SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) MAY 15, 1998

OCCIDENTAL PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	1-9210	95-4035997
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

10889 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA	90024
(Address of principal executive offices)	(ZIP code)

Registrant's telephone number, including area code:
(310) 208-8800

Item 2. Acquisition or Disposition of Assets

On May 15, 1998, Lyondell Petrochemical Company ("Lyondell"), Millennium Chemicals Inc. ("Millennium"), Occidental Petroleum Corporation ("Occidental") and Equistar Chemicals, LP, a Delaware limited partnership ("Equistar"), consummated a series of transactions to expand Equistar through the addition of certain Occidental petrochemical assets. Equistar, which was formed December 1, 1997, initially comprised the olefins and polymers businesses of Lyondell and Millennium.

These contributed Occidental assets include the ethylene, propylene and ethylene oxide ("EO") and derivatives businesses and certain pipeline assets held by Oxy Petrochemicals Inc. ("Oxy Petrochemicals"), a 50 percent interest in a joint venture between PDG Chemical Inc. ("PDG Chemical") and E. I. DuPont de Nemours & Co., and a leasehold interest in assets of Occidental Chemical Corporation ("Occidental Chemical") (collectively, the "Occidental Contributed Business"). Occidental Chemical, Oxy Petrochemicals and PDG Chemical are all wholly-owned, indirect subsidiaries of Occidental. The Occidental Contributed Businesses included olefins plants at Corpus Christi and Chocolate Bayou, Texas; EO/ethylene glycol ("EG") and EG derivatives businesses located at Bayport, Texas, Occidental's 50 percent ownership of PD Glycol, which operated EO/EG plants at Beaumont, Texas, and 950 miles of owned and leased ethylene/propylene pipelines. In addition, Occidental Chemical leased to Equistar its Lake Charles, Louisiana olefins plant and related pipelines.

In a series of transactions effective May 15, 1998, including asset contributions and assignments, a merger and the lease of certain assets to Equistar, the Occidental Contributed Business was transferred to Equistar. In exchange for the Occidental Contributed Business, two subsidiaries of Occidental were admitted as limited partners and a third subsidiary was admitted as a general partner in Equistar for an aggregate partnership interest of 29.5 percent (the "Occidental Interest"). With the completion of the transaction, Lyondell holds a 41 percent ownership interest in Equistar and Millennium and Occidental each hold a 29.5 percent ownership interest through their respective subsidiaries. In addition, Equistar assumed approximately $205 million of Occidental indebtedness and Equistar issued a promissory note to an Occidental subsidiary for approximately $420 million. It is currently anticipated that the note will be repaid with proceeds of a financing expected to be consummated by Equistar next month.

In connection with the contribution of the Occidental Contributed Business and the reduction of Millennium and Lyondell's original ownership interests in Equistar, Equistar also issued a promissory note to the Millennium subsidiary that is a limited partner in Equistar

for approximately $75 million.

The consideration paid for the Occidental Contributed Business was determined based upon arms-length negotiations among Lyondell, Millennium and Occidental.

In connection with these transactions, Equistar and Occidental also entered into a long-term agreement for Equistar to supply the ethylene requirements for certain U.S. facilities of Occidental Chemical.

Item 7. Financial Statements and Exhibits

(a) Financial statements of businesses acquired.

1. To be filed by amendment.*

(b) Pro forma financial information.

1. Pro forma information with respect to the acquisition of the Occidental Interest in Equistar to be filed by amendment.*

2. The pro forma information with respect to the disposition of the Occidental Contributed Business is incorporated by reference from the pro forma information included in Occidental's Current Report on Form 8-K, dated February 10, 1998, which was filed with the SEC on April 21, 1998. Although the principal purpose of such report was to complete Occidental's filing obligations with respect to the acquisition of the interest in the Elk Hills Naval Petroleum Reserve, in connection with the preparation of the pro forma financial statements reflecting such acquisition, Occidental has also provided disclosure therein of other recent developments which may materially impact Occidental's financial statements.

(c) Exhibits.

10.1 Master Transaction Agreement, dated May 15, 1998 (the "Closing Date"), by and among Equistar Chemicals, LP ("Equistar"), Occidental Petroleum Corporation ("OPC"), Lyondell Petrochemical Company ("Lyondell") and Millennium Chemicals Inc. ("Millennium").

10.2 Amended and Restated Limited Partnership Agreement of Equistar, dated the Closing Date, by and among the partners named therein.

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* Financial statements and pro forma information with respect to the acquisition of the Occidental Interest in Equistar are to be filed by amendment not later than 75 days after consummation of the acquisition.

10.3 Agreement and Plan of Merger and Asset Contribution, dated as of the Closing Date, by and among Equistar, Occidental Petrochem Partner 1, Inc., Occidental Petrochem Partner 2, Inc., Oxy Petrochemicals Inc. and PDG Chemical Inc.

10.4 Amended and Restated Parent Agreement, dated as of the Closing Date, among Occidental Chemical Corporation, Oxy CH Corporation, OPC, Lyondell, Millennium and Equistar.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OCCIDENTAL PETROLEUM CORPORATION
(Registrant)

DATE: May 29, 1998

S. P. Dominick, Jr.

S. P. Dominick, Jr., Vice President and Controller
(Chief Accounting and Duly Authorized Officer)

INDEX TO EXHIBITS

EXHIBITS

10.1	Master Transaction Agreement, dated May 15, 1998 (the "Closing Date"), by and among Equistar Chemicals, LP ("Equistar"), Occidental Petroleum Corporation ("OPC"), Lyondell Petrochemical Company ("Lyondell") and Millennium Chemicals Inc. ("Millennium").
10.2	Amended and Restated Limited Partnership Agreement of Equistar, dated the Closing Date, by and among the partners named therein.
10.3	Agreement and Plan of Merger and Asset Contribution, dated as of the Closing Date, by and among Equistar, Occidental Petrochem Partner 1, Inc., Occidental Petrochem Partner 2, Inc., Oxy Petrochemicals Inc. and PDG Chemical Inc.
10.4	Amended and Restated Parent Agreement, dated as of the Closing Date, among Occidental Chemical Corporation, Oxy CH Corporation, OPC, Lyondell, Millennium and Equistar.

EXHIBIT 10.1

MASTER TRANSACTION AGREEMENT

BETWEEN

EQUISTAR CHEMICALS, LP,

OCCIDENTAL PETROLEUM CORPORATION,

LYONDELL PETROCHEMICAL COMPANY

AND

MILLENNIUM CHEMICALS INC.

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SCHEDULES

Schedule 2.1	Exceptions to Representations and Warranties of the Partnership
Schedule 2.2	Exceptions to Representations and Warranties of Occidental
Schedule 2.3	Exceptions to Representations and Warranties of Lyondell
Schedule 2.4	Exceptions to Representations and Warranties of Millennium
Schedule 4.3(f)	Occidental Consents
Schedule 6.10	Certain Expenses

EXHIBITS

Exhibit A	Form of Amended and Restated Agreement of Limited Partnership
Exhibit B	Form of Occidental Contribution Agreement
Exhibit C	Form of Amended and Restated Parent Agreement
Exhibit D	Form of Sales Agreement (Ethylene)

MASTER TRANSACTION AGREEMENT

This Master Transaction Agreement (this "Agreement") dated May 15, 1998 is entered into by and among Equistar Chemicals, LP, a Delaware limited partnership (the "Partnership"), Occidental Petroleum Corporation, a Delaware corporation ("Occidental"), Lyondell Petrochemical Company, a Delaware corporation ("Lyondell"), and Millennium Chemicals Inc., a Delaware corporation ("Millennium").

The definitions of capitalized terms used in this Agreement, including the appendices hereto, are set forth in Appendix A hereto.

WHEREAS, Lyondell and Millennium entered into the Master Transaction Agreement dated July 25, 1997, as amended, which contemplated, among other things, the formation of the Partnership;

WHEREAS, the Initial Partners entered into the Limited Partnership Agreement of the Partnership dated October 10, 1997 and the Certificate of Limited Partnership with respect to the Partnership became effective October 17, 1997;

WHEREAS, the Partnership commenced operations December 1, 1997 upon its acquisition of the Subject Businesses of Lyondell and Millennium Petrochemicals Inc., a Virginia corporation and an indirect wholly owned subsidiary of Millennium ("Millennium Petrochemicals");

WHEREAS, Lyondell and Millennium, the respective ultimate parent entities of the Initial Partners, desire to admit to the Partnership (i) PDG Chemical Inc., a Delaware corporation and an indirect, wholly owned subsidiary of Occidental ("PDG Chemical"), as a general partner, and (ii) Occidental Petrochem Partner 1, Inc., a Delaware corporation and a wholly owned Subsidiary ("OCC Sub") of Occidental Chemical Corporation, a New York corporation ("OCC"), and Occidental Petrochem Partner 2, Inc., a Delaware corporation and a wholly owned Subsidiary ("Oxy CH Sub") of Oxy CH Corporation, a California corporation ("Oxy CH"), as limited partners, upon the transfer to the Partnership of the Subject Business to be contributed by the Occidental Partners, each a wholly owned Subsidiary of Occidental;

WHEREAS, upon the terms and subject to the conditions set forth herein, the Occidental Partners will contribute their Subject Business to the Partnership through a merger, a partnership interest transfer and certain asset transfers, the Partnership will issue Units to the Occidental Partners and the Occidental Partners will become partners in the Partnership, and certain other agreements will be entered into as provided for herein; and

WHEREAS, the Parties have made all applicable filings under the HSR Act with respect to the transactions contemplated hereby and have received confirmation from the Federal Trade Commission of the early termination of the applicable waiting period under the HSR Act;

WHEREAS, the parties who have executed this Agreement (the "Parties") wish to make certain representations and warranties to one another and provide for the coordination of the closing of all the transactions contemplated by this Agreement (the "Closing");

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the Parties set forth herein, it is hereby agreed as follows:

SECTION 1
RELATED AGREEMENTS AND CLOSING

1.1 Tier 1 Related Agreements. The Tier 1 Related Agreements are designated as such on Appendix B. Forms of each of the Tier 1 Related Agreements (including forms of certain of the exhibits and versions of certain of the schedules thereto current as of the dates indicated therein) are attached as Exhibits to this Agreement. On the terms and subject to the conditions set forth herein, the Parties shall cause each such agreement to be executed and delivered by the appropriate parties thereto at the Closing in substantially the form attached hereto with such changes as may be agreed to by the Parties in good faith.

1.2 Tier 2 Related Agreements. The Tier 2 Related Agreements are designated as such on Appendix B. The forms of each of the Tier 2 Related Agreements shall be negotiated by the Parties prior to the Closing in good faith. On the terms and subject to the conditions set forth herein, the Parties shall cause such agreements to be executed and delivered in such forms by the appropriate parties thereto at the Closing.

1.3 Closing Date. Provided that the conditions precedent set forth in Section 4 of this Agreement shall have been satisfied or waived, the Closing shall be held at a mutually agreeable location on the date hereof or on such other date as may be agreed to in writing by the Parties (the "Closing Date"). The Closing shall be deemed to occur at 4:00 a.m. Houston, Texas time on the Closing Date.

1.4 Partnership Long-term Debt. At or immediately subsequent to the Closing Date, the Partnership's long-term debt shall consist of: (i) borrowings under a bank credit agreement or agreements providing for maximum borrowings in the amount of $1.25 billion (inclusive of any amounts to be used for working capital purposes); (ii) Lyondell Assumed Debt (as defined in the Initial Master Transaction Agreement) in the amount of $745 million and (iii) Occidental Assumed Debt in the amount of $205 million; provided, however, that the amount of the credit agreement or agreements described in (i) above may be adjusted to such greater amount as may be reasonably satisfactory to the Partnership and Occidental.

1.5 Closing Transactions. As contemplated by this Agreement and by the Occidental Contribution Agreement and the Amended and Restated Partnership Agreement, as applicable, on the Closing Date:

(a) OCC will contribute or cause to be contributed certain assets to OCC Sub which will simultaneously contribute such assets to the Partnership, subject to the assumption by the Partnership of certain liabilities;

(b) OCC Sub will assign a lease for certain assets to the Partnership;

(c) Oxy CH will contribute all of the issued and outstanding capital stock of Oxy Petrochemicals to Oxy CH Sub;

(d) Oxy Petrochemicals Inc., a wholly owned direct Subsidiary of Oxy CH Sub ("Oxy Petrochemicals") and the Partnership will merge, with the Partnership as the surviving entity;

(e) PDG Chemical will contribute or cause to be contributed certain assets to the Partnership, subject to the assumption by the Partnership of certain liabilities;

(f) the Partnership will (i) issue Units to the Occidental Partners (pursuant to asset contributions, partnership interest transfer or the merger, as the case may be) and the Occidental Partners will be admitted as partners of the Partnership and (ii) issue Units to Lyondell LP, Lyondell GP, Millennium LP and Millennium GP;

(g) OCC will agree to guarantee (with the form and terms thereof to be substantially in the form attached to that certain letter agreement, of even date, by and between OCC and the Partnership) $419,700,000 of indebtedness of the Partnership; and

(h) the Partnership shall deliver (i) a note to Oxy CH Sub obligating the Partnership to pay $419,700,000 plus interest in accordance with the terms described therein and (ii) a note to Millennium LP obligating the Partnership to pay $75 million plus interest in accordance with the terms described therein.

SECTION 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Partnership. Except as set forth on Schedule 2.1, the Partnership represents and warrants to each other Party as follows:

(a) Organization, Good Standing and Power. The Partnership (i) is a limited partnership duly organized, validly existing and in good standing under the laws of the state of Delaware and has the power and authority under its constituent documents to own, lease and operate its assets and to conduct its Subject Business now being conducted by it, (ii) is duly authorized, qualified or licensed to do business as a foreign limited partnership in, and is in good standing in, each of the jurisdictions in which its right, title or interest in or to any of the assets held by it requires such authorization, qualification or licensing, except where the failure to be so authorized, qualified, licensed or in good standing would not be reasonably

likely to have a Material Adverse Effect with respect to its Subject Business, and (iii) has, and in the case of the Related Agreements to be executed by it at or prior to the Closing, will have, all requisite corporate power and authority, or power and authority under its constituent documents, to enter into this Agreement and, as applicable, the Related Agreements to which it is or will be a party and to perform its obligations hereunder and thereunder.

(b) Authorization and Validity of Agreements.

(i) The execution, delivery and performance by the Partnership of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate or similar action on its part. This Agreement has been duly and validly executed and delivered by the Partnership and is its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(ii) The execution, delivery and performance by the Partnership of the Related Agreements to which it will be a party and the consummation by it of the transactions contemplated thereby will be, as of the Closing, duly authorized and approved by all necessary action on its part. At the Closing, each of the Related Agreements to which the Partnership will be a party will be duly and validly executed and delivered by the Partnership and will be upon execution and delivery a legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(c) Lack of Conflicts. Except with respect to the HSR Act as set forth in Section 4.1(d), each of the execution, delivery and performance by the Partnership of this Agreement and the Related Agreements to which it is or will be a party and the consummation by it of the transactions contemplated hereby and thereby does not and, as of the Closing, will not (i) violate (with or without the giving of notice or the lapse of time or both) any Legal Requirement applicable to it or its Subsidiaries, other than those that would not be reasonably likely to have a Material Adverse Effect with respect to its Subject Business, (ii) conflict with, or result in the breach of, any provision of the charter or by-laws or similar governing or organizational documents of it or its Subsidiaries, (iii) result in the creation of any Encumbrance upon any of their assets, other than those contemplated by this Agreement or any of the Related Agreements, or those that would not be reasonably likely to have a Material Adverse Effect with respect to its Subject Business, or (iv) violate, conflict with or result in the breach or termination of or otherwise give any other Person the right to terminate, or constitute a default, event of default or an event which with notice, lapse of time or both, would constitute a default or event of default under the terms of, any contract, indenture, lease, mortgage, Government License or other agreement or instrument to which it or any of its Subsidiaries is a party or by which the properties or businesses of it or any of

its Subsidiaries are bound, except for violations, conflicts, breaches, terminations and defaults that would not be reasonably likely to have a Material Adverse Effect with respect to its Subject Business.

(d) Certain Fees. Neither the Partnership nor any of its Affiliates nor any of its officers, directors or employees, on behalf of it or such Affiliates, has employed any broker or finder or incurred any other liability for any financial advisory fees, brokerage fees, commissions or finders' fees in connection with the transactions contemplated hereby.

(e) Financial Statements. The Partnership's audited financial statements as of and for the year ended December 31, 1997 and any unaudited quarterly financial statements prepared pursuant to Section 5.4 of the Partnership Agreement since December 31, 1997 (in each case including any notes thereto), were prepared in accordance with United States generally accepted accounting principles applied on a consistent basis ("GAAP") throughout the periods indicated (except as may be indicated in the notes thereto and except that unaudited or quarterly financial statements do not contain all GAAP notes to such financial statements) and each fairly presents the consolidated (or combined, as applicable) financial position, results of operations and changes in partners' equity and cash flows of the Partnership and its subsidiaries as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments).

(f) Absence of Certain Changes. Since December 31, 1997, (i) the Partnership and its Affiliates have not incurred any material liabilities or obligations, fixed, contingent, accrued or otherwise, (A) that relate to or are allocable to its Subject Business and that have had or are reasonably likely to have a Material Adverse Effect with respect to its Subject Business, or (B) that would cause the long-term debt of the Partnership immediately prior to the Closing to exceed the aggregate of $1.745 billion and any amounts borrowed under the Partnership's bank credit facility for working capital, (ii) the Partnership and its Affiliates have conducted its Subject Business in all material respects in the ordinary course, and (iii) no event, occurrence or other matter has occurred that is reasonably likely to have a Material Adverse Effect with respect to its Subject Business, provided that this determination shall be made without regard to any change in general economic or political conditions or any change in raw materials prices, product prices, industry capacity or other matter of industry-wide application that affects its Subject Business and Occidental's Subject Business in a substantially similar way.

(g) Partnership Documents. The Partnership has provided to Occidental a true and correct copy of the Partnership Agreement, as amended to date. The Partnership has provided to Occidental true and correct copies of (i) all minutes of meetings of the Partnership Governance Committee held to date and such minutes accurately reflect all actions, approvals and authorizations (including with respect to the Strategic Plan) by or of the Partnership Governance Committee, (ii) the Strategic Plan and (iii) the current annual budget of the Partnership.

(h) Partnership Interests. Without giving effect to this Agreement or the transactions contemplated hereby, Lyondell LP, Lyondell GP, Millennium LP and Millennium GP are the only Partners in the Partnership and the only holders of Units, in the denominations set forth in the Partnership Agreement. Without giving effect to this Agreement or the transactions contemplated hereby, there are no outstanding subscriptions, options, convertible securities, warrants or calls of any kind issued or granted by, or binding upon, the Partnership to purchase or otherwise acquire or to sell or otherwise dispose of any security of or equity interest in the Partnership.

(i) Conduct of the Partnership Subject Business since December 1, 1997. Except as required or contemplated by approvals or authorizations (including the Strategic Plan) by or of the Partnership Governance Committee, since the contribution of their Subject Assets to the Partnership by Lyondell and Millennium on December 1, 1997, the Partnership has:

(i) maintained its books, accounts and records relating to its Subject Business in the usual, regular and ordinary manner, complied in all material respects with all Legal Requirements and contractual obligations applicable to its Subject Business or to the conduct of its Subject Business and performed all of its material obligations relating to its Subject Business;

(ii) not (A) modified or changed in any material respect any of its assets or disposed of any material asset except for (1) inventory, equipment, supplies and other assets sold or otherwise disposed of in the ordinary course of business and (2) any assets that in the ordinary course of business were replaced with substantially similar assets, (B) except in the ordinary course of business, (x) entered into any contract, commitment or agreement material to the operation of its Subject Business or use of its assets or, except as expressly contemplated by or required pursuant to their respective terms, modified or changed in any material respect any obligation under any such contract, commitment or agreement, (y) modified or changed in any material respect any obligation under its Government Licenses, (z) modified or changed in any material respect the manner in which the products produced by its Subject Business are marketed and sold, or (C) entered into interest rate protection or other hedging agreements (except for hydrocarbon hedging agreements entered into in the ordinary course and expiring prior to December 31, 1998) relating to its Subject Business; provided, that, for purposes of (A) and (B), "material" shall mean a change or modification that was subject to the unanimous voting requirement of Section 6.7 of the Partnership Agreement; and

(iii) not waived any material claims or rights relating to its Subject Business.

(j) Employee Benefits.

(i) Each of the Partnership's Defined Benefit and Defined Contribution Pension Plans covering employees ("Employee Plan") is in substantial compliance with applicable requirements prescribed by any and all Legal Requirements, including, but not limited to the Code, except for violations the occurrence of which would not in the aggregate reasonably be expected to have a Material Adverse Effect with respect to its Subject Business;

(ii) The Partnership has in all material respects performed all obligations required to be performed by it under ERISA, the Code and any other applicable Legal Requirements and under the terms of each Employee Plan, except such failures to perform which would not in the aggregate reasonably be expected to have a Material Adverse Effect with respect to its Subject Business. The Partnership has received no written notice of the existence of any material default or violation by any other party of any of such Legal Requirements, terms or requirements applicable to any of the Employee Plans;

(iii) Other than routine claims for benefits, the Partnership has not received any written notice of any pending material claims or lawsuits which have been asserted or instituted against any of the Employee Plans, the assets of the trust or funds under the Employee Plans, the sponsor or administrator of any of the Employee Plans, or against any fiduciary of any of the Employee Plans with respect to the operation of such Plan;

(iv) The Partnership has not received any written notice of any pending investigation or pending enforcement action by the Pension Benefit Guaranty Corporation, the Department of Labor, the Internal Revenue Service or any other Authority with respect to any of the Employee Plans;

(v) All contributions required to be made under the terms of the Partnership's Employee Plans have been timely made. No Employee Plan has an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA);

(vi) All of the Partnership's "group health plans" (within the meaning of Code Section 5000(b)(1)) have been operated in substantial compliance with the group health plan continuation coverage requirements of Section 4980B of the Code and Sections 601 through 608 of ERISA, Title XXII of the Public Health Service Act and the provisions of the Social Security Act;

(vii) There has been no act or omission by the Partnership that has given rise to or may give rise to material fines, penalties, taxes, or related charges under Section 502(c), (i) or (l) or Section 4071 of ERISA or Chapter 43 of the Code or the imposition of a lien pursuant to Sections 401(a)(29) or 412(n) of the Code or pursuant to ERISA;

(viii) Except with respect to the transactions contemplated by this Agreement, no "reportable event" within the meaning of Section 4043 of ERISA, or prohibited transaction within the meaning of Section 406 of ERISA, has occurred with respect to any Employee Plan which would reasonably be expected to have a Material Adverse Effect; and

(ix) No Employee Plan is a "multiemployer plan" as such term is defined in section 3(37) of ERISA. No Employee Plan is a plan maintained by more than one employer (a so-called "multiple employer plan") for purposes of section 413(c) of the Code or otherwise.

(k) Conduct of Business in Compliance with Regulatory and Contractual Requirements. The Partnership and each Affiliate thereof is operating and conducting its Subject Business in compliance with all applicable Legal Requirements, rights of concession, licenses, know-how or other proprietary rights of others, the failure to comply with which would reasonably be expected to have a Material Adverse Effect with respect to its Subject Business.

(l) Legal Proceedings. There is no litigation, proceeding, claim, grievance, arbitration, investigation or other action to which the Partnership or any Affiliate thereof is a party (including proceedings or claims by or before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Department of Labor or any other Authority) (i) that is pending or, to the Knowledge of the Partnership, threatened, (ii) that relates in any way to the operation or conduct of its Subject Business, or to the transactions contemplated by this Agreement, and (iii) that upon resolution adverse to Partnership or any Affiliate, could reasonably be expected to have a Material Adverse Effect with respect to its Subject Business.

(m) Initial Asset Contributions. To the Partnership's Knowledge, there is no basis for a claim by the Partnership against Lyondell or Millennium Petrochemicals for breach of representation or warranty of any of their respective representations and warranties set forth in the Lyondell Asset Contribution Agreement or the Millennium Asset Contribution Agreement.

2.2 Representations and Warranties of Occidental. Except as set forth on Schedule 2.2, Occidental represents and warrants to each other Party as follows:

(a) Organization, Good Standing and Power. Occidental and each member of its Group (i) is a corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to own, lease and operate its assets and, if applicable, to conduct the Subject Business now being conducted by it and to be conducted by it as of the Closing, (ii) is duly authorized, qualified or licensed to do business as a foreign corporation in, and is in good standing in, each of the jurisdictions in which its right, title or interest in or to any of the assets held by it or the Subject Business conducted by it, if applicable, requires such authorization, qualification or

licensing, except where the failure to be so authorized, qualified, licensed or in good standing would not be reasonably likely to have a Material Adverse Effect with respect to its Subject Business, and (iii) has, and in the case of the Related Agreements to be executed by it at or prior to the Closing, will have, all requisite corporate power and authority to enter into this Agreement and, as applicable, the Related Agreements to which it is or will be a party and to perform its obligations hereunder and thereunder.

