely to be forthcoming at the United States federal level or the state level with respect to GHG emissions, and such regulation could result in the creation of additional costs in the form of taxes or required acquisition or trading of emission allowances.

Compliance with these or other changes in laws, regulations and obligations that create a GHG emissions trading scheme or GHG reduction policies generally could significantly increase our costs or reduce demand for products we produce. Depending on the nature of potential regulations and legislation, any future laws and regulations could result in increased compliance costs or additional operating restrictions, and could have a material adverse effect on our business and results of operations.

Legislative and other actions have eliminated substantially all U.S. demand for MTBE.

Substantially all refiners and blenders have discontinued the use of MTBE in the U.S., partly as a result of U.S. federal governmental initiatives to increase use of bio-ethanol in gasoline as well as some state legislation to reduce or ban the use of MTBE. Accordingly, we are marketing our U.S.-produced MTBE for use outside of the U.S. However, there are higher distribution costs and import duties associated with exporting MTBE outside the U.S., and the increased supply of MTBE may reduce profitability of MTBE in these export markets. Our U.S.-based and European-based MTBE plants generally have the flexibility to produce either MTBE or ETBE to accommodate market needs. We produce and sell ETBE to accommodate growing demand for bio-based fuels in Europe, Japan and elsewhere in the world. There is a risk that such markets may ban or stop the use of MTBE or ETBE. As a result, we may, in the future, be required to produce an alternative gasoline blending component to either MTBE or ETBE, the profit contribution of which may be significantly lower than that historically realized on MTBE or ETBE.

Our international operations are subject to exchange rate fluctuations, exchange controls, political risks and other risks relating to international operations.

We have substantial international operations, which are subject to the risks of doing business on a global level, including fluctuations in currency exchange rates, transportation delays and interruptions, war, terrorist activities, epidemics, pandemics, political and economic instability and disruptions, restrictions on the transfer of funds, the imposition of duties and tariffs, import and export controls, changes in governmental policies, labor unrest and current and changing regulatory environments. These events could reduce the demand for our products, decrease the prices at which we can sell our products, disrupt production or other operations, require substantial capital and other costs to comply, and/or increase security costs or insurance premiums, all of which could reduce our operating results. In addition, we obtain a substantial portion of our principal raw materials from international sources that are subject to these same risks. Our compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject could be challenged. Furthermore, these laws may be modified, the result of which may be to prevent or limit subsidiaries from transferring cash to us. For geographic data, see Note 29 to the Consolidated Financial Statements of LyondellBasell AF for the year ended

December 31, 2009.

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Furthermore, we may experience difficulty enforcing agreements in certain jurisdictions. In jurisdictions where bankruptcy laws and practices may vary, we may experience difficulty collecting receivables through the applicable legal systems. We are subject to certain existing, and may be subject to possible future, laws that limit or may limit our activities while some of our competitors may not be subject to such laws, which may adversely affect our competitiveness.

In addition, we generate revenues from export sales and operations that may be denominated in currencies other than the relevant functional currency. Exchange rates between these currencies and functional currencies in recent years have fluctuated significantly and may do so in the future. Future events, which may significantly increase or decrease the risk of future movement in currencies in which we conduct our business, cannot be predicted. We also may hedge certain revenues and costs using derivative instruments to minimize the impact of changes in the exchange rates of those currencies compared to the respective functional currencies. It is possible that fluctuations in exchange rates will result in reduced operating results.

Significant changes in pension fund investment performance or assumptions relating to pension costs may adversely affect the valuation of pension obligations, the funded status of pension plans, and our pension cost.

Our pension cost is materially affected by the discount rate used to measure pension obligations, the level of plan assets available to fund those obligations at the measurement date and the expected long-term rate of return on plan assets. Significant changes in investment performance or a change in the portfolio mix of invested assets may result in corresponding increases and decreases in the valuation of plan assets, particularly equity securities, or in a change of the expected rate of return on plan assets. Any change in key actuarial assumptions, such as the discount rate, would impact the valuation of pension obligations, affecting the reported funded status of our pension plans as well as the net periodic pension cost in the following fiscal years. Certain of our current pension plans are underfunded. As of December 31, 2009, our pension plans were underfunded by $1,140 million. Any declines in the fair values of the pension plans assets could require additional payments by us in order to maintain specified funding levels. Our pension plans are subject to legislative and regulatory requirements of applicable jurisdictions, which could include, under certain circumstances, local governmental authority to terminate the plan. See Note 23 to the Consolidated Financial Statements of LyondellBasell AF for the year ended December 31, 2009 and Note 13 to the unaudited Consolidated Financial Statements of LyondellBasell N.V. for the quarter ended September 30, 2010.

Many of our businesses depend on our intellectual property. Our future success will depend in part on our ability to protect our intellectual property rights, and our inability to do so could reduce our ability to maintain our competitiveness and margins.

We have a significant worldwide patent portfolio of issued and pending patents. These patents, together with proprietary technical know-how, are significant to our competitive position, particularly with regard to PO, performance chemicals, petrochemicals, and polymers, including process technologies such as *Spheripol, Spherizone, Hostalen, Spherilene, Lupotech T* and *Lupotech G* and *Avant* catalyst family technology rights. We rely on the patent, copyright and trade secret laws of the U.S. and other countries to protect our investment in research and development, manufacturing and marketing. However, we may be unable to prevent third parties from using our intellectual property without authorization. Proceedings to protect these rights could be costly, and we may not prevail.

The protection afforded by patents varies from country to country and depends upon the type of patent and its scope of coverage. While a presumption of validity exists with respect to patents issued to us, our patents may be challenged, invalidated, circumvented or rendered unenforceable. In addition, if any pending patent application filed by us does not result in an issued patent, or if patents are issued to us, but such patents do not provide meaningful protection of our intellectual property, then our ability to exploit our intellectual property may be adversely affected. Furthermore, as patents expire, the products and processes described and claimed under those patents become generally available

for use by competitors. Our continued growth strategy may also bring us to regions of the world where intellectual property protection may be limited and difficult to enforce. In addition, patent rights may not prevent our competitors from developing, using or selling products

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that are similar or functionally equivalent to our products. Moreover, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner, which could result in significantly lower revenues, reduced profit margins or loss of market share.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property, these confidentiality agreements may be breached, may not provide meaningful protection for our trade secrets or proprietary know-how, or adequate remedies may not be available in the event of an unauthorized use or disclosure of our trade secrets and know-how. In addition, others could obtain knowledge of our trade secrets through independent development or other access by legal or illegal means.

The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could result in significantly lower revenues, reduced profit margins and cash flows and/or loss of market share. Additionally, we may be subject to claims that our technology, patents or other intellectual property infringes on a third party s intellectual property rights. Unfavorable resolution of these claims could either result in our being restricted from delivering the related service or result in a settlement that could be material to us.

The continued integration of the historical Lyondell Chemical businesses with the historical Basell businesses may be extremely time-consuming and the associated expected synergies and savings may not be realized.

The process of effectively integrating the historical Basell and Lyondell Chemical businesses into one business continues to require significant managerial and financial resources. The costs and time required to integrate these businesses into one organization could cause the interruption of, or a loss of momentum in, the activities of any one, or several, of the operations of the constituent entities. Furthermore, the combination of the Lyondell Chemical and Basell businesses has significantly increased our size and has also substantially increased the scope and complexity of our operations. There can be no assurance that we will be able to effectively manage the enlarged operation, or achieve the desired profitability from the combination of the Lyondell Chemical and Basell businesses. A failure to successfully integrate Lyondell Chemical with Basell s legacy business operations could adversely affect our business, financial condition and results of operations.

We have also undertaken significant and aggressive fixed cost reduction programs. Since the beginning of 2008, we have shut down or announced planned shutdowns of several units and entire facilities. We continue to evaluate our asset portfolio and may initiate further rationalization, depending on market conditions. Furthermore, we have expanded our cost reduction program to be broader and more substantial in anticipation of continued weak market conditions in olefins, polyolefins and refining. The key components of the program include reducing staff, rationalizing our worldwide asset base, restructuring our contracts and realizing savings in procurement and logistics. The full benefits of these programs may be difficult to realize and any short term synergies and savings realized may not be sustainable in the long term. Losses of key personnel pursuant to any employee reduction programs could adversely affect our business, financial condition and results of operations.

Shared control or lack of control of joint ventures may delay decisions or actions regarding the joint ventures.

A portion of our operations currently are, and may in the future be, conducted through joint ventures, where control may be exercised by or shared with unaffiliated third parties. We cannot control the actions of our joint venture partners, including any nonperformance, default or bankruptcy of joint venture partners. The joint ventures that we do not control may also lack adequate internal controls systems.

In the event that any of our joint venture partners do not observe their joint venture obligations, it is possible that the affected joint venture would not be able to operate in accordance with our business plans or that we would be required to increase our level of commitment in order to give effect to such plans. As with any such joint venture arrangements, differences in views among the joint venture participants may result in

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delayed decisions or in failures to agree on major matters, potentially adversely affecting the business and operations of the joint ventures and in turn our business and operations.

Our results of operations could be adversely affected by litigation and other commitments and contingencies.

We face risks arising from various unasserted and asserted litigation matters, including, but not limited to, product liability, patent infringement, antitrust claims, and claims for third party property damage. We have also noted a nationwide trend in purported class actions against chemical manufacturers generally seeking relief such as medical monitoring, property damages, off-site remediation and punitive damages arising from alleged environmental torts without claiming present personal injuries. We have also noted a trend in public and private nuisance suits being filed on behalf of states, counties, cities and utilities alleging harm to the general public. Various factors or developments can lead to changes in current estimates of liabilities such as a final adverse judgment, significant settlement or changes in applicable law. A future adverse ruling or unfavorable development could result in future charges that could have a material adverse effect on us. An adverse outcome in any one or more of these matters could be material to our results of operations.

In the ordinary course of business, we may make certain commitments, including representations, warranties and indemnities relating to current and past operations, including those related to divested businesses and issue guarantees of third party obligations. If we were required to make payments as a result, they could exceed the amounts accrued, thereby adversely affecting our results of operations.

The selling shareholders own a substantial portion of our ordinary shares, and their interests in LyondellBasell Industries N.V. may conflict with your interests.

The selling shareholders collectively own approximately 52% of our outstanding ordinary shares.

As long as the selling shareholders and any other substantial shareholder own, directly or indirectly, a substantial portion of our outstanding shares, they will be able to exert significant control over us, including:

- the composition of our board of directors and, through it, any determination with respect to our business;
- direction and policies, including the appointment and removal of officers;
- the determination of incentive compensation, which may affect our ability to retain key employees;
- any determinations with respect to mergers or other business combinations;
- our acquisition or disposition of assets;
- our financing decisions and our capital raising activities;
- the payment of dividends;
- conduct in regulatory and legal proceedings; and
- amendments to our articles of association.

Additionally, our Articles of Association state that our Supervisory Board will consist of at least nine members. Our Supervisory Board currently consists of eight members, three of whom were nominated by Apollo; one of whom was

nominated by Access Industries; and one of whom was nominated by Ares Corporate Opportunities Fund III, L.P. (ACOF III) on behalf of itself and one or more funds under the management of Ares Management LLC (Ares Management). The remaining initial Supervisory Board members are independent. Until April 30, 2011 and thereafter for so long as the selling shareholders own specified percentages of our ordinary shares, they will be entitled to nominate members of the Supervisory Board. See Security Ownership of Certain Beneficial Owners and Management.

The selling shareholders, in the event that they act collectively, also may have the ability to elect or remove and replace a majority of the members of our Supervisory Board without calling a meeting of the

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shareholders. The concentration of ownership may also make some transactions more difficult or impossible without their support or more likely with their support. The interests of any of the selling shareholders, any other substantial shareholder or any of their respective affiliates could conflict with or differ from our interests or the interests of shareholders. For example, the concentration of ownership held by the selling shareholders could delay, defer or prevent a change of control of our company or impede a merger, takeover or other business combination which may otherwise be favorable for us. The selling shareholders, a substantial shareholder or any affiliate thereof may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us.

Risks Associated with Our Common Stock

The trading price of our ordinary shares may fluctuate and trading in the shares may be limited, which might lead to shareholders not being able to sell their ordinary shares at a reasonable price or at all.

Our shares began trading on the NYSE on October 14, 2010. We cannot assure you that an active trading market in our ordinary shares will be sustained. If such a market fails to be sustained, this could adversely affect the liquidity and price of our ordinary shares, as well as increase their price volatility. Accordingly, we cannot assure investors of the liquidity of any such market, any ability to sell the ordinary shares or the prices that may be obtained for the ordinary shares.

The trading price of our ordinary shares may experience volatility and may fluctuate, depending upon many factors beyond our control. The trading price of our ordinary shares may be significantly affected by, among others the following factors: (i) our actual or anticipated operational results, (ii) the level of our debt, (iii) future issuances of ordinary shares, (iv) changes in, or our failure to meet, securities analysts expectations, and (v) general market conditions and the factors listed above under Risks Relating to Our Business.

Uncertainty in enforcing U.S. judgments against Dutch or non-U.S. corporations, directors and others could create difficulties for holders of our securities in enforcing any judgments obtained against us.

We are a company organized under the laws of The Netherlands and a significant portion of our assets are located outside the U.S. In addition, members of our Management and Supervisory Boards may be residents of countries other than the U.S. As a result, effecting service of process on each person may be difficult, and judgments of U.S. courts, including judgments against us or members of our Management or Supervisory Boards predicated on the civil liability provisions of the federal or state securities laws of the U.S., may be difficult to enforce. Because there is no treaty between certain countries and The Netherlands providing for the reciprocal recognition and enforcement of judgments, some countries judgments are not automatically enforceable in The Netherlands or in the United States, where the principal market for our shares is located. In addition, it is uncertain as to whether a court in one country would impose civil liability on us or on the members of our Management and Supervisory Boards in an original action brought against us or our management or supervisory directors in a court of competent jurisdiction in another country and predicated solely upon the securities laws of that other country.

We are subject to Dutch law and the rights of our ordinary shareholders may be different from those rights associated with companies governed by other laws.

As a result of being organized under the laws of The Netherlands, our corporate structure as well as the rights and obligations of our ordinary shareholders may be different from the rights and obligations of shareholders in companies incorporated in other jurisdictions. Resolutions of the general meeting of shareholders may be taken with majorities different from the majorities required for adoption of equivalent resolutions in, for example, Delaware companies. Additionally, like other Dutch companies, our articles of association and our board charter contain control-enhancing

rights that may have the effect of preventing, discouraging or delaying a change of control.

In addition, Dutch law provides certain obligations on companies that are domiciled in The Netherlands and whose shares are admitted to trading on a regulated market, as well as on certain shareholders of such companies. The NYSE may qualify as a regulated market, in which case these laws will apply to us and to

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certain of our shareholders. Among other things, these laws may require shareholders to notify the Dutch financial markets regulator (Authoriteit Financiële Markten, or AFM) of their holding of ordinary shares and changes to their holding if they increase or decrease their shareholding over or below 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of our ordinary shares and may require certain shareholders that acquire 30% or more of the voting rights attached to our ordinary shares, subject to certain exceptions, acting alone or in concert with others, to make an unconditional offer to all our shareholders. See Description of Registrant s Securities to be Registered Description of Certain Provisions of Dutch Law.

Risks Relating to Tax Matters

We have a risk of being classified as a controlled foreign corporation, which could adversely affect any 10% U.S. shareholder.

As a company incorporated in The Netherlands, we would be classified as a controlled foreign corporation for U.S. federal income tax purposes if:

- any United States person (as defined in the U.S. Internal Revenue Code of 1986, as amended (the U.S. Tax Code)) possesses, directly, indirectly, or constructively, at least 10% of the combined voting power of all classes of our ordinary shares (each such person, a 10% U.S. shareholder), and
- the sum of the percentage ownership by all 10% U.S. shareholders exceeds 50% (by voting power or value) of our ordinary shares.

Because controlled foreign corporation status depends upon the identity of our shareholders and their respective stock ownership, there can be no assurance that LyondellBasell Industries N.V. will not be treated as a controlled foreign corporation for any taxable year. In the event that such a determination were made, all 10% U.S. shareholders would be subject to taxation under Subpart F of the U.S. Tax Code. The ultimate consequences of this determination are fact-specific to each 10% U.S. shareholder, but could include possible taxation of such 10% U.S. shareholder on a pro rata portion of our income, even in the absence of any distribution of such income.

Based on information currently available to us, including information about the selling shareholders, we do not believe we are a controlled foreign corporation at this time.

U.S. anti-inversion rules may apply to LyondellBasell Industries N.V. resulting in certain adverse U.S. federal income tax consequences.

The United States Internal Revenue Service (IRS) could seek to apply section 7874 of the U.S. Tax Code to treat LyondellBasell Industries N.V. as a U.S. corporation for U.S. federal income tax purposes if, in connection with our emergence from the Bankruptcy Cases, the former creditors and shareholders of our top U.S. holding company and its direct and indirect subsidiaries (our U.S. Group) received at least 80% of the stock issued in our emergence from Chapter 11 by reason of holding claims against those entities. Application of the 80% test could result in significantly increased U.S. federal income tax liability to us.

Alternatively, the IRS could seek to impose U.S. federal income tax on our U.S. subsidiaries inversion gain if, in connection with our emergence from the Bankruptcy Cases, the former creditors and shareholders of our U.S. Group received at least 60%, but less than 80%, of the stock issued in our emergence from the Bankruptcy Cases by reason of holding such claims. Inversion gain generally includes gain from the transfer of stock or properties (other than inventory) and certain licensing income; tax on inversion gain generally cannot be offset by net operating losses, foreign tax credits or other tax attributes.

The 80% and 60% calculations are subject to certain adjustments. Although no assurance can be given that the IRS would not take a contrary position regarding section 7874 s application or that such position, if asserted, would not be sustained, we believe that the stock issued in connection with our emergence from the Bankruptcy Cases that is attributable to the value of claims against our companies outside the U.S. Group exceeds 40% of all stock issued for any claims against us, making section 7874 inapplicable to us under the numerical stock ownership tests described above. In addition, we believe that strong arguments can be made

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that section 7874 should not in any event apply to us because of the business activities that we and our affiliates conduct in The Netherlands.

USE OF PROCEEDS

We are registering the resale of our ordinary shares pursuant to registration rights granted to the selling shareholders in the Registration Rights Agreement dated April 30, 2010 and filed herewith as Exhibit 4.7. We will not receive any of the proceeds from the sale of the ordinary shares by the selling shareholders named in this prospectus. All proceeds from the sale of the ordinary shares will be paid directly to the selling shareholders.

SELLING SHAREHOLDERS

This prospectus covers the offering of up to 291,580,236 ordinary shares by selling shareholders. When we refer to selling shareholders in this prospectus, we mean the persons listed in the table below, and the pledgees, donees, transferees, assignees, successors-in-interest and others who later come to hold any of the selling shareholders interests in our ordinary shares other than through public sale. The ordinary shares offered by the selling shareholders may be restricted securities under applicable federal and state securities laws and are being registered to give the selling shareholders the opportunity to freely sell their ordinary shares. The registration of such ordinary shares does not necessarily mean, however, that any of these ordinary shares will be offered or sold by the selling shareholders. The selling shareholders may from time to time offer and sell all or a portion of their ordinary shares in over-the-counter market or privately negotiated transactions, or otherwise, at market prices prevailing at the time of sale or at negotiated prices. See Plan of Distribution.

In addition, the selling shareholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time or from time to time, the ordinary shares in transactions exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), after the date on which they provided the information set forth below. The following table sets forth information as of February 1, 2011, regarding the selling shareholders beneficial ownership of ordinary shares. The selling shareholders acquired the shares being registered in connection with our emergence from bankruptcy proceedings and in market and privately negotiated transactions not involving us. A substantial majority of our issued and outstanding shares were issued on April 30, 2010 in exchange for certain claims against our predecessor in the chapter 11 bankruptcy proceedings and in a rights offering. Specifically, we issued 300 million shares in exchange for certain claims and issued an additional 263,901,979 shares in a rights offering, which gave certain claim holders the right to subscribe to purchase shares at an offering price of $10.61 per share. An additional 1,774,296 shares have been issued under our Long Term Incentive Plan and upon exercise of outstanding warrants.

Access Industries is a privately held U.S. industrial group with holdings primarily in natural resources and chemicals, media and telecommunications and real estate (Access). Access affiliates acquired 11,556,499 of our shares in the rights offering and have acquired an additional 78,886,867 of the shares being registered for resale in market or privately negotiated transactions that did not involve us. Access, through its ownership of Basell AF, was the owner of LyondellBasell AF S.C.A., the predecessor of the Company, from December 2007 until its emergence from chapter 11 bankruptcy proceedings. Len Blavatnik, an individual whose principal occupation is Chairman of Access Industries, may be deemed to be the beneficial owner of the shares offered by Access, although Mr. Blavatnik disclaims any beneficial ownership in the shares, except to the extent of any pecuniary interest therein. Mr. Blavatnik served as the Chairman of the Board of LyondellBasell AF S.C.A. from December 2007 until April 2010.

Apollo Management Holdings, L.P. is the general partner or manager of various Apollo investment managers that, through various affiliated investment managers, manage four of the Apollo investments funds that hold our shares. Apollo Principal Holdings II, L.P. is the general partner or manager of various Apollo

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investment advisors that, indirectly through various affiliated investment advisors, provide investment advisor services to various Apollo investment funds, including one of the Apollo investment funds that hold our shares. Apollo Principal Holdings III, L.P. is the general partner or manager of various Apollo investment advisors that, indirectly through various affiliated investment advisors, provide investment advisor services to various Apollo investment funds, including one of the Apollo investment funds that hold our shares. Of the shares held by the Apollo investment funds, 67,218,407 shares were acquired in connection with the distributions upon our emergence from bankruptcy, 75,727,608 shares were acquired in the rights offering, and 21,952,350 shares were acquired in market or privately negotiated transactions that did not involve us. Leon Black, Joshua Harris and Marc Rowan are the principal executive officers and managers or directors, as applicable, of the respective general partners of Apollo Management Holdings, L.P., of Apollo Principal Holdings II, L.P. and Apollo Principal Holdings III, L.P. Mr. Harris is a member of our Supervisory Board of Directors. Each of Apollo Management Holdings, L.P. and its affiliated investment managers, Apollo Principal Holdings II, L.P. and its affiliated investment advisors, Apollo Principal Holdings III, L.P. and its affiliated investment advisors, and Messrs. Black, Harris and Rowan disclaim beneficial ownership in the shares held by the Apollo investment funds, except to the extent of any pecuniary interest therein. From time to time, we refer to Apollo in this prospectus. When we refer to Apollo, we mean, collectively, Apollo Global Management LLC and its subsidiaries including Apollo Management Holdings, L.P., and affiliated investment funds.

The other selling shareholders named in the table include funds under the management of Ares Management LLC, who acquired an aggregate of 36,894,999 shares on April 30, 2010 in the emergence distributions and sold an aggregate of 1,314,906 shares and acquired 658,412 warrants to purchase shares in open market and privately negotiated transactions. Ares Management is indirectly controlled by Ares Partners Management Company LLC (Ares Partners), which, in turn, is managed by an executive committee comprised of Messrs. Michael Arougheti, David Kaplan, Gregory Margolies, Antony Ressler and Bennett Rosenthal. Each of the members of the executive committee expressly disclaims beneficial ownership of such shares.

For descriptions of the material relationships between us and the selling shareholders, see Description of Securities to be Registered, Security Ownership of Certain Beneficial Owners and Management, Directors and Executive Officers, Executive Compensation, and Certain Relationships, Related Party Transactions and Director Independence.

	Before Offering			After Offering	
Name	Number of Shares Beneficially Owned	Percentage of Shares Owned(1)	Shares Offered Hereby	Shares Owned After Offering(2)	Percentage of Shares Owned After Offering
Access Industries	90,443,366	15.9%	90,443,366		
Apollo Management Holdings, L.P.[3]	164,898,365	29.1%	164,895,924		
Ares Management LLC[4]	36,238,505	6.4%	36,238,505		

* Less than 1% of issued and outstanding ordinary shares.

(1) All percentages are based on an aggregate of 566,002,295 shares issued and outstanding on February 1, 2011.

(2)

This table assumes that each selling shareholder will sell all of its ordinary shares during the effectiveness of the registration statement of which this prospectus forms a part. Selling shareholders are not required to sell any of their ordinary shares. See Plan of Distribution.

(3) Apollo Management Holdings, L.P. is the general partner or manager of various Apollo investment managers that manage four of the Apollo investment funds which hold our ordinary shares. Each of Apollo Principal Holdings II, L.P. and Apollo Principal Holdings III, L.P. is the general partner or manager of various Apollo investment advisors that, individually through various affiliated investment advisors, provide investment advisor services to, respectively, one of the other Apollo investment funds that hold our shares. The total number of ordinary shares being offered by the Apollo investment funds includes ordinary shares held

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by the following record owners: 79,237,329 ordinary shares held by LeverageSource Holdings Series III (Lux) S.À.R.L., 3,383,080 ordinary shares held by ACLF/Lyondell S.À.R.L., 3,102,004 ordinary shares held by ACLF Co-Invest/Lyondell S.À.R.L., 560,960 ordinary shares held by AIE Eurolux S.À.R.L. and 78,614,992 ordinary shares held by LeverageSource XI S.À.R.L.

(4) Ares Management directly or indirectly manages certain investment vehicles that hold our ordinary shares. The total number of ordinary shares being offered by such entities includes ordinary shares held by the following record owners: 16,904,384 ordinary shares held by ACOF III, 537,283 ordinary shares held by Future Fund Board of Guardians, 66,344 ordinary shares held by Ares Institutional Loan Fund B.V., 24,829 ordinary shares held by Ares IIR CLO Ltd., 29,795 ordinary shares held by Ares IIR/IVR CLO Ltd., 59,591 ordinary shares held by Ares VR CLO Ltd., 59,591 ordinary shares held by Ares VIR CLO Ltd., 49,659 ordinary shares held by Ares VII CLO Ltd., 59,591 ordinary shares held by Ares VIII CLO Ltd., 59,591 ordinary shares held by Ares IX CLO Ltd., 49,659 ordinary shares held by Ares X CLO Ltd., 39,727 ordinary shares held by Ares XI CLO Ltd., 34,761 ordinary shares held by Ares XII CLO Ltd., 168,823 ordinary shares held by Confluent 2 Limited, 1,097,671 ordinary shares and 332,249 warrants to purchase ordinary shares held by DF US BD Holdings LLC, 106,341 ordinary shares held by Ares Euro CLO I B.V., 159,112 ordinary shares held by Ares Euro CLO II B.V., 365,650 ordinary shares held by Ares Enhanced Credit Opportunities Fund Ltd., 60,340 ordinary shares held by Global Loan Opportunity Fund B.V., 21,161 ordinary shares held by SEI Global Master Fund plc, 154,976 ordinary shares held by SEI Institutional Investments Trust, 119,055 ordinary shares held by SEI Institutional Managed Trust, 89,547 ordinary shares held by Ares Strategic Investment Partners Ltd., 14,351,953 ordinary shares held by Ares SPC Holdings, L.P., 346,094 ordinary shares held by Ares SPC Luxembourg S.á.r.l and 564,565 ordinary shares and 326,163 warrants to purchase ordinary shares held by Ares Special Situations Fund I-B, L.P.

PLAN OF DISTRIBUTION

The selling shareholders and any of their pledgees, donees, transferees, assignees and successors-in-interest may, from time to time, sell any or all of their ordinary shares on any stock exchange, market or trading facility on which the ordinary shares are traded or quoted or in private transactions. The selling shareholders may sell the ordinary shares being offered here by at various times to underwriters, for resale to the public or to Institutional Investors, directly to Institutional Investors or through agents to the public or to Institutional Investors. This prospectus may also be used by broker-dealers or other transferees who borrow or purchase the securities to settle or close out short sales of securities. These sales may be at fixed or negotiated prices. Selling shareholders will act independently of us in making decisions with respect to the timing, manner and size of each sale or non-sale related transfer. We will not receive any proceeds from sales of ordinary shares by the selling shareholders. The selling shareholders may also use any one or more of the following methods when selling ordinary shares:

ordinary brokerage transactions and transactions in which the broker-dealer solicits investors;

block trades in which the broker-dealer will attempt to sell the ordinary shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

transactions involving cross trades;

distribution by any selling shareholder to its partners, members or shareholders;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account and may be resold at various times in one or more transactions, including negotiated transactions, at a fixed price or prices at market prices prevailing or at the time of sale;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions including, entering into derivative or hedging transactions with third parties;

sales to cover short sales made after the date that the registration statement of which this prospectus forms a part is declared effective by the SEC;

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agreement with broker-dealers to sell a specified number of ordinary shares at fixed prices, prevailing market prices at the time of sale, prices related to prevailing market prices, varying prices determined at the time of sale or negotiated prices;

the writing or settlement of options or other hedging transactions, including without limitation, derivative securities, warrants, exchangeable securities and forward delivery contracts whether through an options exchange or otherwise;

other ways not involving market makers or established trading markets, including direct sales to purchasers or sales effected through agents;

a combination of any such methods of sale; and

any other method permitted pursuant to applicable law.

The selling shareholders may offer ordinary shares in one or more offerings pursuant to one or more supplements to this prospectus, if required by applicable law, and any such supplement will set forth the terms of the relevant offering to the extent required. To the extant the ordinary shares pursuant to a supplement remain unsold, the selling shareholders may offer those ordinary shares on different terms pursuant to another supplement.

The selling shareholders may also sell ordinary shares under Rule 144 under the Securities Act, if available, rather than under this prospectus. The ordinary shares covered by this prospectus may also be sold to non-U.S. persons outside the U.S. in accordance with Regulation S under the Securities Act rather than under this prospectus.

Broker-dealers engaged by the selling shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling shareholders (or, if any broker-dealer acts as agent for the purchaser of ordinary shares, from the purchaser) in amounts to be negotiated. The selling shareholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved. Each selling shareholder reserves the right to accept and, together with their respective agents, to reject, any proposed purchases of ordinary shares to be made directly or through broker-dealers or other agents.

The selling shareholders may have pledged, and may from time to time pledge or grant a security interest in, some or all of the ordinary shares owned by them. If the selling shareholders default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the ordinary shares from time to time under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, amending the list of selling shareholders to include the pledgee, transferee or other successors in interest as selling shareholders under this prospectus. In addition, upon notification to us in writing by a selling shareholder that a donee or pledge intends to sell more than 500 ordinary shares, a supplement to this prospectus will be filed if then required in accordance with applicable securities law.

If we are notified in writing by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of ordinary shares through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of ordinary shares involved, (iii) the price at which such the ordinary shares were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information contained in this prospectus, and (vi) other facts material to the transaction. The selling shareholders also may transfer the ordinary

shares in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling shareholders and any broker-dealers or agents that are involved in selling the ordinary shares may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the

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ordinary shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Discounts, concessions, commissions and similar selling expenses, if any, that can be attributed to the sale of ordinary shares will be paid by the selling shareholder and/or the purchasers. Each selling shareholder has represented and warranted to us that it acquired the ordinary shares subject to the registration statement of which this prospectus forms a part in the ordinary course of such selling shareholder s business and, at the time of its purchase of such ordinary shares, such selling shareholder had no agreements or understandings, directly or indirectly, with any person to distribute any such ordinary shares.

There can be no assurance that the selling shareholders will sell any or all of the ordinary shares registered pursuant to the registration statement of which this prospectus forms a part.

To comply with the securities laws of certain jurisdictions, if applicable, the ordinary shares will be offered or sold in such jurisdictions only through registered or licensed brokers or dealers.

If a selling shareholder uses this prospectus for any sale of ordinary shares, it will be subject to the prospectus delivery requirements of the Securities Act. The selling shareholders will be responsible to comply with the applicable provisions of the Securities Act and Exchange Act, and the rules and regulations thereunder promulgated, including, without limitation, Regulation M, as applicable to such selling shareholders in connection with resales of their respective ordinary shares under the registration statement of which this prospectus forms a part.

With certain exceptions, Regulation M restricts certain activities of, and limits the timing of purchases and sales of any of the ordinary shares by, selling shareholders, affiliated purchasers and any broker-dealer or other person who participates in a distribution of the ordinary shares. Under Regulation M, these persons are precluded from bidding for or purchasing, or attempting to induce any person to bid for or purchase, any security subject to the distribution until the distribution is complete. Regulation M also prohibits any bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of these limitations may affect the marketability of the securities offered by this prospectus.

We are required to pay all fees and expenses incident to the registration of the ordinary shares, but we will not receive any proceeds from the sale of the ordinary shares by or on behalf of the selling shareholders. We have agreed to indemnify the selling shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

DESCRIPTION OF SECURITIES TO BE REGISTERED

General

The following descriptions are summaries of material terms of our ordinary shares, with a par value of four eurocents (0.04) each, our Articles of Association and Dutch law. The full text of our current Articles of Association has been filed with the SEC as an exhibit hereto and is available, in Dutch and English, at our registered office in Rotterdam during regular business hours and will also be available, in Dutch and English, on our website: www.lyondellbasell.com.

Ordinary Shares

Our authorized share capital is fifty-one million euro (51,000,000), consisting of one billion (1,000,000,000) ordinary shares, each with a par value of four eurocents (0.04). As of February 1, 2011, there were 566,002,295 shares outstanding, including the restricted shares issued to Mr. Gallogly, but not including any other equity-based awards issued under our equity compensation plan that may result in share issuances, such as stock options and restricted

stock units. See Market Price of and Dividends on Our Common Equity and Related Shareholder Matters Equity Compensation Plan Information.

Prior to December 6, 2010, our authorized capital consisted of one billion (1,000,000,000) Class A ordinary shares and two hundred seventy-five million (275,000,000) Class B ordinary shares, each with a par

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value of four eurocents (0.04), and there were both Class A and Class B shares outstanding. Under our Articles of Association,

- the Class B shares had liquidation rights that entitled the holders, to the extent possible after payment of our creditors, an amount equal to $10.61 with respect to each Class B share held, in the case of our dissolution; and

- in the event of certain acquisitions, mergers, consolidations or sales of substantially all of our assets, approval of holders of 85% of the voting power of the Class B shares outstanding at that time was required, to the extent the Class B shares were converted at a value less than $10.61 per share.

The Articles of Association provided that on the first date on which the closing price of our Class B shares was greater that $21.22 for forty-five days within any consecutive sixty day period, the Class B shares would automatically convert to Class A shares, as described under Conversion of Class B ordinary shares. This triggering event occurred on December 6, 2010 and as a result, beginning December 7, 2010, there are no Class B shares outstanding and our entire authorized capital consists of ordinary shares without classes.

Voting and Approval Rights

Generally, each shareholder is entitled to one vote for each ordinary share held on every matter submitted to a vote of shareholders, including election of members of the Management Board and Supervisory Board. The Supervisory Board is divided into three classes of approximately equal size. The three classes have initial terms of one, two and three years, respectively, with subsequent terms of three years each. There are no cumulative voting rights. Accordingly, the holders of a majority of voting rights will have the power to elect all members of the Management Board and the Supervisory Board who are standing for election.

Unless otherwise required by our Articles of Association or Dutch law, matters submitted for a vote at a general meeting of shareholders require the approval of a majority of the votes cast at the general meeting. Pursuant to Dutch law and our Articles of Association, both the Supervisory Board and holders of our ordinary shares have the right to approve decisions from the Management Board relating to (i) the transfer of all or substantially all our enterprise by way of a share or asset sale, consolidation or merger or otherwise, (ii) the entering into or termination of a long-lasting commercial relationship that is of essential importance to our business and (iii) the acquisition or disposition of shares or assets with a value of at least one-third of our consolidated asset value.

There are no laws currently in effect in The Netherlands or provisions in our Articles of Association limiting the rights of non-resident investors to hold or vote ordinary shares.

Dividends and Distributions

Pursuant to our Articles of Association, the Management Board, with the approval of the Supervisory Board, may determine to allocate amounts to our reserves up to the amount of our annual profits. Out of our share premium reserve and other reserves available for shareholder distributions under Dutch law, the general meeting of shareholders may declare distributions after a proposal of the Management Board following approval from the Supervisory Board. We cannot pay dividends if the payment would reduce our shareholders equity below the aggregate par value of our outstanding ordinary shares, plus reserves (if any) required to be maintained by law. The Management Board, following approval from the Supervisory Board, may, subject to certain statutory provisions, distribute one or more interim dividends or other interim distributions before the accounts for any year have been approved and adopted at a general meeting of shareholders, in anticipation of the final dividend or final distribution. Rights to dividends and distributions that have not been collected within five years after the date on which they first became due and payable revert to us.

We do not currently plan to pay a regular dividend on our shares. The payment of dividends or distributions in the future will be subject to the requirements of Dutch law and the discretion of our shareholders (in the case of annual dividends), our Management Board and Supervisory Board. The declaration of any future cash dividends and, if declared, the amount of any such dividends, will depend upon general business conditions, our financial condition, our earnings and cash flow, our capital requirements, financial

covenants and other contractual restrictions on the payment of dividends or distributions. There can be no assurance that any dividends or distributions will be declared or paid in the future. Any future cash dividends or distributions will be paid in U.S. dollars.

Shareholder Meetings

Each shareholder and certain other parties designated under Dutch law will be permitted, either personally or through an attorney authorized in writing, to attend the general meeting of shareholders, to address said meetings and to exercise voting rights, subject to certain provisions of Dutch law and our Articles of Association.

Our general meetings of shareholders will be held in The Netherlands at least annually, within six months after the close of each financial year (i.e., in the month of June at the latest). Extraordinary general meetings of shareholders may be held as often as the Management Board and/or the Supervisory Board deems necessary, or as otherwise provided for pursuant to Dutch law. One or more shareholders representing in the aggregate at least 10% of the issued share capital can request the Supervisory Board to convene a general meeting of shareholders. In addition, each of the selling shareholders can require the Supervisory Board to convene a general meeting of shareholders for so long as it hold, together with its affiliates, at least 5% of the issued share capital. In each such case, the Supervisory Board is required to publish a convening notice for such a general meeting of shareholders within four weeks of receipt from such shareholders of (i) a specified agenda for such general meeting of shareholders and, (ii) in the sole discretion of the Supervisory Board, compelling evidence of the number of shares held by such shareholder or shareholders. If such meeting is not held within six weeks of our receipt of such request, the shareholders requesting a meeting may petition a court in The Netherlands for an order directing the holding of such meeting; the court may order the holding of such a meeting if the persons requesting the meeting can demonstrate that they have a sufficient interest in holding a meeting with the agenda requested by them.

One or more shareholders representing solely or jointly at least 1% of the issued share capital or, as long as our shares are admitted to trading on the NYSE, shareholders whose shares represent a value of fifty million euro (50,000,000.00) or more, can request the Supervisory Board to place a matter on the agenda, provided that the Supervisory Board has received such request at least sixty days prior to the date of the general meeting of shareholders concerned.

Election and Tenure of Directors

The members of our Management Board are charged with managing our day-to-day affairs. The members of our Supervisory Board are charged with the supervision of the policy of the Management Board and of our general course of affairs.

The Supervisory Board shall determine the size of the Management Board, *provided* that the Management Board shall consist of at least one member. The Supervisory Board shall determine the size of the Supervisory Board; *provided* that the Supervisory Board shall consist of at least nine members and shall not have more than eleven members unless required in order to comply with (i) our Articles of Association, (ii) the terms of any binding nomination agreement and (iii) applicable law or regulation, including the NYSE listing standards (when applicable).

Following the appointment of our initial Supervisory Board and Management Board, the general meeting of shareholders will appoint the member(s) of the Management Board upon the nomination of the Supervisory Board and, subject to the terms of any binding nomination agreements, the members of the Supervisory Board; *provided* that the Supervisory Board itself shall be entitled to appoint up to one-third of the members of the Supervisory Board in accordance with Dutch law, which appointments shall terminate on the date of the next following general meeting of shareholders.

We entered into a binding nomination agreement with each of the selling shareholders pursuant to which we agreed that, following appointment of the initial Supervisory Board, (i) if a selling shareholder, together with its affiliates, owns 18% or more of our outstanding ordinary shares, such shareholder will have the right

to nominate three members of the Supervisory Board; (ii) if a selling shareholder, together with its affiliates, owns at least 12% but less than 18% of our outstanding ordinary shares, such shareholder will have the right to nominate two members of the Supervisory Board; and (iii) if a selling shareholder, together with its affiliates, owns at least 5% but less than 12% of our outstanding ordinary shares, such shareholder will have the right to nominate one member of the Supervisory Board. The general meeting of shareholders may render such nomination non-binding by means of a resolution adopted by at least two-thirds of the valid votes cast, representing more than half of the issued capital.

The general meeting of shareholders may dismiss, or suspend for a period of up to 3 months, a member of the Management Board or the Supervisory Board by a resolution adopted by at least two-thirds of the votes cast in a meeting where at least half of the issued share capital is represented. If the general meeting of shareholders has suspended a member of the Management Board or the Supervisory Board, the general meeting of shareholders shall within three months after the suspension has taken effect resolve either to dismiss such relevant member, or to terminate or continue the suspension, failing which the suspension shall lapse.

The initial nine member Supervisory Board will be divided into three classes, Class 1, Class 2 and Class 3 and each class will consist of three members. Class 1 members will serve a one-year initial term and stand for election at the first annual meeting, Class 2 members will serve a two-year initial term and stand for election at the second annual meeting and Class 3 members will serve a three-year initial term and stand for election at the third annual meeting. Thereafter, unless the general meeting of shareholders, on the proposal of the Supervisory Board, determines that a member of the Supervisory Board shall be appointed for a longer period, a member of the Supervisory Board will be appointed for a maximum period of three years. There is no limit to the number of times a member of the Supervisory Board can be reappointed. The term of the initial Management Board will be five years; thereafter, a member will be appointed for a maximum period of four years. There is no limit to the number of times a member of the Management Board can be reappointed.

Subject to our Articles of Association, the Management Board and Supervisory Board may adopt rules and regulations governing the internal proceedings of each such constituency, including rules relating to voting on nominations of directors, board composition and governance.

Issuance of Ordinary Shares/Pre-emptive Rights

Our Articles of Association provide that our Supervisory Board has the authority to issue shares within the limits of up to twenty percent of our authorized share capital from time to time, for a period ending April 30, 2015. The designation of the Supervisory Board as being the body competent to issue shares may, by our Articles of Association or by a resolution of the general meeting of shareholders, be extended each time for a period not exceeding five years.

Under Dutch law and our Articles of Association, every holder of ordinary shares will have a preemptive right in the proportion that the aggregate amount of his ordinary shares bears to the total amount of shares outstanding. The preemptive right may be restricted or excluded by a resolution of the Supervisory Board for so long as the Supervisory Board is the competent body to issue shares. A holder of ordinary shares will not have a preemptive right to shares which are being issued against contribution other than in cash, to ordinary shares which will be issued to our employees or employees of one of our group companies and to ordinary shares which will be issued as a result of merger or demerger.

Conversion of Class B ordinary shares

Our Articles of Association provided that at the earlier of (i) the request of the relevant holder of Class B ordinary shares with respect to the number of Class B ordinary shares specified by such holder (ii) acquisition by us of one or more Class B shares or (iii) upon the first date upon which the closing price per share of the Class B ordinary shares

exceeds 200% of $10.61 for at least forty-five trading days within a period of sixty consecutive trading days (provided however, that the closing price per share of the Class B ordinary shares must exceed such threshold on both the first and last day of the sixty day period), each such Class B ordinary share will be converted into one Class A ordinary share; *provided however*, that the number of Class A

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ordinary shares into which Class B ordinary shares are convertible will be adjusted in the event of any stock split, subdivision of shares, combination of shares or stock dividend relating only to the Class A or Class B ordinary shares which does not relate also to the other class of ordinary shares in a pro rata manner such that a holder of Class B ordinary shares thereafter converted shall receive the number of Class A ordinary shares which such holder would have received with respect to such conversion had such Class B ordinary shares been converted immediately prior to such action. Approximately 74.6 million Class B shares were converted at the request of the relevant holders pursuant to the mechanism described in (i), above. At the close of business on December 6, 2010, the conditions in (iii), above, were met, and all of the remaining Class B shares converted into Class A shares.

Repurchase of Ordinary Shares

The shareholders may delegate to the Management Board the authority, subject to certain restrictions contained in Dutch law and our Articles of Association, to cause us to acquire, for consideration, our own fully paid ordinary shares. Such authorization may not be granted for more than 18 months. In the authorization, the general meeting of shareholders shall determine how many shares or depository receipts thereof may be acquired, the manner in which they may be acquired and between what limits the price for such ordinary shares shall be.

The authorization will not be required for the acquisition of ordinary shares by us in order to transfer these to our employees in accordance with an employee share plan.

Subject to certain exceptions set forth in our Articles of Association, even with the authorization by the general meeting of the shareholders, the Management Board may only acquire our ordinary shares if it acquires shares pro rata on the same terms (including price per share).

Capital Reduction

Upon proposal by the Management Board, following approval from the Supervisory Board, the general meeting of shareholders may reduce our issued share capital by cancellation of ordinary shares held by us, subject to certain statutory provisions. However, if less than one half of the issued share capital is present at the meeting, the general meeting of shareholders may only adopt a resolution for capital reduction with a majority of at least two-thirds of the votes cast.

Amendment of Our Articles of Association

Our Articles of Association may be amended, on the proposal of the Management Board (which has been approved by the Supervisory Board), by a majority of the votes cast at a general meeting of shareholders; provided that such proposal is stated in the notice for the general meeting and a complete copy of the proposed amendment is filed at our office so that it may be inspected prior to and during the meeting.

Description of Certain Provisions of Dutch Law

Dutch law provides certain obligations on companies that are domiciled in The Netherlands and whose shares are admitted to trading on a regulated market, as well as on certain shareholders of such company. It is possible that the NYSE may qualify as a regulated market, in which case certain statutory Dutch law obligations would apply to us and to certain of our shareholders.

Disclosure of Information

Yearly and Half-Yearly Information As a result of the implementation of the EU Directive 2004/109 of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the Transparency Directive), if the NYSE is deemed a regulated market, we would be required to make our annual financial report available to the public ultimately four months after the end of each financial year and we should file the annual financial report with the Dutch Authority for the Financial Markets, the AFM) within five days after it has been adopted by our

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general meeting of shareholders. The annual financial information consists of the audited annual accounts, the annual report, a description of the main risks and uncertainties facing us and a statement by persons within LyondellBasell Industries N.V. designated by the latter as the responsible persons, indicating (i) that the annual accounts give a fair view of the assets and financial position of LyondellBasell Industries N.V. and, in the case of consolidated accounts, of the enterprises included in the consolidation and (ii) that the annual report gives a fair view of LyondellBasell Industries N.V. s condition on the balance sheet date, the development of LyondellBasell Industries N.V. and its affiliated companies during the previous financial year and all material risks to which LyondellBasell Industries N.V. is exposed.

We would also need to publish our half-yearly information within two months after the end of the first six months of our financial year. Both the annual and half-yearly financial information must remain publicly available for at least five years.

Interim Management Statements In addition, we would need to publish an interim management statement in both the first and second half of our financial year at least ten weeks after the start, and no more than six weeks before the end, of the relevant half-year period or alternatively would need to publish quarterly financial statements. These interim management statements should include (i) an explanation of material events and transactions affecting LyondellBasell Industries N.V., the undertakings controlled by it and the consequences thereof for the financial position of LyondellBasell Industries N.V. and the undertakings controlled by LyondellBasell Industries N.V.; and (ii) a general description of the financial position of LyondellBasell Industries N.V. and the undertakings controlled by it.

Changes in the Rights Attached to Our Securities We would need to make public immediately any changes in the rights attached to our securities (including changes in statutory rights) or to the rights to acquire our securities and send the AFM a copy of such publications.

Mandatory Offer Rules

Following implementation of the Takeover Directive (2004/25/EC), the applicable Dutch Financial Supervision Act (the FSA) and the decrees and regulations promulgated thereunder contain provisions regarding the making of a mandatory public offer. These provisions, the basics of which are outlined below, would be applicable to us if the NYSE would be deemed a regulated market.

In such case, any person who, solely or acting in concert with others, directly or indirectly, acquires predominant control over a Dutch public limited liability company whose shares (or depositary receipts) are admitted to trading on a regulated market, will be obligated to make a public offer for all shares (and depositary receipts) issued by that company at an equitable price. Predominant control is defined in the FSA as 30% or more of the voting rights in a company s general meeting of shareholders, generally acquired through 30% of that company s issued and outstanding shares. A person or group of concert parties that had a controlling interest at the time of the listing of our ordinary shares on the NYSE will be exempt from the obligation to make a mandatory public offer. However, the obligation to make a public offer will apply to such shareholder or group of concert parties if its voting rights decrease below 30% and then again increase to 30% or more. The obligation to make a public offer will expire if the voting rights of the relevant person or group of concert parties decrease below the 30% threshold, either by disposal of shares or otherwise, within 30 days after acquiring control and provided that this shareholder or group of shareholders has not exercised any voting rights on our ordinary shares in this period.

Disclosure of Significant Ownership of Ordinary Shares

If the NYSE is deemed a regulated market, certain of our shareholders may be subject to notification obligations under the FSA. The following description summarizes those obligations. Shareholders are advised to consult with their own

legal advisers to determine whether the notification obligations apply to them.

The most important notification requirements for our investors based on the FSA are as follows:

- any person who, directly or indirectly, acquires or disposes of a capital interest or voting rights in LyondellBasell Industries N.V. must forthwith give written notice to the AFM of such capital interest

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and/or voting rights. This notification obligation will exist if an acquisition or disposal causes the total percentage of the capital interest and/or voting rights held, to reach, exceed or fall below a certain threshold. These thresholds are 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%;

any person whose capital interest or voting rights in LyondellBasell Industries N.V. reaches, exceeds or falls below a threshold due to a change in our outstanding capital or in votes that can be cast on our ordinary shares as notified to the AFM by us, should notify the AFM no later than the fourth trading day after the AFM has published our notification; and

any person who s holding of shares or voting rights in LyondellBasell Industries N.V. is larger than or equal to 5% as of December 31 of any year will be required to notify the AFM of any changes in the composition of this interest annually within four weeks from December 31.

For the purpose of calculating the percentage of capital interest of voting rights, the following interests must be taken into account: (i) shares (or depositary receipts for shares) directly held (or acquired or disposed of) by any person, (ii) shares (or depositary receipts for shares) held (or acquired or disposed of) by such person s subsidiaries or by a third party for such person s account or by a third party with whom such person has concluded an oral or written voting agreement and (iii) shares (or depositary receipts for shares) which such person, or any subsidiary or third party referred to above, may acquire pursuant to any option or other right held by such person (or acquired or disposed of including, but not limited to, on the basis of convertible bonds). Pursuant to the FSA, LyondellBasell Industries N.V. is required to inform the AFM on changes in its share capital.

U.S. Federal Income Tax Considerations

Considerations Under Section 7874

Although we are incorporated in The Netherlands, the IRS may assert that we should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes under U.S. Tax Code section 7874, which could result in significant U.S. federal income tax liability to us. Alternatively, the IRS may assert that our U.S. subsidiaries are subject to tax on their inversion gain.