(b) Authorization and Validity of Agreements. Assuming the approval of Occidental's board of directors referred to in Section 4.3(d):

(i) The execution, delivery and performance by Occidental of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate or similar action on its part. This Agreement has been duly and validly executed and delivered by Occidental and is its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(ii) The execution, delivery and performance by Occidental and each member of its Group of the Related Agreements to which it or any member of its Group will be a party and the consummation by it and its Group of the transactions contemplated thereby will be, as of the Closing, duly authorized and approved by all necessary corporate or similar action on its or their part. At the Closing, each of the Related Agreements to which Occidental or any member of its Group will be a party will be duly and validly executed and delivered by Occidental or member and will be upon execution and delivery a legal, valid and binding obligation, enforceable against it or such member in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(c) Lack of Conflicts. Assuming satisfaction of the condition in Section 4.1(c) and receipt of the Consents contemplated by Schedule 4.3(f), and except with respect to the HSR Act as set forth in Section 4.1(d), each of the execution, delivery and performance by Occidental and each member of its Group of this Agreement and the Related Agreements to which any of them is or will be a party and the consummation by them of the transactions contemplated hereby and thereby does not and, as of the Closing, will not (i) violate (with or without the giving of notice or the lapse of time or both) any Legal Requirement applicable to any of them or any of their Subsidiaries, other than those that would not be reasonably likely to have a Material Adverse Effect with respect to its Subject Business, (ii) conflict with, or result in the breach of, any provision of the charter or by-laws or similar governing or organizational documents of any of them or any of their Subsidiaries, (iii) result in the creation of any Encumbrance upon any of their assets, other than those contemplated by this Agreement or any of the Related Agreements, or those that would not be reasonably likely to have a Material Adverse Effect with respect to its Subject Business, or (iv) violate, conflict

with or result in the breach or termination of or otherwise give any other Person the right to terminate, or constitute a default, event of default or an event which with notice, lapse of time or both, would constitute a default or event of default under the terms of, any contract, indenture, lease, mortgage, Government License or other agreement or instrument to which any of them or any of their Subsidiaries is a party or by which the properties or businesses of any of them or any of their Subsidiaries are bound, except for violations, conflicts, breaches, terminations and defaults that would not be reasonably likely to have a Material Adverse Effect with respect to its Subject Business.

(d) Certain Fees. Neither Occidental nor any of its Affiliates nor any of its officers, directors or employees, on behalf of it or such Affiliates, has employed any broker or finder or incurred any other liability for any financial advisory fees, brokerage fees, commissions or finders' fees in connection with the transactions contemplated hereby.

(e) SEC Reports; Financial Statements.

(i) Occidental has filed all material forms, reports and documents required to be filed by it with the SEC since December 31, 1996 (its "SEC Reports"). Occidental's SEC Reports were prepared in all material respects in accordance with the requirements of the Securities Act, or the Exchange Act, as the case may be, and the rules and regulations thereunder, and none of Occidental's SEC Reports, as of the date they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ii) The financial statements (including any notes thereto) contained in Occidental's SEC Reports were prepared in accordance with GAAP throughout the periods indicated (except as may be indicated in the notes thereto and except that financial statements included with quarterly reports on Form 10-Q do not contain all GAAP notes to such financial statements) and each fairly presents the consolidated (or combined, as applicable) financial position, results of operations and changes in stockholders' equity and cash flows of Occidental and its subsidiaries as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments).

(f) Absence of Certain Changes. Since December 31, 1996, (i) Occidental and its Affiliates have not incurred any material liabilities or obligations, fixed, contingent, accrued or otherwise, that relate to or are allocable to its Subject Business and that have had or are reasonably likely to have a Material Adverse Effect with respect to its Subject Business, (ii) Occidental and its Affiliates have conducted its Subject Business in all material respects in the ordinary course, consistent with past practice, and (iii) no event, occurrence or other matter has occurred that is reasonably likely to have a Material Adverse Effect with respect to the Subject Business of Occidental, provided that this determination shall be made without regard to any change in general economic or political conditions or any change in raw

materials prices, product prices, industry capacity or other matter of industry-wide application that affects the Partnership's Subject Business and Occidental's Subject Business in a substantially similar way.

2.3 Representations and Warranties of Lyondell. Except as set forth on Schedule 2.3, Lyondell represents and warrants to each other Party as follows:

(a) Organization, Good Standing and Power. Lyondell and each member of its Group (i) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the corporate power and authority to own, lease and operate its assets, (ii) is duly authorized, qualified or licensed to do business as a foreign corporation or other organization in, and is in good standing in, each of the jurisdictions in which its right, title or interest in or to any of the assets held by it requires such authorization, qualification or licensing, except where the failure to be so authorized, qualified, licensed or in good standing would not be reasonably likely to have a Material Adverse Effect with respect to the Partnership's Subject Business, and (iii) has, and in the case of the Related Agreements to be executed by it at or prior to the Closing, will have, all requisite corporate power and authority, or power and authority under its constituent documents, to enter into this Agreement and, as applicable, the Related Agreements to which it is or will be a party and to perform its obligations hereunder and thereunder.

(b) Authorization and Validity of Agreements.

(i) The execution, delivery and performance by Lyondell of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate or similar action on its part. This Agreement has been duly and validly executed and delivered by Lyondell and is its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(ii) The execution, delivery and performance by Lyondell and each member of its Group of the Related Agreements to which it or any member of its Group will be a party and the consummation by it and its Group of the transactions contemplated thereby will be, as of the Closing, duly authorized and approved by all necessary corporate or similar action on its or their part. At the Closing, each of the Related Agreements to which Lyondell or any member of its Group will be a party will be duly and validly executed and delivered by Lyondell or member and will be upon execution and delivery a legal, valid and binding obligation, enforceable against it or such member in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(c) Lack of Conflicts. Except with respect to the HSR Act as set forth in Section 4.1(d), each of the execution, delivery and performance by Lyondell and each member of its Group of this Agreement and the Related Agreements to which any of them is or will be a party and the consummation by them of the transactions contemplated hereby and thereby does not and, as of the Closing, will not (i) violate (with or without the giving of notice or the lapse of time or both) any Legal Requirement applicable to any of them or any of their Subsidiaries, other than those that would not be reasonably likely to have a Material Adverse Effect with respect to Lyondell, (ii) conflict with, or result in the breach of, any provision of the charter or by-laws or similar governing or organizational documents of any of them or any of their Subsidiaries, (iii) result in the creation of any Encumbrance upon any of their assets, other than those contemplated by this Agreement or any of the Related Agreements, or those that would not be reasonably likely to have a Material Adverse Effect with respect to Lyondell, or (iv) violate, conflict with or result in the breach or termination of or otherwise give any other Person the right to terminate, or constitute a default, event of default or an event which with notice, lapse of time or both, would constitute a default or event of default under the terms of, any contract, indenture, lease, mortgage, Government License or other agreement or instrument to which any of them or any of their Subsidiaries is a party or by which the properties or businesses of any of them or any of their Subsidiaries are bound, except for violations, conflicts, breaches, terminations and defaults that would not be reasonably likely to have a Material Adverse Effect with respect to Lyondell.

(d) Certain Fees. Neither Lyondell nor any of its Affiliates nor any of its officers, directors or employees, on behalf of it or such Affiliates, has employed any broker or finder or incurred any other liability for any financial advisory fees, brokerage fees, commissions or finders' fees in connection with the transactions contemplated hereby.

(e) Joint Proxy Statement. The Joint Proxy Statement was prepared in all material respects in accordance with the requirements of the Securities Act, or the Exchange Act, as the case may be, and the rules and regulations thereunder, and, as of the date of the Stockholders' Meetings and insofar as it relates to the Subject Business of Lyondell, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Title to Lyondell Units. Without giving effect to this Agreement or the transactions contemplated hereby, Lyondell LP and Lyondell GP each owns the number of Units set forth in Section 2.1 of the Partnership Agreement opposite its name. Except as contemplated by this Agreement, there are no outstanding subscriptions, options, convertible securities, warrants or calls of any kind issued or granted by, or binding upon, the Partnership or any member of the Lyondell Group to purchase or otherwise acquire or to sell or otherwise dispose of any security of or equity interest in the Partnership.

2.4 Representations and Warranties of Millennium. Except as set forth on Schedule 2.4, Millennium represents and warrants to each other Party as follows:

(a) Organization, Good Standing and Power. Millennium and each member of its Group (i) is a corporation or a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has the corporate power and authority or power under its constituent documents to own, lease and operate its assets, (ii) is duly authorized, qualified or licensed to do business as a foreign corporation or other organization in, and is in good standing in, each of the jurisdictions in which its right, title or interest in or to any of the assets held by it requires such authorization, qualification or licensing, except where the failure to be so authorized, qualified, licensed or in good standing would not be reasonably likely to have a Material Adverse Effect with respect to the Partnership's Subject Business, and (iii) has, and in the case of the Related Agreements to be executed by it at or prior to the Closing, will have, all requisite corporate power and authority, or power and authority under its constituent documents, to enter into this Agreement and, as applicable, the Related Agreements to which it is or will be a party and to perform its obligations hereunder and thereunder.

(b) Authorization and Validity of Agreements.

(i) The execution, delivery and performance by Millennium of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized and approved by all necessary corporate or similar action on its part. This Agreement has been duly and validly executed and delivered by Millennium and is its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(ii) The execution, delivery and performance by Millennium and each member of its Group of the Related Agreements to which it or any member of its Group will be a party and the consummation by it and its Group of the transactions contemplated thereby will be, as of the Closing, duly authorized and approved by all necessary corporate or similar action on its or their part. At the Closing, each of the Related Agreements to which Millennium or any member of its Group will be a party will be duly and validly executed and delivered by Millennium or member and will be upon execution and delivery a legal, valid and binding obligation, enforceable against it or such member in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws related to or affecting creditors' rights generally and by general equity principles.

(c) Lack of Conflicts. Except with respect to the HSR Act as set forth in Section 4.1(d), each of the execution, delivery and performance by Millennium and each member of its Group of this Agreement and the Related Agreements to which any of them is or will be a party and the consummation by them of the transactions contemplated hereby

and thereby does not and, as of the Closing, will not (i) violate (with or without the giving of notice or the lapse of time or both) any Legal Requirement applicable to any of them or any of their Subsidiaries, other than those that would not be reasonably likely to have a Material Adverse Effect with respect to Millennium, (ii) conflict with, or result in the breach of, any provision of the charter or by- laws of any of them or any of their Subsidiaries, (iii) result in the creation of any Encumbrance upon any of their assets, other than those contemplated by this Agreement or any of the Related Agreements, or those that would not be reasonably likely to have a Material Adverse Effect with respect to Millennium, or (iv) violate, conflict with or result in the breach or termination of or otherwise give any other Person the right to terminate, or constitute a default, event of default or an event which with notice, lapse of time or both, would constitute a default or event of default under the terms of, any contract, indenture, lease, mortgage, Government License or other agreement or instrument to which any of them or any of their Subsidiaries is a party or by which the properties or businesses of any of them or any of their Subsidiaries are bound, except for violations, conflicts, breaches, terminations and defaults that would not be reasonably likely to have a Material Adverse Effect with respect to Millennium.

(d) Certain Fees. Neither Millennium nor any of its Affiliates nor any of its officers, directors or employees, on behalf of it or such Affiliates, has employed any broker or finder or incurred any other liability for any financial advisory fees, brokerage fees, commissions or finders' fees in connection with the transactions contemplated hereby.

(e) Joint Proxy Statement. The Joint Proxy Statement was prepared in all material respects in accordance with the requirements of the Securities Act, or the Exchange Act, as the case may be, and the rules and regulations thereunder, and, as of the date of the Stockholders' Meetings and insofar as it relates to the Subject Business of Millennium, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Title to Millennium Units. Without giving effect to this Agreement or the transactions contemplated hereby, Millennium LP and Millennium GP each owns the number of Units set forth in Section 2.1 of the Partnership Agreement opposite its name. Except as contemplated by this Agreement, there are no outstanding subscriptions, options, convertible securities, warrants or calls of any kind issued or granted by, or binding upon, the Partnership or any member of the Millennium Group to purchase or otherwise acquire or to sell or otherwise dispose of any security of or equity interest in the Partnership.

SECTION 3
ADDITIONAL AGREEMENTS

3.1 Access to Information. Each of Occidental and the Partnership agrees that, during the period commencing on the date hereof and ending at the Closing, (i) it will give or cause to be given to any other Party and its representatives reasonable access during normal business hours to

the offices, plants, properties, books and records relating to its Subject Business as such other Party may reasonably request, (ii) it will furnish or cause to be furnished to any other Party, such financial and operating data and any other information with respect to the business and properties of its Subject Business as such other Party may reasonably request (provided such data and information need only be furnished to the extent it was prepared in the ordinary course) and (iii) any other Party and its representatives shall be entitled to reasonable access during normal business hours to the representatives, officers, employees and contractors of such Party who are involved in its Subject Business as such other Party may reasonably request; provided, that Lyondell and Millennium also agree to the foregoing provisions to the extent that any of the foregoing remain in their possession and have not been transferred to the Partnership; provided, further that, after consultation, to the extent permissible, with such other Party, such Party may restrict access and provision of information to the extent it reasonably believes necessary to (w) comply with existing confidentiality agreements with third parties (provided that, upon such other Party's reasonable request, it shall use its commercially reasonable efforts to secure waivers of any such confidentiality agreements), (x) ensure compliance with antitrust laws, (y) preserve the secrecy of confidential information to the extent not related to its Subject Business and (z) preserve legal privilege; and provided, further that any access or information obtained by any Party and its representatives in accordance with this Section 3.1 and otherwise in connection with the consummation of the transactions contemplated by this Agreement and the Related Agreements shall be subject to the terms and conditions of the Confidentiality Agreement.

3.2 Conduct of the Occidental Subject Business Pending the Closing Date. Occidental agrees that, except as required or contemplated by this Agreement or otherwise consented to or approved in writing by the Partnership, during the period commencing on the date hereof and ending on the Closing Date, it will and will cause its Affiliates to:

(a) use its commercially reasonable efforts to operate and maintain its Subject Business in all material respects only in the usual, regular and ordinary manner consistent with past practice (including undertaking scheduled or necessary "turnarounds" or other maintenance work and including offsite storage, treatment and disposal of chemical substances generated prior to the Closing) and, to the extent consistent with such operation and maintenance, use commercially reasonable efforts to preserve the present business organization of its Subject Business intact, keep available the services of, and good relations with, the present employees and preserve present relationships with all persons having business dealings with its Subject Business, except in each case for such matters that, individually and in the aggregate, do not and are not reasonably likely to have a Material Adverse Effect on its Subject Business;

(b) maintain its books, accounts and records relating to its Subject Business in the usual, regular and ordinary manner, on a basis consistent with past practice, comply in all material respects with all Legal Requirements and contractual obligations applicable to its Subject Business or to the conduct of its Subject Business and perform all of its material obligations relating to its Subject Business;

(c) not (i) modify or change in any material respect any of its Contributed Assets or dispose of any material Contributed Asset except for (A) inventory, equipment, supplies and other Contributed Assets sold or otherwise disposed of in the ordinary course of business and (B) any Contributed Assets that in the ordinary course of business are replaced with substantially similar Contributed Assets, (ii) except in the ordinary course of business after consultation with the Partnership, (x) enter into any contract, commitment or agreement that would be material to the operation of its Subject Business or use of the Contributed Assets or, except as expressly contemplated by this Agreement or expressly contemplated by or required pursuant to their respective terms, modify or change in any material respect any obligation under any such contract, commitment or agreement, (y) modify or change in any material respect any obligation under its Government Licenses, (z) modify or change in any material respect the manner in which the products produced by its Subject Business are marketed and sold, or (iii) enter into interest rate protection or other hedging agreements (except for hydrocarbon hedging agreements entered into in the ordinary course and expiring prior to December 31, 1998) relating to its Subject Business;

(d) not waive any material claims or rights relating to its Subject Business;

(e) after obtaining Knowledge thereof, give notice to the Partnership of any claim or litigation (threatened or instituted) or any other event or occurrence which could reasonably be expected to have a Material Adverse Effect on its Contributed Assets or Subject Business, other than the types of events, occurrences or other matters referred to in the proviso set forth in Section 2.2(f)(iii);

(f) not take any action that is reasonably likely to result in its representations and warranties in Section 2 hereof, or in the form of Occidental Contribution Agreement, not being true in all material respects as of the Closing Date; and

(g) not agree, whether in writing or otherwise, to take any action it has agreed pursuant to this Section 3.2 not to take;

provided, however, that notwithstanding anything to the contrary contained in this Section 3.2, prior to the Closing Date the Occidental Group and the Partnership will act independently of each other in making decisions as to the research and development, raw materials, manufacturing, pricing, marketing and distribution of their products. It is acknowledged by the Parties that the Originator Receivables Sale Agreement dated as of October 27, 1998, by and among Occidental Receivables Inc., OCC and other parties, has been terminated with respect to Oxy Petrochemicals.

3.3 Conduct of the Partnership Subject Business Pending the Closing Date. The Partnership agrees that, except as required or contemplated by approvals or authorizations (including the Strategic Plan) by or of the Partnership Governance Committee prior to the date hereof or by this Agreement (including, without limitation, Schedule 3.3 hereto) or otherwise consented to or approved in writing by Occidental, during the period commencing on the date hereof and ending on the Closing Date, it will and will cause its Affiliates to:

(a) use its commercially reasonable efforts to operate and maintain its Subject Business in all material respects only in a usual, regular and ordinary manner consistent with the Strategic Plan (including undertaking scheduled or necessary "turnarounds" or other maintenance work and including offsite storage, treatment and disposal of chemical substances generated prior to the Closing) and, to the extent consistent with such operation and maintenance, use commercially reasonable efforts to preserve the present business organization of its Subject Business intact, keep available the services of, and good relations with, the present employees and preserve present relationships with all persons having business dealings with its Subject Business, except in each case for such matters that, individually and in the aggregate, do not and are not reasonably likely to have a Material Adverse Effect on its Subject Business;

(b) maintain its books, accounts and records relating to its Subject Business in the usual, regular and ordinary manner, comply in all material respects with all Legal Requirements and contractual obligations applicable to its Subject Business or to the conduct of its Subject Business and perform all of its material obligations relating to its Subject Business;

(c) not (i) modify or change in any material respect any of its assets or dispose of any material asset except for (A) inventory, equipment, supplies and other assets sold or otherwise disposed of in the ordinary course of business and (B) any assets that in the ordinary course of business are replaced with substantially similar assets, (ii) except in the ordinary course of business after consultation with Occidental, (x) enter into any contract, commitment or agreement that would be material to the operation of its Subject Business or use of its assets or, except as expressly contemplated by this Agreement or expressly contemplated by or required pursuant to their respective terms, modify or change in any material respect any obligation under any such contract, commitment or agreement, (y) modify or change in any material respect any obligation under its Government Licenses, (z) modify or change in any material respect the manner in which the products produced by its Subject Business are marketed and sold, or (iii) enter into interest rate protection or other hedging agreements (except for hydrocarbon hedging agreements entered into in the ordinary course and expiring prior to December 31, 1998) relating to its Subject Business; provided, that, for purposes of (i) and (ii), "material" shall mean a change or modification that is subject to the unanimous voting requirement of Section 6.7 of the Partnership Agreement;

(d) not waive any material claims or rights relating to its Subject Business;

(e) after obtaining Knowledge thereof, give notice to Occidental of any claim or litigation (threatened or instituted) or any other event or occurrence which could reasonably be expected to have a Material Adverse Effect on its assets or Subject Business, other than the types of events, occurrences or other matters referred to in the proviso set forth in Section 2.1(f)(iii);

(f) not take any action that is reasonably likely to result in its representations and warranties in Section 2 hereof not being true in all material respects as of the Closing Date;

(g) not to make any distributions that are not in compliance with Section 3.1 of the Partnership Agreement; and

(h) not agree, whether in writing or otherwise, to take any action it has agreed pursuant to this Section 3.3 not to take;

provided, however, that notwithstanding anything to the contrary contained in this Section 3.3, prior to the Closing Date the Occidental Group and the Partnership will act independently of each other in making decisions as to the research and development, raw materials, manufacturing, pricing, marketing and distribution of their products.

3.4 Further Actions.

(a) Each Party will use its commercially reasonable efforts to take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or appropriate to resolve the objections, if any, as may be asserted by any Authority with respect to the transactions contemplated hereby under any antitrust laws or regulations; provided that no Party shall be required to take any action that could have any material adverse effect on its or its Affiliates' business, operations, prospects, assets, condition (financial or otherwise) or results of operations or that would, or would be reasonably likely to, materially frustrate the financial or other business benefits reasonably expected to be derived by any Party from the transactions contemplated by this Agreement.

(b) Subject to the terms and conditions hereof, each Party agrees to act in good faith and to use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement and under the Related Agreements to be entered into by such Party or its Affiliates at Closing, and to confirm that such transactions have been accomplished, including without limitation, using all commercially reasonable efforts: (i) to obtain and effect prior to the Closing Date all necessary Consents and Filings; and (ii) to, in the case of Occidental, obtain prior to the Closing Date all Government Licenses or consents to the transfer of any Government Licenses that are transferable by it or its Affiliates necessary to consummate the transactions contemplated hereby and by the Related Agreements and to allow for the prudent and uninterrupted operation of the Subject Business by the Partnership after the Closing. Each Party shall furnish to the other Party and its Affiliates such necessary information and assistance as the other may reasonably request in connection with its preparation of any such Filings or other materials required in connection with the foregoing.

(c) Occidental shall use its commercially reasonable efforts to procure all Consents that are necessary to transfer its Subject Business to the Partnership. Notwithstanding any other provision of this Agreement to the contrary, the Parties hereto acknowledge and agree that at the Closing Occidental or any Occidental Partner, as applicable, will not assign to the Partnership any Contract or warranties which by their terms require Consent from any other contracting party thereto unless any such Consent has been obtained prior to the Closing

Date. Before the Closing, the other Parties and the Partnership will use their commercially reasonable efforts and cooperate with Occidental and the Occidental Partners (together, the "Contracting Party") in obtaining any necessary Consents to the assignment of the Contracts, including, without limitation, by furnishing to the Contracting Party or other parties to any Contract summary financial information and other information with respect to the Partnership reasonably requested by the Contracting Party or such other parties and taking any such other actions (which, subject to any provisions to the contrary included in any Related Agreement, shall not include the incurrence of any expense not otherwise required to be incurred) as the Contracting Party or such other parties may reasonably request for the purpose of obtaining any releases, waivers or terminations as the Contracting Party may reasonably request on behalf of itself or any Affiliate. No representation is made by the Contracting Party with respect to whether any Consent to assign a Contract will be obtainable, and in no event shall the initial capital contributions be subject to reduction as a result of any Contract not being assigned to the Partnership at the Closing by virtue of the necessary Consent not being obtained. Following the Closing, the Partnership, Occidental and the Occidental Partners shall cooperate with each other and use commercially reasonable efforts to obtain those Consents that were not obtained prior to the Closing and (i) if such Consents are obtained following the Closing, Occidental and the Occidental Partners shall execute and deliver any other and further instruments of assignment, assumption, transfer and conveyance and take such other and further action as the Partnership may request in order to assign to the Partnership any Contract or warranties to which such Consents relate and (ii) pending such transfer or issuance to the Partnership, shall provide, to the extent it may lawfully do so, the Partnership with the benefits of any such Contracts, in which case, as provided for in the Occidental Contribution Agreement, the Partnership shall promptly assume and discharge (or reimburse Occidental or its Affiliate for) all obligations and liabilities associated with the benefits of such Contracts so made available to the Partnership.

(d) Occidental shall keep each other Party fully informed from time to time as any other Party shall reasonably request as to the status of all Consents being sought by Occidental or a Occidental Partner pursuant to Section 3.4(c).

(e) Each Party shall furnish to the other Party such information, cooperation and assistance as reasonably may be requested in connection with the foregoing.

(f) Each Party shall negotiate and otherwise act in good faith to complete, execute and deliver the Related Agreements at the Closing and to effect the Closing at the earliest practicable date.

3.5 Notifications. Each Party shall notify the other Parties and keep them advised as to (i) any litigation or administrative proceeding that is either pending or, to its Knowledge, threatened against such Party which challenges the transactions contemplated hereby; (ii) in the case of the Partnership or Occidental, any material damage to or destruction of its Subject Business and (iii) any fact of which such Party has Knowledge that indicates that any condition to Closing is reasonably likely not to be satisfied in a timely fashion.

3.6 Employee Matters.

(a) Substantially all employees of Occidental, OCC, Oxy Petrochemicals or one of the Occidental Partners who are associated primarily with Occidental's Subject Business shall be offered employment with the Partnership pursuant to the terms of the Occidental Contribution Agreement.

(b) The Partnership shall provide benefits to such employees who become employees of the Partnership under the benefit plans and programs of the Partnership upon employment with the Partnership, subject to the more specific provisions of the Occidental Contribution Agreement.

(c) No provision of this Agreement shall require OCC, Oxy Petrochemicals or any of the Occidental Partners to fail to comply with the terms of any current collective bargaining agreement.

3.7 Partnership Unanimous Consent Items. No action that requires the consent of Representatives of both Lyondell and Millennium pursuant to Section 6.7 of the Partnership Agreement shall be taken prior to the Closing without the consent of Occidental (other than actions regarding this Agreement and the transactions contemplated hereby).

SECTION 4
CONDITIONS TO CLOSING

4.1 Conditions Precedent to Obligations of All Parties. The respective obligations of the Parties to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions:

(a) No Injunction, etc. No preliminary or permanent injunction or other order issued by any federal or state court of competent jurisdiction in the United States or by any United States federal or state governmental or regulatory body or any statute, rule, regulation or executive order promulgated or enacted by any United States federal or state governmental authority shall be in effect which materially restrains, enjoins or otherwise prohibits (i) the transactions contemplated hereby; (ii) the ownership by the Partnership (including enjoyment of any rights relating thereto) of its Subject Business or Occidental's Subject Business at and after the Closing; or (iii) the operation by the Partnership of its Subject Business or Occidental's Subject Business at and after the Closing; and no Proceeding seeking any such injunction or order shall be pending; provided, that before any determination is made to the effect that this condition has not been satisfied, each Party shall each use commercially reasonable efforts to have such order or injunction lifted, vacated or dismissed.

(b) Tier 2 Related Agreements. The Parties shall have reached agreement with respect to definitive execution forms of the Tier 2 Related Agreements in accordance with Section 1.2.

(c) Government Licenses and Consents. Occidental shall have obtained and effected all Government Licenses and Consents required from any Authority for the consummation of the transactions contemplated hereunder and under the Related Agreements to be entered into at the Closing and required to allow for the prudent and uninterrupted operation of its Subject Business by the Partnership after the Closing in a manner consistent with past practices, except for those Government Licenses and Consents, the absence of which is not, in the aggregate, reasonably likely to have a Material Adverse Effect with respect to Occidental's Subject Business.

(d) HSR Act. The waiting period applicable to the Closing under the HSR Act shall have expired or been terminated, and no consent, approval, permit or authorization in connection therewith shall impose terms or conditions that would have, or would be reasonably likely to have, a material adverse effect on any Party (assuming the Closing has taken place) or that would, or would be reasonably likely to, materially frustrate the financial or other business benefits reasonably expected to be derived by any Party from the transactions contemplated by this Agreement.

4.2 Conditions Precedent to Obligations of the Partnership. The obligations of the Partnership under this Agreement are subject to the satisfaction (or waiver by the Partnership) on or prior to the Closing Date of each of the following conditions:

(a) Accuracy of Representations and Warranties. Notwithstanding any investigation, inspection or evaluation conducted or notice or Knowledge obtained by any member of the Equistar Group, all representations and warranties of members of the Occidental Group contained in this Agreement and the Related Agreements that contain qualifications and exceptions relating to materiality or Material Adverse Effect shall be true and correct on and as of the Closing Date, and all other representations and warranties of the members of such Group contained in such agreements shall be true and correct in all material respects as of the Closing Date.

(b) Performance of Agreements. Occidental and its Affiliates shall in all material respects have performed and complied with all obligations and agreements contained in this Agreement, and executed all agreements and documents (including the Tier 1 Related Agreements and the Tier 2 Related Agreements) to be performed, complied with or executed by it or them on or prior to the Closing Date.

(c) No Material Adverse Change. After the date of this Agreement, no event, occurrence or other matter shall have occurred that is reasonably likely to have a Material Adverse Effect with respect to Occidental's Subject Business, provided that this determination shall be made without regard to any change in general economic or political conditions or any change in raw materials prices, product prices, industry capacity or other matter of industry-wide application that affects the Partnership's Subject Business and Occidental's Subject Business in a substantially similar way.

(d) Officer's Certificates. The Partnership shall have received a certificate, dated the Closing Date, signed by the President or a Vice President of Occidental to the effect that, to the Knowledge of Occidental, the conditions specified in the above paragraphs have been fulfilled.

4.3 Conditions Precedent to Obligations of Occidental. The obligations of Occidental under this Agreement are subject to the satisfaction (or waiver by Occidental) on or prior to the Closing Date of each of the following conditions:

(a) Accuracy of Representations and Warranties. Notwithstanding any investigation, inspection or evaluation conducted or notice or Knowledge obtained by any member of the Occidental Group, all representations and warranties of the Partnership and of members of the Lyondell Group and the Millennium Group contained in this Agreement and the Related Agreements that contain qualifications and exceptions relating to materiality or Material Adverse Effect shall be true and correct on and as of the Closing Date, and all other representations and warranties of such Persons contained in such agreements shall be true and correct in all material respects as of the Closing Date.

(b) Performance of Agreements. Each of the Partnership, Lyondell and its Affiliates and Millennium and its Affiliates shall in all material respects have performed and complied with all obligations and agreements contained in this Agreement, and executed all agreements and documents (including the Tier 1 Related Agreements and the Tier 2 Related Agreements) to be performed, complied with or executed by it or them on or prior to the Closing Date.

(c) No Material Adverse Change. After the date of this Agreement, no event, occurrence or other matter shall have occurred that is reasonably likely to have a Material Adverse Effect with respect to the Partnership's Subject Business, provided that this determination shall be made without regard to any change in general economic or political conditions or any change in raw materials prices, product prices, industry capacity or other matter of industry-wide application that affects the Partnership's Subject Business and Occidental's Subject Business in a substantially similar way.

(d) Board of Directors Approval. This Agreement and the Tier 1 Related Agreements, and the transactions contemplated by such agreements, shall have been duly authorized and approved by Occidental's board of directors.

(e) Officer's Certificates. Occidental shall have received certificates, dated the Closing Date, signed by the President or a Vice President of each of the Partnership, Lyondell and Millennium to the effect that, to the Knowledge of such Party, the conditions specified in the above paragraphs have been fulfilled; provided, that, with respect to the conditions set forth in Sections 4.3(a) and 4.3(b), such certificates shall only concern the accuracy of representations and warranties and performance of agreements of the Partnership, the Lyondell Group and the Millennium Group, respectively.

(f) Third Party Consents. All Consents of any third party listed on Schedule 4.3(f) shall have been obtained.

SECTION 5
TERMINATION AND WAIVER

5.1 General. This Agreement may be terminated and the transactions contemplated herein and in the Related Agreements may be abandoned at any time prior to the Closing:

(a) by the written consent of the Parties;

(b) by the Partnership, by notice to Occidental, if there has been a material misrepresentation or a breach of an agreement by Occidental in this Agreement that (i) if such misrepresentation or breach existed on the Closing Date, would constitute a failure to satisfy the conditions to Closing set forth in Section 4.2(b) and (ii) has not been cured and cannot reasonably be cured within 30 days after all other conditions to Closing have been satisfied;

(c) by Occidental, by notice to the Partnership, if there has been a material misrepresentation or a breach of an agreement by any of the Partnership, Lyondell or Millennium in this Agreement that (i) if such misrepresentation or breach existed on the Closing Date, would constitute a failure to satisfy the conditions to Closing set forth in Section 4.3(b) and (ii) has not been cured and cannot reasonably be cured within 30 days after all other conditions to Closing have been satisfied;

(d) by any Party, by notice to each other Party, if after the date hereof and prior to the Closing any final, non-appealable order or injunction shall be issued by any federal or state court of competent jurisdiction in the United States or by any United States Authority, or any Legal Requirement shall be promulgated or enacted by any United States Authority, that would have the effect of prohibiting or making unlawful the performance of this Agreement, the execution, delivery or performance of any Related Agreement or the consummation of the Closing; and

(e) by any Party, by notice to each other Party, in the event that, for any reason, the Closing does not occur on or before December 31, 1998; provided, however, that if the Closing does not occur due to the act or omission of one of the Parties, that Party may not terminate this Agreement pursuant to the provisions of this Section 5.1(e).

5.2 Effect of Termination. In the event of any termination of this Agreement as provided above, this Agreement shall forthwith become wholly void and of no further force and effect and there shall be no liability on the part of any Party, its Subsidiaries or their respective officers or directors; provided, however, that upon any such termination the obligations of the Parties with respect to this Section 5, expenses under Section 6.10 and confidentiality under Section 6.6 shall remain in full force and effect; and provided, further, that nothing herein will relieve any party from liability for damages for any breach of this Agreement.

SECTION 6
MISCELLANEOUS

6.1 Successors and Assigns. Except as may be expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the successors of all of the Parties. No Party may otherwise assign or delegate any of its rights or obligations under this Agreement without the prior written consent of all of the other Parties, which consent shall be in the sole and absolute discretion of each such Party. Any purported assignment or delegation without such consent shall be void and ineffective.

6.2 Benefits of Agreement Restricted to Parties. This Agreement is made solely for the benefit of the Parties, and no other Person (including employees) shall have any right, claim or cause of action under or by virtue of this Agreement.

6.3 Notices. All notices, requests and other communications that are required or may be given under this Agreement shall, unless otherwise provided for elsewhere in this Agreement, be in writing and shall be deemed to have been duly given if and when (i) transmitted by telecopier facsimile with proof of confirmation from the transmitting machine or (ii) delivered by commercial courier or other hand delivery, as follows:

Equistar Chemicals, LP:
Gerald A. O'Brien
Vice President and Secretary
Equistar Chemicals, LP
1221 McKinney Street
Houston, Texas 77010
Telecopy Number: (713) 309-4718

with a copy to:

Baker & Botts, L.L.P.
910 Louisiana Street
Houston, Texas 77002
Attention: Stephen A. Massad
Telecopy Number: (713) 229-1522

Lyondell Petrochemical Company:
Kerry A. Galvin
Chief Corporate Counsel and
Corporate Secretary
Lyondell Petrochemical Company
1221 McKinney Street
Houston, Texas 77010
Telecopy Number: (713) 309-4718

Occidental Petroleum Corporation:
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: President
Telecopy Number: (310) 443-6977

with a copy to:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: General Counsel
Telecopy Number: (310) 443-6333

Millennium Chemicals Inc.:
George H. Hempstead, III
Senior Vice President,
Law and Administration and Secretary
Millennium Chemicals Inc.
99 Wood Avenue South
Iselin, New Jersey 08830
Telecopy Number: 908-603-6857

6.4 Severability. In the event that any provision of this Agreement shall finally be determined to be unlawful, such provision shall, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to any of the Parties, be deemed severed from this Agreement and every other provision of this Agreement shall remain in full force and effect.

6.5 Press Releases. Unless otherwise mutually agreed, no Party shall make or authorize any public release of information regarding the matters contemplated by, or any provisions or terms of, this Agreement or the Related Agreements, and Occidental shall not make or authorize any public release of information regarding the Partnership, except (i) that a press release or press releases in mutually agreed upon form or forms shall be issued by the Parties as promptly as is practicable following the execution of this Agreement, (ii) that the Parties may, after consultation with each other, communicate with employees, customers, suppliers, stockholders, lenders, lessors, and other particular groups as may be necessary or appropriate and not inconsistent with the prompt consummation of the transactions contemplated by this Agreement and (iii) after consultation with each other, as required by law or stock exchange rule or as necessary for the assertion or enforcement of contractual rights.

6.6 Confidentiality Agreement. Lyondell, on behalf of the Partnership, and Occidental have heretofore entered into the Confidentiality Agreement relating to the exchange between Lyondell and the Partnership, on the one hand, and Occidental and the Occidental Partners, on the other hand, of certain confidential information related or otherwise pertinent to the transactions contemplated by this Agreement. Nothing in this Agreement shall be construed as impairing or otherwise limiting the obligations assumed pursuant to the Confidentiality Agreement by the parties thereto. The Confidentiality Agreement shall remain in full force and effect in accordance with its terms until the earlier of Closing or its expiration date. The Partnership and Millennium shall be bound by, and shall be entitled to the benefits of, such Confidentiality Agreement to the same extent as if they were parties thereto.

6.7 Construction. In construing this Agreement, the following principles shall be followed: (i) no consideration shall be given to the captions of the articles, sections, subsections or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in construction; (ii) no consideration shall be given to the fact or presumption that any of the Parties had a greater or lesser hand in drafting this Agreement; (iii) examples shall not be construed to limit, expressly or by implication, the matter they illustrate; (iv) the word "includes" and its syntactic variants mean "includes, but is not limited to" and corresponding syntactic variant expressions; (v) the plural shall be deemed to include the singular, and vice versa; (vi) each gender shall be deemed to include the other genders; (vii) each exhibit, appendix, attachment and schedule to this Agreement is a part of this Agreement; and (viii) any reference herein or in any schedule hereto to any agreements entered into prior to the date hereof shall include any amendments or supplements made thereto.

6.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which when taken together shall constitute one and the same original document.

6.9 Governing Law. The laws of the State of Delaware shall govern the construction, interpretation and effect of this Agreement without giving effect to any conflicts of law principles.

6.10 Transaction Costs.

(a) Subject to subsection (b) and Section 2.8 of the Occidental Contribution Agreement, and except as provided on Schedule 6.10, all reasonable out-of-pocket costs, fees and expenses incurred at any time by any Party in connection with the negotiation, execution and delivery of this Agreement, the satisfaction of the conditions to Closing under this Agreement and the consummation of the transactions contemplated hereby shall be reimbursed by the Partnership (if the cost, fee or expense was incurred by a Party other than the Partnership) and if incurred or reimbursed by the Partnership shall be shared by Lyondell, Millennium and Occidental pro rata in accordance with the relative interests to be held by their Subsidiaries in the Partnership after Closing; provided, however, that if any one expense item or series of directly related expenses exceeds $5 million, all of such expense or expenses in excess of such $5 million shall be paid by the Party incurring such expense.

(b) Notwithstanding the foregoing, each Party shall be solely responsible for and bear all of its own respective costs, fees and expenses if this Agreement is terminated and the Closing does not occur.

6.11 Amendment. All waivers, modifications, amendments or alterations of this Agreement shall require the written approval of each of the Parties. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representations, warranties, covenants or agreements contained herein and in any documents delivered or to be delivered pursuant to this Agreement and in connection with the Closing hereunder. The waiver by any Party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

6.12 Jurisdiction; Consent to Service of Process; Waiver. ANY JUDICIAL PROCEEDING BROUGHT AGAINST ANY PARTY TO THIS AGREEMENT OR ANY DISPUTE UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY MATTER RELATED HERETO SHALL BE BROUGHT IN THE FEDERAL OR STATE COURTS OF THE STATE OF DELAWARE, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES TO THIS AGREEMENT ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT (AS FINALLY ADJUDICATED) RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH OF THE PARTIES TO THIS AGREEMENT SHALL APPOINT THE CORPORATION TRUST COMPANY, THE PRENTICE-HALL CORPORATION SYSTEM, INC. OR A SIMILAR ENTITY (THE "AGENT") AS AGENT TO RECEIVE ON ITS BEHALF SERVICE OF PROCESS IN ANY PROCEEDING IN ANY SUCH COURT IN THE STATE OF DELAWARE, AND EACH OF THE PARTIES TO THIS AGREEMENT SHALL MAINTAIN THE APPOINTMENT OF SUCH AGENT (OR A SUBSTITUTE AGENT) FROM THE DATE HEREOF UNTIL THE EARLIER OF THE

CLOSING DATE OR THE TERMINATION OF THIS AGREEMENT AND SATISFACTION OF ALL OBLIGATIONS HEREUNDER. THE FOREGOING CONSENTS TO JURISDICTION AND APPOINTMENTS OF AGENT TO RECEIVE SERVICE OF PROCESS SHALL NOT CONSTITUTE GENERAL CONSENTS TO SERVICE OF PROCESS IN THE STATE OF DELAWARE FOR ANY PURPOSE EXCEPT AS PROVIDED ABOVE AND SHALL NOT BE DEEMED TO CONFER RIGHTS ON ANY PERSON OTHER THAN THE PARTIES HERETO. EACH PARTY HEREBY WAIVES ANY OBJECTION IT MAY HAVE BASED ON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON-CONVENIENS.

6.13 Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY AND INTENTIONALLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

6.14 Action by the Partnership. Any determination (including as to the satisfaction of any and all conditions precedent to the obligations of the Partnership set forth in Section 4.2 of this Agreement), consent, approval, waiver, other action or right to be made, given, taken or exercised by the Partnership pursuant to or as contemplated by this Agreement shall be subject to the Partnership Governance Committee unanimous voting requirements set forth in Section 6.7 of the Partnership Agreement; provided, however, that the Partnership's exercise of its right of termination set forth in Section 5.1(b) of this Agreement shall only require the approval of either two or more Representatives of Lyondell or two or more Representatives of Millennium, acting separately.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Master Transaction Agreement has been executed on behalf of each of the Parties, by their respective officers thereunto duly authorized, effective as of the date first written above.

EQUISTAR CHEMICALS, LP

By: /s/ Eugene R. Allspach

Name: Eugene R. Allspach
Title: President and Chief Operating Officer

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ S.P. Dominick, Jr.

Name: S.P. Dominick, Jr.
Title: Vice President and Controller

LYONDELL PETROCHEMICAL COMPANY

By: /s/ Dan F. Smith

Name: Dan F. Smith
Title: Chief Executive Officer

MILLENNIUM CHEMICALS INC.

By: /s/ George H. Hempstead, III

Name: George H. Hempstead, III
Title: Senior Vice President

[Signature Page to Master Transaction Agreement]

APPENDIX A
TO
MASTER TRANSACTION AGREEMENT

DEFINITIONS

"Affiliate" shall mean any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified; provided, however, that for purposes of this Agreement (i) Canadian Occidental Petroleum Ltd. and any entities controlled by it shall not be considered an Affiliate of the Occidental Group, (ii) Suburban Propane Partners, L.P. and any entities controlled by it shall not be considered an Affiliate of the Millennium Group, (iii) neither the Partnership nor any entity controlled by it shall be considered an Affiliate of the Occidental Group, the Lyondell Group or the Millennium Group, (iv) no member of the Occidental Group, the Lyondell Group or the Millennium Group shall be considered an Affiliate of the Partnership and (v) the Partnership shall not be considered an Affiliate of any member of the Occidental Group, the Lyondell Group or the Millennium Group. For purposes of this definition, the term "control" shall have the meaning set forth in 17 CFR 230.405, as in effect on the date hereof.

"Agreement" shall mean this Master Transaction Agreement entered into between the Parties as of the date hereof.

"Amended and Restated Partnership Agreement" shall mean that certain Amended and Restated Partnership Agreement of the Partnership to be executed and delivered at the Closing in substantially the form attached hereto as Exhibit A.

"Assumed Liabilities" shall have the meaning assigned to such term in the Occidental Contribution Agreement.

"Authority" shall mean any government or governmental or regulatory body thereof, or political subdivision thereof, whether federal, state, local or foreign, or any agency, department or instrumentality thereof, or any court or arbitrator (public or private).

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks are closed in New York City, New York.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Closing" shall have the meaning set forth in the seventh WHEREAS clause of this Agreement.

"Closing Date" shall have the meaning set forth in Section 1.3.

"Confidentiality Agreement" shall mean that certain Confidentiality Agreement dated December 11, 1997 between Lyondell and Occidental.

"Consent" shall mean any consent, waiver, approval, authorization, exemption, registration, license or declaration of or by any other Person or any Authority, or any expiration or termination of any applicable waiting period under any Legal Requirement, required with respect to any Party or any party to the Related Agreements in connection with (i) the execution and delivery of this Agreement or any of the Related Agreements or (ii) the consummation of any of the transactions provided for hereby or thereby.

"Contracts" shall have the meaning assigned to such term in the Occidental Contribution Agreement.

"Contributed Assets" shall have the meaning assigned to the term "Assets" in the Occidental Contribution Agreement.

"Encumbrance" shall mean any lien, charge, encumbrance, security interest, title defect, option or any other restriction or third-party right.

"ERISA" shall mean the Employee Retirement Income Security Act, as amended.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Equistar Group" shall mean the Partnership, the Initial Partners, Lyondell, Millennium and Millennium Petrochemicals.

"Filing" shall mean any filing with any Person or any Authority required with respect to any Party in connection with (i) the execution and delivery of this Agreement or any of the Related Agreements or (ii) the consummation of any of the transactions provided for hereby or thereby.

"GAAP" shall have the meaning set forth in Section 2.1(e).

"Government License" shall have the meaning assigned to such term in the Occidental Contribution Agreement.

"Group" shall mean the Equistar Group, the Occidental Group, the Lyondell Group or the Millennium Group, as appropriate.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Initial Master Transaction Agreement" shall mean the Master Transaction Agreement dated July 25, 1997, between Lyondell and Millennium, as amended.

"Initial Partners" shall mean Lyondell LP, Lyondell GP, Millennium LP and Millennium GP.

"Joint Proxy Statement" shall mean the Joint Proxy Statement of Lyondell and Millennium dated October 17, 1997.

"Knowledge" shall mean with respect to any Party the actual knowledge of (i) any current plant manager, (ii) any current officer of such Party having responsibilities with respect to an applicable Subject Business or the transactions contemplated in this Agreement, (iii) in the case of Occidental, any current officer of OCC, Oxy Petrochemicals or of an Occidental Partner having responsibilities with respect to Occidental's Subject Business or the transactions contemplated in this Agreement, and (iv) any current employee reporting directly to an officer described in clause (ii) or (iii).

"Legal Requirement" shall mean any law, statute, rule, ordinance, decree, regulation, requirement, order or judgment of any Authority including the terms of any Government License.

"Lyondell" shall have the meaning set forth in the first paragraph of this Agreement.

"Lyondell Asset Contribution Agreement" shall mean that certain Asset Contribution Agreement dated December 1, 1997, to which Lyondell and the Partnership are parties.

"Lyondell GP" shall mean Lyondell Petrochemical G.P. Inc., a Delaware corporation and a wholly owned Subsidiary of Lyondell.

"Lyondell Group" shall mean Lyondell, Lyondell LP and Lyondell GP.

"Lyondell LP" shall mean Lyondell Petrochemical L.P. Inc., a Delaware corporation and a wholly owned Subsidiary of Lyondell.

"Lyondell Note" shall mean that certain promissory note in the aggregate principal amount of $345 million dated December 1, 1997 payable to the Partnership by Lyondell LP.

"Material Adverse Effect" shall mean any adverse circumstance or consequence that, individually or in the aggregate, has an effect that is material to the financial condition, results of operations, assets or business of the applicable Party or Subject Business (taken as a whole), as the case may be.

"Millennium" shall have the meaning set forth in the first paragraph of this Agreement.

"Millennium Asset Contribution Agreement" shall mean that certain Asset Contribution Agreement dated December 1, 1997, to which Millennium Petrochemicals and the Partnership are parties.

"Millennium GP" shall mean Millennium GP LLC, a Delaware limited liability company and an indirect, wholly owned Subsidiary of Millennium.

"Millennium Group" shall mean Millennium, Millennium Petrochemicals, Millennium LP and Millennium GP.

"Millennium LP" shall mean Millennium LP LLC, a Delaware limited liability company and an indirect, wholly owned Subsidiary of Millennium.

"Millennium Petrochemicals" shall have the meaning set forth in the third WHEREAS clause of this Agreement.

"Occidental" shall have the meaning set forth in the first paragraph of this Agreement.

"Occidental Contribution Agreement" shall mean that certain Agreement and Plan of Merger and Asset Contribution between the Occidental Partners, Oxy Petrochemicals and the Partnership to be executed and delivered at the Closing in substantially the form attached hereto as Exhibit B.

"Occidental Assumed Debt" shall mean the Lease Intended for Security, dated December 18, 1991, among OCC, the institutions listed on Schedule I thereto, Norwest Bank Minnesota, National Association, as Agent and Chemical Bank and the Bank of Nova Scotia, as Information Agents, and having an amount outstanding as of the date of this Agreement of $205 million.

"Occidental Group" shall mean Occidental, OCC, Oxy CH, and the Occidental Partners and, prior to the Closing, Oxy Petrochemicals.

"Occidental Partners" shall mean PDG Chemical, OCC Sub and Oxy CH Sub.

"OCC" shall have the meaning set forth in the fourth WHEREAS clause of this Agreement.

"OCC Sub" shall have the meaning set forth in the fourth WHEREAS clause.

"Oxy CH" shall have the meaning set forth in the fourth WHEREAS clause of this Agreement.

"Oxy CH Sub" shall have the meaning set forth in the fourth WHEREAS clause of this Agreement.

"Oxy Petrochemicals" shall have the meaning set forth in Section 1.5(d).

"Parties" shall have the meaning set forth in the seventh WHEREAS clause of this Agreement.

"Partnership" shall have the meaning set forth in the first paragraph of this Agreement.

"Partnership Agreement" shall mean the Agreement of Limited Partnership of the Partnership dated October 10, 1997.

"Partnership Governance Committee" shall mean the "Partnership Governance Committee" as defined in the Partnership Agreement.

"PDG Chemical" shall have the meaning set forth in the fourth WHEREAS clause of this Agreement.

"Person" shall mean any natural person, corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization.

"Proceeding" shall mean any action, suit, claim or legal, administrative or arbitration proceeding or governmental investigation to which any Party or an Affiliate is a party.

"Related Agreements" shall mean the Tier 1 Related Agreements and the Tier 2 Related Agreements.

"Representatives" shall mean the "Representatives," as defined in the Partnership Agreement.

"SEC" shall mean the Securities and Exchange Commission.

"SEC Reports" shall have the meaning set forth in Section 2.2.(e).

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Stockholders' Meetings" shall mean the special stockholders meetings of each of Lyondell and Millennium held November 20, 1997.

"Strategic Plan" shall mean the Five-Year Strategic Plan adopted by the Partnership Governance Committee, as amended and modified prior to the date hereof pursuant to action of the Partnership Governance Committee, as set forth in minutes of their meetings.

"Subject Business" shall mean (i) in the case of Occidental, the "Contributed Business" as defined in the Occidental Contribution Agreement, including the Contributed Assets and the Assumed Liabilities related thereto; (ii) in the case of each of Lyondell and Millennium, their respective "Contributed Businesses" as defined in their respective Asset Contribution Agreements dated December 1, 1997; and (iii) in the case of the Partnership, the business of the Partnership, which consists substantially of the Subject Business of Lyondell and Millennium.

"Subsidiary" shall mean, with respect to any Party, any Person of which such Party, either directly or indirectly, owns 50% or more of the equity or voting interests, except, in the case of Lyondell, Lyondell-CITGO Refining Company Ltd. and Equistar Chemicals, LP.

"Tier 1 Related Agreements" shall mean those agreements so designated on Appendix B, forms of each of which (including forms of the exhibits and certain of the schedules thereto current as of the dates indicated therein), are attached hereto as Exhibits.

"Tier 2 Related Agreements" shall mean those agreements so designated on Appendix B (including Appendix B-2), descriptions of certain terms of which are included thereon.

"Unit" shall mean a unit representing a partnership interest in the Partnership.

APPENDIX B
TO
MASTER TRANSACTION AGREEMENT

LIST OF RELATED AGREEMENTS

Tier 1 Related Agreements

1. Amended and Restated Agreement of Limited Partnership

2. Agreement and Plan of Merger and Asset Contribution among the Occidental Partners, Oxy Petrochemicals and the Partnership

3. Amended and Restated Parent Agreement

4. Sales Agreement (Ethylene)

Tier 2 Related Agreements

1. Agreements the form of which is an exhibit to the Occidental Agreement and Plan of Merger and Contribution.

2. Operating Agreement by and between the Partnership and OCC.

3. Tolling Processing Agreement by and between the Partnership and OCC.

4. Amended and Restated Indemnity Agreement among OCC, PDG Chemical, Oxy Petrochemicals, OCC Sub, Oxy CH Sub, Lyondell GP, Lyondell LP, Millennium GP, Millennium LP and Millennium America Inc., a Delaware corporation, amending and restating the Indemnity Agreement, dated December 1, 1997.