If, in connection with the Bankruptcy Cases, the former creditors and shareholders of our U.S. Group received at least 80% of our stock by reason of holding claims against, and interests in, the U.S. Group and if our expanded affiliated group did not have substantial business activities in The Netherlands, U.S. Tax Code section 7874 would treat us as a U.S. corporation. Alternatively, we would be treated as a foreign corporation for U.S. federal income taxes, but U.S. tax would be imposed on our U.S. subsidiaries inversion gain if, in connection with the Bankruptcy Cases, the former creditors and shareholders of our U.S. Group received at least 60%, but less than 80%, of our stock issued in connection with the Bankruptcy Cases by reason of holding such claims or interests and if our expanded affiliated group did not have substantial business activities in The Netherlands. The 80% and 60% calculations are subject to certain adjustments.

We believe that our stock issued or deemed issued in connection with the Bankruptcy Cases that was attributable to the value of our foreign companies that are not directly or indirectly owned by our U.S. Group exceeds 40% of all our stock issued to creditors and shareholders of our U.S. Group. Therefore, we believe that the former creditors and shareholders of our U.S. Group did not receive at least 60% of our stock by reason of such claims and interests, making U.S. Tax Code section 7874 inapplicable to us. In addition, we believe that strong arguments can be made that section 7874 should not apply to us because the expanded affiliated group that includes us should be treated as having substantial business activities in The Netherlands. However, no assurance can be given that the IRS would not take a contrary position regarding section 7874 s application or that such position, if asserted, would not be sustained. The

remainder of the discussion below assumes that section 7874 will not apply to us.

Taxation of Distributions on Our Ordinary Shares

We do not currently plan to pay a regular dividend on our shares. In the event we pay a dividend on our ordinary shares, U.S. holders of our ordinary shares will generally be taxed with respect to such dividends.

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Subject to complex limitations, Dutch withholding tax (which, together with the income tax treaty between The Netherlands and the United States, is discussed under Dutch Tax Considerations below) will be treated for U.S. tax purposes as a foreign tax that may be claimed as a foreign tax credit against the U.S. federal income tax liability of a U.S. holder. We expect that the ability of U.S. holders to claim the foreign tax credit with respect to our dividends may be subject to significant limitations. In lieu of claiming a credit, U.S. holders may claim a deduction of foreign taxes paid in the taxable year.

Dispositions of Our Ordinary Shares

Subject to the discussion below regarding controlled foreign corporations and the passive foreign investment company rules, U.S. holders of our ordinary shares generally should recognize capital gain or loss for U.S. federal income tax purposes on the sale, exchange or other disposition of our ordinary shares in the same manner as on the sale, exchange or other disposition of any other shares held as capital assets. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder s holding period for our ordinary shares exceeds one year. Under current law, long-term capital gain of non-corporate shareholders is subject to tax at a maximum rate of 15% (plus the 3.8% Unearned Income Medicare Contribution tax in taxable years beginning after December 31, 2012, to the extent applicable). However, the 15% rate is scheduled to increase to 20% effective for taxable years beginning after December 31, 2010. There are limitations on the deductibility of capital losses.

Controlled Foreign Corporation Considerations

Each 10% U.S. shareholder of a foreign corporation, such as us, that is a controlled foreign corporation (CFC) for an uninterrupted period of 30 days or more during a taxable year, and who owns shares in the CFC, directly or indirectly through foreign entities, on the last day of the CFC s taxable year, must include in its gross income for U.S. federal income tax purposes its pro rata share of the CFC s subpart F income, and in some cases certain other income, even if such income is not distributed. A foreign corporation is considered a CFC if 10% U.S. shareholders own (directly, indirectly through foreign entities or by attribution by application of the constructive ownership rules of section 958(b) of the U.S. Tax Code (i.e., constructively)) more than 50% of the total combined voting power of all classes of voting stock of such foreign corporation, or more than 50% of the total value of all stock of such corporation on any day during the taxable year of such corporation. The calculations of percentage ownership for purposes of determining whether a shareholder is a 10% U.S. shareholder and for purposes of determining a shareholder s pro rata share of any subpart F income and certain other income are not the same. In addition, if we were a CFC at any time, certain gain on the disposition of our ordinary shares by a present or former 10% U.S. shareholder may be subject to treatment as a dividend from us and any 10% U.S. shareholders may be subject to additional reporting requirements.

Passive Foreign Investment Company Considerations

The treatment of U.S. holders of our ordinary shares in some cases could be materially different from that described above if, at any relevant time, we were a passive foreign investment company (a PFIC), unless such holder is a 10% U.S. shareholder and we are a CFC. We believe that we have not been a PFIC in any prior taxable year, and we do not expect to be a PFIC in the current taxable year. In addition, we believe that we will not be a PFIC in future years. However, the tests for determining PFIC status are applied annually, and it is difficult accurately to predict future income and assets relevant to this determination. Accordingly, we cannot assure U.S. holders that we will not become a PFIC.

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Dutch Tax Considerations

We are a public company with limited liability (naamloze vennootschap) incorporated under Dutch law. In general, and unless a reduced rate applies, we must withhold tax (dividend tax) at the rate of 15% on dividend distributions with respect to our ordinary shares. Dividends include, without limitation:

- distributions of profits (including paid-in capital not recognized for dividend tax purposes) in cash or in kind, including deemed and constructive dividends;
- liquidation distributions and, generally, proceeds realized upon a repurchase of our ordinary shares or upon the transfer of ordinary shares to our direct or indirect subsidiary, in excess of the average paid-in capital recognized for dividend tax purposes;
- the par value of ordinary shares issued or any increase in the par value of ordinary shares, except where such increase in the par value of ordinary shares is funded out of our paid-in capital recognized for dividend tax purposes; and
- repayments of paid-in capital recognized for dividend tax purposes up to the amount of our profits (zuivere winst) unless our general meeting of shareholders has resolved in advance that we shall make such repayments and the par value of the ordinary shares concerned has been reduced by a corresponding amount through an amendment of our articles of association.

A holder of ordinary shares which is, is deemed to be, or, in case the holder is an individual, has elected to be treated as, resident in The Netherlands for the relevant tax purposes is generally entitled to credit the dividend tax withheld against such holder s tax liability on income and capital gains or, in certain cases, to apply for a full refund of the dividend tax withheld.

A holder of ordinary shares which is not, is not deemed to be, and, in case the holder is an individual, has not elected to be treated as, resident in The Netherlands for the relevant tax purposes may be eligible for a partial or full exemption or refund of the dividend tax under an income tax convention in effect between The Netherlands and the holder s country of residence or under the Dutch rules relating to the implementation of the Parent / Subsidiary Directive as the case may be. Moreover, residents benefitting from the participation exemption with respect to our ordinary shares may be eligible for a full exemption of dividend tax.

Under the double taxation convention in effect between The Netherlands and the U.S. (the Treaty), dividends paid by us to certain U.S. corporate shareholders holding directly at least 10% of the voting power in our company are generally eligible for a reduction of the 15% withholding tax to 5%, unless the ordinary shares held by such shareholders are attributable to a business or part of a business that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands. Under certain circumstances and subject to various conditions, the Treaty provides for a full exemption from dividend tax. Dividends received by exempt pension organizations and exempt organizations, as defined in the Treaty, may also be entitled to a full exemption or refund from dividend tax.

A holder of ordinary shares other than an individual will not be eligible for the benefits of the Treaty if such holder of ordinary shares does not satisfy one or more of the tests set forth in the limitation on benefits provisions of Article 26 of the Treaty. Moreover, under the terms of domestic anti-dividend stripping rules, a recipient of dividends distributed on our ordinary shares will not be entitled to an exemption from, reduction, refund, or credit of dividend tax if the recipient is not the beneficial owner of such dividends within the meaning of such rules.

Generally, any payments of interest and principal by us on debt can be made free of withholding or deduction for any taxes imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

The issuance or transfer of ordinary shares, and payments made with respect to ordinary shares, will not be subject to value added tax in The Netherlands. The subscription, issue, placement, allotment, delivery, transfer or execution of ordinary shares will not be subject to registration tax, capital tax, customs duty, transfer tax, stamp duty, or any other similar tax or duty in The Netherlands.

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MARKET PRICE OF AND DIVIDENDS ON OUR COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Market Information

Our shares were listed on the NYSE on October 14, 2010 under the symbol LYB. Prior to that time, they were quoted in the Pink OTC Markets, Inc. (the Pink Sheets) under the symbol LALLF. There was no trading market for our shares prior to April 30, 2010. The high and low prices for our ordinary shares since they were issued are shown in the table below.

	High	Low
April 30 June 30, 2010	$ 23.25	$ 16.15
Third Quarter 2010	23.95	14.86
Fourth Quarter 2010	34.54	23.71
First Quarter 2011 (through February 1, 2011)	$ 37.00	$ 33.57

On February 1, 2011, the closing price, as reported on the NYSE, of our shares was $36.84.

Holders

As of February 1, 2011, there were approximately 3,700 record holders of our shares, including Cede & Co. as nominee of the Depository Trust Company.

Dividends

We do not currently plan to pay a regular dividend on our shares. The payment of dividends or distributions in the future will be subject to the requirements of Dutch law and the discretion of our shareholders (in the case of annual dividends), our Management Board and Supervisory Board. The declaration of any future cash dividends and, if declared, the amount of any such dividends, will depend upon general business conditions, our financial condition, our earnings and cash flow, our capital requirements, financial covenants and other contractual restrictions on the payment of dividends or distributions.

There can be no assurance that any dividends or distributions will be declared or paid in the future.

Securities Authorized for Issuance Under Our Equity Compensation Plans

The number of shares reserved for issuance under the Compensation Plans, as defined below, represents approximately 3.90% of the total number of shares issued and outstanding. The shares reserved for issuance under the Compensation Plans include the shares covered by the Emergence Grants, as defined below, as well as additional shares to remain available for future awards granted pursuant to the Compensation Plans.

Equity Compensation Plan Information

As part of the Plan of Reorganization, our 2010 MTI Plan and 2010 LTI Plan (collectively, the Compensation Plans) automatically became effective as of the effective date of the Plan of Reorganization. The initial awards to employees

and directors (Emergence Grants) under the Compensation Plans consisted of an aggregate of (i) approximately $18 million in MTI target awards granted under the 2010 MTI Plan; (ii) stock options and stock appreciation rights in respect of approximately 9 million shares of our ordinary shares granted under the 2010 LTI Plan; and (iii) restricted stock or restricted stock units in respect of approximately 4 million shares granted under the 2010 LTI Plan. The form and terms of all or a portion of the Emergence Grants, including the methodology for allocations of medium-term and long-term awards under the Compensation Plans, were reviewed and authorized by the Remuneration Committee of the Supervisory Board of LyondellBasell AF and became effective as of the effective date of the Plan of Reorganization without further corporate action.

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Awards made under the Compensation Plans more than ninety days after the effective date of the Plan of Reorganization are subject to approval by the Compensation Committee of our Supervisory Board, in accordance with the terms of the Compensation Plans.

The order confirming the Plan of Reorganization provided that the Compensation Plans and Emergence Grants that were made prior to the effective date of the Plan of Reorganization will be binding and effective on the effective date of the Plan of Reorganization.

Dutch/U.S. Tax Matters

See Description of Registrant s Securities to be Registered U.S. Federal Income Tax Considerations and Dutch Tax Considerations for a discussion of tax matters under U.S. and Dutch law.

Dutch/U.S. Export/Import Matters

There are no regulatory restrictions on foreign direct investment in The Netherlands. There are no restrictions on foreign ownership of land, or on repatriation of capital and profits.

INTERESTS OF NAMED EXPERTS AND COUNSEL

None.

DESCRIPTION OF BUSINESS

Overview

We are the world s third largest independent chemical company based on revenues and an industry leader in many of our product lines. We are the world s largest producer of polypropylene and polypropylene compounds (PP compounds) and a top worldwide producer of propylene oxide (PO), polyethylene (PE), ethylene and propylene. Additionally, we are a leading provider of technology licenses and a supplier of catalysts for polyolefin production. Our refinery in Houston, Texas (the Houston Refinery) is among North America s largest full conversion refineries capable of processing significant quantities of heavy, high-sulfur crude oil. We participate in the full petrochemical value chain, from refining to specialized end uses of petrochemical products, and we believe that our vertically integrated facilities, broad product portfolio, manufacturing flexibility, superior technology base and operational excellence allow us to extract value across the full value chain.

We have the size and scale to compete worldwide:

For the year ended December 31, 2009, our revenues were $30.8 billion.

As of December 31, 2009, our total assets were $27.8 billion.

We are geographically diverse:

As of December 31, 2009, we manufactured products at 59 sites in 18 countries (including those operated through joint ventures).

We sell products in more than 100 countries.

For the year ended December 31, 2009, 54% of our revenues was generated from sales in North America, 35% from sales in Europe and 11% from sales in the rest of the world.

We participate in 16 significant manufacturing joint ventures, 11 of which are outside of Western Europe and the U.S., primarily in regions that have cost-advantaged raw materials or high growth rates, including Asia, the Middle East and Eastern Europe.

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We have leading positions in our key products:

As of December 31, 2009, we are the worldwide rated capacity leader in polypropylene, PP compounds, polyolefin licensing, polypropylene catalysts and oxyfuels.

As of December 31, 2009, we ranked second, third, fourth and fourth in worldwide capacity in propylene oxide, PE, ethylene and propylene, respectively.

Our products are used in a broad range of applications and in products that people use every day, and have been increasingly in demand in developing markets:

Key end uses for our products include: rigid and flexible packaging, transportation fuels (gasoline and diesel), containers, plastic pipe, detergents, cosmetics, electronics, appliances, automotive parts, paints and coatings, furnishings, construction and building materials and many other industrial and consumer goods applications.

The diverse end-market uses for our products help to reduce volatility of demand for our products, and a majority of our revenues in 2009 was derived from sales of products utilized in consumable products (including fuels).

Our businesses and asset portfolio provide diversification and flexibility:

Our business portfolio of refining and oxyfuels, olefins and polyolefins, intermediate and derivative chemicals, and technology provides diversification and flexibility. Despite the current economic conditions generally and in our industry, parts of our businesses have performed in line with historical norms:

In 2009, the oxygenated fuels products within our refining and oxyfuels segment showed margins which were consistent with recent years, due in part to the significant differential between gasoline prices and butane costs, coupled with increasing worldwide biofuels demand.

The continued enhancement of feedstock flexibility in our North American olefin plants allowed us to improve the competitiveness of these assets in the current market conditions where NGLs pricing has been much lower than most crude-oil-based feedstocks, partially offsetting the weak overall profit environment for producers using crude-oil-based feedstocks.

In our olefins and polyolefins segments, our North American PE business has benefitted from strong export demand driven by the Asian economy, competitors project delays and relatively lower NGLs cost-based ethylene.

The PO business within our intermediates and derivatives segment demonstrated results in 2009 consistent with recent years.

Competitive Strengths

We believe that our key competitive strengths are:

Leading Positions in Worldwide Segments. We are the world s third largest independent chemical company based on revenues and an industry leader in many of our product lines. We are the world s largest producer of polypropylene, PP compounds and oxyfuels and a top worldwide producer of PO, PE, ethylene and propylene.

Additionally, we are a leading provider of technology licenses and a supplier of catalysts for polyolefin production. Our Houston Refinery is among North America s largest full conversion refineries capable of processing significant quantities of heavy, high-sulfur crude oil.

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Worldwide Position by Product

Products	Worldwide Rated Capacity (Million lbs per year, unless noted)	Worldwide Position
Refining and Oxyfuels		
Oxyfuels (bbl/day)	75,000	#1
Olefins and Polyolefins		
Polypropylene	12,100	#1
Polyethylene	10,800	#3
Ethylene	14,400	#4
Propylene	8,800	#4
PP Compounds	2,300	#1
Intermediates and Derivatives		
Propylene Oxide	2,500	#2
Technology		
Polyolefin Licensing		#1
Polypropylene Catalysts		#1

Sources: CMAI, Chemical Market Resources, DeWitt and LyondellBasell AF s internal data.

Note: Capacities and worldwide capacity position are as of December 31, 2009, except for Technology worldwide capacity position, which is as of December 31, 2008, and include our pro rata share of joint ventures.

Geographic Diversity. Our worldwide manufacturing, sales and marketing network enables us to serve the needs of both local and worldwide customers. As of December 31, 2009, we operated (including through our joint venture network) 59 manufacturing sites in 18 countries. For the year ended December 31, 2009, 54% of our revenues was generated from sales in North America, 35% from sales in Europe and 11% from sales in the rest of the world. We market and sell our products in more than 100 countries, providing the opportunity to develop new markets for our products in higher-growth regions. We have worldwide exposure to many different economies as a result of our historical strength in Europe and the United States and our worldwide joint venture network. Our technology licensing platform has enabled us to make a number of investments in high-growth regions to broaden our worldwide reach.

Worldwide Network

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	North America	Europe	Rest of World	Total
Manufacturing Facilities(1)	23	19	17	59
Employees(2)	6,120	7,750	990	14,860
Revenues (millions)(3)	16,566	10,931	3,331	30,828

(1) As of December 31, 2009. Includes joint ventures and wholly owned manufacturing facilities.

(2) Approximate as of December 31, 2009.

(3) Revenues for the year ended December 31, 2009 based on delivery location.

Participation in High-Growth, Low-Cost Markets through Joint Venture Relationships. We have pursued a strategy of leveraging our leading technology positions and worldwide marketing network to gain access to growing markets and low cost raw materials and feedstocks through the development of joint ventures. We participate in 16 significant manufacturing joint ventures in 11 countries throughout the world, most of which are in regions that have cost-advantaged feedstock or higher growth rates, including Asia, the Middle East and Eastern Europe, which have shown average annual GDP growth rates of 7% (outside of Japan), 5% and 4%, respectively, from 2005 through 2009. On a 100% basis, our joint ventures have 8.1 billion pounds of polypropylene capacity and 2.7 billion pounds of PE capacity. In 2007, 2008 and 2009 we received cash dividends from these joint ventures of $148 million, $98 million and $26 million, respectively, in addition to benefitting from profits relating to licensing revenue, catalyst sales and marketing joint venture products. Since late 2008, we have begun production at two new Saudi Arabian joint ventures; expanded production at two joint ventures in Saudi Arabia and Mexico; started-up a new joint venture in China; and are adding capacity at another joint venture in Thailand. Our equity stakes allow us to participate in higher growth regions of the world without the significant expense of constructing wholly owned facilities.

Portfolio of Differentiated Products, Which Provides Premium Margins. We believe that our PP compounds, *Catalloy* process resins, polybutene-1 (PB-1), PO and intermediate products and our technology business help mitigate our exposure to the olefin and polyolefin cycles. The cycles for PO and its derivatives have historically tended to follow more independent supply and demand patterns than olefins and polyolefins. We also believe our technology and catalyst businesses further reduce the impact of petrochemical cycles on our operating results and provide a foundation for us to realize premium profit margins.

Significant Achievable Cost Savings in Process. From June 30, 2008 through the end of 2009, we reduced our workforce by approximately 2,370 employees and approximately 1,650 contractors. Additionally, since the end of 2007, we have significantly rationalized our asset footprint by shutting down underperforming assets with 4 billion pounds of annual capacity of polymers and chemicals. Management expects additional fixed cost savings by reducing staff, rationalizing our worldwide asset base, restructuring our contracts and realizing savings in procurement and logistics. Our senior management continues to focus on streamlining our worldwide fixed cost infrastructure.

We Operate One of the Largest High-Complexity Refineries in North America. We believe that our Houston Refinery is among the more flexible of major North American refineries with the ability to process 268,000 barrels per day of a wide array of feedstock grades, including heavy, high-sulfur crude oil. These grades of crude oil are more difficult to refine into gasoline than other high value fuel products, but have historically been less costly to purchase, giving us a cost advantage over many of our competitors. Processing

heavy, high-sulfur crude oil in significant quantities requires a high-complexity refinery, which differentiates our Houston Refinery from the majority of competing facilities in the U.S. We currently are party to a crude supply agreement with PDVSA Petróleo S.A. (PDVSA Oil) to buy crude at market-based pricing for the majority of our supply. Our Houston Refinery also benefits from its strategic location near various North American pipeline systems and a major port on the Gulf of Mexico, with its proximity to Venezuela and Mexico, which are among the largest producers of heavy, high-sulfur crude oil.

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Integrated Portfolio Structure. We participate in the full petrochemical value chain, from refining to specialized end uses of petrochemical products. We extract value from optimization across the refining and oxyfuels, olefins and polyolefins and intermediates and derivatives businesses. We operate several major integrated olefin and olefin derivative sites, which provide cost efficiencies through shared services and infrastructure, economies of scale and optimization. Additionally, oxygenated fuel products produced from chemical assets offer further integration benefits with the fuels business. We utilize our flexibility by leveraging a portfolio of mixed feedstock crackers across the U.S. to reduce our exposure to volatility in feedstock prices, enabling us to process lower cost feedstocks. On a worldwide basis, we produce in excess of 100% of our ethylene requirements and approximately 50% of our propylene requirements.

World Scale Diversified & Vertically Integrated Portfolio Structure

Superior Technology Platform. We are a technology-driven company that invests in research and development to maintain our leadership position, which we believe provides us with a significant competitive advantage. We estimate that approximately 43% of polypropylene and 35% of PE worldwide licensed capacity from 2003 through 2009 use our technologies. We believe that we are the global technologies leader in polyolefins. These proprietary technologies provide us with a cost-advantaged, market-preferred position.

Technology Portfolio

Polyolefins	Offering of complete polyolefin technology portfolio; proven processes with competitive capital and operating costs
Propylene Oxide	Proprietary technology basis for >30% of worldwide production
Propylene Oxide Derivatives	Environmentally advantaged solvents
Catalysts	Differentiated product portfolio at competitive use cost; ongoing innovation to enhance performance

We are a technological leader in the manufacture of PO, using our proprietary propylene oxide/styrene monomer (PO/SM) and propylene oxide/tertiary butyl alcohol (PO/TBA) processes. We continue to increase our expertise in the production of butanediol from PO. As of March 1, 2010, approximately 960 of our employees are engaged in research and development activities.

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Focused, Experienced Management Team. We are led by James L. Gallogly. Mr. Gallogly was appointed as Chief Executive Officer in May 2009. Mr. Gallogly has over 29 years of operating and leadership experience in chemical, refining and related industries. He formerly worked at ConocoPhillips, most recently serving as executive vice president of exploration & production from October 2008 to May 2009. For the preceding two years, he was executive vice president of refining, marketing and transportation. He was president and chief executive officer of Chevron Phillips Chemical Company from 2000 to 2006 and served as a member of its Board of Directors. Mr. Gallogly is supported by a senior management team that has extensive operational and financial experience in the chemical, polymers and refining industries. Our senior management team is focused on managing through this current cyclical trough by implementing extensive fixed cost reduction measures, optimal asset utilization and initiatives to increase operational reliability. For more information on our executive officers, see Directors and Executive Officers Executive Officers.

Our Strategy

Our principal focus is on reducing our cost structure, improving operations and revenues and realizing the synergies from the December 2007 combination of Lyondell Chemical and Basell. Our efforts are directed by the following key business strategies:

Operational Excellence. Operational excellence, which includes a commitment to safety, environmental stewardship, and improved reliability, is key to our future success. We believe optimal operations can be achieved through a systematic application of standards and improved maintenance procedures, which is also expected to result in improved personnel and process safety and environmental performance. We continue to set new, stricter operational excellence targets for each of our facilities based on industry benchmarks.

Cost Reduction / Revenue Enhancement. We are pursuing cost reductions across our system with specific goals, based in large part on benchmarks of industry leading performance. We believe that our worldwide manufacturing scale provides the opportunity to minimize costs per unit, a critical operational measure for petrochemical and refining companies. We will continue to focus on upgrading our customer and product mix to realize premium pricing. By leveraging our leading technological platform, worldwide presence, strong customer relationships and reliability and quality, we also intend to increase our sales of value-added, differentiated products.

Capital Discipline. Additionally, we remain focused on disciplined capital allocation. We intend to optimize our capital spending to address projects required to enhance reliability and maintain the overall asset portfolio. This includes key maintenance and repair activities (turnarounds) in each segment, necessary regulatory and maintenance spending, as well as a limited number of high return debottlenecking and energy reduction projects.

Portfolio Management. We will also carefully manage our portfolio as demonstrated by the recent closure of certain underperforming assets. We continue to evaluate our asset portfolio and may initiate further rationalization, depending on market conditions.

Performance-Driven Culture. The benchmarking, goal setting and results measurement previously described as part of the cost reduction and revenue enhancement efforts are central to the new performance driven, accountability culture that we are instilling. We believe we have outstanding people and assets, and with the right performance expectations, can rapidly increase our competitiveness. We have reshaped the management team to initiate a refocused effort around these basic strategic elements.

Technology-Driven Growth. Our strong, industry leading technologies provide us with a platform for future growth. We intend to continue to improve our operations in the mature, highly sophisticated markets in Europe and North America, and, as our financial condition improves, we plan to grow in quickly developing markets like Asia and regions with access to low cost feedstocks.

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Segments

As of December 31, 2009, we began reporting our results of operations based on five business segments through which our operations are managed. These are our reportable segments:

Refining and Oxyfuels. Our Refining and Oxyfuels segment refines heavy, high-sulfur crude oil in the U.S. Gulf Coast, refines light and medium weight crude oil in southern France and produces oxyfuels at several of our olefin and PO units. Our Houston Refinery is among North America s largest full conversion refineries capable of processing significant quantities of heavy, high-sulfur crude oil. Our refinery in Berre, France (the Berre Refinery) processes light to medium weight crude oils, and provides raw material and site integration benefits to our olefin and polyolefin business in Europe. We are also a significant manufacturer of oxygenated fuels at several facilities within the U.S. and Europe. For the year ended December 31, 2009, our Refining and Oxyfuels segment generated $10,831 million of revenues (excluding inter-segment revenue).