5. Agreement between OCC and the Partnership obligating OCC to provide a guarantee for the collection of $419,700,000 of Partnership debt and obligating the Partnership to extend or refinance such debt for a term at least equivalent to the term of such guarantee.

6. Agreement between OCC and the Partnership obligating the Partnership to prepay or restructure the Occidental Assumed Debt within an agreed period of time.

7. Promissory Note for $419,700,000 of the Partnership payable to Oxy CH Sub.

8. Promissory Note for $75 million of the Partnership payable to Millennium LP.

9. Agreement for Assumption of Lease Intended for Security dated December 18, 1991 ($205 million).

10. Assignment and Assumption Agreement related to Lease Intended for Security dated March 28,1994 (Pitney Bowes).

11. Agreement regarding termination of Lyondell guaranty of certain Partnership railcar leases.

12. Sublease by OCC to the Partnership related to 1990 railcar lease.

13. Sublease by Oxy Petrochemicals to the Partnership related to 1995 railcar lease.

14. Tax Indemnity Agreement between OCC and the Partnership related to the 1990 railcar sublease.

15. Tax Indemnity Agreement between Oxy Petrochemicals and the Partnership related to the 1995 railcar sublease.

16. Master Arbitration Amendment to Related Agreements.

17. First Amendment to Lyondell Asset Contribution Agreement.

18. First Amendment to Millennium Asset Contribution Agreement.

19. Transition Services Agreement between the Partnership and OCC.

20. Pipeline Acquisition Agreement between OCC and the Partnership related to the Cyclohexane pipeline.

EXHIBIT 10.2

AMENDED AND RESTATED

LIMITED PARTNERSHIP

AGREEMENT

OF

EQUISTAR CHEMICALS, LP

ORGANIZED UNDER THE DELAWARE
REVISED UNIFORM LIMITED PARTNERSHIP ACT

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AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
EQUISTAR CHEMICALS, LP

This Amended and Restated Limited Partnership Agreement of Equistar Chemicals, LP dated May 15, 1998 is entered into by and among Lyondell Petrochemical G.P. Inc., a Delaware corporation ("Lyondell GP"), Lyondell Petrochemical L.P. Inc., a Delaware corporation ("Lyondell LP"), Millennium Petrochemicals GP LLC, a Delaware limited liability company ("Millennium GP"), Millennium Petrochemicals LP LLC, a Delaware limited liability company ("Millennium LP"), PDG Chemical Inc., a Delaware corporation ("Occidental GP"), Occidental Petrochem Partner 1, Inc., a Delaware corporation_ ("Occidental LP1"), and Occidental Petrochem Partner 2, Inc., a Delaware corporation ("Occidental LP2," and together with Occidental LP1, "Occidental LP").

The definitions of capitalized terms used in this Agreement, including the appendices hereto, are set forth in Appendix A hereto.

WHEREAS, Lyondell GP, Lyondell LP, Millennium GP and Millennium LP (together, the "Initial Partners") entered into the Limited Partnership Agreement of Equistar Chemicals, LP dated October 10, 1997 (the "Initial Agreement"), pursuant to the Initial Master Transaction Agreement between Lyondell Petrochemical Company, a Delaware corporation ("Lyondell"), the ultimate parent entity of each of Lyondell GP and Lyondell LP, and Millennium Chemicals Inc., a Delaware corporation ("Millennium"), the ultimate parent entity of each of Millennium GP and Millennium LP;

WHEREAS, the Initial Partners contributed their Initial Assets to the Partnership on the Initial Closing Date and the Initial Related Agreements relating to the Partnership and their Contributed Businesses were entered into, all as provided in the Initial Master Transaction Agreement;

WHEREAS, the Partnership, Occidental Petroleum Corporation , a Delaware corporation ("Occidental"), the ultimate parent entity of each of Occidental GP, Occidental LP1 and Occidental LP2 (together, the "Occidental Partners"), Lyondell and Millennium have entered into the Master Transaction Agreement dated May 15, 1998 (the "Second Master Transaction Agreement"), which provides, among other things, for the admission of Occidental GP as a general partner of the Partnership and of each of Occidental LP1 and Occidental LP2 as a limited partner of the Partnership, subject to and upon the terms and conditions set forth therein; and

WHEREAS, simultaneous with the execution and delivery of this Agreement, (i) the Occidental Partners are contributing to the Partnership their Initial Assets and Contributed Business in accordance with the Occidental Contribution Agreement (which involves, in the case of Occidental LP2, the merger of Oxy Petrochemicals and the Partnership, with the Partnership as the surviving entity); (ii) Lyondell, Millennium, Occidental and certain Occidental Affiliates are entering into the Amended and Restated Parent Agreement and (iii) the Additional Related Agreements are being entered into;

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties hereto, it is hereby agreed as follows:

SECTION 1
ORGANIZATION MATTERS

1.1 Formation of Partnership; Amended and Restated Agreement. The Certificate of Limited Partnership was filed with the Secretary of State of the State of Delaware on October 17, 1997. The Initial Agreement was entered into October 10, 1997. The Partners desire to enter into this Agreement which amends and restates the Initial Agreement and constitutes the limited partnership agreement of the Partnership as of the date hereof. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. Without the need for the consent of any other Person, upon the execution of this Agreement by each of the parties hereto, (i) Occidental GP is hereby admitted to the Partnership as a general partner of the Partnership, (ii) Occidental LP1 is hereby admitted to the Partnership as a limited partner of the Partnership and (iii) Occidental LP2 is hereby admitted to the Partnership as a limited partner of the Partnership. Subject to the restrictions set forth in this Agreement, the Partnership shall have the power to exercise all the powers and privileges granted by this Agreement and by the Act, together with any powers incidental thereto, so far as such powers and privileges are necessary, appropriate, convenient or incidental for the conduct, promotion or attainment of the purposes of the Partnership.

1.2 Name. The name of the Partnership is "Equistar Chemicals, LP" The Partnership's business may be conducted under such name or any other name or names deemed advisable by the Partnership Governance Committee. The General Partners will comply or cause the Partnership to comply with all applicable laws and other requirements relating to fictitious or assumed names.

1.3 Business Offices. The principal place of business of the Partnership shall be 1221 McKinney Street, Houston, Texas 77010, or such other place as the General Partners may from time to time determine. The registered agent of the Partnership in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

1.4 Purpose and Business. The business of the Partnership shall be to, directly or indirectly, (i) engage in the Specified Petrochemicals Businesses, in the United States and internationally, including research and development, purchasing, processing and disposing of feedstocks, and manufacturing, marketing and distributing products, (ii) acquire and dispose of properties and assets used or useful in connection with the foregoing and (iii) do all things necessary, appropriate, convenient or incidental in connection with the ownership, operation or financing of such business and activities, or otherwise in connection with the foregoing, as are permitted under the Act, including the acquisition and operation of the Contributed Businesses.

1.5 Filings. The General Partners shall, or shall cause the Partnership to, execute, swear to, acknowledge, deliver, file or record in public offices and publish all such certificates, notices, statements or other instruments, and take all such other actions, as may be required by law for the

formation, reformation, qualification, registration, operation or continuation of the Partnership in any jurisdiction, to maintain the limited liability of the Limited Partners, to preserve the Partnership's status as a partnership for tax purposes or otherwise to comply with applicable law. Upon request of the General Partners, the Limited Partners shall execute all such certificates and other documents as may be necessary, in the sole judgment of the General Partners, in order for the General Partners to accomplish all such executions, swearings, acknowledgments, deliveries, filings, recordings in public offices, publishings and other acts. Each General Partner hereby agrees and covenants that it will execute any appropriate amendment to the Certificate of Limited Partnership of the Partnership pursuant to Section 17- 204 of the Act to reflect any admission of a Substitute General Partner and of Occidental GP in accordance with this Agreement.

1.6 Power of Attorney. Each Limited Partner hereby irrevocably makes, constitutes and appoints its Affiliated General Partner and any successor thereto permitted as provided herein, with full power of substitution and resubstitution, as the true and lawful agent and attorney-in-fact of such Limited Partner, with full power and authority in the name, place and stead of such Limited Partner to execute, swear, acknowledge, deliver, file or record in public offices and publish: (i) all certificates and other instruments (including counterparts thereof) which such General Partner deems appropriate to reflect any amendment, change or modification of or supplement to this Agreement in accordance with the terms of this Agreement; (ii) all certificates and other instruments and all amendments thereto which such General Partner deems appropriate or necessary to form, qualify or continue the Partnership in any jurisdiction, to maintain the limited liability of such Limited Partner, to preserve the Partnership's status as a partnership for tax purposes or otherwise to comply with applicable law; and (iii) all conveyances and other instruments or documents which such General Partner deems appropriate or necessary to reflect the transfers or assignments of interests in, to or under, this Agreement, including the Units, the dissolution, liquidation and termination of the Partnership, and the distribution of assets of the Partnership in connection therewith, pursuant to the terms of this Agreement.

Each Limited Partner hereby agrees to execute and deliver to its Affiliated General Partner within five Business Days after receipt of a written request therefor such other further statements of interest and holdings, designations, powers of attorney and other instruments as such General Partner deems necessary. The power of attorney granted herein is hereby declared irrevocable and a power coupled with an interest, shall survive the bankruptcy, dissolution or termination of such Limited Partner and shall extend to and be binding upon such Limited Partner's successors and permitted assigns. Each Limited Partner hereby (i) agrees to be bound by any representations made by the agent and attorney-in-fact acting in good faith pursuant to such power of attorney; and (ii) waives any and all defenses which may be available to contest, negate, or disaffirm any action of the agent and attorney-in-fact taken in accordance with such power of attorney.

1.7 Term. The term for which the Partnership is to exist as a limited partnership is from the date the Partnership's Certificate of Limited Partnership was filed with the office of the Secretary of State of the State of Delaware through the dissolution of the Partnership in accordance with the provisions of Section 12.

SECTION 2
CAPITAL CONTRIBUTIONS

2.1 Acquisition of Units; Holdings of Initial Partners. In exchange for the contributions provided for in Section 2.3, Occidental LP1, Occidental LP2 and Occidental GP shall receive the Units set forth by their names below, and effective on the date hereof, the Units shall be owned as follows:

PARTNER	UNITS
Lyondell GP	820
Millennium GP	590
Occidental GP	295
Lyondell LP	40,180
Millennium LP	28,910
Occidental LP1	6,623
Occidental LP2	22,582
TOTAL	100,000

The Units shall entitle the holder to the distributions set forth in Section 3 and to the allocation of Profits, Losses and other items as set forth in Section 4. Units shall not be represented by certificates.

2.2 Transaction Costs. If the Partnership is entitled to deductions with respect to costs described in either Section 6.10 of the Initial Master Transaction Agreement or Section 6.10 of the Second Master Transaction Agreement to which a Partner is not entitled to reimbursement, the incurrence of such costs shall not increase the Capital Account of such a Partner, and such Partner shall be entitled to any deductions attributable to such costs.

2.3 Property Contributions.

(a) Pursuant to their Contribution Agreement, on the date hereof, Occidental LP1, Occidental LP2 and Occidental GP have contributed or caused to be contributed to the Partnership, the Initial Assets contemplated thereby subject to the Assumed Liabilities contemplated thereby (which involves, in the case of Occidental LP2, the merger of Oxy Petrochemicals and the Partnership, with the Partnership as the surviving entity).

(b) The Partners intend that the contribution of assets subject to liabilities heretofore made by the Partners to the Partnership and to be made pursuant to Section 2.3(a) has qualified and will qualify as a tax-free contribution under Section 721 of the Code in which no Partner has recognized or will recognize gain or loss. The Partners agree that the Partnership will so file its tax return, and

each Partner agrees to file its tax return on the same basis and to maintain such position consistently at all times thereafter.

(c) Immediately after the contributions by Occidental GP, Occidental LP1, and Occidental LP2, the Capital Accounts of the Initial Partners shall be adjusted so that each Partner's Capital Account would be the same per Unit as that of every other Partner on the date hereof if on such date the principal and accrued interest on the Lyondell Note were paid and the special capital distributions accrued interest provided in Sections 3.1(e), (f), and (g) were made.

(d) Schedule 2.3(d) sets forth the Capital Accounts of the Partners as if the contributions and distributions referred to in Section 2.3(c) were made.

2.4 Other Contributions. From time to time and subject to the limitations of Section 6.7, if applicable, the Partnership Governance Committee (or the CEO acting pursuant to Section 8.3), on behalf of the Partnership, may issue a written notice ("Funding Notice") to the Limited Partners calling for an additional capital contribution to the Partnership. Any Funding Notice will set forth:

(a) the use of funds therefor;

(b) the aggregate amount of the capital contribution required, which amount shall be apportioned among the Limited Partners Pro Rata; and

(c) the date by which the capital contribution must be received by the Partnership, which date will not be earlier than seven Business Days from the date the Funding Notice is issued.

Each Limited Partner shall timely wire transfer its Pro Rata share of the amount set forth in the Funding Notice to the Partnership's bank account. Except as expressly set forth in this Agreement, no Partner shall be permitted or required to make any additional capital contribution to the Partnership.

2.5 Capital Accounts. Each Partner's Capital Account shall be determined and maintained in accordance with Regulation Section 1.704-1(b)(2)(iv) as reasonably interpreted by the Tax Matters Partner. The Tax Matters Partner shall have the discretion, after consultation with the other General Partners, to make those determinations, valuations, adjustments and allocations with respect to each Partner's Capital Account as it deems appropriate so that the allocations made pursuant to this Agreement will have substantial economic effect as such term is used in Regulation Section 1.704-1(b). If any Partner transfers all or a portion of its Units in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent such Capital Account relates to the transferred Units.

2.6 No Return of or on Capital. Except as provided in Sections 3 and 4, no Partner shall receive any interest or other return on its capital contributions or on the balance in its Capital Account and no return of its capital contributions.

2.7 Partner Loans. A Partner or its Affiliates may loan funds to the Partnership on such terms and conditions as may be approved by the Partnership Governance Committee, and, subject to other applicable law, have the same rights and obligations with respect thereto as a Person who is neither a Partner nor an Affiliate of a Partner. The existence of such a relationship and acting in such a capacity will not result in a Limited Partner being deemed to be participating in the control of the business of the Partnership or otherwise affect the limited liability of a Partner. If a Partner or any Affiliate thereof is a lender, in exercising its rights as a lender, including making its decision whether to foreclose on property of the Partnership, such lender will have no duty to consider (i) its status as a Partner or an Affiliate of a Partner, (ii) the interests of the Partnership, or (iii) any duty it may have to any other Partner or the Partnership.

2.8 Administration and Investment of Funds. The administration and investment of Partnership funds shall be in accordance with the procedures and guidelines as shall be adopted by the Partnership Governance Committee. The Partnership may delegate to a third party (which may be an Affiliate of one of the Partners) the responsibility for administering and investing Partnership funds pursuant to such guidelines.

SECTION 3
DISTRIBUTIONS

3.1 Operating Distributions. Subject to Section 17-607 of the Act and other applicable law, Available Net Operating Cash shall be distributed as soon as practicable following the end of each month to the Partners as follows:

(a) General. On a cumulative basis from the date of the admission of Occidental GP, Occidental LP1 and Occidental LP2, (i) distributions are to be made to the Partners Pro Rata to the extent of cumulative Profits, and (ii) the remaining distributions are to be made to the Limited Partners Pro Rata. For simplicity, however, in the absence of extraordinary transactions, the Partnership may make monthly distributions to the Partners Pro Rata, subject to subsequent adjustments as provided below in this Section 3.1.

(b) Return of Excess Distributions. Within 90 days after the end of each year, each General Partner shall return to the Partnership any amount it receives for such year that is in excess of its share of the sum of the cumulative undistributed Profits as of the end of the preceding year and the Profits for such year.

(c) Effect of Operating Losses. For any year in which a General Partner's share of a Loss is sustained that exceeds its previously undistributed Profits, no distributions shall be made to such General Partner in any subsequent year until such excess Loss is recouped, and for subsequent years only Profits in excess of such recoupment shall be treated as Profit for purposes of this Section 3.1.

(d) Makeup Distributions. If for any reason the Partnership does not make a monthly distribution to all Partners Pro Rata, each General Partner shall be entitled at the end of the year to

receive the amount necessary to make its aggregate distributions for the year equal the amount it was entitled to receive and keep pursuant to the preceding criteria.

(e) Lyondell Note Proceeds. All principal and interest received on the Lyondell Note shall be distributed among the Initial Partners in the ratio of the Units owned by them prior to the admission of the Occidental Partners.

(f) 1998 Credit Facility Proceeds. At such time as the Partnership enters into the 1998 Credit Facility, the Partnership shall make a special distribution to Millennium LP of $75 million, plus interest on such amounts from May 15, 1998, until such distribution at a per annum rate (based on a year of 360 days and the number of days elapsed) equal to the LIBOR Rate plus 60 basis points (.60%). The interest payments shall be treated as payment for the use of capital to which section 707(c) of the Code applies.

(g) Bank Credit Agreement Proceeds. At such time as the Partnership enters into the 1998 Credit Facility, the Partnership shall draw down the Bank Credit Agreement Repayment Amount under the 1998 Credit Facility and shall apply the Bank Credit Agreement Repayment Amount to the repayment of the principal amount then outstanding under the Bank Credit Agreement. Two Business Days after such repayment, the Partnership shall draw down $419,700,000 under the Bank Credit Agreement and make a special distribution to Occidental LP2 of the $419,700,000 proceeds of such drawdown plus interest on such $419,700,000 from May 15, 1998 until the date of such distribution at a per annum rate (based on a year of 360 days and the number of days elapsed) equal to the LIBOR Rate plus 60 basis points (.60%), provided that Occidental Chemical Corporation has executed the Amended and Restated Indemnity Agreement. The interest payment shall be treated as payment for the use of capital to which section 707(c) of the Code applies.

3.2 Liquidating Distributions. Distributions to the Partners of cash or property arising from a liquidation of the Partnership shall be made in accordance with the Capital Account balances of the Partners as provided in Section 12.2(d).

3.3 Withholding. The Partnership is authorized to withhold from distributions to a Partner and to pay over to a foreign, federal, state or local government, any amounts required to be withheld pursuant to the Code or any provisions of any other foreign, federal, state or local law. Any amounts so withheld shall be treated as distributed to such Partner pursuant to this Section 3 for all purposes of this Agreement, and shall be offset against any amounts otherwise distributable to such Partner.

3.4 Offset. Any amount otherwise distributable to a Partner pursuant to this Section 3 shall, unless otherwise agreed by two Representatives of each of the Nonconflicted General Partners pursuant to Section 6.8, be applied by the Partnership to satisfy any of the following obligations that are owed by such Partner or its Affiliate to the Partnership and that are not paid when due:

(a) Lyondell Note and Other Notes. In the case of Lyondell LP, the failure to pay any interest or principal when due on the Lyondell Note or, in the case of any Partner, the failure to pay any interest or principal when due on any indebtedness for borrowed money of such Partner or any Affiliate of such Partner to the Partnership.

(b) Contribution Agreement. In the case of any Partner, the failure of such Partner or any Affiliate of such Partner to make any payment pursuant to Section 6 of its Contribution Agreement that has been Finally Determined to be due.

(c) Contribution. In the case of any Partner, the failure to make any capital contribution required pursuant to this Agreement (other than pursuant to its Contribution Agreement).

SECTION 4
BOOK AND TAX ALLOCATIONS

4.1 General Book Allocations. This section controls partnership allocations for book purposes. As used herein, "book" means the allocations used to determine debits and credits to the Capital Accounts of the Partners and to determine the amounts distributable to the Partners pursuant to Section 3 and Section 12.2(d). It does not refer to the method in which books are maintained for financial reporting purposes pursuant to Section 5.2. Except as otherwise provided in Sections 4.2 and 4.3, Profits or Losses for book purposes shall be allocated each year among the Partners Pro Rata, subject to the following:

(a) If the tax basis in Partnership assets is increased as a result of the distribution of $75 million to Millennium LP as provided in Section 3.1(f), book deductions equal to the tax deductions resulting from such increase shall be allocated to Millennium LP until such time as gain or income is allocable under (c) below.

(b) If the tax basis in Partnership assets is increased as a result of the distribution of 43% of the proceeds of the Lyondell Note to Millennium LP, book deductions equal to the tax deductions resulting from such increase shall be allocated among the Initial Partners in the ratio of the Units owned by each prior to the admission of the Occidental Partners until gain or income is allocable under (c) below.

(c) If during any 12 month period the Partnership sells, distributes to Partners, or otherwise disposes of more than 50% in value of the assets it owned at the beginning of such period, gain or income recognized in the taxable period of such sale, distribution or other disposition or thereafter recognized from the sale, distribution, or other disposition of property or from the operation of other property shall be allocated to the Partners in the ratio in which the aggregate amount of deductions described in (a) and (b) above were allocated to the Partners until the aggregate amount of such gain and income so allocated equals the aggregate amount of such deductions.

(d) Interest accruing on the Lyondell Note shall continue to be allocated among the Initial Partners in the ratio of the Units owned by them prior to the admission of the Occidental Partners.

(e) The initial agreed value of the Lease will be amortized ratably over the term of the Lease, and the resulting deductions shall be allocated to Occidental LP1. Any gain recognized on the disposition of the Lease shall be allocated to Occidental LP1. If, prior to such disposition, the Partnership has made capital improvements to such assets that have been borne by the Partners Pro

Rata, then upon the disposition of the Lease with such improvements, gain shall be deemed to be attributable to such improvements to the extent of the excess of its depreciated value for GAAP purposes at the time of the disposition over its Book Value at such time, and such gain shall be allocated to the Partners Pro Rata.

(f) Deductions attributable to the Book Value of the assets of the Partnership as they exist immediately after the contributions described in Section 2.3(a) other than the Lease will be allocated among the Partners other than Occidental LP1 in the ratio of the Units owned by each, and any gain recognized on the disposition of such contributed assets will be allocated to the Partners other than Occidental LP1 in the ratio of the Units owned by each. If, prior to disposition of such asset sale, the Partnership has made capital improvements to such assets that have been borne by the Partners Pro Rata, then upon the disposition of a contributed asset with such improvements, gain shall be deemed to be attributable to such improvements to the extent of the excess of its depreciated value for GAAP purposes at the time of disposition over its Book Value at such time, and such gain shall be allocated to the Partners Pro Rata.

4.2 Change in Partner's Units. If during a year Units are transferred or new Units issued, allocations among the Partners shall be made in accordance with their interests in the Partnership from time to time during such year in accordance with Section 706 of the Code, using the closing-of-the-books method, except that depreciation and other amortization with respect to each Partnership asset shall be deemed to accrue ratably on a daily basis over the entire period during such year that the asset is owned and in service by the Partnership.

4.3 Deficit Capital Account and Nonrecourse Debt Rules. The special rules in this Section 4.3 apply in the following order to take into account the possibility of the Partners' having deficit Capital Account balances for which they are not economically responsible and the effect of the Partnership's incurring nonrecourse debt, directly or indirectly.

(a) Partnership Minimum Gain Chargeback. If there is a net decrease in "partnership minimum gain" during any year, determined in accordance with the tiered partnership rules of Regulation Section 1.704-2(k), each Partner shall be allocated items of income and gain for such year equal to such Partner's share of the net decrease in partnership minimum gain within the meaning of Regulation Section 1.704-2(g)(2), except to the extent not required by Regulation Section 1.704-2(f). To the extent that this subsection (a) is inconsistent with Regulation Section 1.704-2(f) or Section 1.704-2(k) or incomplete with respect to such regulations, the minimum gain chargeback provided for herein shall be applied and interpreted in accordance with such regulations.

(b) Partner Minimum Gain Chargeback. If there is a net decrease in "partner nonrecourse debt minimum gain" during any year, within the meaning of Regulation Section 1.704-2(i)(2), each Partner who has a share of such gain, determined in accordance with Regulation Section 1.704-2(i)(5), shall be allocated items of income and gain for such year (and, if necessary, subsequent years) equal to such Partner's share of the net decrease in partner nonrecourse debt minimum gain. To the extent that this subsection (b) is inconsistent with Regulation Section 1.704-2(i) or 1.704-2(k) or incomplete with respect to such regulations, the partner nonrecourse debt minimum gain chargeback provided for herein shall be applied and interpreted in accordance with such regulations.

(c) Deficit Account Chargeback and Qualified Income. If any Partner has an Adjusted Capital Account Deficit at the end of any year, including an Adjusted Capital Account Deficit for such Partner caused or increased by an adjustment, allocation or distribution described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), such Partner shall be allocated items of income and gain (consisting of a pro rata portion of each item of Partnership income, including gross income and gain) in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This subsection (c) is intended to constitute a "qualified income offset" pursuant to Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) Partner Nonrecourse Deductions. Any partner nonrecourse deductions for any year or other period shall be allocated to the Partner who bears the economic risk of loss with respect to the partner nonrecourse debt to which such partner nonrecourse deductions are attributable in accordance with Regulation Section 1.704-2(i) or Section 1.704-2(k).

(e) Curative Allocations. The Allocations provided by this Section 4.3 may not be consistent with the manner in which the Partners intend to divide Profits, Losses and similar items. Accordingly, Profits, Losses and other items will be reallocated among the Partners (in the same year and to the extent necessary, in subsequent years) in a manner consistent with Regulation Section 1.704-1(b) and 1.704-2 so as to prevent such allocations from distorting the manner in which Profits, Losses and other items are intended to be allocated among the Partners pursuant to Sections 4.1 and 4.2.

(f) Nonrecourse Debt Sharing. For purposes of this Agreement, nonrecourse deductions, within the meaning of Regulation Section 1.704-2(b), shall be deemed to be allocated among the Partners Pro Rata. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Regulation Section 1.752-3(a)(3), Partnership Profits are allocated to the Partners Pro Rata.

4.4 Federal Tax Allocations.

(a) General Rule. Except as otherwise provided in the following paragraphs of this Section 4.4, allocations for federal income tax purposes of items of income, gain, loss and deduction, and credits and basis therefor, shall be made in the same manner as book allocations are made.

(b) Elimination of Book/Tax Disparities. Taxable income and tax deductions shall be shared among the Partners so as to take into account the variation between the Book Value and the adjusted tax basis of each property at the time it is contributed to the Partnership and at each time it is revalued.

(i) To account for such variation, effective as of the formation of the Partnership:

(A) the depreciation and other deductions attributable to the basis that the contributing Partner had in each property at the time of contribution shall be allocated to such Partner, and

(B) upon disposition of a contributed property, the excess of its Book Value at such time over its tax basis at such time shall be allocated to the Partner who contributed the property.

(ii) If the Book Value of a Partnership property is revalued as of a date subsequent to the date of its acquisition by the Partnership, the portion of its Book Value at the time of its disposition that is attributable to the increase resulting from such revaluation:

(A) shall be disregarded in applying Section 4.4(b)(i)(B) to the partner who contributed such property, and

(B) shall be treated for purposes of this Section 4.4(b) as a separate property that was contributed on the revaluation date by the persons who were partners immediately prior to the revaluation date.

(iii) The Partners agree that the foregoing allocations constitute a reasonable method for purposes of Reg. 1.704-3(a)(1) and will be so reported and defended by the Partnership and all Partners unless and until the Partners otherwise agree or a court otherwise requires.

(c) Allocation of Items Among Partners. Each item of income, gain, loss, deduction and credit and all other items governed by Section 702(a) of the Code shall be allocated among the Partners in proportion to the allocation of Profits, Losses and other items to such Partners hereunder, provided that any gain treated as ordinary income because it is attributable to the recapture of any depreciation or amortization shall be allocated among the Partners in accordance with Prop. Treas. Reg. Sections 1.1245-1(e)(2) and 1.1250-1(f), or, upon promulgation of final regulations with respect to the matters covered therein, such final regulations.

(d) Section 754 Election Allocations. Income and deductions of the Partnership that are attributable to the Section 754 election shall be allocated to the Partners entitled thereto.

4.5 Other Tax Allocations. Items of income, gain, loss, deduction, credit and tax preference for state, local and foreign income tax purposes shall be allocated among the Partners in a manner consistent with the allocation of such items for federal income tax purposes in accordance with the foregoing provisions of this Section.

SECTION 5
ACCOUNTING, FINANCIAL REPORTING AND TAX MATTERS

5.1 Fiscal Year. The fiscal year of the Partnership shall be the calendar year.

5.2 Method of Accounting for Financial Reporting Purposes. For financial reporting purposes, the Partnership shall adopt a standard set of accounting policies and shall maintain separate books of account, all in accordance with GAAP. The Partnership's financial reports shall comply

with requirements of the SEC to the extent applicable to the Partnership and any Partner or any controlling Person of such Partner, to the extent such information is necessary, in conjunction with the financial reporting obligations of such Person under applicable SEC requirements.

5.3 Books and Records; Right of Partners to Audit.

(a) Proper and complete records and books of account of the Partnership's business, including all such transactions and other matters as are usually entered into records and books of account maintained by businesses of like character or as are required by law, shall be kept by the Partnership at the Partnership's principal place of business. None of the Partnership's funds shall be commingled with the funds of any Partner.

(b) Each Partner and its internal and independent auditors, at the expense of such Partner, shall have full and complete access to the internal and independent auditors of the Partnership and shall have the right to inspect such books and records and the physical properties of the Partnership during normal business hours and, at its own expense, to cause an independent audit thereof. The Partnership shall make all books and records of the Partnership available to such Partner and its internal and independent auditors in connection with such audit and shall cooperate with such Partner and auditors and to provide any assistance reasonably necessary in connection with such audit.

5.4 Reports and Financial Statements. The Partnership shall prepare and deliver to the Partners the Partnership financial statements and reports described on Appendix B as soon as reasonably practicable and in any event on or prior to the due date indicated on Appendix B.

5.5 Method of Accounting for Book and Tax Purposes. For purposes of making allocations and distributions hereunder (including distributions in liquidation of the Partnership in accordance with Capital Account balances as required by Section 12.3), Capital Accounts and Profits, Losses and other items described in Section 4.1 shall be determined in accordance with federal income tax accounting principles utilizing the accrual method of accounting, with the adjustments required by Regulation Section 1.704-1(b) to properly maintain Capital Accounts.

5.6 Taxation.

(a) Status of the Partnership. The Partners acknowledge that the Partnership is a partnership for federal, foreign and state income tax purposes, and hereby agree not to elect to be excluded from the application of Subchapter K of Chapter 1 of Subtitle A of the Code or any similar state statute.

(b) Tax Elections and Reporting.

(i) Generally. The Partnership has made or shall make the following elections under the Code and the Regulations and any similar state statutes:

(A) Adopt the calendar year as the annual accounting period;

(B) Adopt the accrual method of accounting;

(C) Elect to deduct organization costs ratably over a 60-month period as provided in Section 709 of the Code;

(D) Adopt the LIFO method of accounting for inventory; and

(E) Make any other elections available under the Code that the Partnership Governance Committee determine are appropriate, with the determination of whether an election is appropriate to be made pursuant to the principle that each Partner shall be treated equally (i.e., no Partner will receive preferential tax treatment to the disadvantage of another Partner).

(ii) Section 754 Election. The Partnership shall, upon the written request of any Partner benefitted thereby, cause the Partnership to file an election under Section 754 of the Code and the Regulations thereunder to adjust the basis of the Partnership assets under Section 734(b) or 743(b) of the Code, and a corresponding election under the applicable sections of state and local law.

(c) Tax Returns. The Tax Matters Partner, on behalf of the Partnership, shall prepare and file the necessary tax and information returns. Each Partner shall timely provide such information, if any, as may be needed by the Partnership for purposes of preparing such tax and information returns. At least 75 days before the due date (as extended) for the Partnership's federal income tax return, the Tax Matters Partner shall deliver a draft of such return to each Partner. Each Partner shall have 15 Business Days after receipt of the draft in which to furnish any objections or comments on the draft to the Tax Matters Partner. The Tax Matters Partner shall make its best efforts to finalize the Partnership's federal income tax return at least 30 days before the due date for filing (as extended) of such return A Partner may not report its share of any Partnership tax item in a manner inconsistent with the Partnership's reporting of such item unless the Partner has timely furnished its objection to the Tax Matters Partner as provided in the immediately preceding sentence. If a Partner reports its share of any Partnership tax item in a manner inconsistent with the Partnership's reporting of such item, such Partner shall promptly notify the Partnership in writing at least 20 Business Days prior to the filing of any statement with the IRS in which such inconsistent position is reported. The Partnership shall promptly deliver to each Partner a copy of the federal income tax return for the Partnership as filed with the appropriate taxing authorities and a copy of any material state and local income tax return as filed.

(d) Tax Audits.

(i) Federal Tax Matters. The Partnership is authorized to make such filings with the IRS as may be required to designate Lyondell GP as the Tax Matters Partner. The Tax Matters Partner, as an authorized representative of the Partnership, shall direct the defense of any claims made by the IRS to the extent that such claims relate to the adjustment of Partnership items at the Partnership level. The Tax Matters Partner shall promptly deliver to each Partner a copy of all notices, communications, reports or writings of any kind (including,

without limitation, any notice of beginning of administrative proceedings or any report explaining the reasons for a proposed adjustment) received from the IRS relating to or potentially resulting in an adjustment of Partnership items, as well as any other information requested by a Partner that is commercially reasonable to request. The Tax Matters Partner shall be diligent and act in good faith in deciding whether to contest at the administrative and judicial level any proposed adjustment of a Partnership item and whether to appeal any adverse judicial decision. The Tax Matters Partner shall keep each Partner advised of all material developments with respect to any proposed adjustment that comes to its attention. All costs incurred by the Tax Matters Partner in performing under this subsection (d) shall be paid by the Partnership. The Tax Matters Partner shall have sole authority to represent the Partnership in connection with all tax audits, including the power to extend the statute of limitations, to enter in any settlement, and to litigate any proposed partnership adjustment, subject to the following: (A) No settlement will be entered into with respect to an item that would materially affect any Partner adversely unless each Partner is first notified of the terms of the settlement; and no Partner will be bound by any settlement unless it consents thereto; (B) If a Partner does not consent to a settlement, the settlement will nevertheless be binding on all partners who do consent; and the non-consenting Partner may, at its sole cost, pursue such administrative or judicial remedies as it deems appropriate; (C) If the Tax Matters Partner brings an action in any court, each Partner, at its sole cost, shall have the right to intervene in the preceding to the extent permitted by the court; and (D) If a settlement or litigation causes Partners to be treated differently for tax purposes with respect to certain tax issues of the Partnership, the income and deductions of the Partnership thereafter arising will be allocated among the Partners to reflect the varying manner in which the issues were resolved.

(ii) State and Local Tax Matters. The Partnership shall promptly deliver to each Partner a copy of all notices, communications, reports or writings of any kind with respect to income or similar taxes received from any state or local taxing authority relating to the Partnership which might, in the judgment of the Tax Matters Partner, materially and adversely affect any Partner, and shall keep each Partner advised of all material developments with respect to any proposed adjustment of Partnership items which come to its attention.

(iii) Continuation of Rights. Each Partner shall continue to have the rights described in this subsection (d) with respect to tax matters relating to any period during which it was a Partner, whether or not it is a Partner at the time of the tax audit or contest.

(e) Tax Rulings. No Person other than the Tax Matters Partner shall request an administrative ruling (or similar administrative procedures) from any taxing authority with respect to any tax issue relating to the Partnership or affecting the taxation of any other Partner unless such Person shall have received written authorization from the Tax Matters Partner and any such other Partner to make such request.

(f) Tax Information. At the request of any Partner, the Tax Matters Partner shall timely furnish all reasonably obtainable information required to prepare annual earnings and profits

computations (as defined in Section 312 of the Code) with respect to that Partner's share of Partnership income.

5.7 Delegation. The Partners agree that all of the tasks to be performed under this Section (other than serving as Tax Matters Partner) may be delegated to employees and consultants of the Partnership.

SECTION 6
MANAGEMENT

6.1 Partnership Governance Committee.

(a) The General Partners hereby establish a committee (the "Partnership Governance Committee") to manage and control the business, property and affairs of the Partnership, including the determination and implementation of the Partnership's strategic direction. The Partnership Governance Committee (on behalf of the Partners) shall have (i) the full authority of the General Partners to exercise all of the powers of the Partnership and (ii) full control over the business, property and affairs of the Partnership. Except to the extent set forth in this Agreement, the Partnership Governance Committee shall have full, exclusive and complete discretion to manage and control the business, property and affairs of the Partnership, to make all decisions affecting the business, property and affairs of the Partnership and to take all such actions as it deems necessary, appropriate, convenient or incidental to accomplish the purpose of the Partnership as set forth in Section 1.4 (as such purpose may be expanded in accordance with Section 6.7(i)).

(b) The Partnership Governance Committee shall act exclusively by means of Partnership Governance Committee Action. As used in this Agreement, "Partnership Governance Committee Action" means any action which the Partnership Governance Committee is authorized and empowered to take in accordance with this Agreement and the Act and which is taken by the Partnership Governance Committee either (i) by action taken at a meeting of the Partnership Governance Committee duly called and held in accordance with this Agreement or (ii) by a formal written consent complying with the requirements of Section 6.5(f). In no event shall the Partnership Governance Committee be authorized to act other than by Partnership Governance Committee Action, and any action or purported action by the Partnership Governance Committee (including any authorization, consent, approval, waiver, decision or vote) not constituting a Partnership Governance Committee Action shall be null and void and of no force and effect. Each Partnership Governance Committee Action shall be binding on the Partnership.

(c) The Partnership Governance Committee shall adopt policies and procedures, not inconsistent with this Agreement (including Section 6.7) or the Act, governing financial controls and legal compliance, including delegations of authority (and limitations thereon) to the officers of the Partnership as permitted hereby. Such policies and procedures may be revised or revoked (in a manner consistent with this Agreement and the Act) from time to time as determined by the Partnership Governance Committee. To the extent any authority is not delegated to officers of the Partnership in this Agreement or in accordance with Partnership Governance Committee Action, it shall remain with the Partnership Governance Committee.

6.2 Limitations on Authority of General Partners. Except as expressly set forth in this Agreement, each General Partner agrees to exercise its authority to manage and control the Partnership only through Partnership Governance Committee Action. Each General Partner agrees not to exercise, or purport or attempt to exercise any authority (i) to act for or incur, create or assume any obligation, liability or responsibility on behalf of the Partnership or any other Partner, (ii) to execute any documents on behalf of, or otherwise bind, or purport or attempt to bind, the Partnership or (iii) to otherwise transact any business in the Partnership's name, in each case except pursuant to Partnership Governance Committee Action.

6.3 Lack of Authority of Persons Other Than General Partners and Officers. Except as expressly set forth in this Agreement, no Person or Persons other than (i) the General Partners, acting through the Partnership Governance Committee, and (ii) the officers of the Partnership appointed in accordance with this Agreement and acting as agents or employees, as applicable, of the Partnership in conformity with this Agreement and any applicable Partnership Governance Committee Action, shall be authorized (a) to exercise the powers of the Partnership, (b) to manage the business, property and affairs of the Partnership or (c) to contract for, or incur on behalf of, the Partnership any debts, liabilities or other obligations.

6.4 Composition of Partnership Governance Committee.

(a) The Partnership Governance Committee shall consist of nine Representatives and each General Partner shall designate three Representatives (each a "Representative"). All the Representatives of all three General Partners shall together constitute the Partnership Governance Committee.

(b) Each General Partner may designate one or more individuals (each an "Alternate") who (i) shall be authorized, in the event a Representative is absent from any meeting of the Partnership Governance Committee (and in the order of succession designated by the General Partner so designating the Alternates), to attend such meeting in the place of, and as substitute for, such Representative and (ii) shall be vested with all the powers to take action on behalf of such General Partner which the absent Representative could have exercised at such meeting. The term "Representative," when used herein with reference to any Representative who is absent from a meeting of the Partnership Governance Committee, shall mean and refer to any Alternate attending such meeting in place of such absent Representative.

(c) On or before the date hereof, each General Partner shall have delivered to the other General Partners a written notice (i) designating the three persons to serve as such General Partner's initial Representatives and (ii) designating the person or persons, if any, who are to serve as initial Alternates and their order of succession.

(d) Each General Partner may, in its sole discretion and by written notice delivered to the other General Partners and the Partnership at any time or from time to time, remove or replace one or more of its Representatives or change one or more of its Alternates. If a Representative or Alternate dies, resigns or becomes disabled or incapacitated, the General Partner that designated such Representative or Alternate, as the case may be, shall promptly designate a replacement. Each

Representative and each Alternate shall serve until replaced by the General Partner that designated such Representative or Alternate, as the case may be.

(e) Copies of all written notices designating Representatives and Alternates shall be delivered to the Secretary and shall be placed in the Partnership minute books, but the failure to deliver a copy of any such notice to the Secretary shall not affect the validity or effectiveness of such notice or the designation described therein.

(f) Each Representative, in his capacity as such, shall be the agent of the General Partner that designated such Representative. Accordingly, (i) each Representative, as such, shall act (or refrain from acting) with respect to the business, property and affairs of the Partnership solely in accordance with the wishes of the General Partner that designated such Representative and (ii) no Representative, as such, shall owe (or be deemed to owe) any duty (fiduciary or otherwise) to the Partnership or to any General Partner other than the General Partner that designated such Representative; provided, however, that nothing in this Agreement is intended to or shall relieve or discharge any Representative or General Partner from liability to the Partnership or the Partners on account of any fraudulent or intentional misconduct of such Representative. Nothing in this Section 6.4(f) shall limit the duty owed to the Partnership by any person acting in his capacity as an officer of the Partnership (including any such officer who is also a Representative).

(g) Representatives shall not receive from the Partnership any compensation for their service or any reimbursement of expenses for attendance at meetings of the Partnership Governance Committee.

6.5 Partnership Governance Committee Meetings.

(a) Regular meetings of the Partnership Governance Committee shall be held at such times and at such places as shall from time to time be determined in advance and committed to a written schedule by the Partnership Governance Committee. The first regular meeting of the Partnership Governance Committee during January of each fiscal year shall be deemed to be the "Annual Meeting." The Secretary shall deliver by commercial courier service or other hand delivery or transmit by facsimile transmission (with proof of confirmation from the transmitting machine), an agenda for each regular meeting to the Representatives at least five Business Days prior to such meeting. Each agenda for a regular meeting shall specify, to a reasonable degree, the business to be transacted at such meeting. Subject to Section 6.6, at any regular meeting of the Partnership Governance Committee at which a quorum is present, any and all business of the Partnership may be transacted.

(b) Special meetings of the Partnership Governance Committee may be called by any Representative by delivering by commercial courier service or other hand delivery or transmitting by facsimile transmission (with proof of confirmation from the transmitting machine), written notice of a special meeting to each of the other Representatives at least two Business Days before such meeting. Each notice of a special meeting shall specify, to a reasonable degree, the business to be transacted at, or the purpose of, such meeting. Notice of any special meeting may be waived before or after the meeting by a written waiver of notice signed by the Representative entitled to notice. A

Representative's attendance at a special meeting shall constitute a waiver of notice unless the Representative states at the beginning of the meeting his objection to the transaction of business because the meeting was not lawfully called or convened. Special meetings of the Partnership Governance Committee shall be held at the Partnership's offices (or at such other place or in such other manner as the Representatives shall agree) at such time as may be stated in the notice of such meeting.

(c) One Representative of each General Partner shall serve as a co-chair of each meeting (regular and special) of the Partnership Governance Committee. Any co-chair may instruct the Secretary to include one or more items on a meeting agenda and none of the co-chairs nor the Secretary may delete or exclude an agenda item proposed by any other co-chair.

(d) Following each meeting of the Partnership Governance Committee, the Secretary shall promptly draft and distribute minutes of such meeting to the Representatives for approval at the next meeting, and after such approval shall retain the minutes in the Partnership minute books.

(e) Representatives, at their discretion, may participate in or hold regular or special meetings of the Partnership Governance Committee by means of a telephone conference or any comparable device or technology by which all individuals participating in the meeting may hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

(f) Any action required or permitted to be taken at a meeting of the Partnership Governance Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by at least two Representatives of each General Partner, and such consent shall have the same force and effect as a duly conducted vote of the Partnership Governance Committee. A counterpart of each such consent to action shall be delivered promptly to each of the Representatives and to the Secretary for placement in the minute books of the Partnership, but the failure to deliver a counterpart of any such consent to action to the Secretary shall not affect the validity or effectiveness of such consent to action.

6.6 Partnership Governance Committee Quorum and General Voting Requirement.

(a) The presence of at least two Representatives (including any duly present Alternates) of Lyondell GP shall constitute a quorum of the Partnership Governance Committee for the transaction of business and the taking of appropriate Partnership Governance Committee Actions at any meeting; provided, however, that the presence at such meeting of at least two Representatives (including any duly present Alternates) from each General Partner shall be necessary for the taking of any action described in Section 6.7; and provided, further, that no Partnership Governance Committee Actions can be taken at any meeting with respect to any matter that was not reflected, with a reasonable level of specificity, on an agenda for such meeting that was delivered in accordance with Section 6.5 unless at least one Representative of each General Partner is present. No Partnership Governance Committee Action may be taken at any meeting at which a quorum is not present.

(b) Except as otherwise provided in Section 6.7 or elsewhere in this Agreement, the approval of two or more Representatives acting for Lyondell GP will be sufficient for the Partnership Governance Committee to take any Partnership Governance Committee Action and in such case the Partnership shall be authorized to take such action without the consent of any other Person.

6.7 Partnership Governance Committee Unanimous Voting Requirements. Unless and until two or more Representatives of Lyondell GP, two or more Representatives of Millennium GP and two or more Representatives of Occidental GP have given their approval (in which event a Partnership Governance Committee Action is hereby authorized without the need for the consent of any other Person), no Partnership Governance Committee Action will be deemed for any purpose to have been taken at any Partnership Governance Committee meeting that would cause or permit the Partnership or any subsidiary thereof (or any Person acting in the name or on behalf of any of them) directly or indirectly to take (or commit to take), and neither the Partnership nor any subsidiary thereof nor any person acting in the name or on behalf of any of them directly or indirectly may take or commit to take, any of the actions described below in this subsection (whether in a single transaction or series of related transactions):

(i) to cause the Partnership, directly or indirectly, to engage, participate or invest in any business outside the scope of its business as described in Section 1.4;

(ii) to approve any Strategic Plan, as well as any amendments or updates thereto (including the annual updates provided for in Section 8.1);

(iii) to authorize any disposition of assets having a fair market value exceeding $30 million in any one transaction or a series of related transactions not contemplated in an approved Strategic Plan;

(iv) to authorize any acquisition of assets or any capital expenditure exceeding $30 million that is not contemplated in an approved Strategic Plan;

(v) to require capital contributions to the Partnership (other than contributions contemplated by the Contribution Agreements or an approved Strategic Plan or to achieve or maintain compliance with any HSE Law) within any fiscal year if the total of such contributions required from the Partners within that year would exceed $100 million or the total of such contributions required from the Partners within that year and the immediately preceding four years would exceed $300 million;

(vi) to authorize the incurrence of debt for borrowed money unless (x) such debt is contemplated by clause (vii) (b) below, (y) after giving effect to the incurrence of such debt (and any related transactions) and the maximum amount of borrowings permitted under clause (vii) below, the Partnership would be expected to have an "investment grade" debt rating by Moody's Investor Services Inc. and Standard & Poor's Corporation or (z) such debt is incurred to refinance the public, bank or other debt assumed or incurred by the Partnership as contemplated by the Initial Master Transaction Agreement or the Second Master Transaction Agreement or to refinance indebtedness under the 1998 Credit Facility or to refinance any such debt, and in the case of each of (x), (y) and (z), the agreement relating to

such debt does not provide that the Transfer by a Partner of its Units (or a change of control with respect to any Partner or any of its Affiliates) would constitute a default thereunder, otherwise accelerate the maturity thereof or give the lender or holder any "put rights" or similar rights with respect thereto; provided, however, that notwithstanding the foregoing, the provisions of Sections 6.7(xxi) and 6.7(xxii), if applicable, must be satisfied with respect to any refinancing;

(vii) (a) to enter into the 1998 Credit Facility or (b) to make borrowings under one or more of the Partnership's bank credit facility or facilities, its uncommitted lines of credit or any credit facility or debt instrument of the Partnership of any kind that refinances all or any portion of the Partnership's credit facility or facilities, at any time, if as a result of any such borrowing the aggregate principal amount of all such borrowings outstanding at such time would exceed the sum of $1.25 billion and the amount which becomes available for borrowing under the 1998 Credit Facility.

(viii) to enter into interest rate protection or other hedging agreements (other than hydrocarbon hedging agreements in the ordinary course);

(ix) to enter into any capitalized lease or similar off-balance sheet financing arrangements involving payments (individually or in the aggregate) by it in excess of $30 million in any fiscal year;

(x) to cause the Partnership or any subsidiary of the Partnership to issue, sell, redeem or acquire any Units or other equity securities (or any rights to acquire, or any securities convertible into or exchangeable for, Units or other equity securities);

(xi) to make Partnership cash distributions in excess of Available Net Operating Cash or to make non-cash distributions (except as contemplated by Section 12);

(xii) to appoint or discharge Executive Officers (other than the CEO), based on the recommendation of the CEO;

(xiii) to approve material compensation and benefit plans and policies, material employee policies and material collective bargaining agreements for the Partnership's employees;

(xiv) to initiate or settle any litigation or governmental proceedings if the effect thereof would be material to the financial condition of the Partnership;

(xv) to change the independent accountants for the Partnership;

(xvi) to change the Partnership's method of accounting as adopted pursuant to Section 5.2 or to change the Partnership's method of accounting as provided in Section 5.5 or to make the elections referred to in Section 5.6(b)(i)(E);

(xvii) to create or change the authority of any Auxiliary Committee;

(xviii) to merge, consolidate or convert the Partnership or any subsidiary thereof with or into any other entity (other than a Wholly Owned Subsidiary of the Partnership);

(xix) to file a petition in bankruptcy or seeking any reorganization, liquidation or similar relief on behalf of the Partnership or any subsidiary; or to consent to the filing of a petition in bankruptcy against the Partnership or any subsidiary; or to consent to the appointment of a receiver, custodian, liquidator or trustee for the Partnership or any subsidiary or for all or any substantial portion of their property;

(xx) to exercise any power or right described in Section 6.8(a)(i) or (ii) with respect to a Conflict Circumstance involving (a) LYONDELL-CITGO Refining Company Ltd., its successors or assigns, (b) Lyondell Methanol Company, L.P., its successors or assigns or (c) any other Affiliate of Lyondell GP, Millennium GP or Occidental GP if such Affiliate's actions with respect to such Conflict Circumstance are not controlled by Lyondell, Millennium or Occidental respectively, other than a Conflict Circumstance involving the exercise of any rights and remedies with respect to a default under any agreement that is the subject of such Conflict Circumstance;

(xxi) (a) prior to the seventh anniversary of the Initial Closing Date, to repay any Millennium America Guaranteed Debt, other than through refinancing or (b) to refinance any Millennium America Guaranteed Debt prior to the seventh anniversary of the Initial Closing Date if any of the principal of the debt refinancing such Millennium America Guaranteed Debt would be due and payable after the seventh anniversary of the Initial Closing Date; provided, however, that if the Millennium America Guaranteed Debt continues to be guaranteed by Millennium America or its successors after the seventh anniversary of the Initial Closing Date, then the term of such debt shall not exceed 365 days; and

(xxii) (a) prior to 30 days after the seventh anniversary of the date of this Agreement, to repay any Oxy Guaranteed Debt, other than through refinancing or (b) to refinance any Oxy Guaranteed Debt prior to 30 days after the seventh anniversary of the date of this Agreement if any of the principal of the debt refinancing such Oxy Guaranteed Debt would be due and payable after 30 days after the seventh anniversary of the date of this Agreement; provided, however, that if the Oxy Guaranteed Debt continues to be guaranteed by Occidental Chemical Corporation or its successors after 30 days after the seventh anniversary of the date of this Agreement, then the term of such debt shall not exceed 365 days.