Olefins and Polyolefins Americas (O&P Americas). Our O&P Americas segment produces and markets polyolefins, ethylene and ethylene co-products. We are the largest polypropylene producer, the largest producer of light olefins (ethylene and propylene) and the third largest producer of PE in North America. In addition, we produce significant quantities of high-value specialty products such as *Catalloy* process resins. For the year ended December 31, 2009, our O&P Americas segment generated $6,728 million of revenues (excluding inter-segment revenue).

Olefins and Polyolefins Europe, Asia, International (O&P EAI). Our O&P EAI segment produces and markets olefins (ethylene and ethylene co-products) and polyolefins. We are the largest producer of polypropylene and PE in Europe. We are also the largest worldwide producer of PP compounds, a high-value specialty product (global marketing of which is managed in our O&P EAI segment). We also produce significant quantities of other high-value specialty products such as *Catalloy* process resins and PB-1. For the year ended December 31, 2009, our O&P EAI segment generated $9,047 million of revenues (excluding inter-segment revenue).

Intermediates and Derivatives (I&D). Our I&D segment produces and markets PO and its co-products and derivatives, acetyls, ethylene oxide and its derivatives. PO co-products include styrene monomer (SM) and C4 chemicals (tertiary butyl alcohol (TBA), oxyfuels (which is managed in our Refining and Oxyfuels segment), isobutylene and tertiary butyl hydroperoxide (TBHP)), and PO derivatives include propylene glycol (PG), propylene glycol ethers (PGE) and butanediol (BDO). We believe that our proprietary PO and acetyls production process technologies provide us with a cost advantaged position for these products and their derivatives. For the year ended December 31, 2009, our I&D segment generated $3,777 million of revenues (excluding inter-segment revenue).

Technology. Our Technology segment develops and licenses industry leading polyolefin process technologies and provides associated engineering and other services. Our Technology segment further develops, manufactures and sells polyolefin catalysts. We market our process technologies and our polyolefin catalysts to external customers and also use them for our own manufacturing operations. For the year ended December 31, 2009, our Technology segment generated $436 million of revenues (excluding inter-segment revenue).

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The following chart sets forth our business segments and key products:

Refining and Oxyfuels	O&P Americas and O&P EAI	I&D	Technology
Gasoline	Polyolefins	Propylene oxide, co-products and derivatives	Polypropylene process technologies
Ultra low sulfur diesel	Polypropylene		
Jet fuel	High density	Propylene oxide (PO)	*Spheripol*
Lube oils	polyethylene (HDPE)	Styrene monomer (SM)	*Spherizone*
Gasoline blending components	Low density polyethylene (LDPE)	Tertiary butyl alcohol (TBA)	*Metocene*
Methyl tertiary butyl ether (MTBE)	Linear low density polyethylene	Isobutylene	Polyethylene process technologies
Ethyl tertiary butyl ether (ETBE)	(LLDPE)	Tertiary butylhydro-peroxide (TBHP)	*Lupotech*
Alkylate	Propylene-based compounds, materials and alloys (PP compounds)*	Propylene glycol (PG)	*Spherilene*
Vacuum Gas Oil (VGO)		Propylene glycol ethers (PGE)	*Hostalen*
	Catalloy process resins	Butanediol (BDO)	Polyolefin catalysts
	Polybutene-1 (PB-1)*		*Avant*
	Ethylene and co-products	Acetyls	Selected chemical technologies
	Ethylene	Vinyl acetate monomer (VAM)	
	Propylene	Acetic acid	
	Butadiene	Methanol	
	Benzene	Ethylene derivatives	
	Toluene	Ethylene oxide (EO)	
	Ethylene derivatives	Ethylene glycol (EG)	
	Ethanol	EO derivatives	

* O&P EAI only.

Our Corporate and Capital Structure

LyondellBasell Industries N.V. is a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law by deed of incorporation dated October 15, 2009. LyondellBasell Industries N.V. was formed to serve as the parent holding company for the remaining subsidiaries of LyondellBasell AF after completion of the Bankruptcy Cases. LyondellBasell AF and 93 of its direct and indirect subsidiaries were Debtors in jointly administered Bankruptcy Cases in the Bankruptcy Court.

Upon the consummation of the Plan of Reorganization, LyondellBasell Industries N.V. became the successor to the combination in December 2007 of Lyondell Chemical and Basell, which created one of the world s largest private

petrochemical companies with significant worldwide scale and leading product positions. Prior to the combination of Lyondell Chemical and Basell, Lyondell Chemical was the third-largest independent, publicly-traded chemical company in North America. It was a leading worldwide manufacturer of chemicals and plastics, a refiner of heavy crude oil and producer of fuel products. Since its spin-off from Atlantic Richfield Company (ARCO) in 1985, Lyondell Chemical had grown by strategic acquisitions of, among other assets, certain businesses and/or subsidiaries of ARCO, Millennium Chemicals Inc. (Millennium Chemicals), and Occidental Chemical Corporation, a subsidiary of Occidental Petroleum Corporation, as well as the non-Lyondell Chemical shares of joint ventures such as Equistar Chemicals, LP and Houston Refining LP, formerly known as Lyondell-CITGO Refining LP, which owned the Houston Refinery. Prior to the combination of Lyondell Chemical and Basell, Basell was the largest producer of polypropylene and advanced polyolefin products, a leading supplier of PE and catalysts, and the industry leader in licensing polypropylene processes. Basell was formed in September 2000 when BASF AG (BASF) and Shell Chemical Company (Shell) combined their respective polypropylene businesses with their then-existing PE joint venture.

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Refining and Oxyfuels Segment

Overview

Our Refining and Oxyfuels segment refines heavy, high-sulfur crude oil in the U.S. Gulf Coast, refines light and medium weight crude oil in southern France and produces gasoline blending components at several of our olefin and PO units. In 2009, our Refining and Oxyfuels segment generated operating revenues of $10.8 billion (excluding inter-segment revenue).

The Houston Refinery, which is located on the Houston Ship Channel in Houston, Texas, has a heavy, high-sulfur crude oil processing capacity of approximately 268,000 barrels per day on a calendar day basis (normal operating basis), or approximately 292,000 barrels per day on a stream day basis (maximum achievable over a 24 hour period). The Houston Refinery has a Nelson Complexity Index of 11.4. The Houston Refinery is a full conversion refinery designed to refine heavy (16 to 18 degrees API), high-sulfur crude oil. This crude oil is more viscous and dense than traditional crude oil and contains higher concentrations of sulfur and heavy metals, making it more difficult to refine into gasoline and other high-value fuel products. However, this crude oil has historically been less costly to purchase than light, low-sulfur crude oil. Processing heavy, high-sulfur crude oil in significant quantities requires a refinery with extensive coking, catalytic cracking, hydrotreating and desulfurization capabilities, i.e., a complex refinery. The Houston Refinery s complexity enables it to operate in full conversion mode, producing a slate of products that consists primarily of high-value, refined fuel products. The Houston Refinery s refined fuel products include gasoline (including blendstocks for oxygenate blending), jet fuel and ultra low sulfur diesel. The Houston Refinery s products also include heating oil, lube oils (industrial lubricants, white oils and process oils), carbon black oil, refinery-grade propylene, petrochemical raw materials, sulfur, residual fuel and petroleum coke. Houston Refining LP became a wholly owned consolidated subsidiary on August 16, 2006.

In April 2008, we acquired the Berre Refinery and related businesses in France from Société des Pétroles Shell. The Berre Refinery is designed to run light to medium sulfur crude oil and has a current capacity of approximately 105,000 barrels per day. It produces naphtha, vacuum gas oil, liquefied petroleum gas, gasoline, aviation fuel, diesel, bitumen and heating oil. The Berre Refinery provides raw material and site integration benefits for our operations in France and supports our polyolefin business in Europe. The Berre Refinery also provides us with access to significant logistics assets, including pipeline access, storage terminals and harbor access to the Mediterranean Sea. The Berre Refinery has a Nelson Complexity Index of 6.7.

The Refining and Oxyfuels segment also includes gasoline blending components such as methyl tertiary butyl ether (MTBE), ethyl tertiary butyl ether (ETBE) and alkylate. MTBE and ETBE are produced as co-products of the PO and olefin production process at four sites located in Texas, France and The Netherlands. In the fourth quarter of 2009, we completed a project to convert one of our MTBE units at Channelview, Texas to ETBE production. We currently have three sites that can produce either MTBE or ETBE with a combined capacity to produce 59,000 barrels per day of MTBE or ETBE; the Company s total capacity for MTBE or ETBE production is 75,000 barrels per day. Alkylate is produced at one facility located in Texas.

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The chart below shows our position and capacities in key Refining and Oxyfuels businesses:

Sources: EIA; DeWitt; CMAI; LyondellBasell AF s internal data

Note: Capacities are as of December 31, 2009. Positions are based on our wholly owned capacity and pro rata share of joint venture capacity.

(1) Thousands of barrels per day

(2) MTBE / ETBE split based on actual production at plants where there is swing capacity between the two fuels

The following table outlines:

the primary products of our Refining and Oxyfuels segment;

capacity as of December 31, 2009, unless otherwise noted; and

the primary uses for those products.

See Description of Properties for the locations where we produce the primary products of our Refining and Oxyfuels segment.

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Key Products	Capacity(1)	Primary Uses
Houston Refinery:		
Gasoline and components	120,000 barrels per day	Automotive fuel
Ultra Low Sulfur Diesel	95,000 barrels per day	Diesel fuel for cars and trucks
Jet Fuel	25,000 barrels per day	Aviation fuel
Lube Oils	4,000 barrels per day	Automotive and industrial engine and lube oils, railroad engine additives and white oils for food-grade applications
Berre Refinery:		
Diesel	42,000 barrels per day	Diesel fuel for cars and trucks
Cracker Feedstock	27,000 barrels per day	Raw material for Olefin unit
Fuel Oil	12,000 barrels per day	Heating fuel
Gasoline	8,000 barrels per day	Automotive fuel
Bitumen	7,000 barrels per day	Asphalt
Gasoline Blending Components:		
MTBE/ ETBE	75,000 barrels per day(2)	MTBE is a high octane gasoline blending component; ETBE is an alternative gasoline blending component based on agriculturally produced ethanol
Alkylate	22,000 barrels per day	Alkylate is a high octane gasoline blending component

(1) Only certain key products for the Houston Refinery and the Berre Refinery are identified. Thus, the sum of the capacities in this table will not equal either facility s total capacity.

(2) Represents total combined MTBE and ETBE capacity.

Sales & Marketing / Customers

In 2009, no single Refining and Oxyfuels segment customer accounted for 10% or more of LyondellBasell AF s total revenues.

In the U.S., we market and sell gasoline (including blendstocks for oxygenate blending), jet fuel, heating oil, ultra low sulfur diesel fuel, lube oils, coke and sulfur produced at the Houston Refinery. These products are sold in large commodity markets. The Houston Refinery evaluates and determines its optimal product output mix, based on market prices and conditions. As a result, we are subject to various risks associated with selling commodity products.

Gasoline sales accounted for 11% of LyondellBasell AF s total revenues in 2009. The Houston Refinery s products primarily are sold in bulk on the U.S. Gulf Coast to other refiners, marketers, distributors and wholesalers at market-related prices. Diesel fuel is produced to meet ultra low sulfur specifications for the on-road transportation market. Most of the Houston Refinery s products are sold under contracts with a term of one year or less or are sold in the spot market. The Houston Refinery s products generally are transported to customers via pipelines and terminals owned and operated by other parties. Products also are transported via rail car, barge, truck and ocean going vessel. In addition to sales of refined products produced by the Houston Refinery, we also sell refined products purchased or

received on exchange from other parties. The exchange arrangements help optimize refinery supply operations and lower transportation costs. To meet market demands, we also from time to time purchase refined products manufactured by others for resale to our customers. However, purchased volumes have not historically had a significant impact on profitability.

In Europe, the Berre Refinery provides a significant portion of the raw materials requirements for our nearby steam cracker. The remaining products are sold into local markets under market-based sales agreements or in the spot market. Key customers of the Berre Refinery include other refiners, marketers and distributors, and its products are primarily transported via pipelines and other infrastructure assets owned by us.

MTBE and ETBE are derivatives of TBA, which is a co-product of the PO produced by our I&D segment. Production levels at the PO/TBA co-product production facilities primarily are determined by the demand for our PO and PO derivatives. Accordingly, the resulting production levels of the TBA derivatives

(such as MTBE and ETBE) depend primarily on the demand for PO and PO derivatives and secondarily on the relative market demand for MTBE and ETBE, as well as the operational flexibility of our multiple production facilities in meeting this demand. Separately, MTBE and alkylate are also produced as derivatives of the ethylene co-products produced by our O&P Americas segment. When necessary, we purchase MTBE for resale to satisfy customer demand for MTBE above our production levels. Volumes of MTBE purchased for resale can vary significantly from period to period. However, purchased volumes have not historically had a significant impact on profitability.

We sell our MTBE and ETBE production under market-based sales agreements and in the spot market. We blend our alkylate into gasoline and also sell alkylate under short-term contracts and in the spot market. Sales of MTBE and ETBE together, and alkylate each accounted for less than 10% of LyondellBasell AF s total revenues in 2009.

Substantially all refiners and blenders have discontinued the use of MTBE in the U.S., partly as a result of U.S. federal governmental initiatives to increase use of bio-ethanol in gasoline as well as some state legislation to reduce or effectively ban the use of MTBE. However, MTBE/ETBE demand for gasoline blending remains strong within the remaining worldwide market. Accordingly, we are marketing MTBE and ETBE produced in the U.S. for use outside of the U.S. Our European-based MTBE/ETBE plants generally have the flexibility to produce either MTBE or ETBE to accommodate market needs. We produce ETBE in Europe to address Europe s demand for bio-based fuels.

Recently Japan opted to use ETBE principally as a means of meeting its carbon dioxide reduction commitments under the Kyoto Protocol. We and a partnership representing Japanese refiners have signed a supply contract, which will source a significant portion of Japan s bio-fuels needs. As a result, we converted our Channelview facility to produce ETBE in the fourth quarter of 2009.

Sales of our MTBE, ETBE and alkylate are made by our marketing and sales personnel, and through distributors and independent agents located in the Americas, Europe, the Middle East, Africa and the Asia Pacific region. We have centralized certain sales and order fulfillment functions in regional customer service centers located in Houston, Texas, Rotterdam, The Netherlands and Hong Kong, China. We also have long-term contracts for distribution and logistics to ensure reliable and efficient supply to our customers. MTBE, ETBE and alkylate are transported by barge, ocean going vessel and tank truck.

Raw Materials

Most of the crude oil used as a raw material for the Houston Refinery is purchased under a crude supply agreement with PDVSA Oil, an affiliate of Petróleos de Venezuela S.A., the national oil company of Venezuela. The contract currently provides for the purchase and supply of 215,000 barrels per day of heavy, high-sulfur crude oil through July 31, 2011. The contract incorporates market-based pricing, which is determined using a formula reflecting published market indices. The pricing formula is designed to be consistent with published prices for similar grades of crude oil.

There are risks associated with reliance on PDVSA Oil for supplies of crude oil and with enforcing the provisions of contracts with companies such as PDVSA Oil that are non-U.S. commercial affiliates of a sovereign nation. For example, currently and from time to time in the past, PDVSA Oil has declared itself in a force majeure situation and has reduced deliveries of crude oil purportedly based on announced production cuts by the Organization of the Petroleum Exporting Countries (OPEC). Additionally, it has recently imposed certain credit terms that have effectively shortened the time the Houston Refinery has to pay for crude oil purchased under the contract. Any modification, breach or termination of the crude oil contract, or any interruption in this source of crude oil on its current terms, could adversely affect us. Our crude oil contract with PDVSA Oil is subject to the risk of enforcing contracts against non-U.S. commercial affiliates of a sovereign nation, political, force majeure and other risks.

Most of the crude oil used as a raw material for the Berre Refinery is sourced from North Africa and the Middle East region, Russia and the Caspian Sea region and West Africa.

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We purchase our ethanol requirements for the production of ETBE from regional producers and importers in Europe at market-related prices. Additionally, we have entered into a supply contract with a Brazilian ethanol producer to supply a significant portion of the ethanol used for the manufacture of ETBE at our Channelview facility. For further discussion regarding the raw materials requirements for the production of MTBE, ETBE and alkylate, see Intermediates and Derivatives Raw Materials.

Industry Dynamics / Competition

The markets for fuel products tend to be volatile as well as cyclical as a result of the changing global economy and changing crude oil and refined product prices. Crude oil prices are impacted by worldwide political events, the economics of exploration and production and refined products demand. Prices and demand for fuel products are influenced by seasonal and short-term factors such as weather and driving patterns, as well as by longer term issues such as the economy, energy conservation and alternative fuels. Industry fuel products supply is dependent on short-term industry operating capabilities and on long-term refining capacity.

With a throughput capacity of approximately 268,000 barrels per day (on a calendar day basis), we believe that the Houston Refinery is among North America s largest full conversion refineries capable of processing significant quantities of heavy, high-sulfur crude oil.

In North America, we compete for the purchase of heavy, high-sulfur crude oil based on price and quality. Although most of our crude oil supplies are secured under contract with PDVSA Oil, supply disruptions could impact the availability and pricing for heavy, high-sulfur crudes. We compete in gasoline and distillate markets as a bulk supplier of fungible products satisfying industry and government specifications. Competition is based on price and location. Our refining competitors are major integrated oil companies, refineries owned or controlled by foreign governments and independent domestic refiners. Based on published data, as of January 2009, there were 150 operable crude oil refineries in the U.S., and total U.S. refinery capacity was approximately 17.8 million barrels per day.

During 2009, the Houston Refinery processed an average of approximately 244,000 barrels per day of crude oil, representing approximately 1% of all U.S. crude processing capacity.

The differential in price between a representative barrel of benchmark refined petroleum products, such as gasoline or heating oil, and a barrel of benchmark crude oil is known as the crack spread. The Maya 2-1-1 crack spread, based on two common industry benchmarks, the West Texas Intermediate (WTI), 2-1-1 crack spread and the WTI-Maya differential, represents the differential between one barrel of U.S. Gulf Coast 87 Octane Conventional Gasoline and one barrel of U.S. Gulf Coast No. 2 Heating Oil (high-sulfur diesel), on one hand, and the first month futures price of two barrels of Maya crude oil set by Petroleos Mexicanos (Pemex), on the other hand. The Berre Refinery refining spreads generally track the 4-1-2-1 Ural reported benchmark spread. This spread is calculated by adding the price of one barrel of gasoline to the price of two barrels of diesel and one barrel of #6 fuel oil and subtracting the price of four barrels of Mediterranean crude oil. The Berre Refinery provides a significant portion of the raw materials for our nearby olefin cracker. While these benchmark refining spreads are generally indicative of the level of profitability at both the Houston Refinery and the Berre Refinery, there are many other factors specific to each refinery that influence operating results.

We believe that we are the largest producer of MTBE/ETBE worldwide. We compete for sales of MTBE and ETBE with independent MTBE producers worldwide and independent ETBE producers mainly in Europe. The most significant MTBE competitor is Saudi Basic Industries Corp. (SABIC), and the most significant ETBE competitors are Repsol, Total, Neste and Braskem. MTBE and ETBE face competition from products such as ethanol and other octane components. Legislative and other actions have eliminated substantially all U.S. demand for MTBE. Therefore, we have been selling our U.S.-produced MTBE and ETBE for use outside of the U.S. We compete with other refiners

and olefin manufacturers for sales of alkylate that we do not internally blend into gasoline.

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Olefins and Polyolefins Segments Generally

We are the world s largest producer of polypropylene and PP compounds and a top worldwide producer of PE, ethylene and propylene. We manage our olefin and polyolefin business in two reportable segments, O&P Americas and O&P EAI.

O&P Americas. Our O&P Americas segment produces and markets olefins (ethylene and ethylene co-products) and polyolefins. We are the largest producer of polypropylene and light olefins (ethylene and propylene) and the third largest producer of PE in North America. In addition, we produce significant quantities of high-value specialty products such as *Catalloy* process resins.

O&P EAI. Our O&P EAI segment produces and markets olefins (ethylene and ethylene co-products) and polyolefins. We are the largest producer of polypropylene and PE in Europe and the largest worldwide producer of PP compounds, a high-value specialty product. We also produce significant quantities of other high-value specialty products such as *Catalloy* process resins and PB-1. Our O&P EAI segment manages our worldwide PP compounds business, including our facilities in North and South America, manages our worldwide PB-1 business and manages our *Catalloy* process resins produced in Europe and Asia.

Polyolefins are thermoplastics and comprise approximately two-thirds of worldwide thermoplastics demand. Since their industrial commercialization, thermoplastics have found wide-ranging applications and continue to replace traditional materials such as metal, glass, paper and wood. Our products are used in consumer, automotive and industrial applications ranging from food and beverage packaging to house wares and construction materials. PE is the most widely used thermoplastic, measured on a production capacity basis. We produce high density polyethylene (HDPE), low density polyethylene (LDPE), linear low density polyethylene (LLDPE) and metallocene linear low density polyethylene. Polypropylene is the single largest polyolefin product produced worldwide, and we produce homopolymer, impact copolymer, random copolymer and metallocene polypropylene.

We specialize in several specialty product lines: PP compounds, *Catalloy* process resins and PB-1, focusing on specialty polyolefins and compounds that offer a wide range of performance characteristics superior to traditional polyolefins. Typical properties of such polyolefins include superior impact-stiffness balance, scratch resistance, soft touch and heat scalability. End uses include automotive and industrial products and materials. PP compounds consist of specialty products produced from blends of polyolefins and additives and are sold mainly to the automotive and white goods industries.

We are the only manufacturer of *Catalloy* process resins, which are our proprietary products. The *Catalloy* process resins business focuses on specialty polyolefins that offer a wide range of performance characteristics superior to traditional polyolefins. *Catalloy* process resins compete with a number of other materials, such as other polypropylene resins, flexible PVC, ethylene propylene rubber and acrylonitrile butadiene styrene (ABS), polycarbonate, metals and reinforced polyurethanes.

Sales of ethylene accounted for less than 10% of LyondellBasell AF s total revenues in 2009. Sales of polypropylene accounted for approximately 13% of LyondellBasell AF s total revenues in 2009. Sales of PE (HDPE, LDPE and LLDPE, collectively) accounted for 17% of LyondellBasell AF s total revenues in 2009. *Catalloy* process resin sales accounted for less than 10% of LyondellBasell AF s total revenues in 2009.

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The charts below show the combined position and annual capacity of our worldwide olefin and polymer businesses:

Sources: CMAI; LyondellBasell AF s internal data

Note: Capacities are as of December 31, 2009. Positions are based on wholly owned capacity and pro rata share of joint venture capacity.

Sources: CMAI; LyondellBasell AF s internal data

Note: Capacities are as of December 31, 2009. Positions are based on wholly owned capacity and pro rata share of joint venture capacity.

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Olefins and Polyolefins Americas Segment

Overview

Our O&P Americas segment produces and markets polyolefins, ethylene and ethylene co-products. We are the largest producer of polypropylene and light olefins (ethylene and propylene) and the third largest producer of PE in North America. In addition, we produce significant quantities of high-value specialty products such as *Catalloy* process resins. In 2009, our O&P Americas segment generated operating revenues of $6.7 billion (excluding inter-segment revenue).

We currently produce ethylene at five sites in the U.S. The production of ethylene results in co-products such as propylene, butadiene and aromatics, which include benzene and toluene. Ethylene is the most significant petrochemical in terms of worldwide production volume and is the key building block for PE and a large number of other chemicals, plastics and synthetics. Ethylene and its co-products are fundamental to many segments of the economy, including the production of consumer products, packaging, housing and automotive components and other durable and nondurable goods.

We produce polyolefins (PE and polypropylene) at nine sites located in North America and one site located in South America. One of our joint ventures owns the polypropylene facility in Mexico.

Our O&P Americas segment manufactures *Catalloy* process resins at two sites in North America.

The following table outlines:

- the primary products of our O&P Americas segment;
- annual processing capacity as of December 31, 2009, unless otherwise noted; and
- the primary uses for those products.

See Description of Properties for the locations where we produce the primary products of our O&P Americas segment. Annual processing capacity as of December 31, 2009 was calculated by estimating the average number of days in a typical year that a production unit of a plant is expected to operate, after allowing for downtime for regular maintenance, and multiplying that number by an amount equal to the unit s optimal daily output based on the design raw material mix. Because the processing capacity of a production unit is an estimated amount, actual production volumes may be more or less than the capacities set forth below. Capacities shown include 100% of the capacity of joint venture facilities.