6.8 Control of Interested Partner Issues.

(a) Notwithstanding anything to the contrary contained in this Agreement, with respect to any Conflict Circumstance (other than a Conflict Circumstance described in Section 6.7(xx), which shall be governed by Section 6.7), the Nonconflicted General Partners acting jointly (through their respective Representatives) shall, subject to Section 6.8(b), have the sole and exclusive power and

right for and on behalf, and at the sole expense, of the Partnership (i) to control all decisions, elections, notifications, actions, exercises or nonexercises and waivers of all rights, privileges and remedies provided to, or possessed by, the Partnership with respect to a Conflict Circumstance and (ii) in the event of any potential, threatened or asserted claim, dispute or action with respect to a Conflict Circumstance, to retain and direct legal counsel and to control, assert, enforce, defend, litigate, mediate, arbitrate, settle, compromise or waive any and all such claims, disputes and actions. Accordingly, Partnership Governance Committee Action with respect to a Conflict Circumstance (other than a Conflict Circumstance described in Section 6.7(xx), which shall be governed by Section 6.7) shall require the approval of two Representatives of each of the Nonconflicted General Partners. Each General Partner shall, and shall cause its Affiliates to, take all such actions, execute all such documents and enter into all such agreements as may be necessary or appropriate to facilitate or further assure the accomplishment of this Section.

(b) Each Nonconflicted General Partner, in exercising its control, power and rights pursuant to this Section, shall act in good faith and in a manner it believes to be in the best interests of the Partnership; provided that it shall never be deemed to be in the best interests of the Partnership not to pay, perform and observe all of the obligations to be paid, performed or observed by or on the part of the Partnership under the terms of any of the Other Agreements (as defined in the Amended and Restated Parent Agreement). Each Nonconflicted General Partner shall act through its Representatives, and the approval of two Representatives acting for each of the Nonconflicted General Partners will be sufficient for the Nonconflicted General Partners (and therefore the Partnership Governance Committee on behalf of the Partnership) to take any action in respect of the relevant Conflict Circumstance. The Conflicted General Partner (or its Affiliates) shall have the right to deal with the Partnership and with each Nonconflicted General Partner on an arm's-length basis and in a manner it believes to be in its own best interests, but in any event must deal with them in good faith.

6.9 Auxiliary Committees.

(a) From time to time, the Partnership Governance Committee may, by Partnership Governance Committee Action, designate one or more committees ("Auxiliary Committees") or disband any Auxiliary Committee. Each Auxiliary Committee shall (i) operate under the specific authority delegated to it by the Partnership Governance Committee (consistent with Section 6.7) for the purpose of assisting the Partnership Governance Committee in managing (on behalf of the General Partners) the business, property and affairs of the Partnership and (ii) report to the Partnership Governance Committee.

(b) Each General Partner shall have the right to appoint an equal number of members on each Auxiliary Committee. Auxiliary Committee members may (but need not) be members of the Partnership Governance Committee. No Auxiliary Committee member shall be compensated or reimbursed by the Partnership for service as a member of such Auxiliary Committee.

(c) Each Partnership Governance Committee Action designating an Auxiliary Committee shall be in writing and shall set forth (i) the name of such Auxiliary Committee, (ii) the number of members and (iii) in such detail as the Partnership Governance Committee deems appropriate, the

purposes, powers and authorities (consistent with Section 6.7) of such Auxiliary Committee; provided, however, that in no event shall any Auxiliary Committee have any powers or authority in reference to amending this Agreement, adopting an agreement of merger, consolidation or conversion of the Partnership, authorizing the sale, lease or exchange of all or substantially all of the property and assets of the Partnership, authorizing a dissolution of the Partnership or declaring a distribution. Each Auxiliary Committee shall keep regular minutes of its meetings and promptly deliver the same to the Partnership Governance Committee.

6.10 Certain Limitations on Partner Representatives. No Representative or Alternate of a Partner who, as an officer, director or employee of such Partner or any of its Affiliates, participates in material operational decisions by such Partner or Affiliate regarding a business or operation of such Partner or Affiliate that competes with a business or operation of the Partnership or of the other Partner or its Affiliates, or that competes with a Business Opportunity offered pursuant to Section 9.3(c) or (d), shall receive or have access to any competitively sensitive information regarding the competing business of the Partnership or of the other Partner or its Affiliates or such Business Opportunity, nor shall such Representative or Affiliate participate in any decision of the Partnership Governance Committee relating to such business or operation of the Partnership or the other Partner or its Affiliates or such Business Opportunity.

SECTION 7
OFFICERS AND EMPLOYEES

7.1 Partnership Officers.

(a) The Partnership Governance Committee may select natural persons who are (or upon becoming an officer will be) agents or employees of the Partnership to be designated as officers of the Partnership, with such titles as the Partnership Governance Committee shall determine.

(b) The executive officers of the Partnership shall consist of a Chief Executive Officer ("CEO"), and others as determined from time to time by Partnership Governance Committee (collectively, the "Executive Officers").

(c) The Partnership Governance Committee also shall appoint a Secretary and may appoint such other officers and assistant officers and agents as may be deemed necessary or desirable and such persons shall perform such duties in the management of the Partnership as may be provided in this Agreement or as may be determined by Partnership Governance Committee Action.

(d) The Partnership Governance Committee may leave unfilled any offices except those of CEO and Secretary. Two or more offices may be held by the same person except that the same person may not hold the offices of CEO and Secretary.

7.2 Selection and Term of Executive Officers.

(a) The Executive Officers as of the date of this Agreement are listed on Appendix C.

(b) The CEO shall hold office for a five-year term, subject to the CEO's earlier death, resignation or removal. Upon the expiration of such term or earlier vacancy, Lyondell GP shall designate the CEO, provided that such person shall be reasonably acceptable to both of Millennium GP and Occidental GP. The CEO shall not be required to be an employee of the Partnership.

(c) Each Executive Officer (other than the CEO) shall hold office until his or her death, resignation or removal. Upon the death, resignation or removal of an Executive Officer, or the creation of a new Executive Officer position, the CEO may nominate a person to fill the vacancy, which shall be subject to Partnership Governance Committee approval. Executive Officers shall not be required to be employees of the Partnership. Any Executive Officer also may serve as an officer or employee of any Partner or Affiliate of a Partner.

7.3 Removal of Executive Officers.

(a) The CEO may be removed, at any time, by Partnership Governance Committee Action taken pursuant to Section 6.6, with or without cause, whenever in the judgment of the Partnership Governance Committee the best interests of the Partnership would be served thereby.

(b) Any Executive Officer (other than the CEO), or any other officer or agent may be removed, at any time, by Partnership Governance Committee Action taken pursuant to Section 6.7(xii), with or without cause, upon the recommendation of the CEO, whenever in the judgment of the Partnership Governance Committee the best interests of the Partnership would be served thereby.

(c) Notwithstanding anything to the contrary in Sections 6.7(xii), 7.3(a) and 7.3(b), any General Partner may, by action of two or more of its Representatives, remove from office any Executive Officer who takes or causes the Partnership to take any action described in Section 6.7 that has not been approved by two or more Representatives of Lyondell GP, two or more Representatives of Millennium GP and two or more Representatives of Occidental GP as contemplated by Section 6.7. Any such removal shall be effected by delivery by such Representatives of written notice of such removal (i) to such Executive Officer and (ii) to the Representatives of the other General Partners; provided that such removal shall not be effective if such action is rescinded or cured (to the reasonable satisfaction of the General Partner who has delivered such notice) promptly after such notice is delivered.

7.4 Duties.

(a) Each officer or employee of the Partnership shall owe to the Partnership, but not to any Partner, all such duties (fiduciary or otherwise) as are imposed upon such an officer or employee of a Delaware corporation. Without limitation of the foregoing, each officer and employee in any dealings with a Partner shall have a duty to act in good faith and to deal fairly; provided, that, no

officer shall be liable to the Partnership or to any Partner for his or her good faith reliance on the provisions of this Agreement. Notwithstanding the foregoing, it is understood that any officer or employee of the Partnership who is also a Representative of a General Partner shall, in his capacity as a Representative, owe no duty (fiduciary or otherwise) to any Person other than such General Partner.

(b) The policies and procedures of the Partnership adopted by the Partnership Governance Committee may set forth the powers and duties of the officers of the Partnership to the extent not set forth in or inconsistent with this Agreement. The officers of the Partnership shall have such powers and duties, except as modified by the Partnership Governance Committee, as generally pertain to their respective offices in the case of a publicly held Delaware corporation, as well as other such powers and duties as from time to time may be conferred by the Partnership Governance Committee and by this Agreement. The CEO and the other officers and employees of the Partnership shall develop and implement management and other policies and procedures consistent with this Agreement and the general policies and procedures established by the Partnership Governance Committee.

(c) Notwithstanding any other provision of this Agreement, no Partner, Representative, officer, employee or agent of the Partnership shall have the power or authority, without specific authorization from the Partnership Governance Committee, to undertake any of the following:

(i) to do any act which contravenes (or otherwise is inconsistent with) this Agreement or which would make it impracticable or impossible to carry on the Partnership's business;

(ii) to confess a judgment against the Partnership;

(iii) to possess Partnership property other than in the ordinary conduct of the Partnership's business; or

(iv) to take, or cause to be taken, any of the actions described in Section 6.7.

7.5 CEO. Subject to the terms of this Agreement, the CEO shall have general authority and discretion comparable to that of a chief executive officer of a publicly held Delaware corporation of similar size to direct and control the business and affairs of the Partnership, including without limitation its day-to-day operations in a manner consistent with the Annual Budget and the most recently approved Strategic Plan. The CEO shall take steps to implement all orders and resolutions of the Partnership Governance Committee or, as applicable, any Auxiliary Committee. The CEO shall be authorized to execute and deliver, in the name and on behalf of the Partnership, (i) contracts or other instruments authorized by Partnership Governance Committee Action and (ii) contracts or instruments in the usual and regular course of business (not otherwise requiring Partnership Governance Committee Action), except in cases when the execution and delivery thereof shall be expressly delegated by the Partnership Governance Committee to some other officer or agent of the Partnership, and, in general, shall perform all duties incident to the office of CEO as well as such other duties as from time to time may be assigned to him or her by the Partnership Governance Committee or as are prescribed by this Agreement.

7.6 Other Officers. The President (if any) and the Vice Presidents shall perform such duties as may, from time to time, be assigned to them by the Partnership Governance Committee or by the CEO. In addition, at the request of the CEO, or in the absence or disability of the CEO, the President (if any) or any Vice President, in any order determined by the Partnership Governance Committee, temporarily shall perform all (or if limited through the scope of the delegation, some of) the duties of the CEO, and, when so acting, shall have all the powers of, and be subject to all restrictions upon, the CEO.

7.7 Secretary. The Secretary shall keep the minutes of all meetings (and copies of written records of action taken without a meeting) of the Partnership Governance Committee in minute books provided for such purpose and shall see that all notices are duly given in accordance with the provisions of this Agreement. The Secretary shall be the custodian of the records and of the seal, if any. The Secretary shall have general charge of books and papers of the Partnership as the Partnership Governance Committee may direct and, in general, shall perform all duties and exercise all powers incident to the office of Secretary and such other duties and powers as the Partnership Governance Committee or the CEO from time to time may assign to or confer upon the Secretary.

7.8 Salaries. Salaries or other compensation of the other Executive Officers of the Partnership shall be established by the CEO consistent with plans approved by the Partnership Governance Committee. Except as approved by the Partnership Governance Committee, all fees and compensation of the officers and employees of the Partnership other than the CEO with respect to their services as such officers and employees shall be payable solely by the Partnership and no Partner or its Affiliates shall pay (or offer to pay) any such fees or compensation to any officer or employee, except to the extent that the Partnership shall have agreed with a Partner or one of its Affiliates pursuant to a separate agreement that a portion of the compensation of such officer or employee shall be paid by such Partner or Affiliate.

7.9 Delegation. The Partnership Governance Committee may delegate temporarily the powers and duties of any officer of the Partnership, in case of absence or for any other reason, to any other officer of the Partnership, and may authorize the delegation by any officer of the Partnership of any of such officer's powers and duties to any other officer or employee of the Partnership, subject to the general supervision of such officer.

7.10 Employee Hirings. Without the prior approval of the two other General Partners, which approval shall not be unreasonably withheld, a General Partner (or its Affiliates) shall not be entitled to hire employees of the Partnership who at the time of such employment are eligible to participate in the incentive compensation programs available to senior managers or executives or to hire specific individuals who had been employed by the Partnership within the previous year and who prior to the termination of their employment were eligible to participate in the incentive compensation programs available to senior managers or executives. Without the prior approval of the relevant General Partner, which approval shall not be unreasonably withheld, the Partnership shall not be entitled to hire employees of such General Partner (or its Affiliates) who at the time of such employment are eligible to participate in the incentive compensation programs available to senior managers or executives or to hire specific individuals who had been employed by such General Partner (or its Affiliates) within the previous year and who prior to the termination of their

employment were eligible to participate in the incentive compensation programs available to senior managers or executives.

7.11 General Authority. Persons dealing with the Partnership are entitled to rely conclusively on the power and authority of each of the officers as set forth in this Agreement. In no event shall any Person dealing with any officer with respect to any business or property of the Partnership be obligated to ascertain that the terms of this Agreement have been complied with, or be obligated to inquire into the necessity or expedience of any act or action of the officer; and every contract, agreement, deed, mortgage, security agreement, promissory note or other instrument or document executed by the officer with respect to any business or property of the Partnership shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and/or delivery thereof, this Agreement was in full force and effect, (ii) the instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Partnership, and (iii) the officer was duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Partnership.

SECTION 8
STRATEGIC PLANS, ANNUAL BUDGETS AND LOANS

8.1 Strategic Plan.

(a) The Partnership shall be managed in accordance with a five-year strategic business plan (the "Strategic Plan") which shall be updated annually under the direction of the CEO and presented for approval by the Partnership Governance Committee pursuant to Section 6.7 no later than 90 days prior to the start of the first fiscal year covered by the updated plan.

(b) The Strategic Plan shall establish the strategic direction of the Partnership, including plans relating to capital maintenance and enhancement, geographic expansion, acquisitions and dispositions, new product lines, technology, long-term supply and customer arrangements, internal and external financing, environmental and legal compliance, and plans, programs and policies relating to compensation and industrial relations. The Strategic Plan shall include projected income statements, balance sheets and cash flow statements, including the expected timing and amounts of capital contributions and cash distributions. The format and level of detail of each Strategic Plan shall be consistent with that of the initial Strategic Plan agreed to by the Initial Partners on or prior to the Initial Closing Date or the Strategic Plan most recently approved pursuant to Section 6.7.

8.2 Annual Budget.

(a) The Executive Officers of the Partnership shall prepare an Annual Budget (each, an "Annual Budget") for each fiscal year, including an Operating Budget and Capital Expenditure Budget; provided that each Annual Budget shall be consistent with the information for such fiscal year included in the Strategic Plan most recently approved pursuant to Section 6.7; and provided, further, that unless provided otherwise in the most recently approved Strategic Plan, the Annual

Budget (including any Annual Budget prepared under Section 8.2(b)) shall utilize a format and provide a level of detail consistent with the Partnership's initial Annual Budget. The Annual Budget for each year shall be submitted to the Partnership Governance Committee for approval at least 60 days prior to the start of the fiscal year covered by such budget. Each Annual Budget shall incorporate (i) a projected income statement, balance sheet and a cash flow statement, (ii) the amount of any corresponding cash deficiency or surplus and (iii) the estimated amount, if any, and expected timing for all required capital contributions. Each proposed Annual Budget shall be prepared on a basis consistent with the Partnership's financial statements.

(b) If for any fiscal year the Partnership Governance Committee has failed to approve an updated Strategic Plan, then, subject to Section 8.5, for such year and each subsequent year prior to approval of an updated Strategic Plan, the Executive Officers of the Partnership shall prepare (and promptly furnish to the Partnership Governance Committee) the Annual Budget consistent with the projections and other information for that year included in the Strategic Plan most recently approved pursuant to Section 6.7; provided, however, that the CEO, acting in good faith, shall be entitled to modify any such Annual Budget in order to satisfy current contractual and compliance obligations and to account for other changes in circumstances resulting from the passage of time or the occurrence of events beyond the control of the Partnership; provided, further, that the CEO shall not be authorized to cause the Partnership to proceed with capital expenditures to accomplish capital enhancement projects except to the extent that such expenditures would enable the Partnership to continue or complete any such capital project reflected in the last Strategic Plan that was approved by the Partnership Governance Committee pursuant to Section 6.7.

(c) Each "Operating Budget" shall constitute an estimate for each applicable period of all operating income, which shall include expenses required to maintain, repair and restore to good and usable condition the Partnership's assets.

(d) Each "Capital Expenditure Budget" shall constitute an estimate for the applicable period of the capital expenditures required to (i) accomplish capital enhancement projects included in the most recently approved Strategic Plan, (ii) maintain and preserve the Partnership's assets in good operating condition and repair and (iii) achieve or maintain compliance with any HSE Law.

8.3 Funding of Partnership Expenses. All Partnership expenses (both operating and capital expenses), regardless of whether included in any Strategic Plan or Annual Budget, shall be funded from operating cash flows or authorized borrowings under available lines of credit, unless otherwise agreed by the Partnership Governance Committee. Subject to the limitations of Sections 2.4 and 6.7(v), if applicable, to the extent that the CEO determines at any time that funds are needed to fund Partnership operations, the CEO may issue a Funding Notice to the Limited Partners calling for an additional capital contribution. The Limited Partners will take all steps necessary to cause compliance with such Funding Notice.

8.4 Implementation of Budgets and Discretionary Expenditures by CEO.

(a) After a Strategic Plan and an Annual Budget have been approved by the Partnership Governance Committee (or an Annual Budget has been developed in accordance with Section

8.2(b)), the CEO will be authorized, without further action by the Partnership Governance Committee, to cause the Partnership to make expenditures consistent with such Strategic Plan and Annual Budget; provided, however, that all internal control policies and procedures, including those regarding the required authority for certain expenditures, shall have been followed.

(b) In any emergency, the CEO or the CEO's designee shall be authorized to take such actions and to make such expenditures as may be reasonably necessary to react to the emergency, regardless of whether such expenditures have been included in an approved Strategic Plan or Annual Budget. Promptly after learning of an emergency, the CEO or such designee shall notify the Representatives of the nature of the emergency and the response that has been made, or is committed or proposed to be made, with respect to the emergency.

8.5 Strategic Plan Deadlock. If the Partnership Governance Committee has not agreed upon and approved an updated Strategic Plan, as contemplated by Sections 6.7 and 8.1, by such date as is 12 months after the beginning of the first fiscal year that would have been covered by such plan, then the General Partners shall submit their disagreements to non-binding mediation by a Neutral. If the General Partners are unable to agree upon a mutually acceptable Neutral within 30 days after a nomination of a Neutral is made by one General Partner to the other General Partners, then such Neutral shall upon the application of any General Partner be appointed within 70 days of such nomination by the Center for Public Resources, or if such appointment is not so made promptly then promptly thereafter by the American Arbitration Association in Philadelphia, Pennsylvania, or if such appointment is not so made promptly then promptly thereafter by the senior United States District Court judge sitting in Wilmington, Delaware. The fees of the Neutral shall be paid equally by the General Partners. Within 20 days of selection of the Neutral, two persons having decision-making authority on behalf of each General Partner shall meet with the Neutral and agree upon procedures and a schedule for attempting to resolve the differences between the General Partners. They shall continue to meet thereafter on a regular basis until (i) agreement is reached by the General Partners (acting through their Representatives) on an updated Strategic Plan or (ii) at least 24 months have elapsed since the beginning of the first fiscal year that was to be covered by the first updated plan for which agreement was not reached and one General Partner shall determine and notify the other General Partners and the Neutral in writing (a "Deadlock Notice") that no agreement resolving the dispute is likely to be reached.

8.6 Loans.

(a) 1998 Credit Facility. Each General Partner agrees that it will use its reasonable best efforts to cause the Partnership to enter into a credit facility or facilities (whether one or more, the "1998 Credit Facility") on or prior to December 15, 1998, which 1998 Credit Facility would allow the Partnership to borrow at least $500 million aggregate principal amount (inclusive of the Bank Credit Agreement Repayment Amount but exclusive of any other portion of the 1998 Credit Facility which may be dedicated to the satisfaction of working capital needs or used for refinancing any indebtedness of the Partnership existing at such time) thereunder, notwithstanding the amount ($1.25 billion) that may be borrowed by the Partnership under its bank credit facility in existence as of the date of this Agreement. Each General Partner further agrees to cause the Partnership to draw down the Bank Credit Agreement Repayment Amount under the 1998 Credit Facility and to apply the Bank

Credit Agreement Repayment Amount to the repayment of any principal amount outstanding under the Bank Credit Agreement on or prior to December 15, 1998, and two Business Days after such repayment to cause the Partnership to draw down $419,700,000 under the Bank Credit Agreement for distribution to Occidental LP2 as provided in Section 3.1(g).

(b) Other Loans. The Partnership Governance Committee may by Partnership Governance Committee Action authorize the CEO to cause the Partnership to borrow funds from third party lenders. No Partner shall be required, and the Partnership Governance Committee shall not be authorized to require any Partner, to guarantee or to provide other credit or financial support for any loan. Any Partner may, at its sole discretion, guarantee or provide other credit or financial support for all or any portion of any debt, including any refinancing of the Bank Credit Agreement or any uncommitted lines of credit of the Partnership, for such period of time and on such other terms as the Partner shall determine.

(c) Millennium Guarantee. Millennium America, an Affiliate of Millennium GP and Millennium LP, issued a full and unconditional guarantee (the "Millennium America Guarantee") in respect of $750 million of principal owed by the Partnership pursuant to the Bank Credit Agreement, together with interest thereon, as set forth in the Bank Credit Agreement. Millennium America (or its successors or assigns) shall maintain the Millennium America Guarantee in full force and effect in respect of $750 million of principal, together with interest thereon, under the Bank Credit Agreement or any refinancings thereof (including, without limitation, any further refinancings of such refinancings) indefinitely; provided, however, that Millennium America may terminate the Millennium America Guarantee at any time on or after the seventh anniversary of the Initial Closing Date if, and only if: (i) the Partnership's ratio of Total Indebtedness to Total Capitalization is, as of the end of the most recently completed fiscal quarter of the Partnership lower than such ratio as of December 31, 1998, (ii) the Partnership's ratio of EBITDA to Net Interest for the most recent 12 month period is at least 105% of such ratio for the 12 month period ending December 31, 1998, (iii) the Partnership is not then in default in the payment of principal of, or interest on, any indebtedness for borrowed money in excess of $15 million and (iv) the Partnership is not then in default in respect of any covenants relating to any indebtedness for borrowed money if the effect of any such default shall be to accelerate, or to permit the holder or obligee of such indebtedness (or any trustee on behalf of such holder or obligee) to accelerate (with or without the giving of notice or lapse of time or both), such indebtedness in an aggregate amount in excess of $50 million; provided, further, that if Millennium GP and Millennium LP sell all of their respective interests in the Partnership, or if Millennium Petrochemicals Inc. sells all of its equity interests in both Millennium GP and Millennium LP, in each case to an unaffiliated third party (or parties) at any time in accordance with the terms of this Agreement, Millennium America may terminate the Millennium America Guarantee if, at the time of such sale or at the time of such termination, (A) the Partnership has an "investment grade" credit rating issued by Moody's Investor Service Inc. or Standard & Poor's Corporation (or, if the Partnership has no rated indebtedness outstanding at such time, Millennium America demonstrates to the reasonable satisfaction of the Partnership that the Partnership could obtain such an "investment grade" credit rating), or (B) the fair market value of the Partnership's assets is at least 140% of the gross amount of its liabilities. For purposes of this paragraph (c), "EBITDA" means, with respect to any period, operating income before interest, taxes, depreciation and amortization, as determined in accordance with GAAP; "Net Interest" means, with respect to any period, (i) the amount which,

in conformity with GAAP, would be set forth opposite the caption "interest expense" (or any like caption) on a consolidated income statement of the Partnership and all other Persons with which the Partnership's financial statements are to be consolidated in accordance with GAAP for the relevant period ended on such date less (ii) the amount which, in conformity with GAAP, would be set forth opposite the caption "interest income" (or any like caption) on such consolidated income statement; "Total Indebtedness" means at the time of determination all indebtedness of the Partnership and its subsidiaries on a consolidated basis, as determined in accordance with GAAP; "Total Capitalization" means, at the time of determination, the sum of Total Indebtedness plus the partner's equity reflected on a balance sheet of the Partnership prepared in accordance with GAAP.

SECTION 9
RIGHTS OF PARTNERS

9.1 Delegation and Contracts with Related Parties.

(a) The Partners acknowledge that the General Partners (acting through the Partnership Governance Committee) are permitted to delegate responsibility for day-to-day operations of the Partnership to officers and employees of the Partnership.

(b) Upon receipt of any required approval by the Partnership Governance Committee (including, as applicable, any approval required by Section 6.8), all contracts and transactions between the Partnership and a Partner or its Affiliates shall be deemed to be entered into on an arm's-length basis and to be subject to ordinary contract and commercial law, without any other duties or rights being implied by reason of a Partner being a Partner or by reason of any provision of this Agreement or the existence of the Partnership.

9.2 General Authority. Persons dealing with the Partnership are entitled to rely conclusively on the power and authority of each of the General Partners as set forth in this Agreement. In no event shall any Person dealing with any General Partner or such General Partner's representatives with respect to any business or property of the Partnership be obligated to ascertain that the terms of this Agreement have been complied with, or be obligated to inquire into the necessity or expedience of any act or action of the General Partner or the General Partner's representatives; and every contract, agreement, deed, mortgage, security agreement, promissory note or other instrument or document executed by the General Partner or the General Partner's representatives with respect to any business or property of the Partnership shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and/or delivery thereof, this Agreement was in full force and effect, (ii) the instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Partnership, and (iii) the General Partner or the General Partner's representative was duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Partnership. Nothing in this Section 9.2 shall be deemed to be a waiver or release of any General Partner's obligations to the other Partners as set forth elsewhere in this Agreement.