Product	Annual Capacity	Primary Uses
Olefins:		
Ethylene	9.6 billion pounds(1)	Ethylene is used as a raw material to manufacture polyethylene, EO, ethanol, ethylene dichloride, styrene and VAM
Propylene	5.5 billion pounds(1)(2)	Propylene is used to produce polypropylene, acrylonitrile and propylene oxide
Butadiene	1.1 billion pounds(1)	Butadiene is used to manufacture styrene-butadiene rubber and polybutadiene rubber, which are used in the

manufacture of tires, hoses, gaskets and other rubber products. Butadiene is also used in the production of paints, adhesives, nylon clothing, carpets, paper coatings and engineered plastics

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Product	Annual Capacity	Primary Uses
Aromatics:		
Benzene	195 million gallons(1)	Benzene is used to produce styrene, phenol and cyclohexane. These products are used in the production of nylon, plastics, synthetic rubber and polystyrene. Polystyrene is used in insulation, packaging and drink cups
Toluene	40 million gallons(1)	Toluene is used as an octane enhancer in gasoline, as a chemical raw material for benzene and/or paraxylene production and as a core ingredient in toluene diisocyanate, a compound used in urethane production
Polyolefins:		
Polypropylene	4.4 billion pounds(3)	Polypropylene is primarily used to manufacture fibers for carpets, rugs and upholstery; house wares; medical products; automotive interior trim, fascia, running boards, battery cases, and bumpers; toys and sporting goods; fishing tackle boxes; and bottle caps and closures
High density polyethylene (HDPE)	3.3 billion pounds	HDPE is used to manufacture grocery, merchandise and trash bags; food containers for items from frozen desserts to margarine; plastic caps and closures; liners for boxes of cereal and crackers; plastic drink cups and toys; dairy crates; bread trays; pails for items from paint to fresh fruits and vegetables; safety equipment, such as hard hats; house wrap for insulation; bottles for household and industrial chemicals and motor oil; milk, water, and juice bottles; large (rotomolded) tanks for storing liquids such as agricultural and lawn care chemicals; and pipe
Low density polyethylene (LDPE)	1.3 billion pounds	LDPE is used to manufacture food packaging films; plastic bottles for packaging food and personal care items; dry cleaning bags; ice bags; pallet shrink wrap; heavy-duty bags for mulch and potting soil; boil-in-bag bags; coatings on flexible packaging products; and coatings on paper board such as milk cartons. Ethylene vinyl acetate is a specialized form of LDPE used in foamed sheets, bag-in-box bags, vacuum cleaner hoses, medical tubing, clear sheet protectors and flexible binders
Linear low density polyethylene (LLDPE)	1.3 billion pounds	LLDPE is used to manufacture garbage and lawn-leaf bags; industrial can liners; house wares; lids for coffee cans and margarine tubs; dishpans, home plastic storage containers, and kitchen trash containers; large (rotomolded) toys like outdoor gym sets; drip irrigation tubing; wire and cable insulating resins and compounds used to insulate copper and fiber optic wiring, and film; shrink wrap for multi-packaging canned food, bag-in-box bags, produce bags, and pallet stretch wrap

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Product	Annual Capacity	Primary Uses
Specialty Polyolefins:		
Catalloy process resins	600 million pounds	*Catalloy* process resins are used primarily in modifying polymer properties in film applications and molded products; for specialty films, geomembranes, and roofing materials; in bitumen modification for roofing and asphalt applications; and to manufacture automotive bumpers
Ethylene Derivatives:		
Ethanol	50 million gallons	Ethanol is used as a fuel and a fuel additive and in the production of solvents as well as household, medicinal and personal care products

(1) Excludes capacities from our Chocolate Bayou, Texas facility which was permanently shut down in early 2009, including 1.12 billion pounds of ethylene, 700 million pounds of propylene, 150 million pounds of butadiene, 105 million gallons of benzene and 26 million gallons of toluene.

(2) Includes (1) refinery-grade material from our U.S. refinery and (2) 1 billion pounds per year of capacity from the product flex unit at the Channelview facility, which can convert ethylene and other light petrochemicals into propylene.

(3) Includes 100% of 1.31 billion pounds of capacity of Indelpro A.A. de C.V. (Indelpro). See Joint Venture Relationships. Excludes 800 million pounds of an off-take agreement with ConocoPhillips, which expired on December 31, 2009.

Sales & Marketing / Customers

In 2009, no single external O&P Americas segment customer accounted for 10% or more of LyondellBasell AF s total revenues.

We currently produce ethylene at five sites in the U.S. Our ethylene production in the U.S. generally is consumed internally as a raw material in the production of derivatives and polymers, or is shipped by pipeline to customers. In North America, we are a net seller of ethylene.

We currently produce propylene at six sites in the U.S., which includes production from the Houston Refinery s fluid catalytic cracker coproduct stream. We use propylene as a raw material for production of PO and polypropylene. The propylene production within the U.S. that is not consumed internally is generally sold under multi-year contracts. In North America, we are a net seller of propylene.

We currently produce butadiene or aromatics (benzene and toluene) at two sites in the U.S. We generally sell our butadiene under multi-year contracts. We use the benzene as a raw material for production of styrene; in the U.S., we are a net purchaser of benzene. Our Refining and Oxyfuels business uses the toluene to blend into gasoline. Of the toluene production that is not consumed internally, a majority is sold on a spot basis.

We at times purchase ethylene, propylene, benzene and butadiene for resale, when necessary, to satisfy customer demand for these products above production levels. Volumes of ethylene, propylene, benzene and butadiene

purchased for resale can vary significantly from period to period. However, purchased volumes have not historically had a significant impact on profits.

In the U.S., most of the ethylene and propylene production of our Channelview, Corpus Christi and La Porte facilities is shipped via a pipeline system, which has connections to numerous U.S. Gulf Coast consumers. This pipeline system, some of which is owned and some of which is leased, extends from Corpus Christi to Mont Belvieu to Port Arthur, Texas, as well as into the Lake Charles, Louisiana area. In addition, exchange agreements with other ethylene and co-products producers allow access to customers who are not directly connected to this pipeline system. Some ethylene is shipped by rail car from Clinton, Iowa to Morris, Illinois and also to customers. A pipeline owned and operated by an unrelated party is used to transport ethylene from Morris, Illinois to Tuscola, Illinois and is used as a raw material in the production of ethanol.

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Some propylene is shipped by ocean going vessel. Butadiene, benzene, toluene and other products are distributed by pipeline, rail car, truck, barge or ocean going vessel.

We produce polypropylene at three sites in North America and one site in South America. One of the sites in North America (Mexico) is owned by a joint venture. See Joint Venture Relationships. We manufacture PE using a variety of technologies at six sites in the U.S.

With respect to polypropylene and PE, our production is typically sold to an extensive base of established customers. Our polypropylene and PE product volumes are typically sold to customers under annual contracts or under customary terms and conditions without formal contracts. We sell polypropylene into our PP compounds business, which is managed worldwide by our O&P EAI segment. We also have a facility in Ohio that produces performance polymer products, which include enhanced grades of PE. We believe that, over a business cycle, average selling prices and profit margins for specialty polymers tend to be higher than average selling prices and profit margins for higher-volume commodity PEs.

The majority of our polyolefin products sold in North America is sold through our sales organization. We have regional sales offices in various locations throughout the U.S. Polyolefins primarily are distributed in North America by rail car or truck.

We manufacture *Catalloy* process resins at two sites in the U.S. We sell these products into certain specialty applications, including construction, packaging and automotive as well as into our PP compounds business, which is managed in our O&P EAI segment. *Catalloy* process resins are transported generally by tank truck and rail car.

Joint Venture Relationships

The following table describes our O&P Americas segment s significant manufacturing joint venture relationships.

Name	Location	Other Parties	LyondellBasell Ownership	Product	2009 Capacity (In Millions of pounds)
Indelpro	Mexico	Alfa	49%	Polypropylene	1,310(1)

(1) Represents the joint venture s total capacity and not our proportional capacity.

Our Indelpro joint venture in Mexico operates a manufacturing facility with an annual polypropylene capacity of 1.31 billion pounds. We own 49% of this joint venture, and the output of the asset is marketed by the joint venture. Indelpro s annual capacity includes 770 million pounds produced from our *Spherizone* process technology. This joint venture provides us with equity distributions and revenues from technology licensing and catalyst sales, as well as geographical diversification.

In addition, we have a limited partnership with Sunoco with respect to our LaPorte, Texas facility. The partnership produces ethylene and propylene. Sunoco s partnership interest entitles it to 500 million pounds of propylene annually. Our partnership interest entitles us to receive all remaining ethylene and propylene production, as well as other products produced.

Raw Materials

Raw material cost is the largest component of the total cost for the production of ethylene and its co-products. The primary raw materials used are heavy liquids and NGLs. Heavy liquids include crude oil-based naphtha and gas oil, as well as condensate, a very light crude oil resulting from natural gas production (collectively referred to as heavy liquids). NGLs include ethane, propane and butane. The use of heavy liquid raw materials results in the production of a significant amount of co-products such as propylene, butadiene, benzene and toluene, as well as gasoline blending components, while the use of NGLs results in the production of a smaller amount of co-products, such as propylene.

The flexibility for a plant to consume a wide range of raw materials has historically provided an advantage over plants that are restricted in their raw material processing capability. Facilities using heavy

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liquids historically have generated, on average, approximately four cents of additional variable margin per pound of ethylene produced compared to facilities restricted to using ethane. This margin advantage was based on an average of historical data over a period of years and is subject to fluctuations, which can be significant. The costs of producing ethylene from heavy liquids and NGLs can change, based on the relative values of crude oil and natural gas, as well as the relative values of the products generated through the use of those raw materials. For example, at certain of our U.S. ethylene facilities during 2008 and 2009, ethane had a cost advantage reflecting high crude oil prices as compared to NGLs. We have the capability to process significant quantities of either heavy liquids or NGLs, depending upon the relative economic advantage of the alternative raw materials. We estimate that in the U.S. we can process between 40% and 90% NGLs. Changes in the raw material feedstock will result in variances in production capacities among the products.

As described above, our management believes that our raw material flexibility in the U.S. is normally a key advantage in the production of ethylene and co-products. As a result, heavy liquids requirements for these businesses are sourced worldwide via a mix of contractual and spot arrangements. Spot market purchases are made in order to maintain raw material flexibility and to take advantage of raw material pricing opportunities. NGL requirements for these businesses are purchased via long term and spot contractual arrangements from a variety of sources. A portion of the heavy liquids requirements for these businesses are also obtained from our Refining and Oxyfuels segment. Heavy liquids generally are delivered by ship or barge, and NGLs are generally delivered via pipeline.

In North America, we also purchase large amounts of natural gas to be used for consumption (not as a raw material) in our business via market-based contractual arrangements with a variety of sources.

The principal raw materials used by our polyolefin business are ethylene and propylene. During 2009, our North American ethylene and propylene production exceeded the North American raw material requirements of our O&P Americas segment. However, not all raw material requirements for ethylene and propylene in this region are sourced internally.

In North America, our Mexican joint venture, Indelpro, receives the majority of its chemical grade and refinery grade propylene needs from Pemex, the state owned oil company of Mexico, under a long-term contract. Our U.S. propylene requirements are produced internally and sourced by a few long-term contracts with third-party suppliers. Propylene not produced internally (on-site at the facility) is delivered via pipeline.

Substantially all of the ethylene and propylene used in our North American PE and polypropylene production is produced internally. Our polyolefin facilities generally can receive their olefins directly from our crackers via our pipeline system, pipelines owned by unrelated parties or on-site production. The PE plant at La Porte is connected by pipeline to facilities of unrelated parties and could receive substantially all of the ethylene via exchanges or purchases.

The raw materials for polyolefins and *Catalloy* process resins are, in general, commodity chemicals with numerous bulk suppliers and ready availability at competitive prices.

Industry Dynamics / Competition

With respect to olefins and polyolefins, competition is based on price, product quality, product delivery, reliability of supply, product performance and customer service. Industry consolidation in North America has led to fewer, although larger, competitors. Profitability is affected not only by supply and demand for olefins and polyolefins, but also by raw material costs and price competition among producers, which may intensify due to, among other things, the addition of new capacity. In general, demand is a function of worldwide economic growth, which fluctuates. It is not possible to accurately predict the changes in raw material costs, market conditions, capacity utilization and other factors that will affect industry profitability in the future. We estimate that olefin operating rates in North America

were approximately 81% in 2009, and are forecasted to rise to 91% in 2014, while PE and polypropylene operating rates were approximately 80% and 78%, respectively, in 2009, and are forecasted to rise to 89% and 91%, respectively, in 2014. Capacity share figures for us and our competitors, discussed below, are based on completed production facilities and, where

appropriate, include our proportionate share of joint venture facilities and certain long-term supply arrangements.

Based on published rated production capacities, we were the second largest producer of ethylene in North America as of December 31, 2009. North American ethylene rated capacity at December 31, 2009 was approximately 74 billion pounds per year, with approximately 79% of that North American capacity located along the Gulf Coast. At December 31, 2009, our ethylene rated capacity in the U.S. was approximately 9.6 billion pounds per year, or approximately 13% of total North American ethylene production capacity. We compete in North America with other large marketers and producers for sales of ethylene and its co-products with Dow, ExxonMobil, International Petroleum Investment Company (IPIC), Shell, INEOS, ChevronPhillips, Texas Petrochemicals, Inc. and others.

Based on published data regarding polypropylene capacity, we believe that, including our proportionate share of the joint venture, we are the largest producer of polypropylene in North America as of December 31, 2009, with a proportionate share capacity of 3.3 billion pounds, or approximately 17% of the total North American capacity. Our largest competitors for sales of polypropylene in North America are ExxonMobil, Total, Sunoco, Formosa Plastics Corporation and INEOS.

With respect to PE, we believe that we are the third largest producer of PE in North America as of December 31, 2009, with 5.8 billion pounds per year of capacity, or approximately 13% of North American capacity. Our largest competitors for sales of PE in North America are Dow, ExxonMobil, IPIC, Chevron Phillips, INEOS and Westlake.

Olefins and Polyolefins Europe, Asia, International Segment

Overview

Our O&P EAI segment produces and markets olefins (ethylene and ethylene co-products) and polyolefins. We are the largest producer of polypropylene and PE in Europe and the largest worldwide producer of PP compounds, a high-value specialty product. We also produce significant quantities of other high-value specialty products such as *Catalloy* process resins and PB-1. Our O&P EAI segment manages our worldwide PP compound business, including our facilities in North and South America, manages our worldwide PB-1 business and manages our *Catalloy* process resins produced in Europe and Asia. We have eight joint ventures located principally in regions with access to low cost feedstocks or access to growing markets. In 2009, our O&P EAI segment generated operating revenues of $9.0 billion (excluding inter-segment revenue).

We currently produce ethylene at three sites in Europe and one joint venture site in the Middle East. The production of ethylene results in co-products such as propylene and butadiene. Ethylene is the most significant petrochemical in terms of worldwide production volume and is the key building block for PE and a large number of other chemicals, plastics and synthetics. Ethylene and its co-products are fundamental to many segments of the economy, including the production of consumer products, packaging, housing and automotive components and other durable and nondurable goods.

We produce polyolefins (polypropylene and PE) at 19 facilities internationally, including ten facilities located in Europe, four facilities located in Asia, three facilities located in the Middle East and two facilities located in Australia. In addition, we own a PE facility in Münchsmünster, Germany that has recently been rebuilt following a fire in 2005. Our joint ventures own one of the facilities in Europe, four of the facilities in Asia and three in the Middle East.

PP compounds consist of specialty products produced from blends of polyolefins and additives and are sold mainly to the automotive and white goods industries. We manufacture PP compounds at 15 facilities worldwide (a number of which are the same facilities as the polyolefin facilities described above), consisting of four facilities in Europe, five facilities in Asia, three in North America, two in South America and one facility in Australia. In February 2008, we

acquired Solvay Engineered Polymers (SEP), a leading supplier of PP compounds in North America. The acquisition included two PP compounding sites in the U.S., one of

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which was closed after the acquisition. SEP s primary products include Deflex TPOs, Sequel engineered polyolefins, and Indure engineered polyolefins. The acquisition of SEP complements our existing PP compounds business in North America.

Catalloy process resins are produced using a unique technology and three-step process allowing for very specific tailoring of the product properties that results in a superior range of resins compared to conventional polypropylene. We produce *Catalloy* process resins at two sites in the EAI region, including one site in The Netherlands and one site in Italy. The process is proprietary technology that is not licensed to third parties, and as a result, we are the only manufacturer of *Catalloy* process resins.

We produce PB-1 at one facility in Europe. We believe that we are the largest worldwide producer of PB-1, a unique family of highly flexible, strong and durable butene-based polymers. A majority of the current PB-1 we produce is used in pipe applications and for under-floor heating and thermo sanitary systems, where flexibility and creep resistance at high temperature are very important. PB-1 is being developed to target new opportunities in applications such as easy-open packaging (seal-peel film), construction, fibers and fabrics, compounds, adhesives and coatings.

The following table outlines:

- the primary products of our O&P EAI segment;
- annual processing capacity as of December 31, 2009, unless otherwise noted; and
- the primary uses for those products.

See Description of Properties for the locations where we produce the primary products of our O&P EAI segment. Annual processing capacity as of December 31, 2009 was calculated by estimating the average number of days in a typical year that a production unit of a plant is expected to operate, after allowing for downtime for regular maintenance, and multiplying that number by an amount equal to the unit s optimal daily output based on the design raw material mix. Because the processing capacity of a production unit is an estimated amount, actual production volumes may be more or less than the capacities set forth below. Capacities shown include 100% of the capacity of joint venture facilities.

Product	Annual Capacity	Primary Uses
Olefins		
Ethylene	6.4 billion pounds(1)	Ethylene is used as a raw material to manufacture polyethylene, EO, ethanol, ethylene dichloride, styrene and VAM
Propylene	5.4 billion pounds(1)(2)	Propylene is used to produce polypropylene, acrylonitrile and propylene oxide
Butadiene	550 million pounds(1)	Butadiene is used to manufacture styrene-butadiene rubber and polybutadiene rubber, which are used in the manufacture of tires, hoses, gaskets and other rubber products. Butadiene is also used in the production of paints, adhesives, nylon clothing, carpets, paper coatings and engineered plastics
Polyolefins:		
Polypropylene	12.8 billion pounds(3)(4)	

	Polypropylene is primarily used to manufacture fibers for carpets, rugs and upholstery; house wares; medical products; automotive interior trim, fascia, running boards, battery cases, and bumpers; toys and sporting goods; fishing tackle boxes; and bottle caps and closures

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Product	Annual Capacity	Primary Uses
High density polyethylene (HDPE)	4.0 billion pounds(4)(5)	HDPE is used to manufacture grocery, merchandise and trash bags; food containers for items from frozen desserts to margarine; plastic caps and closures; liners for boxes of cereal and crackers; plastic drink cups and toys; dairy crates; bread trays; pails for items from paint to fresh fruits and vegetables; safety equipment, such as hard hats; house wrap for insulation; bottles for household and industrial chemicals and motor oil; milk, water, and juice bottles; large (rotomolded) tanks for storing liquids such as agricultural and lawn care chemicals; and pipe
Low density polyethylene (LDPE)	2.8 billion pounds(4)(6)	LDPE is used to manufacture food packaging films; plastic bottles for packaging food and personal care items; dry cleaning bags; ice bags; pallet shrink wrap; heavy-duty bags for mulch and potting soil; boil-in-bag bags; coatings on flexible packaging products; and coatings on paper board such as milk cartons. Ethylene vinyl acetate is a specialized form of LDPE used in foamed sheets, bag-in-box bags, vacuum cleaner hoses, medical tubing, clear sheet protectors and flexible binders
Specialty Polyolefins:		
PP compounds	2.4 billion pounds(7)	PP compounds are used to manufacture automotive interior and exterior trims, dashboards, bumpers and under-hood applications; base material for products and parts used in appliances; anti-corrosion coatings for steel piping; wire and cable
Catalloy process resins	600 million pounds	*Catalloy* process resins are used primarily in modifying polymer properties in film applications and molded products; for specialty films, geomembranes, and roofing materials; in bitumen modification for roofing and asphalt applications; and to manufacture automotive bumpers
PB-1 resins	110 million pounds	PB-1 resins are used in flexible pipes, resins for seal-peel film, film modification, hot melt and polyolefin modification applications, consumer packaging and adhesives

(1) Includes 100% of olefin capacity of SEPC (described below) in Saudi Arabia, which includes 2.2 billion pounds of ethylene and 630 million pounds of propylene. The facility, of which we own 25%, began initial production in the third quarter of 2008.

(2) Includes (1) refinery-grade material from our French refinery; (2) 100% of the 1.015 billion pounds of capacity of the propane dehydrogenation (PDH) plant owned by SPC, a polymers joint venture of which we own 25%; and (3) 1.015 billion pounds of capacity from Al-Waha joint venture (described below), of which we currently

own 21%.

(3) Includes: (1) 100% of the 1.59 billion pounds of capacity at SPC; (2) 100% of the 800 million pounds of capacity of SunAllomer Ltd. (SunAllomer); (3) 100% of the 880 million pounds of capacity of Basell Orlen Polyolefins Sp. Z.o.o. (Orlen); (4) 100% of the 990 million pounds of capacity of HMC Polymers Company Ltd. (HMC); (5) 100% of the 1.545 billion pounds of capacity of PolyMirae Co. Ltd. (PolyMirae); (6) 100% of the 990 million pounds of capacity at Al Waha, which began operations during late 2009; and (7) 550 million pounds of capacity at our Terni, Italy location, which we announced in the first

quarter 2010 we are shutting down. See Joint Venture Relationships. Excludes one 240 million pound line located at our Wesseling, Germany site, which was shut down during 2009.

(4) Includes (1) 100% of 880 million pounds of capacity of LDPE manufacturing complex which commenced operations in the second quarter of 2009 that is owned by SEPC, a joint venture of which we own 25% and (2) 880 million pounds of HDPE capacity from SEPC, which began operations in late 2008. Excludes 410 million pounds of LDPE capacity at a site located in Carrington, UK, which was shut down during 2009.

(5) Includes 100% of the 705 million pounds of capacity of Orlen. See Joint Venture Relationships. Excludes 705 million pounds of capacity at a site in Münchsmünster, Germany that has recently been rebuilt following a fire in 2005.

(6) Includes: 100% of the 240 million pounds of capacity of Orlen. Excludes 240 million pounds of capacity at a site located in Fos-sur-Mer, France, which was shut down during 2009. See Joint Venture Relationships.

(7) Includes 100% of the 165 million pounds of capacity of PolyPacific Pty Ltd. (PolyPacific Pty), a joint venture of which we own 50%, and 110 million pounds of capacity of SunAllomer, a joint venture of which we own 50%.

Sales & Marketing / Customers

In 2009, no single external O&P EAI segment customer accounted for 10% or more of LyondellBasell AF s total revenues.

We currently produce ethylene at one site in France, two sites in Germany, and one joint venture site in the Middle East. Our ethylene production in Germany and France is generally consumed internally as a raw material in the production of polymers. In Western Europe, we are essentially balanced in our ethylene supply and demand.

We currently produce propylene at our olefin plants, including one site in France, two sites in Germany and the three joint venture sites in the Middle East (SPC, Saudi Ethylene & PE Company Ltd. (SEPC) and the Al-Waha Petrochemicals Ltd. (Al-Waha) venture). In addition, we produce propylene at our Berre Refinery. We use propylene as a raw material for production of PO and polypropylene. In Europe, we are a net purchaser of propylene.

We currently produce butadiene at one site in France and one site in Germany. We generally sell our butadiene under multi-year contracts.

We at times purchase ethylene, propylene, benzene and butadiene for resale, when necessary, to satisfy customer demand for these products above production levels. Volumes of ethylene, propylene, benzene and butadiene purchased for resale can vary significantly from period to period. However, purchased volumes have not historically had a significant impact on profits.

European ethylene and propylene production is generally either fully integrated with, or is transported via pipeline to, our PE and polypropylene facilities in Europe.

We produce polypropylene at nine sites in Europe, four sites in Asia, two sites in Australia and two sites in the Middle East. All of the sites in Asia and the Middle East and one of the sites in Europe (Poland) are owned by a joint venture. See Joint Venture Relationships.

We manufacture PE using a variety of technologies at four sites in Europe, including one joint venture facility in Poland, and at one joint venture site in the Middle East. Also, an HDPE facility in Münchsmünster, Germany has

recently been rebuilt following a fire in 2005.

With respect to polypropylene and PE, our production is typically sold to an extensive base of established customers. Our polypropylene and PE product volumes are typically sold to customers under annual contracts or under customary terms and conditions without formal contracts. We believe that, over a business cycle,

average selling prices and profit margins for specialty polymers tend to be higher than average selling prices and profit margins for higher-volume commodity polypropylenes.

For the O&P EAI segment, we typically have exclusive marketing arrangements with our joint venture partners to sell and market polypropylene and PE outside the country where such a joint venture facility is located.

The majority of our polyolefin products sold in Europe is sold through our sales organization. We have three sales channels for polyolefins (*Alastian*, Direct Sales and Polyolefin Solutions) to distinguish between commodity and specialty business models and allow a focused approach to meet the needs of different buying requirements of our customers. The characteristics of these sales channels are as follows:

Alastian has a no-frills offering for a limited range of commoditized products. All terms of sales are standard, and extra services, including technical service and freight, are charged separately. Prices are posted, and all transactions are highly automated.

Direct Sales offers a broad range of commoditized products and standard services via a direct local sales presence for those customers who value a traditional relationship and sales support.

Polyolefin Solutions focuses on high growth and high value application segments in the polyolefin market. Through its two business lines and key account management, it offers a full service range and reliable supply and runs a dedicated innovation project team that draws on the expertise and strength of our research and development organization.

Polyolefins primarily are distributed in Europe by rail car or truck.

We and our joint ventures manufacture PP compounds at five sites in Asia (two of which are owned by joint ventures), four sites in Europe, three sites in North America, two sites in South America and one joint venture site in Australia. We manufacture *Catalloy* process resins at one facility in Italy and one facility in The Netherlands. We also manufacture PB-1 at the facility in The Netherlands.

We sell these high-value specialty polymers into certain specialty applications, including construction and automotive. Advanced polyolefins are transported generally by truck and rail car.

Our marketing and sales force for O&P EAI segment is involved in sales related activities, including direct sales and customer service. Our regional sales offices are located in various locations, including The Netherlands; China; India; and United Arab Emirates. We also operate through a worldwide network of local sales and representative offices in Europe, North America and the rest of the world (primarily in importing countries) and through an extensive network of commercial representatives in over 50 countries. Our joint ventures typically manage their domestic sales and marketing efforts independently, and we typically operate as their agent/distributor for exports.

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Joint Venture Relationships

The following table describes our O&P EAI segment s significant manufacturing joint venture relationships.

Name	Location	Other Parties	LyondellBasell Ownership	Product	2009 Capacity(1) (In Millions of pounds)
SPC	Al-Jubail Industrial City, Saudi Arabia	Tasnee	25%	Polypropylene	1,590
				Propylene	1,015
SEPC	Al-Jubail Industrial City, Saudi Arabia	Tasnee, Sahara Petrochemical Company	25%	Ethylene	2,200
				Propylene	630
				HDPE	880
				LDPE	880
Al-Waha	Al-Jubail Industrial City, Saudi Arabia	Sahara Petrochemical Company and others	21%(2)	Polypropylene	990
				Propylene	1,015
HMC	Thailand	PTT	29%	Polypropylene	990
Basell Orlen Polyolefins	Poland	Orlen	50%	Polypropylene	880
				HDPE	705
				LDPE	240
PolyPacific	Australia, Malaysia	Mirlex Pty.	50%	PP Compounding	165
SunAllomer	Japan	Showa Denko, Nippon Oil	50%	Polypropylene	800
				PP Compounding	110
Polymirae	South Korea	Daelim, SunAllomer	42%(3)	Polypropylene	1,540

(1) Represents the joint venture s total capacity and not our proportional capacity.

(2) Reflects our current ownership percentage. Assuming the joint venture pays dividends over time, we anticipate our ownership will increase to a maximum of 25%.

(3) Reflects our direct (35%) and indirect ownership through SunAllomer.

We have five polypropylene joint ventures, one PE joint venture, one joint venture that produces both polypropylene and PE and one joint venture that only produces PP compounds. Of the eight joint ventures, four are in Asia, three are in the Middle East and one is in Eastern Europe. These joint ventures provide us with additional income streams from cash dividends, licensing revenues, catalyst sales and marketing fees from selling joint venture products, as well as geographical diversification and access to local market skills and expertise. We believe that our technological leadership has enabled us to establish joint ventures in cost advantaged locations and developing regions with higher growth, including the Asia Pacific region and the Middle East. We generally license our polyolefin process technologies and supply catalysts to our joint ventures.

Through our international joint ventures, we intend to leverage our capital and participate in a larger, more diversified mix of projects where the synergies between our worldwide position and the local joint venture party s strengths can result in improved operations and financial returns. Some of our joint ventures source cost advantaged raw materials

from their local shareholders. In the Middle East, our joint venture in Saudi Arabia, SPC, operates a PDH unit and a polypropylene manufacturing facility in Al-Jubail Industrial City with an annual polypropylene capacity of almost 1.6 billion pounds, which includes the 2009 capacity expansion. We own 25% of this joint venture and market approximately 70% of the polypropylene produced annually by the joint venture.

In 2006, we formed two new joint ventures in Saudi Arabia. The first of these, SEPC, is with Tasnee & Sahara Olefins Company (TSOC) and has a new integrated PE manufacturing complex operating in Al-Jubail Industrial City in Saudi Arabia. The ethylene cracker began production in the third quarter of 2008. One PE plant is based on our *Hostalen* process and produces HDPE, and the other is based on our *Lupotech T* technology and produces LDPE. The HDPE plant began operating in the fourth quarter of 2008 and the LDPE plant commenced operations in the second quarter of 2009. We own 25% of the joint venture, while the remaining 75% is owned by TSOC (which is owned by National Petrochemical Industrialization Company,

also known as Tasnee Petrochemicals, our partner in its SPC joint venture, and Sahara Petrochemical Company, our partner in the Al-Waha joint venture).

Our second new joint venture in Saudi Arabia, Al-Waha, began initial production in the third quarter of 2009, operating polypropylene and PDH manufacturing plants in Al-Jubail Industrial City. We own 21% of the joint venture, with 75% owned by Sahara Petrochemical Company and a small percentage by another party. The JV uses our most advanced polypropylene technology, the *Spherizone* process. We initially are the exclusive marketer for polypropylene produced by the joint venture that is sold outside of Saudi Arabia.

HMC, our joint venture in Thailand with Thai state oil company PTT, operates a polypropylene plant with an annual capacity of 990 million pounds, and has constructed a new PDH plant with an annual capacity of 660 million pounds and a new polypropylene plant using our newest proprietary *Spherizone* technology with a capacity of 660 million pounds, both of which started up in 2010. We own 29% of this joint venture.

In Europe, our Orlen joint venture in Poland operates a polyolefin manufacturing facility with an annual polypropylene capacity of 880 million pounds and an annual PE capacity of 945 million pounds, including 705 million pounds of HDPE and 240 million pounds of LDPE. We own 50% of this joint venture and market all of the product sales outside of Poland.

We have a joint venture, PolyPacific Pty., which operates two PP compounding facilities, one in Australia and one in Malaysia, with annual PP compounding capacities of 110 million pounds and 55 million pounds, respectively. We own 50% of this joint venture, and the joint venture markets all of the PP compounds production.

In Japan, we have a joint venture, SunAllomer, which operates two polypropylene facilities with an annual capacity of 800 million pounds and a PP compounding facility with an annual PP compounding capacity of 110 million pounds. We own 50% of this joint venture and market a portion of the polypropylene.

In South Korea, we have a joint venture, PolyMirae, which operates a polypropylene facility with an annual capacity of 1.54 billion pounds. We own 35% of this joint venture and another 7% via our participation in SunAllomer, which holds 15% of PolyMirae.

Raw Materials

Raw material cost is the largest component of the total cost for the production of ethylene and its co-products. The primary raw materials used in our European olefin facilities are heavy liquids and, for our Saudi joint venture facilities, NGLs. NGLs include ethane, propane and butane. The use of heavy liquid raw materials results in the production of a significant amount of co-products such as propylene, butadiene, and gasoline blending components, while the use of NGLs results in the production of a smaller amount of co-products, such as propylene.

The principal raw materials used by our polyolefin and *Catalloy* process resins businesses are propylene and ethylene. In Western Europe, we have the capacity to produce approximately 50% of the propylene requirements of our European polypropylene business and essentially all of the ethylene requirements of our European PE business. European propylene and ethylene requirements that are not produced internally are purchased pursuant to long-term contracts with third-party suppliers and are delivered via pipeline. Prices under these third-party contracts are market related and are negotiated monthly, and are generally based on published market indicators, normally with discounts.

In our wholly owned operations in Australia, greater than 90% of our propylene normally comes from third-party refinery grade propylene purchased under long-term contracts linked to Saudi or Singapore fuel markers and is processed at our integrated splitters located on each manufacturing site. Some of our international joint ventures

receive propylene from their local shareholders under long-term contracts. The remaining supply for the joint ventures is purchased from local suppliers under long-term contracts and some spot purchases. For the new joint ventures, we aim to achieve integration of monomer and polymer production. For example, our first Saudi polyolefin joint venture, SPC, which commenced production in 2004, operates a

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PDH unit fed with competitively priced propane. The Al-Waha joint venture is based on the same structure, while the SEPC joint venture is based on an integrated complex, including a gas cracker utilizing cost advantaged Saudi Arabian propane and ethane.

The raw materials for polyolefins are, in general, commodity chemicals with numerous bulk suppliers and ready availability at competitive prices.

A significant portion of our raw materials for our PP compounds are polypropylene and other polymers (primarily *Catalloy* process resins). Our PP compounding facilities generally receive their polypropylene and other polymers directly from one of our wholly owned or joint venture facilities via truck or rail car. In addition, there are four sites (two in Europe, one in North America and one in South America) that have both polypropylene and PP compounding operations co-located, thereby minimizing product handling. PB-1 raw materials are sourced solely from external supply.

Industry Dynamics / Competition

After a relatively strong start in 2008, demand in late 2008 fell rapidly as the global economies slid quickly into a deep recession. The relatively depressed conditions continued through 2009 and are expected to continue into 2010. We estimate that ethylene operating rates for Europe were approximately 80% in 2009, and are forecasted to rise to 90% in 2014, while PE and polypropylene operating rates were each approximately 79% in 2009, and are forecasted to rise to 88% and 86%, respectively, in 2014. Capacity share figures for us and our competitors, discussed below, are based on completed production facilities and, where appropriate, include our proportionate share of joint venture facilities and certain long-term supply arrangements.

Our ethylene rated capacity in Western Europe at December 31, 2009 was approximately 4.2 billion pounds per year, or approximately 8% of the 54 billion pounds per year of total Western Europe ethylene production capacity. Based on these published rated production capacities, we are the seventh largest producer of ethylene in Western Europe. In Western Europe, key ethylene competitors include INEOS, Dow, Polimeri Europa, Total S.A. (Total), SABIC, Shell, BASF and ExxonMobil.

Based on published data regarding polypropylene capacity, we believe that we are the largest producer of polypropylene in Western Europe as of December 31, 2009, with 5.4 billion pounds per year of capacity, or approximately 24% of the European capacity for polypropylene. Our largest competitors for sales of polypropylene are Polimeri Europa, Total, SABIC, INEOS and Dow.

With respect to PE, we believe that we are the largest producer of PE in Western Europe as of December 31, 2009, with 4.1 billion pounds per year of capacity, or approximately 12% of capacity for PE (HDPE and LDPE only), based on published data regarding PE capacity. Our largest competitors for sales of PE are INEOS, SABIC, Total, Polimeri Europe, Repsol, ExxonMobil and Dow.

We believe we are the largest PP compounds producer in the world with 2.3 billion pounds (which includes our proportionate share of joint ventures) of installed annual capacity as of December 31, 2009. Approximately 54% of our PP compounding capacity is in Europe, 20% is in North America, and 26% is in the rest of the world (including the capacity of our joint ventures). Our competitors for sales of PP compounds are SABIC, Borealis, ExxonMobil, Washington Penn, Mitsui, A. Schulman, Sumitomo Chemical Co., Ltd. (Sumitomo) and many other independent companies.

Our 110 million pound PB-1 capacity competes with a limited number of smaller polybutene producers, of which Mitsui is the largest. The unique balance of flexibility and toughness of PB-1 in this application makes it fit for the

high end of the piping market. In the specialty area, PB-1 competes with a number of proprietary and sophisticated polymers, plastomers and elastomers, depending on the specific application.

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Intermediates and Derivatives Segment

Overview

Our I&D segment produces and markets PO and its co-products and derivatives, acetyls and ethylene oxide and its derivatives. PO co-products include SM and the TBA intermediates TBA (TBA, oxyfuels (which is managed in the Refining and Oxyfuels segment), isobutylene and TBHP), and PO derivatives include PG, PGE and BDO. We believe that our proprietary PO and acetyls production process technologies provide us with a cost advantaged position for these products and their derivatives. In 2009, our I&D segment generated $3.8 billion of revenues (excluding inter-segment revenue).

Including joint venture facilities, we produce PO, its co-products and derivatives at two sites in Texas, two sites in The Netherlands, one in Japan and one in France. We produce our PO through two distinct technologies based on indirect oxidation processes that yield co-products. One process yields TBA as the co-product; the other process yields SM as the co-product. The two technologies are mutually exclusive, necessitating that a manufacturing facility be dedicated either to PO/TBA or to PO/SM. Isobutylene and TBHP are derivatives of TBA. MTBE and ETBE are other derivatives of TBA and are gasoline blending components reported in our Refining and Oxyfuels segment. PG, PGE and BDO are derivatives of PO. PG collectively refers to mono-propylene glycol (MPG), PG meeting U.S. pharmacopeia standards and several grades of dipropylene glycol (DPG) and tri-propylene glycol (TPG).

We also produced flavor and fragrance chemicals until our sale of that business in December 2010.

The chart below shows our position and capacities in key I&D businesses:

Sources: CMAI; LyondellBasell AF s internal data

Note: Capacities are as of December 31, 2009. Positions are based on wholly owned capacity and pro rata share of joint venture capacity.

The following table outlines:

- the primary products of our I&D segment;
- annual processing capacity as of December 31, 2009, unless otherwise noted; and
- the primary uses for those products.

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See Description of Properties for the locations where we produce the primary products of our I&D segment. Annual processing capacity as of December 31, 2009 was calculated by estimating the average number of days in a typical year that a production unit of a plant is expected to operate, after allowing for downtime for regular maintenance, and multiplying that number by an amount equal to the unit s optimal daily output based on the design raw material mix. Because the processing capacity of a production unit is an estimated amount, actual production volumes may be more or less than the capacities set forth below. Except as indicated, capacities shown include 100% of the capacity of joint venture facilities.

Product	Annual Capacity	Primary Uses
Propylene Oxide (PO)	4.6 billion pounds(1)	PO is a key component of polyols, PG, PGE and BDO
PO Co-Products:		
Styrene Monomer (SM)	5.1 billion pounds(2)	SM is used to produce plastics, such as expandable polystyrene for packaging, foam cups and containers, insulation products and durables and engineering resins
TBA Derivative Isobutylene	1.4 billion pounds(3)	Isobutylene is a derivative of TBA used in the manufacture of synthetic rubber as well as fuel and lubricant additives, such as MTBE and ETBE
PO Derivatives:		
Propylene Glycol (PG)	1.2 billion pounds(4)	PG is used to produce unsaturated polyester resins for bathroom fixtures and boat hulls; lower toxicity antifreeze, coolants and aircraft deicers; and cosmetics and cleaners
Propylene Glycol Ethers (PGE)	545 million pounds(5)	PGE are used as solvents for paints, coatings, cleaners and a variety of electronics applications
Butanediol (BDO)	395 million pounds	BDO is used in the manufacture of engineering resins, films, personal care products, pharmaceuticals, coatings, solvents and adhesives
Acetyls:		
Vinyl Acetate Monomer (VAM)	700 million pounds	VAM is a petrochemical product used to produce a variety of polymers products used in adhesives, water-based paint, textile coatings and paper coatings
Acetic Acid	1.2 billion pounds	Acetic acid is a raw material used to produce VAM, terephthalic acid (used to produce polyester for textiles and plastic bottles), industrial solvents and a variety of other chemicals
Methanol	190 million gallons(6)	Methanol is a raw material used to produce acetic acid, MTBE, formaldehyde and several other products
Ethylene Derivatives:		
Ethylene Oxide (EO)	0.8 billion pounds EO equivalents; 400 million pounds as pure EO(7)	EO is used to produce surfactants, industrial cleaners, cosmetics, emulsifiers, paint, heat transfer fluids and ethylene glycol
Ethylene Glycol (EG)	0.7 billion pounds(7)	EG is used to produce polyester fibers and film, polyethylene terephthalate resin, heat transfer fluids and automobile antifreeze

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Product	Annual Capacity	Primary Uses
Other Ethylene Oxide Derivatives	225 million pounds	EO derivatives include ethylene glycol ethers and ethanolamines, and are used to produce paint and coatings, polishes, solvents and chemical intermediates
Other:		
Flavor and Fragrance Chemicals[8]		Flavor and fragrance chemicals include terpene-based fragrance ingredients and flavor ingredients, primarily for the oral care markets, and also include products used in applications such as chemical reaction agents, or initiators, for the rubber industry and solvents and cleaners, such as pine oil, for the hard surface cleaner markets

(1) Includes (1) 100% of the 385 million pounds of capacity of Nihon Oxirane Co. Ltd. (Nihon Oxirane), a joint venture of which we own 40%; (2) 1.5 billion pounds of capacity that represents Bayer Corporation s (Bayer) share of PO production from the Channelview PO/SM I plant and the Bayport, Texas PO/TBA plants under the U.S. PO manufacturing joint venture (the U.S. PO Joint Venture) between Lyondell Chemical and Bayer; and (3) 100% of the 690 million pounds of capacity of the Maasvlakte PO/SM plant, which is owned by the European PO manufacturing joint venture (the European PO Joint Venture) with Bayer, as to which Bayer has the right to 50% of the production. Our net proportionate interest in PO capacity is approximately 2.5 billion pounds. See Joint Venture Relationships.

(2) Includes (1) approximately 700 million pounds of SM production from the Channelview PO/SM II plant that is committed to unrelated equity investors under processing agreements; (2) 100% of the 830 million pounds of capacity of Nihon Oxirane; and (3) 100% of the 1.5 billion pounds of capacity of the Maasvlakte PO/SM plant. Our net proportionate interest in SM capacity, which includes the European PO Joint Venture with Bayer, is approximately 3.2 billion pounds. See Joint Venture Relationships.

(3) Represents total high-purity isobutylene capacity and purified isobutylene capacity.

(4) PG capacity includes 100% of the approximately 220 million pounds of capacity of Nihon Oxirane. Our net proportionate interest in PG capacity is approximately 1 billion pounds. The capacity stated is MPG capacity. Smaller quantities of DPG and TPG are co-produced with MPG. At our facilities in the U.S. and Europe, these DPG and TPG products are purified and marketed. See Joint Venture Relationships.

(5) Includes 100% of the 110 million pounds associated with a marketing arrangement with Shiny Chemical Co., Ltd. (Shiny).

(6) Represents 100% of the methanol capacity at the La Porte, Texas facility, which is owned by La Porte Methanol Company, a partnership owned 85% by us and 15% by Linde AG (Linde).

(7) Excludes the Beaumont, Texas facility owned by PD Glycol, a 50/50 partnership between Equistar Chemicals LP and E. I. du Pont de Nemours and Company (DuPont). The PD Glycol facility has not operated since it was damaged by Hurricane Ike in 2008 and will not operate in the future.

(8) Our flavor and fragrance chemicals business was sold in December 2010.

Sales & Marketing / Customers

In 2009, no single I&D segment customer accounted for 10% or more of LyondellBasell AF s total revenues.

Including joint ventures, we produce PO, its co-products, and its derivatives at two sites in The Netherlands, two sites in the U.S., one site in France and one site in Japan. We estimate, based in part on published data, that worldwide demand for PO was approximately 13.3 billion pounds in 2009. More than 75% of that volume was consumed in the manufacture of three families of PO derivative products: polyols, glycols and glycol ethers. The remainder was consumed in the manufacture of performance products, including BDO and its derivatives.

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We produce and deliver our PO and PO co-products through sales agreements, processing agreements and spot sales as well as product exchanges. We have a number of multi-year processing (or tolling) and sales agreements to mitigate the adverse impact of competitive factors and economic business cycles on demand for our PO. In addition, Bayer s ownership interest in the U.S. PO Joint Venture, which operates four of the U.S. operating units, represents ownership of an in-kind portion of the PO production. Bayer also has the right to 50% of the production of one of the facilities in The Netherlands. See Joint Venture Relationships. Our PO derivatives are sold through market-based sales contracts and spot sales. PO sold in the merchant market accounted for less than 10% of LyondellBasell AF s total revenues in 2009.

Production levels at the PO/SM and PO/TBA co-product production facilities are primarily determined by the demand for PO and PO derivatives. The resulting production levels of co-product SM and TBA and its derivatives (isobutylene and TBHP), which are reported in the I&D segment, and MTBE and ETBE, (which are reported in the Refining and Oxyfuels segment) thus depend primarily on the demand for PO and PO derivatives and secondarily on the relative market demand for SM, isobutylene, MTBE and ETBE, as well as the operational flexibility of our multiple production facilities in meeting this demand. See Description of Business Refining and Oxyfuels Segment for additional information about the production of MTBE and ETBE.

Based on published data, worldwide demand for SM in 2009 is estimated to have been approximately 52 billion pounds. SM accounted for less than 10% of LyondellBasell AF s total revenues in 2009. We sell most of our SM production into the North American and European merchant markets and to Asian and South American export markets through long-term sales contracts and processing agreements. See Joint Venture Relationships.

We purchase SM for resale, when necessary, to satisfy customer demand for this co-product above co-product production levels. Volumes of SM purchases made for resale can vary significantly from period to period. However, purchased volumes have not historically had a significant impact on profits.

Our I&D segment converts most of its TBA, which is produced as a co-product to the PO process, to isobutylene and sells some of the TBA into the market. Over half of the isobutylene from the I&D segment is reacted with methanol or ethanol to produce MTBE and ETBE, which is marketed by the Refining and Oxyfuels segment. The remaining isobutylene is converted and sold as high purity and purity grade isobutylene by the I&D segment. Isobutylene sales accounted for less than 10% of LyondellBasell AF s total revenues in 2009.

Sales of our PO, its co-products, and its derivatives are made by us, Nihon Oxirane (a joint venture of which we own 40%) and their affiliates directly, and through distributors and independent agents located in the Americas, Europe, the Middle East, Africa and the Asia Pacific region. We have centralized certain sales and order fulfillment functions in regional customer service centers located in Houston, Texas, Rotterdam, The Netherlands, and Hong Kong, China. We also have long-term contracts for distribution and logistics to ensure reliable and efficient supply to our customers. PO, PG and SM are transported by barge, ocean going vessel, pipeline, rail car and tank truck. BDO is primarily transported by tank truck and rail car.

Acetic acid and vinyl acetate monomer (VAM) are manufactured at a facility in La Porte, Texas, and are consumed internally, sold worldwide generally under multi-year contracts and sold on a spot basis. Acetic acid and VAM are shipped by barge, ocean going vessel, pipeline, rail car and tank truck. We have bulk storage arrangements in Europe and South America to better serve our customers requirements in those regions. Sales are made through a direct sales force, agents and distributors. Sales of acetyls, including VAM, collectively accounted for less than 10% of LyondellBasell AF s total revenues in 2009.

We estimate based on published data that worldwide demand in 2009 for acetic acid and VAM was 20 billion pounds and 10 billion pounds, respectively.

Methanol is produced at a La Porte, Texas facility owned by La Porte Methanol Company, our 85% owned joint venture with Linde. Each party to the joint venture receives its respective share of the methanol production. Our acetyls business uses the methanol as a raw material for acetic acid and also sells the

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methanol under annual contracts and on a spot basis to large U.S. customers. The product is shipped by barge and pipeline.

Ethylene oxide (EO) or EO equivalents, and EO s primary derivative, ethylene glycol (EG), are produced at a wholly owned facility located in Bayport, Texas. The Bayport facility also produces other derivatives of EO, principally glycol ethers and ethanolamines. A second facility, PD Glycol, was a 50/50 joint venture with DuPont and held an EO/EG asset in Beaumont, Texas. The plant has not operated since it was damaged during Hurricane Ike in September 2008 and will not operate in the future. By order dated August 11, 2009, the Bankruptcy Court approved an agreement between Equistar, PD Glycol and DuPont, which provided, among other things, that (i) certain agreements between Equistar Chemicals LP and PD Glycol are rejected; (ii) Equistar Chemicals LP s general partnership interest in PD Glycol is converted into a limited partnership interest; and (iii) PD Glycol will be dissolved as expeditiously as commercially practicable.

EO and EG typically are sold under multi-year contracts, with market-based pricing. Glycol ethers and ethanolamines are sold primarily into the solvent and distributor markets at market prices. EO is shipped by rail car, and its derivatives are shipped by rail car, truck, isotank or ocean-going vessel. EO and EG sales accounted for less than 10% of LyondellBasell AF s total revenues in 2009.

The vast majority of the ethylene derivative products are sold in North America and Asia, primarily through our sales organizations.

Joint Venture Relationships

The following table describes our I&D segment s significant manufacturing joint venture relationships.

Name	Location	Other Parties	LyondellBasell Ownership	Product	2009 Capacity (1) (In millions of pounds unless noted)
U.S. PO Joint Venture	Channelview, TX Bayport, TX	Bayer		Propylene Oxide	1,500(3)
European PO Joint Venture	Rotterdam, The Netherlands	Bayer	50%	Propylene Oxide Styrene Monomer	690 1,480
PO/ SM II LP	Channelview, TX	IPIC & BASF		Styrene Monomer	700(3)
Nihon Oxirane	Chiba, Japan	Sumitomo	40%	Propylene Oxide Styrene Monomer Propylene Glycol	385 830 220
Ningbo ZRCC LCC Ltd.(2)	Ningbo, China	ZRCC	27%	Propylene Oxide Styrene Monomer	600 1,300
La Porte Methanol	La Porte, TX	Linde	85%	Methanol	190 million gallons

(1) Unless otherwise noted, represents the joint venture s total capacity and not our proportional capacity.

(2) Start-up occurred in mid-2010.

(3) Amount of off-take by other parties in the joint venture.

On March 31, 2000, we contributed our Channelview, Texas, PO/SM I facility and our Bayport, Texas, PO/TBA facilities to the U.S. PO Joint Venture. Bayer s ownership interest in the U.S. PO Joint Venture represented ownership of 1.5 billion pounds of PO production annually as of December 31, 2009. We take, in-kind, the remaining PO production and all co-product (SM and TBA) production from the U.S. PO Joint Venture. As part of the transaction, Lyondell Chemical and Bayer also formed a separate joint venture, the PO Technology Joint Venture, through which Bayer was granted a non-exclusive and non-transferable right to use certain of our proprietary PO technology in the U.S. PO Joint Venture. Under the terms of operating and logistics agreements, we operate the U.S. PO Joint Venture plants and arrange and coordinate the logistics of PO delivery from the plants. We do not share marketing or product sales with Bayer under the U.S. PO Joint Venture.

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Lyondell Chemical and Bayer also formed a separate 50/50 joint venture, the European PO Joint Venture, for the construction and ownership of the Maasvlakte PO/SM plant near Rotterdam, The Netherlands, which began production in 2003. Each party takes in-kind 50% of the PO and SM production of the European PO Joint Venture.

Lyondell Chemical s PO/SM II plant at the Channelview, Texas complex was created through a joint venture among Lyondell Chemical and unrelated equity investors. Lyondell Chemical retains a majority interest in the PO/SM II plant and is the operator of the plant. A portion of the SM output of the PO/SM II plant is committed to the unrelated equity investors under processing agreements. As of December 31, 2009, Lyondell Chemical had 700 million pounds of SM capacity committed to unrelated equity investors under these processing arrangements.