9.3 Limitation on Fiduciary Duty; Non-Competition; Right of First Opportunity.

(a) Each Partner (directly or through its Affiliates) is a sophisticated party possessing extensive knowledge of and experience relating to, and is actively engaged in, significant businesses in addition to its Contributed Businesses, has been represented by legal counsel, is capable of evaluating and has thoroughly considered the merits, risks and consequences of the provisions of this Section 9.3 and is agreeing to such provision knowingly and advisedly. The liability of each of the General Partners (including any liability of its Affiliates or its and their respective officers, directors, agents and employees) or of any Limited Partner (including any liability of its Affiliates or its and their respective officers, agents, directors and employees), either to the Partnership or to any other Partner, for any act or omission by such Partner in its capacity as a partner of the Partnership that is imposed by such Partner's status as a "general partner" or "limited partner" (as such terms are used in the Act) of a limited partnership is hereby eliminated, waived and limited to the fullest extent permitted by law; provided, however, that each General Partner shall at all times owe to the other General Partners a fiduciary duty in observing the requirement described in Section 6.7 that two or more Representatives of Lyondell GP, two or more Representatives of Millennium GP and two or more Representatives of Occidental GP shall be required to give their approval before the Partnership may undertake any of the actions listed in Section 6.7. Nothing in this subsection shall relieve any Partner from liability for any breach of this Agreement and each General Partner shall at all times owe to the other General Partners a duty to act in good faith with respect to all matters involving the Partnership.

(b) Except as set forth in Section 9.3(c), each Partner's Affiliates shall be free to engage in or possess an interest in any other business of any type, including any business in direct competition with the Partnership, and to avail itself of any business opportunity available to it without having to offer the Partnership or any Partner the opportunity to participate in such business. Except as set forth in Section 9.3(c), it is expressly agreed that the legal doctrine of "corporate or business opportunities" sometimes applied to a Person deemed to be subject to fiduciary or other similar duties so as to prevent such Persons from engaging in or enjoying the benefits of certain additional business opportunities shall not be applied in the case of any investment, acquisition, business, activity or operation of any Partner's Affiliates.

(c) (i) If a Partner's Affiliate desires to initiate or pursue an opportunity to undertake, engage in, acquire or invest in a Related Business by investing in or acquiring a Person whose business is a Related Business, acquiring assets of a Related Business, or otherwise engaging in or undertaking a Related Business (a "Business Opportunity"), such Partner or its Affiliate (such Partner, together with its Affiliates, being called the "Proposing Partner") shall offer the Partnership the Business Opportunity on the terms set forth in Section 9.3(c)(ii).

(ii) When a Proposing Partner offers a Business Opportunity to the Partnership, the Partnership shall elect to do one of the following within a reasonably prompt period:

(A) acquire or undertake the Business Opportunity for the benefit of the Partnership as a whole, at the cost, expense and benefit of the Partnership; provided, however, that, if the Partnership ceases to actively pursue such

opportunity for any reason, then the Proposing Partner will be entitled to proceed under clause (B) below; or

(B) permit the Proposing Partner to acquire or undertake the Business Opportunity for its own benefit and account without any duty to the Partnership or the other Partners with respect thereto; provided, however, that if the Business Opportunity is in direct competition with the then existing business of the Partnership (a "Competing Opportunity"), then the Proposing Partner and the Partnership shall, if either so elects, seek to negotiate and implement an arrangement whereby the Partnership would either (i) acquire or undertake the Competing Opportunity at the sole cost, expense and benefit of the Proposing Partner under a mutually acceptable arrangement whereby the Competing Opportunity is treated as a separate business within the Partnership with the costs, expenses and benefits related thereto being borne and enjoyed solely by the Proposing Partner, or (ii) enter into a management agreement with the Proposing Partner to manage the Competing Opportunity on behalf of the Proposing Partner on terms and conditions mutually acceptable to the Proposing Partner and the Partnership. If the Partnership and the Proposing Partner do not reach agreement as to such arrangement, the Proposing Partner may acquire or undertake the Competing Opportunity for its own benefit and account without any duty to the Partnership or the other Partners with respect thereto.

(d) Notwithstanding the provisions of Section 9.3(c)(ii), (i) if the Business Opportunity constitutes less than 25% (based on annual revenues for the most recently completed fiscal year) of an acquisition of or investment in assets, activities, operations or businesses that is not otherwise a Related Business, then a Proposing Partner may acquire or invest in such Business Opportunity without first offering it to the Partnership; provided, that, after completion of the acquisition or investment thereof, such Proposing Partner must offer the Business Opportunity to the Partnership pursuant to the terms of Section 9.3(c)(ii); and if the Partnership elects option (A) of Section 9.3(c)(ii) with respect thereto, the Business Opportunity shall be acquired by the Partnership at its fair market value as of the date of such acquisition and (ii) if the Business Opportunity is (A) part of an integrated project, a substantial element of which is the development, exploration, production and/or sale of oil or gas reserves and (B) located in a country other than the United States, Canada or Mexico then such Partner or its Affiliate may acquire or invest in such Business Opportunity without first offering it to the Partnership; provided, that subject to any requisite consents and approvals from third parties or governmental authorities, the Partner or its Affiliate will use commercially reasonable efforts to include the Partnership to the maximum extent practicable in such integrated project with respect to the Business Opportunity portion of the project.

(e) Notwithstanding the provisions of Section 9.3(c), any direct or indirect expansion by LYONDELL-CITGO Refining Company Ltd. of its aromatics business shall not be deemed to constitute a Business Opportunity for purposes of Section 9.3(c).

(f) If (i) the Partnership is presented with an opportunity to acquire or undertake a Business Opportunity (other than pursuant to Section 9.3(c)) that it determines not to acquire or undertake and (ii) the Representatives of one or two General Partners, but not the other General Partner(s), desire that the Partnership acquire or undertake such Business Opportunity, then the Partnership shall permit such General Partner(s) and its or their respective Affiliates to acquire or undertake such Business Opportunity (or in the event two of the General Partners desire to so undertake, then, as between those two General Partners and their respective Affiliates, the Business Opportunity may be pursued or acquired either jointly or independently and Section 9.3(c)(ii)(B) shall be deemed to be applicable thereto to the same extent as if such General Partner(s) and its or their respective Affiliates were a Proposing Partner with respect to such Business Opportunity.

9.4 Limited Partners.

(a) No Limited Partner shall take part in the management or control of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise to bind the Partnership.

(b) Each Limited Partner shall have the rights with respect to the Partnership's books and records as set forth in Section 5.3.

9.5 Partner Covenants. Each Partner covenants and agrees with the Partnership and with the other Partners as follows:

(i) It shall not exercise, or purport or attempt to exercise, its authority to withdraw, retire, resign, or assert that it has been expelled from the Partnership;

(ii) It shall not do any act that would make it impossible or impracticable to carry on the Partnership's business; and

(iii) It shall not act or purport or attempt to act in a manner inconsistent with any act of a General Partner acting pursuant to the Partnership Governance Committee or in a manner contrary to the agreements of the Partners set forth in this Agreement;

provided, that, nothing in this Section 9.5 shall be deemed to waive its rights under Sections 10, 11 or 12.

9.6 Special Purpose Entities. Each Partner covenants and agrees that (i) its business shall be restricted solely to the holding of its Units and the doing of things necessary or incidental in connection therewith (including, without limitation, the exercise of its rights and powers under this Agreement), and (ii) it shall not own any assets, incur any liabilities or engage, participate or invest in any business outside the scope of such business; provided, however, that this Section 9.6 shall not be binding upon (a) Millennium Petrochemicals Inc., a Virginia corporation, or its successors by operation of law to the extent that any Units shall be Transferred to it in accordance with Section 10.6 or (b) at its option, any Wholly Owned Affiliate of any Partner to whom Units shall be Transferred pursuant to Section 10.6 if, at the date of such Transfer, such Wholly Owned Affiliate

shall have a consolidated net worth, as determined in accordance with GAAP, of at least $50 million. Notwithstanding the foregoing provisions of this Section 9.6, this Section 9.6 shall not prohibit any Partner from incurring debt payable to its Parent or an Affiliate so long such debt is permitted under Section 2.4 of the Parent Agreement.

SECTION 10
TRANSFERS AND PLEDGES

10.1 Restrictions on Transfer and Prohibition on Pledge. Except pursuant to Section 11 or the procedures described below in this Section, a Partner shall not, in any transaction or series of transactions, directly or indirectly Transfer all or any part of its Units. A Partner shall not, in any transaction or series of transactions, directly or indirectly Pledge all or any part of its Units or its interest in the Partnership. Neither the term "Transfer" nor the term "Pledge," however, shall include an assignment by a Partner of such Partner's right to receive distributions from the Partnership so long as such assignment does not purport to assign any right of such Partner to participate in or manage the affairs of the Partnership, to receive any information or accounting of the affairs of the Partnership, or to inspect the books or records of the Partnership or any other right of a Partner pursuant to this Agreement or the Act. Any attempt by a Partner to Transfer or Pledge all or a portion of its Units in violation of this Agreement shall be void ab initio and shall not be effective to Transfer or Pledge such Units or any portion thereof. Subject to any applicable restrictions imposed by the Amended and Restated Parent Agreement, nothing in this Agreement shall prevent the Transfer or Pledge by the owner thereof of any capital stock, equity ownership interests or other security of a Partner or any Affiliate of a Partner.

10.2 Right of First Option.

(a) Except as set forth in Section 10.6, without the consent of all of the General Partners, no Partner may Transfer less than all of its Units and no Partner may Transfer its Units for consideration other than cash. Any Limited Partner (or Limited Partners, if there are Affiliated Limited Partners) and its (or their) Affiliated General Partner desiring to Transfer all of their Units (together, the "Selling Partners") shall give written notice (the "Initial Notice") to the Partnership and the other Partners (the "Offeree Partners") stating that the Selling Partners desire to Transfer their Units and stating the cash purchase price and all other terms on which they are willing to sell (the "Offer Terms"). Delivery of an Initial Notice shall constitute the irrevocable offer of the Selling Partners to sell their Units to the Offeree Partners hereunder.

(b) The Offeree Partners shall have the option, exercisable by delivering written notice (the "Acceptance Notice") of such exercise to the Selling Partners within 45 days of the date of the Initial Notice, to elect to purchase all of the Units of the Selling Partners on the Offer Terms described in the Initial Notice. If all of the Offeree Partners deliver an Acceptance Notice, then all of the Units shall be transferred to the Offeree Partners on a pro rata basis (based on the ratio of the number of Units owned by each Offeree Partner delivering an Acceptance Notice to the number of Units owned by all Offeree Partners delivering an Acceptance Notice or on any other basis that shall be mutually agreed upon between the Offeree Partners delivering an Acceptance Notice). If less than

all of the Offeree Partners deliver an Acceptance Notice, the Selling Partners shall give written notice thereof (the "Additional Notice") to the Offeree Partners electing to purchase, and such Offeree Partners shall have the option, exercisable by delivery of an Acceptance Notice of such exercise to the Selling Partners within 15 days of such Additional Notice, to purchase all of the Units, including the Units it had not previously elected to purchase; provided, however, that any election by an Offeree Partner not to purchase all such Units shall be deemed a rescission of such Offeree Partner's original Acceptance Notice and an election not to purchase any of the Units of the Selling Partners. The Acceptance Notice shall set a date for closing the purchase, such date to be not less than 30 nor more than 90 days after delivery of the Acceptance Notice; provided that such time period shall be subject to extension as reasonably necessary (up to a maximum of an additional 120 days after such 90 day period) in order to comply with any applicable filing and waiting period requirements under the Hart-Scott-Rodino Antitrust Improvements Act. The closing shall be held at the Partnership's offices. The purchase price for the Selling Partners' Units shall be paid in cash delivered at the closing. The purchase shall be consummated by appropriate and customary documentation (including the giving of representations and warranties substantially similar to those set forth in Sections 2.1 through 2.3 of the Second Master Transaction Agreement).

(c) If none of the Offeree Partners elect to purchase the Selling Partners' Units within 45 days after the receipt of the Initial Notice, the Selling Partners shall have a further 180 days during which they may, subject to Sections 10.2(d) and (e), consummate the sale of their Units to a third party purchaser at a purchase price and on such other terms that are no more favorable to such purchaser than the Offer Terms. If the sale is not completed within such further 180-day period, the Initial Notice shall be deemed to have expired and a new notice and offer shall be required before the Selling Partners may make any Transfer of their Units.

(d) Before the Selling Partners may consummate a Transfer of their Units to a third party in accordance with this Agreement, the Selling Partners shall demonstrate to the Offeree Partners that the Person willing to serve as the proposed purchaser's guarantor under the agreement contemplated by Section 10.2(e)(vi) has outstanding indebtedness that is rated investment grade by Moody's Investors Service, Inc. and Standard & Poor's Corporation, or if such Person has no rated indebtedness outstanding, such Person shall provide an opinion from a nationally recognized investment banking firm that such Person could be reasonably expected to obtain such ratings.

(e) Notwithstanding the foregoing provisions of this Section 10.2, a Partner may Transfer its Units (other than pursuant to Section 10.6) only if all of the following occur:

(i) The Transfer is accomplished in a non-public offering in compliance with, and exempt from, the registration and qualification requirements of all federal and state securities laws and regulations.

(ii) The Transfer does not cause a default under any material contract to which the Partnership is a party or by which the Partnership or any of its properties is bound.

(iii) The transferee executes an appropriate agreement to be bound by this Agreement.

(iv) The transferor and/or transferee bears all reasonable costs incurred by the Partnership in connection with the Transfer.

(v) The business and activities of the transferee comply with Section 9.6.

(vi) The guarantor of the transferee satisfies the criteria set forth in Section 10.2(d) and delivers an agreement to the ultimate parent entity of the Offeree Partners and to the Partnership, substantially in the form of the Amended and Restated Parent Agreement.

(vii) The proposed transferor is not in default in the timely performance of any of its material obligations to the Partnership.

(viii) The provisions of Section 10.3 are satisfied.

10.3 Inclusion of General or Limited Partner Units. No Limited Partner may Transfer its Units to any Person (other than in accordance with Section 10.6) unless the Units of its General Partner Affiliate and its Limited Partner Affiliate or Affiliates (if any) are simultaneously transferred to such Person or a Wholly Owned Affiliate of such Person. No General Partner may transfer its Units to any Person (other than a Wholly Owned Affiliate of such Partner) unless the Units of its Affiliated Limited Partner (or Limited Partners, if more than one) are simultaneously transferred to such Person or a Wholly Owned Subsidiary of such Person.

10.4 Rights of Transferee. Upon consummation of a Transfer in accordance with Section 10.2, the transferee or transferees shall immediately, and without any further action of any Person, become (i) a Substitute Limited Partner if and to the extent Limited Partner Units are transferred and (ii) a Substitute General Partner, if and to the extent General Partner Units are transferred.

10.5 Effective Date of Transfer. Each Transfer shall become effective as of the first day of the calendar month following the calendar month during which the Partnership Governance Committee approves such Transfer and receives a copy of the instrument of assignment and all such certificates and documents of the character described in Section 10.2, which the Partnership Governance Committee may reasonably request.

10.6 Transfer to Wholly Owned Affiliate. Without the need for the consent of any Person (subject to the provisions contained in this Section 10.6):

(a) any Partner may Transfer its Units to any Wholly Owned Affiliate of such Partner (other than the Partner that is its Affiliate), provided the transferee executes an instrument reasonably satisfactory to all of the General Partners accepting the terms and provisions of this Agreement (except as may be provided in Section 9.6). Upon consummation of a Transfer in accordance with this Section 10.6(a), the transferee shall immediately, and without any further action of any Person, become (i) a Substitute Limited Partner if and to the extent Limited Partner Units are transferred and (ii) a Substitute General Partner, if and to the extent General Partner Units are transferred; and

(b) any Limited Partner may, at its option and at any time, (i) Transfer up to 99% of its Limited Partner Units to its Affiliated General Partner, whereupon such Limited Partner Units shall, without any further action, become General Partner Units or (ii) Transfer all of the Limited Partner Units held by such Limited Partner to its Affiliated Limited Partner. Promptly following any Transfer of Limited Partner Units in accordance with this Section 10.6(b), each Partner shall take such actions and execute such instruments or documents (including, without limitation, amendments to this Agreement or supplemental agreements hereto) as may be reasonably necessary to ensure that each Affiliated Partner Group shall, taken as a whole and following such Transfer, maintain all of its rights under this Agreement as in effect immediately prior to such Transfer (including, without limitation, the portion of Available Net Operating Cash distributable to such Affiliated Partner Group).

10.7 Invalid Transfer. No Transfer of Units which is in violation of this Section 10 shall be valid or effective, and the Partnership shall not recognize the same for the purposes of making any allocation or distribution.

SECTION 11
DEFAULT

11.1 Default.

(a) Each of the following events shall constitute a "Default" and create the rights provided for in this Section 11 in favor of the Partnership and the Non-Defaulting Partners against the Defaulting Partners:

(i) the failure by a Partner to make any contribution to the Partnership as required pursuant to this Agreement (other than pursuant to the Contribution Agreement), which failure continues for at least five Business Days from the date that the Partner is notified such contribution is overdue;

(ii) in the case of each of Lyondell GP and Lyondell LP, the failure to pay principal, when due, on the Lyondell Note, which failure continues for at least five Business Days from the date such payment is due; or

(iii) the withdrawal, retirement, resignation or dissolution of a Partner (other than in connection with a Transfer of all of a Partner's Units in accordance with this Agreement); or the Bankruptcy of a Partner or its Guarantor.

(b) The day upon which the Default commences or occurs (or if the Default is subject to a cure period and is not timely cured, then the day following the end of the applicable cure period) shall be the "Default Date." Without prejudice to a Partner's (or any of its Affiliates') rights to seek temporary or preliminary judicial relief, prior to any such Default Date all rights and obligations of the Partners under this Agreement shall remain in full force and effect.

11.2 Remedies for Default. Provided that there shall be no duplication of remedies, without prejudice to any right to pursue independently and at any time, including simultaneously, any other remedy it may have under law, including the right to seek to recover Damages, or equity, each Non-Defaulting Affiliated Partner Group in its sole discretion may elect to pursue the following remedies:

(a) At any time prior to the expiration of 60 days from the Default Date, each Non-Defaulting Affiliated Partner Group may elect to purchase its pro rata share (based on the ratio of the number of Units owned by such Partners to the number of Units owned by all Non-Defaulting Partners electing to purchase) of the Units of the Defaulting Partners as described in Section 11.3; provided, however, that within 10 days after the determination of the Fair Market Value, either Non-Defaulting Affiliated Partner Group may withdraw its election. If a Non-Defaulting Affiliated Partner Group withdraws its election to purchase after the determination of Fair Market Value, and the other Non- Defaulting Affiliated Partner Group has elected and not so withdrawn, the withdrawing Affiliated Partner Group shall provide notice within 5 days of its withdrawal to such other Affiliated Partner Group. At any time prior to the expiration of 10 days from receipt of such notice, the Affiliated Partner Group receiving such notice may elect to purchase the Units as to which the election to purchase has been withdrawn. If on the later to occur of (i) a Non-Defaulting Affiliated Partner Group's withdrawal of its election to purchase or (ii) the expiration of 10 days from receipt of the notice provided for in the foregoing sentence, no election to purchase is in effect with respect to all of the Units of the Defaulting Partners, then each Non-Defaulting Partner Affiliated Partner Group shall have an additional 30 days from such time to elect an alternative remedy under Section 11.2(b) below; and

(b) At any time prior to the expiration of 60 days from the Default Date (or if any Non-Defaulting Affiliated Partner Group initially elected to pursue its remedy under Section 11.2(a) above and no elections to purchase all Units of the Defaulting Partners are made and not withdrawn, at any time within the 30 days following the last applicable waiting period under Section 11.2(a)), any Non-Defaulting Affiliated Partner Group may elect to effect a liquidation of the Partnership under Section 11.4 and thereby cause the Partnership to dissolve under Section 12.1(iv).

11.3 Purchase of Defaulting Partners' Units.

(a) Upon any election pursuant to Section 11.2(a), the purchase price that such Non-Defaulting Partners shall pay, in the aggregate, to the Defaulting Partners for their Units shall be an amount equal to (i) the amount that the Defaulting Partners would receive in a liquidation (assuming that any sale under Section 12.2 were for an amount equal to the Fair Market Value, without giving effect to any Damages) reduced by (ii) the unrecovered Damages attributable to the Default by the Defaulting Partners.

(b) If the Non-Defaulting Partners have a right to purchase the Units of the Defaulting Partners, any Non-Defaulting Partner may first seek a determination of Fair Market Value by delivering notice in writing to the Defaulting Partners. Each such Non-Defaulting Affiliated Partner Group shall have 10 days from the final determination of Fair Market Value (or if purchasing pursuant to the withdrawal of election to purchase, 10 days from receipt of notice as provided in

Section 11.2(b)) to elect to purchase its share of the Defaulting Partner Units by delivering notice of such election in writing, and the purchase shall be consummated prior to the expiration of 60 days from the date such notice is delivered; provided that, such time period shall be subject to extension as reasonably necessary (up to a maximum of an additional 120 days after such 60 day period) in order to comply with any applicable filing and waiting period requirements under the Hart-Scott-Rodino Antitrust Improvements Act.

(c) The purchase price so determined shall be payable in cash at a closing held at the Partnership's offices. The purchase shall be consummated by appropriate and customary documentation (including the giving of representations and warranties substantially similar to those set forth in Sections 2.1 through 2.4 of the Second Master Transaction Agreement) as soon as practicable and in any event within the applicable time period specified in subsection (b).

(d) The Non-Defaulting Partners may assign, in whole or in part, their right to purchase the Units of the Defaulting Partners to one or more third parties without the consent of any Partner hereunder.

(e) If Units are transferred in accordance with this Section 11.3, whether to the Non-Defaulting Partners or a third party (under subsection (d) above), upon the consummation of such Transfer, each such transferee shall immediately, and without any further action on the part of any Person, become (i) a Substitute Limited Partner if and to the extent that Limited Partner Units were transferred to such Person and (ii) a Substitute General Partner if and to the extent that General Partner Units were transferred to such Person.

11.4 Liquidation. Upon any election pursuant to Section 11.2(b), any Non-Defaulting Partner shall have the right to elect to dissolve and liquidate the Partnership pursuant to the procedures in Section 12.1(iv) (such procedures constituting a "Liquidation"); provided, however, that any amount payable to the Defaulting Partners in such Liquidation pursuant to Section 12.2 shall be reduced by, without duplication, any unrecovered Damages incurred by the Non-Defaulting Partners and the Non-Defaulting Partners' Percentage Interest of any unrecovered Damages incurred by the Partnership in connection with the Default. The Non-Defaulting Partner shall deliver notice of such election to dissolve and liquidate in writing to the Partnership and the other Partners.

11.5 Certain Consequences of Default. Notwithstanding any other provision of this Agreement, commencing on the Default Date and (i) prior to the Non-Defaulting Partners' collection of Damages through the exercise of its legal remedies or otherwise, or (ii) while the Non-Defaulting Partners are pursuing their remedies under Section 11.2(a) or (b), the Representatives of the Defaulting General Partner shall not have any voting or decisional rights with respect to matters requiring Partnership Governance Committee Action, and such matters shall be determined solely by the Representatives of the Non-Defaulting General Partners; provided, however, that the foregoing loss of voting and decisional rights shall not occur as a result of a Default caused solely by the Bankruptcy of a Partner or a Guarantor described in Section 11.1(a)(iii); and provided further, that in the case of a Default under Section 11.1(a)(i) or (ii), the foregoing loss of voting and decisional rights shall not apply to those voting and decisional rights contained in Sections 6.7(i), (x), (xvi) or (xviii) of this Agreement, which rights shall continue in full force and effect at all times.

SECTION 12
DISSOLUTION, LIQUIDATION AND TERMINATION

12.1 Dissolution and Termination. As long as there is at least one other General Partner (who is hereby authorized in such event to conduct the business of the Partnership without dissolution), the withdrawal, retirement, resignation, dissolution or Bankruptcy of a General Partner shall not dissolve the Partnership, but rather shall be a Default covered by Section 11. The Partnership shall be dissolved upon the happening of any one of the following events:

(i) the written determination of all General Partners to dissolve the Partnership;

(ii) the entry of a judicial decree of dissolution;

(iii) any other act or event which results in the dissolution of a limited partnership under the Act (except as provided in the first sentence of this Section 12.1);

(iv) the election of a Non-Defaulting Affiliated Partner Group to effect a dissolution of the Partnership under Section 11.4; or

(v) after the delivery of a Deadlock Notice by a General Partner pursuant to Section 8.5, the written determination by any General Partner to dissolve the Partnership.

12.2 Procedures Upon Dissolution.

(a) General. If the Partnership dissolves, it shall commence winding up pursuant to the appropriate provisions of the Act and the procedures set forth in this Section 12. Notwithstanding the dissolution of the Partnership, prior to the termination of the Partnership, the business of the Partnership and the affairs of the Partners, as such, shall continue to be governed by this Agreement.

(b) Control of Winding Up. The winding up of the Partnership shall be conducted under the direction of the Partnership Governance Committee; provided, however, that if the dissolution is caused by entry of a decree of judicial dissolution, the winding up shall be carried out in accordance with such decree.

(c) Manner of Winding Up. Unless the provisions of Section 12.2(e) apply, the Partnership shall attempt to sell all property and apply the proceeds therefrom in accordance with this Section 12.2(c) and Section 12.2(d) below. Upon dissolution of the Partnership, the Partnership Governance Committee shall determine the time, manner and terms of any sale or sales of Partnership property pursuant to such winding up, consistent with its duties and having due regard to the activity and condition of the relevant market and general financial and economic conditions. Except as otherwise agreed by the Partners, no distributions will be made in kind to any Partner without the consent of each Partner.