We have a 40% equity interest in Nihon Oxirane, a joint venture in Japan formed by Lyondell Chemical and Sumitomo. Since 1976, Nihon Oxirane has operated a PO/SM plant in Chiba, Japan. In 2005, Nihon Oxirane began production at its new PG plant in Chiba, Japan, with an annual PG capacity of 220 million pounds. Through the formation of Nihon Oxirane Company Asia (NOCA), we also will participate in marketing most of the PO capacity from a new 440 million pound facility constructed in Rabigh, Saudi Arabia by Sumitomo and Saudi Aramco, which began operations at the end of 2009. We have a 40% equity interest in NOCA.

During 2007, Lyondell Chemical announced the formation of a joint venture with Sinopec Zhenhai Refining & Chemical Co., Ltd. (ZRCC) for the construction of a world-scale PO/SM facility in Ningbo, China, construction of which was completed in 2010. The new facility has an annual PO production capacity of 600 million pounds and an annual SM production capacity of 1.3 billion pounds. Lyondell Chemical contributed a license right to its proprietary PO/SM technology in exchange for approximately 27% ownership of the venture. We will jointly market all the PO manufactured by the new facility with ZRCC.

We also have a multi-year processing agreement, entered into by Lyondell Chemical and Shiny, whereby we provide the raw materials used to produce the PGE at Shiny s PGE plant in Tainan, Taiwan. Shiny s PGE plant, which is based on our technology, commenced production during 2007.

Raw Materials

The primary raw materials used for the production of PO and its co-products and derivatives are propylene, mixed butane, ethylene and benzene. The market prices of these raw materials historically have been related to the price of crude oil and its principal refinery derivatives, NGLs and natural gas, as well as market conditions for these materials. These materials are received in bulk quantities via pipeline or ocean going vessels.

In the U.S., we obtain a large portion of our propylene, benzene and ethylene raw materials needed for the production of PO and its co-products and derivatives internally from our ethylene and ethylene co-products facilities. Raw materials for the non-U.S. production of PO and its co-products and derivatives primarily are obtained from unrelated parties. We consume a significant portion of our internally-produced PO in the production of PO derivatives.

We consume large volumes of mixed butane for the production of PO and its co-products and derivatives. We have invested in facilities, or entered into processing agreements with unrelated parties, to convert the widely available commodity, normal butane, to isobutane. We also are a large consumer of oxygen for our PO/TBA plants.

The cost of raw materials generally is the largest component of total production cost for PO and its co-products and derivatives. Generally, the raw material requirements for these businesses are purchased at market-based prices from numerous suppliers in the U.S. and Europe with which we have established contractual relationships, as well as in the spot market. The raw materials for these businesses are, in general, commodity chemicals with ready availability at competitive prices. Historically, raw material availability has not been an issue. However, in order to enhance

reliability and competitiveness of prices and rates for supplies

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of raw materials, industrial gas and other utilities, we have long-term agreements and other arrangements for a substantial portion of our production requirements.

The primary raw materials required for the production of acetic acid are carbon monoxide and methanol. We purchase the carbon monoxide from Linde pursuant to a long-term contract under which pricing is based primarily on cost of production. La Porte Methanol Company, our 85%-owned joint venture, supplies all of the methanol requirements for acetyls production. Natural gas is the primary raw material required for the production of methanol.

In addition to ethylene, acetic acid is a primary raw material for the production of VAM. For the production of VAM, we obtain our entire requirements for acetic acid and ethylene from our internal production. In 2009, we used a large percentage of our acetic acid production to produce VAM.

Industry Dynamics / Competition

With respect to PO, its co-products and derivatives, competition is based on a variety of factors, including product quality and price, reliability of supply, technical support, customer service and potential substitute materials. Profitability is affected by the worldwide level of demand along with price competition, which may intensify due to, among other things, new industry capacity. From 2010 to 2014, approximately 1.9 billion pounds of new industry PO capacity, or approximately 10% of 2009 worldwide PO capacity, is expected to be added, with approximately half of these additions in the Middle East and China. During this period, the average annual world demand growth is expected to be approximately 4%. However, demand is a function of worldwide economic growth, which fluctuates. The PO demand growth rate also could be impacted by further development of alternative bio-based PO derivatives. It is not possible to predict accurately the changes in raw material costs, market conditions and other factors that will affect industry profitability in the future. Worldwide PO operating rates were approximately 70% during 2009, and our current forecast is that it will rise to 92% in 2014. Capacity share figures for us and our competitors, discussed below, are based on completed production facilities and, where appropriate, include the proportionate share of joint venture facilities and certain supply arrangements.

Based on published data regarding PO capacity, we believe that, including our share of Nihon Oxirane and the European PO Joint Venture, we are the second largest producer of PO worldwide, with approximately 13% of the total worldwide capacity for PO. Our major worldwide competitors for sales of PO and its derivatives are Dow and Shell.

Based on published data regarding SM capacity, we believe that we are one of the largest producers of SM worldwide, with approximately 5% of the total worldwide capacity for SM as of December 31, 2009. We compete worldwide for sales of SM with many marketers and producers, among which are BASF, Dow, Shell and Total.

We believe that we are the fourth and fifth largest producer of acetic acid and VAM, respectively, each with approximately 5% of the total worldwide capacity as of December 31, 2009. Our primary competitors include Celanese and BP for acetic acid and Celanese, ZRCC, Dow and DuPont for VAM.

Technology Segment

Overview

Access to appropriate production process technology and catalysts is a key requirement for polyolefin and chemicals producers. Our Technology segment develops and licenses industry leading polyolefin process technologies and provides associated engineering and other services. Our Technology segment further develops, manufactures and sells polyolefin catalysts, providing polyolefin manufacturers with the capability to produce polyolefins. We market our process technologies and our polyolefin catalysts to external customers and also use them for our own manufacturing

operations. Our ability to offer a complete PE and polypropylene

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technology portfolio enables polyolefin manufacturers to have a single provider for polyolefin processes technologies and catalyst systems. In 2009, our Technology segment generated operating revenues of $436 million (excluding inter-segment revenue).

Our process licenses are structured to provide a standard core technology, with individual customer needs met by adding customized modules that provide the required capabilities to produce the defined production grade slate and plant capacity. For licenses involving proven technologies, we typically receive the majority of our license fees in cash at or before the date of customer acceptance. For these licenses, we generally recognize revenue upon delivery of the process design package and the related license. Each license agreement includes long-term confidentiality provisions to protect the technology. In addition to the basic license agreement, a range of services can also be provided including project assistance, training, start-up assistance of the plant and possible supply of resins from our production for pre-marketing by the licensee. We may also offer marketing and sales services. In addition, licensees generally continue to purchase polyolefin catalysts that are consumed in the production process, generally under long-term catalyst supply agreements with us.

The chart below shows our position and installed capacity share in key polyolefin technology businesses:

Source: LyondellBasell AF s internal estimates

Note: Capacities are as of December 31, 2008.

Process Technology Licensing

We are a leading licensor of polyolefin process technologies. Our polypropylene licensing portfolio includes our *Spheripol* and the more recently introduced *Spherizone* process technologies and the *Metocene* technology. Our PE licensing process portfolio focuses on the *Lupotech T* (high pressure tubular process for LDPE production), the *Lupotech A* (autoclave process mainly for ethylene vinyl acetate (EVA) copolymers), *Hostalen* (slurry process for multimodal HDPE production), and *Spherilene* (gas phase process for LLDPE to HDPE production) processes, all of which cover a wide range of PE products for the worldwide market. We also license a portfolio of chemical process technologies in the fields of olefin recovery, olefin conversion, aromatics extraction and acetyls.

Since the formation of Basell in 2000 and through December 31, 2009, we have sold licenses representing approximately 25 million tons of polyolefin capacity, which represents more than 40% of worldwide capacity growth. In 2009, we entered into licensing agreements representing more than one million tons of polyolefin capacity. Process licenses accounted for less than 10% of LyondellBasell AF s total revenues in 2009.

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Our Technology segment also provides technology services to our licensees. Such services include training and start-up assistance, engineering services for process and product improvements and manufacturing troubleshooting.

Polypropylene Process Technology

We license several polypropylene process technologies, including *Spheripol*, *Spherizone* and *Metocene*.

Our *Spheripol* technology produces homopolymers and random copolymers in a single stage and impact copolymers in a multi-stage process. We believe that Spheripol is the most widely used polypropylene production process in the world.

Spherizone , our newest process, commercialized in 2002 and introduced for licensing in 2003, is able to produce higher quality polypropylene and a wider product grade range than existing processes at similar operating cost. The *Spherizone* process introduces a single reactor concept, in which bimodality is created within one single reactor operating at different conditions between the different zones inside the reactor. The final product is a result of an intimate mixing of the different property determining phases at a macro molecular level.

Metocene polypropylene technology was introduced for licensing in 2006. This technology is used in the production of polypropylene based on single-site catalyst systems. *Metocene* technology can be adapted to virtually any polypropylene process, and its versatility expands the end use product range of conventional polypropylene. In 2009, Polymirae became the first licensee to commence commercial production of *Metocene*.

Polyethylene Processes Technology

The different families of PE (HDPE, LDPE and LLDPE) require specialized process technologies for production, which are available through our broad PE process licensing portfolio. The portfolio includes *Lupotech*, *Spherilene* and *Hostalen* process technologies.

Lupotech T is a leading high pressure, tubular reactor process for the production of LDPE. This high pressure technology does not use a catalyst system typical for low pressure processes, but rather peroxide-initiators to polymerize ethylene and optionally vinyl acetate (VAM) for EVA-copolymers. By adjusting the temperature profile along the reactor and adding different peroxide mixtures, process conditions are modified to produce the desired products. The process produces the entire melt flow ratio and density range of LDPEs with low investment costs and low utilities and raw material demand.

Lupotech A is a high pressure autoclave process using peroxide mixture for polymerization and is mainly utilized for specialty LDPE and for the production of EVA copolymers with high VAM content.

Spherilene is an advanced swing gas phase process for the production of LLDPE, MDPE and monomodal and bimodal HDPE. This process represents a highly flexible technology platform for production of grades from low-cost commodity to the most sophisticated high performance PE. The process provides easier and lower cost product grade change and reduces environmental impact.

Hostalen is a leading low-pressure slurry cascade process for the production of high-end multimodal HDPE. This is desirable because a different product structure can be produced in each stage of the polymerization process, yielding products that are tailored for sophisticated end use applications in three main application fields: pipe, blow molding and film.

Chemical Process Technologies

We also offer for licensing several chemical process technologies, including *Vacido*, *Glacido*, *Isomplus* and *Superflex*.

Vacido is a fixed-bed tubular process for the production of high-quality VAM, from acetic acid and ethylene. It utilizes a proprietary heterogeneous catalyst system.

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Glacido is a process technology for manufacturing of acetic acid by carbonylation of methanol. It utilizes a Rhodium-based homogeneous catalyst system.

Isomplus is a skeletal isomerisation process to convert linear olefins into branched ones. A zeolite-based catalyst provides conversion of normal butenes and pentenes to isobutylene and isoamylene, respectively.

Superflex technology is a process for the production of propylene from less refined feedstock such as coker or fluid catalytic cracking unit light gasoline as well as mixed C_4 and C_5 streams. The process is based on a fluidized catalytic reactor.

We also offer process technology for recovery of butadiene, C_5chemicals and aromatics.

Polyolefin Catalysts

Under the *Avant* brand, we are a leading manufacturer and supplier of polyolefin catalysts. Polyolefin catalysts accounted for less than 10% of LyondellBasell AF s total revenues in 2009. As a large polyolefin producer, approximately 30% of catalyst sales are inter-divisional. Polyolefin catalysts are packaged and shipped via road, sea or air to our customers.

We produce catalysts at two facilities in Germany, one facility in Italy and one facility in the U.S. Our polyolefin catalysts, which are consumed during the polyolefin production process and define the processing and mechanical properties of polyolefins, provide enhanced performance for our process technologies and are being developed to enhance performance when used in third-party process technologies. We also supply catalysts for producing sophisticated PEs.

One of our core competencies is our strength in the manufacturing and use of proprietary catalyst supports. Supports are a key ingredient in the production of high efficiency polyolefin catalysts that enhance process performance.

Our customers continually purchase polyolefin catalysts because they are consumed during the polyolefin production process. New licensees generally elect to enter into long-term catalyst supply agreements with us, as customers look primarily for top performance over an extended period of time and compatibility with the acquired technology. Our advanced catalysts provide enhanced performance for our process technologies and may also enhance performance when used in third-party processes.

Sales & Marketing

In 2009, no single Technology segment customer accounted for 10% or more of LyondellBasell AF s total revenues. We market our process technologies and catalysts to external customers and also use them for our own polyolefin manufacturing operations. Our ability to offer both PE and polypropylene technologies enables polyolefin manufacturers to have a single provider for polyolefin processes technologies and catalyst systems. We have a marketing and sales force dedicated to the Technology segment, including catalyst sales and customer technical support for licensees.

Industry Dynamics / Competition

We believe that competition in the polyolefin process licensing industry is based on the quality and efficiency of the process technology, product performance and product application, complemented by customer service and technical support. We are the leading licensor of polypropylene process technologies, and we believe we are the only licensor offering the full range of process technologies for production of all polypropylene and PE product families. Since the

formation of Basell in 2000 through December 31, 2009, we have sold licenses representing approximately 25 million tons of capacity based on its six process technologies to polyolefin manufacturers. We estimate that approximately 43% of polypropylene and 35% of PE worldwide licensed capacity from 2003 through 2009 use our technologies. As of December 31, 2009, we estimate that over 200 polyolefin production lines use our licensed process technologies. Our major competitors in polypropylene technologies licensing are Dow Chemical, INEOS, Novelen Technology Holdings and Mitsui

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Chemicals. Our major competitors in PE technologies licensing are ChevronPhillips, INEOS, Mitsui Chemicals and Univation Technologies.

We are one of the world s largest manufacturers and suppliers of polypropylene catalysts. We also supply catalysts for producing sophisticated PEs. Our major competitors in the worldwide catalyst business are Dow Chemical, BASF, Mitsui Chemicals, Toho Catalyst and WR Grace.

Research and Development

We develop and commercialize state-of-the-art chemicals and polyolefin process technologies, catalysts and products worldwide.

Our research and development activities are designed to improve our existing products and discover and commercialize new materials, catalysts and processes. These activities focus on product and application development, process development, catalyst development and fundamental polyolefin focused research.

We have four research and development facilities, each with a specific focus. Our facility in Frankfurt, Germany focuses on PE and metallocene catalysts. Our facility in Ferrara, Italy focuses on polypropylene, PB-1, PP compounds and Ziegler-Natta catalysts. Our facility in Cincinnati, Ohio focuses on polyolefin product and application development in North America. Our center in Newtown Square, Pennsylvania develops chemical catalysts and technologies.

Our financial performance and market position depend in substantial part on our ability to improve our existing products and discover and commercialize new materials, catalysts and processes. Our research and development activities are designed to deliver innovative and commercially relevant technologies at a competitive cost to our business segments. Our research and development is organized by core competence communities that manage and provide resources for projects, intellectual property and catalyst manufacturing. These include:

Catalyst systems: catalyst research to enhance our polyolefin polymer properties, catalyst and process performance, including Ziegler Natta, chromium and metallocene catalyst.

Manufacturing platforms: research to advance process development and pilot plant integration to industrialize technology with increased polymer properties.

Product and application development: working directly with customers to provide new products with enhanced properties.

Processing testing and characterization: research to increase knowledge on polymers from production to processability.

Process design and support: research to reduce production and investment costs while improving processability.

Chemicals and fuels technologies: research to develop and improve catalysts for existing chemical processes and improve process unit operations.

We have core research and development projects that focus on initiatives in line with our strategic direction. These projects are closely aligned with our businesses and customers with a goal of commercialization of identified opportunities. Core projects currently include research and development in areas such as:

Polypropylene product development with emphasis on the newly implemented *Spherizone* process technology.

Next generation products from existing and in-development processes, using advanced catalyst technologies including metallocenes.

Enhanced catalyst and process opportunities to extend gas phase PE technology.

Enhanced catalysts and process opportunities for selected chemical technologies.

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As of March 1, 2010, approximately 960 of our employees are directly engaged in research and development activities.

In addition to our research and development activities, we provide technical support to our customers. Our technical support centers are located in Bayreuth, Germany; Geelong, Australia; Lansing, Michigan; and Tarragona, Spain.

In 2009, 2008 and 2007, our research and development expenditures were $145 million, $194 million and $135 million, respectively. A portion of these expenses are related to technical support and customer service and are allocated primarily to the segments.

Intellectual Property

We maintain an extensive patent portfolio and continue to file new patent applications in the U.S. and other countries. As of December 31, 2009, we owned approximately 6,800 patents and patent applications worldwide. Our patents and trade secrets cover our processes, products and catalysts and are significant to our competitive position, particularly with regard to propylene oxide, intermediate chemicals, petrochemicals, polymers and our process technologies such as *Spheripol*, *Spherizone*, *Hostalen*, *Spherilene*, *Lupotech*, *Glacido*, *Vacido*, *Isomplus* and *Avant* catalyst. We own globally registered and unregistered trademarks including the LyondellBasell, Lyondell, Equistar and Houston Refining trade names. While we believe that our intellectual property provides competitive advantages, we do not regard our businesses as being materially dependent upon any single patent, trade secret or trademark. Some of our heritage production capacity operates under licenses from third parties.

We rely on patent, copyright and trade secret laws of the U.S. and other countries to protect our investment in research and development, manufacturing and marketing. Our employees working on these technologies are required to enter into agreements, or are covered by other arrangements such as collective bargaining agreements, providing for confidentiality and the assignment of rights to inventions made by them while employed by us.

Environmental Capital Expenditures

We (together with the industries in which we operate) are subject to extensive national, state, local and foreign environmental laws, regulations, directives, rules and ordinances concerning, and are required to have permits and licenses regulating, emissions to the air, discharges onto land or waters and the generation, handling, storage, transportation, treatment, disposal and remediation of hazardous substances and waste materials. In some cases, compliance with environmental, health and safety laws and regulations can only be achieved by capital expenditures. Regulatory-related capital expenditures at our facilities were $250 million, $202 million and $239 million in 2009, 2008 and 2007, respectively, and we estimate such expenditures to be approximately $233 million in 2010 and $229 million in 2011.

Our actual capital expenditures in 2009 include increased spending on projects related to air emission reductions, low sulfur fuels and wastewater management, principally at the U.S. Gulf Coast plants. Under the U.S. Clean Air Act Amendments (Clean Air Act), an eight-county gulf coast region in Texas was designated a severe non-attainment area for ozone by the U.S. Environmental Protection Agency (EPA). Emission reduction controls were installed at the Houston Refinery and each facility in the region to comply with the November 2007 deadline. Also under the Clean Air Act, the EPA adopted new standards for gasoline that required refiners to produce a low sulfur gasoline by 2006 and ultra low sulfur diesel by the end of 2009. The Houston Refinery met the 2006 low sulfur gasoline compliance target and complied with a requirement to produce 80% of on-road diesel fuel as ultra low sulfur diesel by June 2006.

Stricter environmental, safety and health laws, regulations and enforcement policies could result in increased environmental capital expenditures by us above current estimates. See Risk Factors Risks Relating to our Business Our operations and assets are subject to extensive environmental, health and safety and other laws and regulations, which could result in material costs or liabilities. For additional information regarding environmentally related capital expenditures, see Management s Discussion and Analysis of

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Financial Condition and Results of Operations Critical Accounting Policies Liabilities for Environmental Remediation Costs.

Employee Relations

As of December 31, 2009, we had approximately 14,860 full-time and part-time employees. Of these, approximately 6,120 (41%) were located in North America, approximately 7,750 (52%) were located in Europe and approximately 990 (7%) were in other locations.

As of December 31, 2009, approximately 1,020 of our employees located in North America were represented by labor unions. Approximately 50% of our unionized North American employees are covered by a collective bargaining agreement between Houston Refining LP and the United Steelworkers Union, which became effective on January 20, 2010 and expires on January 31, 2012.

The vast majority of our employees in Europe and South America are subject to staff council or works council coverage or collective bargaining agreements.

In addition to our own employees, we use the services of contractors in the routine conduct of our businesses. We believe our relations with our employees are good.

DESCRIPTION OF PROPERTIES

Our principal manufacturing facilities as of December 31, 2009 are set forth below, and are identified by the principal segment or segments using the facility. The facilities are wholly owned, except as otherwise noted below.

Location	Segment	Principal Products
Americas		
Bayport (Pasadena), Texas*	I&D	Ethylene Oxide (EO), EG and other EO derivatives
Bayport (Pasadena), Texas(1)*	I&D	Propylene Oxide (PO), Propylene Glycol (PG), Propylene Glycol Ethers (PGE), Tertiary-Butyl-Alcohol (TBA) and Isobutylene
Bayport (Pasadena), Texas*	O&P Americas	Polypropylene and *Catalloy* process resins
Brunswick, Georgia(2)	I&D	Flavor and fragrance chemicals
Channelview, Texas(3)*	O&P Americas	Ethylene, Propylene, Butadiene, Benzene and Toluene
	Refining and Oxyfuels	Alkylate and MTBE
Channelview, Texas(1)(4)*	I&D	PO, BDO, SM and Isobutylene
	Refining and Oxyfuels	ETBE
Chocolate Bayou, Texas*	O&P Americas	Polyethylene (HDPE)
Clinton, Iowa*	O&P Americas	Ethylene and Propylene Polyethylene (LDPE and HDPE)
Corpus Christi, Texas*	O&P Americas	Ethylene, Propylene, Butadiene and Benzene
Edison, New Jersey	Technology	Polyolefin catalysts

Ensenada, Argentina	O&P	Americas	Polypropylene
Ensenada, Argentina	O&P	EAI	PP compounds
Fairport Harbor, Ohio	O&P	Americas	Performance polymers
Houston, Texas*	Refining and Oxyfuels		Gasoline, Diesel, Jet Fuel and Lube Oils

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Location	Segment	Principal Products
Jackson, Tennessee	O&P EAI	PP compounds
Jacksonville, Florida(2)*	I&D	Flavor and fragrance chemicals
La Porte, Texas(5)*	O&P Americas	Ethylene and Propylene Polyethylene (LDPE and LLDPE)
La Porte, Texas(5)(6)*	I&D	VAM, acetic acid and methanol
Lake Charles, Louisiana*	O&P Americas	Polypropylene and *Catalloy* process resins
Mansfield, Texas	O&P EAI	PP compounds
Matagorda, Texas*	O&P Americas	Polyethylene (HDPE)
Morris, Illinois*	O&P Americas	Ethylene and Propylene Polyethylene (LDPE and LLDPE)
Newark, New Jersey	O&P Americas	Denatured Alcohol
Pindamonhangaba, Brazil	O&P EAI	PP compounds
Tampico, Mexico(7)	O&P Americas	Polypropylene
Tampico, Mexico(7)	O&P EAI	PP compounds
Tuscola, Illinois*	O&P Americas	Ethanol and Polyethylene (powders)
Victoria, Texas*	O&P Americas	Polyethylene (HDPE)
Europe		
Aubette, France	O&P EAI	Ethylene, Propylene and Butadiene Polypropylene and Polyethylene (LDPE)
Bayreuth, Germany	O&P EAI	PP compounds
Berre l Etang, France	Refining and Oxyfuels	Naphtha, vacuum gas oil (VGO), liquefied petroleum gas (LPG), gasoline, diesel, jet fuel, bitumen and heating oil
Botlek, Rotterdam, The Netherlands	I&D Refining and Oxyfuels	PO, PG, PGE, TBA, Isobutylene and BDO MTBE and ETBE
Brindisi, Italy	O&P EAI	Polypropylene
Carrington, U.K.	O&P EAI	Polypropylene
Ferrara, Italy	O&P EAI	Polypropylene and *Catalloy* process resins
	Technology	Polyolefin catalysts
Fos-sur-Mer, France	I&D	PO, PG and TBA
	Refining and Oxyfuels	MTBE and ETBE
Frankfurt, Germany	O&P EAI	Polyethylene (HDPE)
	Technology	Polyolefin catalysts
Knapsack, Germany	O&P EAI	Polypropylene and PP compounds
Ludwigshafen, Germany	Technology	Polyolefin catalysts
Maasvlakte (near Rotterdam), The Netherlands(8)	I&D	PO and SM
Milton Keynes, U.K.	O&P EAI	PP compounds
Moerdijk, The Netherlands	O&P EAI	*Catalloy* process resins and PB-1
Münchsmünster, Germany (9)	O&P EAI	Ethylene, Propylene Polyethylene (HDPE)

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Location	Segment	Principal Products
Plock, Poland(10)	O&P EAI	Polypropylene and Polyethylene (HDPE and LDPE)
Tarragona, Spain(11)	O&P EAI	Polypropylene and PP compounds
Terni, Italy(12)	O&P EAI	Polypropylene
Wesseling, Germany(13)*	O&P EAI	Ethylene, Propylene and Butadiene Polypropylene and Polyethylene (HDPE and LDPE)
Asia Pacific		
Chiba, Japan(14)	I&D	PO, PG and SM
Clyde, Australia	O&P EAI	Polypropylene
Geelong, Australia	O&P EAI	Polypropylene
Guangzhou, China(15)	O&P EAI	PP compounds
Kawasaki, Japan(16)	O&P EAI	Polypropylene
Map Ta Phut, Thailand(17)	O&P EAI	Polypropylene
Ningbo, China(18)	I&D	PO and SM
Oita, Japan(16)	O&P EAI	Polypropylene and PP compounds
Port Klang, Malaysia(19)	O&P EAI	PP compounds
Rayong, Thailand(20)	O&P EAI	PP compounds
Suzhou, China	O&P EAI	PP compounds
Victoria, Australia(19)	O&P EAI	PP compounds
Yeochan, Korea(21)	O&P EAI	Polypropylene
Middle East		
Jubail, Saudi Arabia(22)	O&P EAI	Propylene and Polypropylene
Jubail, Saudi Arabia(23)	O&P EAI	Propylene and Polypropylene
Jubail, Saudi Arabia(24)	O&P EAI	Ethylene and Polyethylene (LDPE and HDPE)

* The facility, or portions of the facility, as applicable, owned by us are mortgaged as collateral for indebtedness.

The facility is located on leased land.

(1) The Bayport PO/TBA plants and the Channelview PO/SM I plant are held by the U.S. PO Joint Venture between Bayer and Lyondell Chemical. These plants are located on land leased by the U.S. PO Joint Venture.

(2) The Brunswick, Georgia and Jacksonville, Florida I&D facilities were sold in December 2010.

(3) The Channelview facility has two ethylene processing units. Equistar Chemicals LP also operates a styrene maleic anhydride unit and a polybutadiene unit, which are owned by an unrelated party and are located within the Channelview facility on property leased from Equistar Chemicals, LP.

(4) Unrelated equity investors hold a minority interest in the PO/SM II plant at the Channelview facility.

(5) The La Porte facilities are on contiguous property.

(6)

The La Porte I&D facility is owned by La Porte Methanol Company, a partnership owned 15% by an unrelated party.

(7) The Tampico polypropylene facility is owned by Indelpro, a joint venture owned 51% by an unrelated party. The Tampico PP compounding plant is wholly owned by us.

(8) The Maasvlakte plant is owned by the European PO Joint Venture and is located on land leased by the European PO Joint Venture.

(9) The Münchsmünster facility was recently rebuilt following a fire in 2005.

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(10) The Plock facility is owned by Basell Orlen Polyolefins and is located on land owned by PKN/Orlen.

(11) The Tarragona polypropylene facility is located on leased land; the compounds facility is located on co-owned land.

(12) In February 2010, we announced our intentions to cease production at the Terni, Italy site.

(13) There are two steam crackers at the Wesseling, Germany site.

(14) The PO/SM plant and the PG plant located in Chiba, Japan are owned by Nihon Oxirane, a joint venture owned 60% by an unrelated party.

(15) The Guangzhou facility commenced production in 2008.

(16) The Kawasaki and Oita plants are owned by SunAllomer, a joint venture owned 50% by an unrelated party.

(17) The Map Ta Phut plant is owned by HMC, a joint venture owned 71% by unrelated parties.

(18) The Ningbo facility is owned by a joint venture with ZRCC. The facility commenced production in 2010. We have contributed a license right to our proprietary PO/SM technology in exchange for approximately 28% of the PO profitability from the facility.

(19) The Port Klang and Victoria plants are owned by PolyPacific Pty., a joint venture owned 50% by an unrelated party.

(20) The Rayong plant is owned by Basell Asia Pacific Thailand, which is owned 95% by us and 5% by our joint venture HMC.

(21) The Yeochan plant is owned by PolyMirae, a joint venture owned 57% by Daelim Industrial Co., Ltd, 14.8% by Sunallomer and the remainder by us.

(22) The Jubail and polypropylene and PDH manufacturing plant is owned by SPC, a joint venture owned 50% by an unrelated party.

(23) The Jubail *Spherizone* polypropylene and PDH manufacturing plant is owned by Al-Waha, a joint venture owned 79% by unrelated parties. The plant commenced initial production in the third quarter of 2009.

(24) The Jubail integrated PE manufacturing complex is owned by SEPC, a joint venture 75% owned by unrelated parties.

Other Locations and Properties

Our corporate seat is located in Rotterdam, The Netherlands. We have administrative offices in Rotterdam, The Netherlands and Houston, Texas. We maintain research facilities in Newtown Square, Pennsylvania; Lansing, Michigan; Cincinnati, Ohio; Ferrara, Italy and Frankfurt, Germany. Our Asia Pacific headquarters are located in Hong Kong. We also have technical support centers in Bayreuth, Germany; Geelong, Australia; Lansing, Michigan and Tarragona, Spain. We have various sales facilities worldwide.

Depending on location and market needs, our production facilities can receive primary raw materials by pipeline, rail car, truck, barge or ocean going vessel and can deliver finished products by pipeline, rail car, truck, barge, isotank, ocean going vessel or in drums. We charter ocean going vessels, own and charter barges, and lease isotanks and own and lease rail cars for the dedicated movement of products between plants, products to customers or terminals, or raw materials to plants, as necessary. We also have barge docking facilities and related terminal equipment for loading and unloading raw materials and products. We use an extensive pipeline system in Texas and Louisiana, some of which we own and some of which we lease, that connects to our manufacturing and storage facilities. We lease liquid and bulk storage and warehouse facilities at terminals in the Americas, Europe and the Asia Pacific region. We own storage capacity for NGLs, ethylene, propylene and other hydrocarbons within a salt dome in Mont Belvieu, Texas, and operate additional ethylene and propylene storage facilities with related brine facilities on leased property in Markham, Texas.

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LEGAL PROCEEDINGS

As a large, multi-national company, we, our subsidiaries and our joint ventures are named defendants in lawsuits or other contested legal proceedings, some of which are not covered by insurance, in the ordinary course of our business. Many of these suits or proceedings raise complex factual and legal issues and are subject to uncertainties. The plaintiffs in some actions make no specific claim for relief. Although final determination of legal liability and the resulting financial impact with respect to any such litigation cannot be ascertained with any degree of certainty, we do not believe that any ultimate uninsured liability resulting from these legal proceedings will individually, or in the aggregate, have a material adverse effect on our business or financial position. However, the adverse resolution in any reporting period of one or more of these suits could have a material impact on our results of operations for that period, which may be mitigated by contribution or indemnification obligations of co-defendants or others, or by any insurance coverage that may be available.

LyondellBasell AF previously was involved in various legal proceedings that were settled through the Bankruptcy Cases or the potential liabilities for such proceedings were assumed by other entities pursuant to the Bankruptcy Cases.

On April 12, 2005, BASF filed a lawsuit against Lyondell Chemical in the Superior Court of New Jersey, Morris County, asserting various claims relating to alleged breaches of a propylene oxide toll manufacturing contract and seeking damages in excess of $100 million. Lyondell Chemical denied breaching the contract and argued that at most it owed BASF nothing more than a refund of $22.5 million, which it has paid. On August 13, 2007, a jury returned a verdict in favor of BASF in the amount of approximately $170 million (inclusive of the $22.5 million refund). On October 3, 2007, the judge in the state court case determined that prejudgment interest on the verdict amounted to $36 million and issued a final judgment. Lyondell Chemical appealed the judgment and has posted an appeal bond, which is collateralized by a $200 million letter of credit.

On April 21, 2010, oral arguments in the appeal were held before the Appellate Division and in December 2010, the judgment was reversed and the case remanded to state court. We do not expect the ultimate resolution of this matter to have a material adverse effect on our consolidated financial position, liquidity, or results of operations, although it is possible that any such resolution could have a material adverse effect on our results of operation for any period in which a resolution occurs.

On December 20, 2010, one of our subsidiaries received demand letters from affiliates of Access Industries, a more than five percent shareholder of the Company. We conducted an initial investigation of the facts underlying the demand letters and engaged in discussions with Access. We requested that Access withdraw its demands with prejudice and, on January 17, 2011, Access declined to withdraw the demands, with or without prejudice.

Specifically, Access affiliates Nell Limited (Nell) and BI S.á.r.l. (BI) have demanded that LyondellBasell Industries Holdings B.V., a wholly-owned subsidiary of the Company (LBIH), indemnify them and their shareholders, members, affiliates, officers, directors, employees and other related parties for all losses, including attorney s fees and expenses, arising out of a pending lawsuit styled *Edward S. Weisfelner, as Litigation Trustee of the LB Litigation Trust v. Leonard Blavatnik, et al.*, Adversary Proceeding No. 09-1375 (REG), in the United States Bankruptcy Court, Southern District of New York.

In the *Weisfelner* lawsuit, the plaintiffs seek to recover damages from numerous parties, including Nell, Access and its affiliates. The damages sought from Nell, Access and its affiliates include, among other things, the return of all amounts earned by them related to their acquisition of shares of Lyondell Chemical Company prior to its acquisition

by Basell AF S.C.A. in December 2007, distributions by Basell AF S.C.A. to its shareholders before it acquired Lyondell Chemical Company, and management and transaction fees and expenses. We cannot at this time determine the amount of liability, if any, that may be sought from LBIH by way of indemnity if a judgment is rendered or a settlement is paid in the *Weisfelner* lawsuit.

Nell and BI have also demanded that LBIH pay $50 million in management fees for the years 2009 and 2010 and that LBIH pay other unspecified amounts relating to advice purportedly given in connection with financing and other strategic transactions.

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Nell and BI assert that LBIH s responsibility for indemnity and the claimed fees and expenses arises out of a management agreement entered into on December 11, 2007, between Nell and Basell AF S.C.A. They assert that LBIH, as a former subsidiary of Basell AF S.C.A., is jointly and severally liable for Basell AF S.C.A. s obligations under the agreement, notwithstanding that LBIH was not a signatory to the agreement and the liabilities of Basell AF S.C.A., which was a signatory, were discharged in the LyondellBasell bankruptcy proceedings.

We do not believe that the management agreement is in effect or that the Company, LBIH, or any other Company-affiliated entity owes any obligations under the management agreement. We intend to defend vigorously any proceedings, claims or demands that may be asserted.

Environmental Matters

From time to time we and our joint ventures receive notices or inquiries from federal, state or local governmental entities regarding alleged violations of environmental laws and regulations pertaining to, among other things, the disposal, emission and storage of chemical and petroleum substances, including hazardous wastes. Any such alleged violations may become the subject of enforcement actions, settlement negotiations or other legal proceedings and may (individually or in the aggregate) involve monetary sanctions of $100,000 or more (exclusive of interest and costs).

As part of the government settlement in the chapter 11 proceedings, the U.S., on behalf of EPA, was allowed a general unsecured claim of $499,000 against Millennium Specialty Chemicals Inc. and $480,000 against Houston Refining LP. These allowed claims settled the penalty amounts for alleged noncompliance based upon pre-petition activities. In the case of the Houston refinery, the allegations arise from a 2007 EPA Clean Air Act inspection. In the case of Millennium Specialty Chemicals, EPA conducted an inspection in 2008 at the Colonels Island, Georgia facility and questions were raised concerning handling of contaminated wastewater. Final resolution regarding these issues and any post-petition penalties is still subject to further negotiations with the government.

Bankruptcy Cases and Reorganization

Bankruptcy Filing On January 6, 2009, certain of LyondellBasell AF s indirect U.S. subsidiaries, including Lyondell Chemical, and its German indirect subsidiary, Germany Holdings, voluntarily filed for protection under Chapter 11 in the Bankruptcy Court. In April and May of 2009, LyondellBasell AF and certain other subsidiaries filed voluntary petitions for relief under Chapter 11 in the Bankruptcy Court. The Debtors filed their Bankruptcy Cases in response to a sudden loss of liquidity in the last quarter of 2008.

The Debtors operated their businesses and managed their properties as debtors in possession during the Bankruptcy Cases. In general, this means that the Debtors operated in the ordinary course without Bankruptcy Court intervention. Bankruptcy Court approval was required, however, where the Debtors sought authorization to engage in certain transactions out of the ordinary course of business.

On April 23, 2010, the Bankruptcy Court approved the Plan of Reorganization. The Plan of Reorganization specifies the proposed treatment of each class of claims and interests upon confirmation of the Plan of Reorganization. The Plan of Reorganization will discharge prepetition liabilities against the Debtors to the extent set forth in the Plan of Reorganization and otherwise under applicable law and, upon the consummation of the Plan of Reorganization, permit the Debtors to make distributions to their creditors in accordance with the terms of the Plan of Reorganization.

We emerged from the Bankruptcy Cases on April 30, 2010.

Effect of Plan of Reorganization As of the Emergence Date, all assets of the Debtors vested in the reorganized Debtors free and clear of all claims, liens, encumbrances, charges, and other interests, except as provided in the Plan of Reorganization or the confirmation order entered on April 23, 2010 (the Confirmation Order). Except as otherwise expressly provided in the Plan of Reorganization or in the Confirmation Order, upon the Emergence Date, each holder of a claim or equity interest is deemed to have forever waived, released, and discharged the Debtors and the reorganized Debtors, to the fullest extent permitted by law, of

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and from any and all claims, equity interests, rights, and liabilities that arose prior to the confirmation date. As of the Emergence Date, all such persons are forever precluded and enjoined from prosecuting or asserting against the Debtors or reorganized Debtors or their respective properties or interests in property any such discharged claim against or equity interest in any Debtor or reorganized Debtor.

Tax Impact of Reorganization The Debtors realized substantial cancellation of debt, or COD, income for U.S. federal income tax purposes as a result of the implementation of the Plan of Reorganization. Because the Debtors were debtors in a bankruptcy case at the time they realized the COD income, they will not be required to include that COD income in their taxable income for U.S. federal income tax purposes. Instead, following the close of their 2010 tax year, the Debtors will be required to reduce or eliminate certain of their U.S. federal income tax attributes, including net operating losses, tax credits and tax basis in certain assets. As a result, we expect that the Debtors tax basis in their assets will be significantly reduced, and we do not expect the Debtors to retain any net operating loss carryforwards to their tax year beginning January 1, 2011.

The implementation of our Plan of Reorganization also triggered an ownership change with respect to the stock of the Debtors for U.S. federal income tax purposes. As a result of this ownership change, certain of the Debtors pre-Emergence Date tax attributes that are not eliminated by attribute reduction will be subject to certain limitations as to their future use under Sections 382 and 383 of the U.S. Tax Code.

As a result of these reductions and limitations of our U.S. federal income tax attributes, we expect our cash tax liabilities for our tax years following 2010 to be significantly higher than our cash tax liabilities for 2009 and 2010.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Our unaudited pro forma condensed combined income statements are presented for the nine months ended September 30, 2010 and the year ended December 31, 2009. As used herein, Predecessor refers to LyondellBasell AF, together with its consolidated subsidiaries, and Successor refers to LyondellBasell N.V., together with its consolidated subsidiaries. We prepared the following unaudited pro forma condensed combined financial information by applying adjustments to our historical unaudited consolidated income statement of the Successor for the nine months ended September 30, 2010 and to the predecessor s historical audited income statement for the year ended December 31, 2009. The unaudited pro forma financial information gives effect to our emergence from the Bankruptcy Cases as if we had emerged from bankruptcy on January 1, 2010 or 2009. The unaudited pro forma condensed combined financial information should be read in conjunction with Selected Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, our unaudited consolidated financial statements as of and for the nine months ended September 30, 2010 and the Predecessor s audited Consolidated Financial Statements and the related notes thereto for the year ended December 31, 2009, which are included elsewhere in this prospectus.

The unaudited pro forma condensed combined financial information is presented for informational purposes only. The unaudited pro forma condensed combined financial information is not necessarily indicative of what our results of operations would have been if we had actually emerged from bankruptcy on January 1, 2010 or 2009 and is not necessarily indicative of our future results of operations.

We adopted the last-in, first-out (LIFO) method of accounting for inventory upon implementation of fresh-start accounting. Prior to the emergence from bankruptcy, the Predecessor used both the first-in, first-out (FIFO) and LIFO methods of accounting to determine inventory cost. We have not included a pro forma adjustment to inventory for the predecessor periods as determining the impact of the adoption of the LIFO method of accounting is not practicable. The following unaudited pro forma condensed combined financial information adjusts historical information for the effects of our reorganization and adoption of fresh start accounting, which reflects our exit financing and the revaluation of our assets and liabilities to fair value.

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UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT

Millions of dollars	Successor May 1 through September 30, 2010	Predecessor January 1 through April 30, 2010	Pro Forma Adjustments	Successor Pro Forma Combined for the Nine Months Ended September 30, 2010
Sales and other operating revenues	$ 17,074	$ 13,467	$	$ 30,541
Operating costs and expenses:				
Cost of sales	15,273	12,414	(322) (a)	27,365
Other operating costs and expenses	391	363	(15) (b)	739
	15,664	12,777	(337)	28,104
Operating income	1,410	690	337	2,437
Interest expense	(314)	(713)	472 (c)	(555)
Interest income	8	5		13
Other expense, net	(43)	(265)		(308)
Income (loss) before equity investments, reorganization items and income tax	1,061	(283)	809	1,587
Income from equity investments	56	84	(14) (d)	126
Reorganization items	(21)	8,010	(8,010) (e)	(21)
Income before income taxes	1,096	7,811	(7,215)	1,692
Provision for (benefit from) income taxes	282	(693)	814 (f)	403
Net income	814	8,504	(8,029)	1,289
Less: net loss attributable to non-controlling interests	2	60		62
Net income attributable to the Company	$ 816	$ 8,564	$ (8,029)	$ 1,351
Earnings per share:				
Net income :				
Basic	$ 1.45			
Diluted	$ 1.45			
Pro forma earnings per share:				
Net income:				
Basic		$ 15.19		$ 2.40
Diluted		$ 15.14		$ 2.39

See Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

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UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT

Millions of dollars	Predecessor For the Year Ended December 31, 2009	Pro Forma Adjustments	Successor Pro Forma Combined For the Year Ended December 31, 2009
Sales and other operating revenues	$ 30,828	$	$ 30,828
Operating costs and expenses:			
Cost of sales	29,516	(1,046) (a)	28,470
Other operating costs and expenses	995	25 (b)	1,020
	30,511	(1,021)	29,490
Operating income	317	1,021	1,338
Interest expense	(1,795)	1,038 (c)	(757)
Interest income	18		18
Other income, net	325		325
Income (loss) before equity investments, reorganization items and income tax	(1,135)	2,059	924
Income (loss) from equity investments	(181)	185 (d)	4
Reorganization items	(2,961)	2,961 (e)	
Income (loss) before income taxes	(4,277)	5,205	928
Provision for (benefit from) income taxes	(1,411)	1,822 (f)	411
Net income (loss)	(2,866)	3,383	517
Less: net loss attributable to non-controlling interests	1		1
Net income (loss) attributable to the Company	$ (2,865)	$ 3,383	$ 518
Pro forma earnings per share:			
Net income (loss):			
Basic	$ (5.08)		$ 0.92
Diluted	$ (5.08)		$ 0.92

See Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED CONSOLIDATED STATEMENTS OF INCOME

(a) To reduce cost of sales:

Millions of dollars		Successor Four Months Ended April 30, 2010	Predecessor Year Ended December 31, 2009
Property, plant and equipment:			
Manufacturing facilities and equipment	new fresh-start basis	$ 6,999	$ 6,999
Estimated remaining useful life (years)		¸ 11.5	¸ 11.5
Pro forma annual depreciation expense			608
Pro forma four months depreciation expense		203	
Less: Actual depreciation expense		518	1,572
Pro forma reduction to depreciation expense		$ (315)	$ (964)
Intangible Assets:			
Various contracts subject to amortization		$ 565	$ 565
Emission allowances and others		731	731
		1,296	1,296
Estimated remaining useful life (years, approximate)		¸ 11	¸ 11
Pro forma annual depreciation expense			120
Pro forma four months amortization expense		40	
Less: Actual amortization expense		47	202
Pro forma reduction to amortization expense		$ (7)	$ (82)
Pro forma depreciation expense adjustment		$ (315)	$ (964)
Pro forma amortization expense adjustment		(7)	(82)
Total		$ (322)	$ (1,046)

(b) Certain stock options and restricted stock were awarded and issued based on our emergence from bankruptcy. The $25 million adjustment to increase selling, general and administrative expense in 2009 reflects the expense

as if these stock options and restricted stock had been granted on January 1, 2009.

We made a $15 million adjustment to decrease SG&A expense for the four months ended April 30, 2010. The adjustment, which is related to stock options and restricted stock awarded and issued on May 14, 2009 contingent on our emergence from bankruptcy, reverses the amount of expense related to the service period already incurred that was recorded upon emergence from bankruptcy.

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NOTES TO THE UNAUDITED PRO FORMA

CONDENSED COMBINED CONSOLIDATED STATEMENTS OF INCOME

(c) To reflect interest expense and amortization of debt issuance costs on new debt, and the elimination of interest expense and amortization of debt issuance costs on old debt.

Millions of dollars	**Successor Four Months Ended April 30, 2010**	**Predecessor Year Ended December 31, 2009**
New Debt:		
New Senior Credit Facility:		
Senior Term Loan Facility due 2016, USD tranche	$ (9)	$ (28)
Senior Notes due 2017, USD tranche	(60)	(180)
Senior Notes due 2017, Euro tranche	(13)	(40)
New Third Lien Notes	(119)	(356)
Amortization of deferred financing costs on new debt	(11)	(35)
New Receivables Securitization Program, 2.2%	(13)	(50)
	(225)	(689)
Pre-Emergence Debt:		
Guaranteed Notes, due 2027, 8.10%	(8)	(24)
Other	(8)	(44)
	(16)	(68)
Eliminated Debt:		
Interest expense on old, settled debt	406	1,288
Amortization of deferred financing costs on old debt	307	507
	713	1,795
Reduction of interest expense	$ 472	$ 1,038

A 0.125% increase or decrease in the effective interest rate would increase or decrease the pro forma interest expense approximately $1 million for the nine months ended September 30, 2010 and the year ended December 31, 2009.

(d) To reflect amortization of $14 million and $43 million, respectively, for the four months ended April 30, 2010 and the year ended December 31, 2009, for the difference between the carrying value of our investment in joint ventures and our share of the underlying equity in the joint ventures net assets. In addition, a charge of $228 million for impairment of the carrying value of the Predecessor s investments in certain joint ventures was reversed because our basis in the investments using fresh-start accounting would not have resulted in an impairment.

(e) To eliminate reorganization items of $8,010 million and $2,961 million, respectively, incurred in the four months ended April 30, 2010 and the year ended December 31, 2009.

(f) To record income tax expense on the pro forma adjustments at the theoretical income tax at the U.S. statutory rate of 35%, adjusted for nontaxable income related to the gain on discharge of debt and other reorganization related items.

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SELECTED FINANCIAL DATA

The following selected financial data of LyondellBasell AF should be read in conjunction with the audited Consolidated Financial Statements and the related notes for the year ended December 31, 2009 included elsewhere in this prospectus and Management s Discussion and Analysis of Financial Condition and Results of Operations below. The selected financial data of LyondellBasell N.V. as of and for the five months ended September 30, 2010 and the Predecessor as of and for the four months ended April 30, 2010 and the nine months ended September 30, 2009 were derived from the unaudited consolidated financial statements of LyondellBasell N.V. and LyondellBasell AF included elsewhere in this prospectus. Those financial statements were prepared from the books and records of LyondellBasell AF for periods prior to April 30, 2010 and of LyondellBasell N.V. after that date. As discussed elsewhere in this prospectus, as a result of LyondellBasell AF s emergence from bankruptcy on April 30, 2010, LyondellBasell N.V. became the successor parent holding company of the subsidiaries of LyondellBasell AF and the reporting entity. Financial information is reported for LyondellBasell N.V., the successor, on a basis different from financial information of the predecessor, LyondellBasell AF, as a result of the application of fresh-start accounting. In the opinion of management, the unaudited consolidated financial statements include all adjustments necessary for a fair presentation of the financial information contained in those statements. The application of fresh-start accounting results in the Successor period not being comparable to the Predecessor period. Additionally, the historical results presented are not necessarily indicative of financial results to be achieved in future periods, and the results for any periods within the year are not necessarily indicative of results to be expected for the full year.

			Predecessor		Successor		Predecessor
		Predecessor Year Ended December 31,			May 1-	January 1-	For the Nine Months Ended
(In millions of dollars)	**2009**	**2008**	**2007(a)**	**2006**	**September 30, 2010**	**April 30, 2010**	**September 30, 2009**
Results of Operations Data:							
Sales and other operating revenues	$ 30,828	$ 50,706	$ 17,120	$ 13,175	$ 17,074	$ 13,467	$ 22,011
Interest expense	(1,795)	(2,476)	(353)	(332)	(314)	(713)	1,379
Income (loss) from equity investments(b)	(181)	38	162	130	56	84	(166)
Income (loss) from continuing operations(c)	(2,866)	(7,336)	661	396	814	8,504	(2,021)
Basic earnings per share					1.45		
Diluted earnings per share					1.45		
Unaudited pro forma basic earnings (loss) per share	(5.08)	(12.98)	1.17	0.70		15.19	(3.58)
Unaudited pro forma diluted earnings (loss) per share	(5.08)	(12.98)	1.17	0.70		15.14	(3.58)

Balance Sheet Data:							
Total assets	27,761	28,651	39,728	9,549	26,030	27,958	27,643
Short-term debt	6,182	774	2,415	779	518	6,842	5,912
Long-term debt(d)	802	23,195	22,000	3,364	6,807	789	307
Cash and cash equivalents	558	858	560	830	4,832	817	619
Accounts receivable	3,287	2,585	4,165	2,041	3,800	3,771	3,374
Inventories	3,277	3,314	5,178	1,339	4,412	3,552	2,984
Working capital	4,436	3,237	5,019	1,900	5,650	4,972	4,578
Liabilities subject to compromise	22,494					21,945	21,636

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(In millions of dollars)	Predecessor Year Ended December 31, 2009	2008	2007(a)	2006	Successor May 1- September 30, 2010	Predecessor January 1- April 30, 2010	Predecessor For the Nine Months Ended September 30, 2009