(d) Application of Assets. In the case of a dissolution and winding-up of the Partnership, the Partnership's assets shall be applied as follows:

(i) First, to satisfaction of the liabilities of the Partnership owing to creditors (including Partners and Affiliates of Partners who are creditors), whether by payment or reasonable provision for payment. Any reserves created to make any such provision for payment may be paid over by the Partnership to an independent escrow holder or trustee, to be held in escrow or trust for the purpose of paying any such contingent, conditional or unmatured liabilities or obligations, and, at the expiration of such period as the Partnership Governance Committee may deem advisable, such reserves shall be distributed to the Partners or their assigns in the manner set forth in subsection (d)(ii) below.

(ii) Second, after all allocations of Profits or Losses and other items pursuant to Section 4, to the Partners in accordance with the balances in their Capital Accounts. Any Partner that then has a deficit in its Capital Account shall contribute cash in the amount necessary to eliminate such deficit. Such contributions shall be made within 90 days after the date in which all undistributed assets of the Partnership have been converted to cash.

(iii) Notwithstanding the foregoing, if any Partner shall be indebted to the Partnership, then until payment in full of the principal of and accrued but unpaid interest on such indebtedness, regardless of the stated maturity or maturities thereof, the Partnership shall retain such Partner's distributive share of Partnership property and apply such sums to the liquidation of such indebtedness and the cost of operation of such Partnership property during the period of such liquidation.

(e) Division of Assets upon Deadlock. If dissolution occurs pursuant to Section 12.1(v), then the provisions of this Section 12.2(e) shall, if elected by any Partner, apply in lieu of the provisions of Section 12.2(c), but subject to the provisions of Section 12.2(d)(ii). In such event, the Partnership properties shall be divided and distributed in kind to the Partners in accordance with the provisions of Appendix E.

12.3 Termination of the Partnership. Upon the completion of the liquidation of the Partnership and the distribution of all Partnership assets, the Partnership's affairs shall terminate and the Partnership shall cause to be executed and filed a Certificate of Cancellation of the Partnership's Certificate of Limited Partnership pursuant to the Act, as well as any and all other documents required to effectuate the termination of the Partnership.

12.4 Asset and Liability Statement. Within a reasonable time following the completion of the winding-up and liquidation of the Partnership's business, the Partnership Governance Committee shall supply to each of the Partners a statement (which may be unaudited) which shall set forth the assets and the liabilities of the Partnership as of the date of complete liquidation, and each Partner's pro rata portion of distributions pursuant to Section 12.2.

SECTION 13
MISCELLANEOUS

13.1 Confidentiality and Use of Information.

(a) Except as provided in subsection (c) or (d) hereof, each Partner shall, and shall cause each of its Affiliates and its and their respective partners, shareholders, directors, officers, employees and agents (collectively, "Related Persons") to, keep secret, retain in strictest confidence, and not distribute, disseminate or disclose any and all Confidential Information except to (i) the Partnership and its officers and employees, (ii) any lender to the Partnership or (iii) any Partner or any of their respective Affiliates or other Related Persons on a "need to know" basis in connection with the transactions leading up to and contemplated by this Agreement and the operation of the Partnership, and such Partner disclosing Confidential Information pursuant to this Section 13.1(a) shall use, and shall cause its Affiliates and other Related Persons to use, such Confidential Information only for the benefit of the Partnership in conducting the Partnership's business or for any other specific purposes for which it was disclosed to such party; provided that the disclosure of financial statements of, or other information relating to the Partnership shall not be deemed to be the disclosure of Confidential Information (y) to the extent that any Partner (or its ultimate parent entity) deems it necessary, appropriate or customary pursuant to law, regulation or stock exchange rule (in the reasonable good faith judgment of such parent entity) to disclose such information in or in connection with filings with the SEC, press releases disseminated to the financial community, presentations to lenders, presentations to ratings agencies or information disclosed to similar audiences or (z) to the extent that in order to sustain a position taken for tax purposes, any Partner deems it necessary and appropriate to disclose such financial statements or other information. All Confidential Information disclosed in connection with the Partnership or pursuant to this Agreement shall remain the property of the Person whose property it was prior to such disclosure unless such property has been transferred to the Partnership pursuant to a Contribution Agreement.

(b) No Confidential Information regarding the plans or operations of any Partner or any Affiliate thereof received or acquired by or disclosed to any unaffiliated Partner or Affiliate thereof in the course of the conduct of Partnership business, or otherwise as a result of the existence of the Partnership, may be used by such unaffiliated Partner or Affiliate thereof for any purpose other than for the benefit of the Partnership in conducting the Partnership Business. The Partnership and each Partner shall have the affirmative obligation to take all necessary steps to prevent the disclosure to any Partner or Affiliate thereof of information regarding the plans or operations of such Partner and its Affiliates in markets and areas unrelated to the business of the Partnership in which any other Partner and their respective Affiliates compete.

(c) In the event that any Partner is legally required (by interrogatories, discovery requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, it is agreed that such Partner prior to disclosure will provide the Partnership Governance Committee (and, if such Confidential Information concerns another Partner, such Partner) with prompt notice of such request(s) so that the Partnership Governance Committee (or such other Partner) may seek an appropriate protective order or other appropriate remedy and/or waive the Partner's compliance with the provisions of this Section. In the event that

such protective order or other remedy is not obtained, or that the Partnership Governance Committee (and, if such Confidential Information concerns another Partner, such Partner) grants a waiver hereunder, the Partner required to furnish Confidential Information may furnish that portion (and only that portion) of the Confidential Information which, in the opinion of such Partner's counsel, such Partner is legally compelled to disclose, and such Partner will exercise its commercially reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

(d) Any Partner may disclose Confidential Information to a third party who requires such Confidential Information for the purpose of evaluating a possible purchase of such Partner's Units in accordance with Section 10; provided, however, that such third party shall be informed by such Partner of the confidential nature of the information and the existence of this Section 13.1 and prior to any disclosure shall execute a written confidentiality agreement with such Partner substantially identical in scope to this Section and providing that such confidentiality agreement is also made for the benefit of the Partnership and each of the other Partners.

(e) The Partners and their Affiliates shall consult with each other on an ongoing basis with respect to disclosures regarding the Partnership and its business and affairs permitted under Section 13.1(a)(y).

13.2 Indemnification.

(a) Indemnification by Partnership. The Partnership agrees, to the fullest extent permitted by applicable law, to indemnify, defend and hold harmless each Partner, its Affiliates and their respective officers, directors and employees from, against and in respect of any Liability which such Indemnified Person may sustain, incur or assume as a result of, or relative to, a Third Party Claim arising out of or in connection with the business, property or affairs of the Partnership, except to the extent that it is Finally Determined that such Third Party Claim arose out of or was related to actions or omissions of the indemnified Partner, its Affiliates or any of their respective officers, directors or employees (acting in their capacities as such) constituting a breach of this Agreement or any Related Agreement. The Partnership shall periodically reimburse or advance to any Person entitled to indemnity under this subsection (a) its legal and other expenses incurred in connection with defending any claim with respect to such Liability if such Person shall agree to reimburse promptly the Partnership for such amounts if it is finally determined that such Person was not entitled to indemnity hereunder. Nothing in this Section 13.2(a) is intended to, nor shall it, affect or take precedence over the indemnity provisions contained in any Related Agreement.

(b) Partner's Right of Contribution. Each Partner hereby agrees, to the fullest extent permitted by law, to indemnify, defend and hold harmless the other Partners, their Affiliates and their respective officers, directors and employees from and against the indemnifying Partner's Percentage Interest (calculated at the time any such Liability was incurred) of any Liability that such Indemnified Person may sustain, incur or assume as a result of or relating to any Third Party Claim arising out of or in connection with the business, property or affairs of the Partnership; provided, however, that such indemnified Partner, its Affiliates and their respective officers, directors and employees shall not be entitled to indemnity under this subsection (b) to the extent that it is Finally Determined that such

Third Party Claim arose out of or was related to actions or omissions of the indemnified Partner, its Affiliates or any of their respective officers, directors or employees (acting in their capacities as such) constituting a breach of this Agreement or any Related Agreement; provided, further, that such indemnified Partner, its Affiliates and their respective officers, directors and employees shall not be entitled to indemnity under this subsection (b) unless (x) the indemnified Partner shall first make a written demand for indemnification from the Partnership in accordance with subsection (a) above and subsection (c) below and the Partnership shall fail to satisfy such demand in a manner reasonably satisfactory to the indemnified Partner within 60 days of such notice or (y) the Partnership is insolvent or otherwise unable to satisfy its obligations. The indemnifying Partner shall periodically reimburse any Person entitled to indemnity under this subsection (b) for its legal and other expenses incurred in connection with defending any claim with respect to such Liability if such Person shall agree to reimburse promptly the indemnifying Partner for such amounts if it is Finally Determined that such Person was not entitled to indemnity hereunder.

(c) Procedures. Promptly after receipt by a Person entitled to indemnification under subsection (a) or (b) (an "Indemnified Party") of notice of any pending or threatened claim against it (a "Claim"), such Indemnified Party shall give prompt written notice (including copies of all papers served with respect to such claim) to the party to whom the Indemnified Party is entitled to look for indemnification (the "Indemnifying Party") of the commencement thereof, which notice shall describe in reasonable detail the nature of the Third Party Claim, an estimate of the amount of damages attributable to the Third Party Claim to the extent feasible and the basis of the Indemnified Party's request for indemnification under this Agreement; provided that the failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party except to the extent the Indemnifying Party demonstrates that it is prejudiced thereby. In case any Claim that is subject to indemnification under subsection (a) shall be brought against an Indemnified Party and it shall give notice to the Indemnifying Party of the commencement thereof, the Indemnifying Party may, and at the request of the Indemnified Party shall, participate in and control the defense of the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless (i) the employment thereof has been specifically authorized in writing by the Indemnifying Party, (ii) the Indemnifying Party failed to assume the defense and employ counsel or failed to diligently prosecute or settle the Third Party Claim or (iii) there shall exist or develop a conflict that would ethically prohibit counsel to the Indemnifying Party from representing the Indemnified Party. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim that the Indemnifying Party elects to contest, including, without limitation, by making any counterclaim against the Person asserting the Third Party Claim or any cross-complaint against any Person, in each case only if and to the extent that any such counterclaim or cross-complaint arises from the same actions or facts giving rise to the Third Party Claim. The Indemnifying Party shall be the sole judge of the acceptability of any compromise or settlement of any claim, litigation or proceeding in respect of which indemnity may be sought hereunder, provided that the Indemnifying Party will give the Indemnified Party reasonable prior written notice of any such proposed settlement or compromise and will not consent to the entry of any judgment or enter into any settlement with respect to any Third Party Claim without the prior written consent of the

Indemnified Party, which shall not be unreasonably withheld. The Indemnifying Party (if the Indemnified Party is entitled to indemnification hereunder) shall reimburse the Indemnified Party for its reasonable out of pocket costs incurred with respect to such cooperation.

If the Indemnifying Party fails to assume the defense of a Third Party Claim within a reasonable period after receipt of written notice pursuant to the first sentence of this subparagraph (c), or if the Indemnifying Party assumes the defense of the Indemnified Party pursuant to this subparagraph (c) but fails diligently to prosecute or settle the Third Party Claim, then the Indemnified Party shall have the right to defend, at the sole cost and expense of the Indemnifying Party (if the Indemnified Party is entitled to indemnification hereunder), the Third Party Claim by all appropriate proceedings, which proceedings shall be promptly and vigorously prosecuted by the Indemnified Party to a final conclusion or settled. The Indemnified Party shall have full control of such defense and proceedings; provided that the Indemnified Party shall not settle such Third Party Claim without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this Section, and the Indemnifying Party shall bear its own costs and expenses with respect to such participation.

Notwithstanding the other provisions of this Section 13.2, if the Indemnifying Party disputes its potential liability to the Indemnified Party under this Section 13.2 and if such dispute is resolved in favor of the Indemnifying Party, the Indemnifying Party shall not be required to bear the costs and expenses of the Indemnified Party's defense pursuant to this Section 13.2 or of the Indemnifying Party's participation therein at the Indemnified Party's request, and the Indemnified Party shall reimburse the Indemnifying Party in full for all costs and expenses of the litigation concerning such dispute. If a dispute over potential liability is resolved in favor of the Indemnified Party, the Indemnifying Party shall reimburse the Indemnified Party in full for all costs of the litigation concerning such dispute.

After it has been determined, by acknowledgment, agreement, or ruling of court of Legal Requirements, that an Indemnifying Party is liable to the Indemnified Party under this Section 13.2(c), the Indemnifying Party shall pay or cause to be paid to the Indemnified Party the amount of the Liability within ten business days of receipt by the Indemnifying Party of a notice reasonably itemizing the amount of the Liability but only to the extent actually paid or suffered by the Indemnified Party.

(d) Survival. The indemnities contained in this Section shall survive the termination and liquidation of the Partnership.

(e) Subrogation. In the event of any payment by or on behalf of an Indemnifying Party to an Indemnified Party in connection with any Liability, the Indemnifying Party (or any guarantor who made such payment) shall be subrogated to and shall stand in the place of the Indemnified Party as to any events or circumstances in respect of which the Indemnified Party may have any right or claim against any third party (not including the Partnership) relating to such event or indemnification. The Indemnified Party shall cooperate with the Indemnifying Party (or such guarantor) in any reasonable manner in prosecuting any subrogated claim.

(f) Nothing in this Agreement shall be deemed to limit the Partnership's power to indemnify its officers, employees, agents or any other person, to the fullest extent permitted by law.

13.3 Third Party Claim Reimbursement.

(a) In the case of a Liability relating to a Third Party Claim and caused by the Fault of a General Partner, its Affiliates or any of their respective officers, directors or employees (acting in their capacities as such) against whom reimbursement is being sought, such General Partner hereby agrees to reimburse the Partnership for such Liability to the extent that:

(i) the Liability relates to a Third Party Claim that has been finally resolved and that the Partnership has actually paid (an "Expense");

(ii) the Expense is not covered by insurance carried by the Partnership (excluding any amounts relating to insured claims to the extent that they fall within deductibles or self-insured retentions or are above applicable coverage limits); and

(iii) the Expense is not offset by third party indemnification or otherwise;

provided, however, that such General Partner shall reimburse the Partnership for the Expense only to the extent and in proportion to its Fault.

(b) Any claim by the Partnership for reimbursement under this Section may be initiated upon written notice from a Nonconflicted General Partner to the General Partner to whom the Partnership is entitled to look for indemnification, and the General Partners shall have a period of 60 days during which to reach unanimous agreement as to the terms on which any reimbursement shall be made. If the General Partners are unable to agree or there are any disputes over Fault and reimbursement under this Section, such matters shall be resolved pursuant to the Dispute Procedures.

13.4 Dispute Resolution. Except as otherwise provided for herein, all controversies or disputes arising under this Agreement shall be resolved pursuant to the provisions set forth on Appendix D (the "Dispute Procedures").

13.5 EXTENT OF LIMITATION OF LIABILITY, INDEMNIFICATION, ETC. TO THE FULLEST EXTENT PERMITTED BY LAW AND WITHOUT LIMITING OR ENLARGING THE SCOPE OF THE LIMITATION OF LIABILITY, INDEMNIFICATION, RELEASE AND ASSUMPTION OBLIGATIONS SET FORTH HEREIN, A PARTY SHALL BE ENTITLED TO INDEMNIFICATION OR RELEASE HEREUNDER IN ACCORDANCE WITH THE TERMS HEREOF, REGARDLESS OF WHETHER THE LOSS GIVING RISE TO ANY SUCH INDEMNIFICATION OR RELEASE IS THE RESULT OF THE SOLE, GROSS, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF ANY LAW OF OR BY ANY SUCH PARTY. THE PARTIES AGREE THAT THIS STATEMENT CONSTITUTES A CONSPICUOUS LEGEND.

13.6 Further Assurances. From time to time, each Partner agrees to execute and deliver such additional documents, and will provide such additional information and assistance, as the Partnership may reasonably require to carry out the terms of this Agreement and to accomplish the Partnership's business.

13.7 Successors and Assigns. Except as may be expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the successors of the Partners, but no Partner may assign or delegate any of its rights or obligations under this Agreement. Except as expressly provided herein, any purported assignment or delegation shall be void and ineffective.

13.8 Benefits of Agreement Restricted to the Parties. This Agreement is made solely for the benefit of the Partnership and the Partners, and no other Person, including any officer or employee of the Partnership or any Partner, shall have any right, claim or cause of action under or by virtue of this Agreement.

13.9 Notices. All notices, requests and other communications that are required or may be given under this Agreement shall, unless otherwise provided for elsewhere in this Agreement, be in writing and shall be deemed to have been duly given if and when (i) transmitted by telecopier facsimile with proof of confirmation from the transmitting machine or (ii) delivered by commercial courier or other hand delivery, as follows:

Lyondell Petrochemical Company
1221 McKinney Street
Houston, Texas 77010
Attention: Kerry A. Galvin
Telecopy Number: (713) 309-4718

Millennium Chemicals Inc.
99 Wood Avenue South
Iselin, New Jersey 08830
Attention: George H. Hempstead, III
Telecopy Number: (908) 603-6857

Occidental Petroleum Corporation
10889 Wilshire Blvd.
Los Angeles, CA 90004
Attention: President
Telecopy Number: (310) 443-6333

Equistar Chemicals, LP
P.O. Box 2583
1221 McKinney Street
Houston, Texas 77252-2583
Attention: Gerald A. O'Brien
Telecopy Number: (713) 309-4718

With a copy to:

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: General Counsel
Telecopy Number: (310) 443-6333

13.10 [Reserved]

13.11 Severability. In the event that any provisions of this Agreement shall be Finally Determined to be unenforceable, such provision shall, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to any Partner, be deemed severed from this Agreement and every other provision of this Agreement shall remain in full force and effect.

13.12 Construction. In construing this Agreement, the following principles shall be followed: (i) no consideration shall be given to the captions of the articles, sections, subsections or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in construction; (ii) no consideration shall be given to the fact or presumption that any Partner had a greater or lesser hand in drafting this Agreement; (iii) examples shall not be construed to limit, expressly or by implication, the matter they illustrate; (iv) the word "includes" and its syntactic variants mean "includes, but is not limited to" and corresponding syntactic variant expressions; (v) the plural shall be deemed to include the singular, and vice versa; (vi) each gender shall be deemed to include the other gender; and (vii) each appendix, exhibit, attachment and schedule to this Agreement is a part of this Agreement.

13.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which when taken together shall constitute one and the same original document.

13.14 Waiver of Right to Partition. Except as provided in Section 12.2(e), each Person who now or hereafter is a party hereto or who has any right herein or hereunder irrevocably waives during the term of the Partnership any right to maintain any action for partition with respect to Partnership property.

13.15 Governing Law. The laws of the State of Delaware shall govern the construction, interpretation and effect of this Agreement without giving effect to any conflicts of law principles.

13.16 Jurisdiction; Consent to Service of Process; Waiver. ANY JUDICIAL PROCEEDING BROUGHT AGAINST ANY PARTY TO THIS AGREEMENT OR ANY DISPUTE UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY MATTER RELATED HERETO SHALL BE BROUGHT IN THE FEDERAL OR STATE COURTS OF THE STATE OF DELAWARE, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES TO THIS AGREEMENT ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT (AS FINALLY ADJUDICATED) RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH OF THE PARTIES TO THIS AGREEMENT SHALL APPOINT THE CORPORATION TRUST COMPANY, THE PRENTICE-HALL CORPORATION SYSTEM, INC. OR A SIMILAR ENTITY (THE "AGENT") AS AGENT TO RECEIVE ON ITS BEHALF SERVICE OF PROCESS IN ANY PROCEEDING IN ANY SUCH COURT IN THE STATE OF DELAWARE. THE FOREGOING CONSENTS TO JURISDICTION AND APPOINTMENTS OF AGENT TO RECEIVE SERVICE OF PROCESS SHALL NOT CONSTITUTE GENERAL CONSENTS TO SERVICE OF PROCESS IN THE STATE OF

DELAWARE FOR ANY PURPOSE EXCEPT AS PROVIDED ABOVE AND SHALL NOT BE DEEMED TO CONFER RIGHTS ON ANY PERSON OTHER THAN THE PARTIES HERETO.

13.17 Expenses. Except as otherwise provided herein or in the Second Master Transaction Agreement, each party hereto shall be responsible for its own expenses incurred in connection with this Agreement.

13.18 Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY AND INTENTIONALLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.19 Payment Terms and Interest Calculations.

(a) If the payment due date for any payment hereunder (including capital contributions and Damages) falls on a Saturday or a bank or federal holiday, other than a Monday, the payment shall be due on the past preceding business day. If the payment due date falls on a Sunday or Monday bank or federal holiday, the payment shall be due on the following business day.

(b) Interest shall accrue on any unpaid and outstanding amount from the time such amount is due and payable through the date upon which such amount, together with accrued interest thereon, is paid in full. Interest shall, subject to the provisions of Section 13.20, accrue at a per annum rate equal to the lesser of (i) the Agreed Rate plus 2%, compounded quarterly, to the extent permitted by law or (ii) the Highest Lawful Rate.

(c) A wire transfer or delivery of a check shall not operate to discharge any payment under this Agreement and shall be accepted subject to collection.

13.20 Usury Savings Clause. Notwithstanding any other provision of this Agreement, it is the intention of the parties hereto to conform strictly to Applicable Usury Laws, in each case to the extent they are applicable to this Agreement. Accordingly, if any payment made pursuant to this Agreement results in any Person having paid any interest in excess of the Maximum Amount, or if any transaction contemplated hereby would otherwise be usurious under any Applicable Usury Laws, then, in that event, it is agreed as follows: (i) the provisions of this Section 13.20 shall govern and control; (ii) the aggregate of all interest under Applicable Usury Laws that is contracted for, charged or received under this Agreement shall under no circumstances exceed the Maximum Amount, and any excess shall be promptly refunded to the payor by the recipient hereof; (iii) no Person shall be obligated to pay the amount of such interest to the extent that it is in excess of the Maximum Amount; and (iv) the effective rate of any interest payable under this Agreement shall be ipso facto reduced to the Highest Lawful Rate, as hereinafter defined, and the provisions of this Agreement immediately shall be deemed reformed, without the necessity of the execution of any new document or instrument, so as to comply with all Applicable Usury Laws. All sums paid, or agreed to be paid, to any person pursuant to this Agreement for the use, forbearance or detention of any indebtedness arising hereunder shall, to the fullest extent permitted by the Applicable Usury Laws, be amortized, pro rated, allocated and spread throughout the full term of any such indebtedness so that the actual

rate of interest does not exceed the Highest Lawful Rate in effect at any particular time during the full term thereof.

13.21 Other Waivers. EACH PARTY HEREBY WAIVES ANY OBJECTION IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON-CONVENIENS.

13.22 Special Joinder by Millennium America. Millennium America is a party to this Agreement for the sole purpose of evidencing its agreement to be bound by the provisions set forth in Section 8.6(c) and is not a partner of the Partnership and shall not have any rights under this Agreement or any other obligations under this Agreement.

13.23 Amendment. All waivers, modifications, amendments or alterations of this Agreement shall require the written approval of each of the General Partners and each of the Limited Partners.

SECTION 14
LAKE CHARLES FACILITY

14.1 Lease Not in Force and Effect. At any such time as the Lease is terminated, expires or is otherwise not in force and effect (other than a No Rebuilding Termination), the following shall occur:

(a) The number of Units held by Occidental LP1 shall be reduced from 6,623 Units to 2,541 Units.

(b) The Partnership and Occidental LP1 shall form a general partnership (the "LC Partnership") by entering into a partnership agreement having the provisions described in Section 14.2 (the "GPA").

(c) The Partnership shall distribute to Occidental LP1 the balance in its Capital Account.

(d) Occidental LP1 shall cause the Lake Charles Facility to be contributed to the LC Partnership and shall contribute to the LC Partnership the amount received pursuant to Section 14.1(c), plus an amount equal to any proceeds of a partial condemnation of the Lake Charles Facility received by OCC under the terms of the Lease, and the Partnership shall contribute to the LC Partnership the amount received pursuant to Section 26(b) of the Lease in connection with such termination of the Lease.

(e) Immediately after and as a result of the foregoing transactions, the capital account of each of Occidental LP1 and the Partnership in the LC Partnership shall be pro rata in accordance with the partners' equity ownership interests, and Occidental LP1's Capital Account shall be the same per Unit as the Capital Accounts of the other Partners (determined without regard to the special allocations in Sections 4.1(a) through (c)).

(f) Sections 4.1(e) and (f) shall terminate.

14.2 LC Partnership Provisions. The GPA shall include provisions to the following effect, as well as other customary provisions:

(a) The LC Partnership shall be formed under the laws of Delaware. The two partners shall be the Partnership and Occidental LP1. The Partnership shall have an equity ownership interest of 49.9%, and Occidental LP1 shall have an equity ownership interest of 50.1%

(b) The term of the GPA shall be the same as the term of this Agreement.

(c) All issues relating to the LC Partnership must be decided by mutual agreement of both partners, except that the LC Partnership shall enter into an operating agreement with the Partnership (in its individual capacity), as operator, that shall delegate to the operator the right and obligation to make all day-to-day decisions of the LC Partnership, which day-to-day decisions shall for this purpose be deemed to be all decisions of the LC Partnership other than issues comparable to those issues set forth in Section 6.7 hereof (which issues must be decided by the partners of the LC Partnership). Such operating agreement shall provide for the LC Partnership to pay and reimburse the operator for all costs whatsoever incurred or paid by the operator in performing its obligations under the operating agreement. The term of such operating agreement shall be the same as the term of the LC Partnership.

(d) All contributions and distributions will be made, and all book income and deductions will be allocated, in accordance with the partners' equity ownership interests. Tax items will be allocated between the partners in a manner similar to that set forth in this Agreement.

(e) No partner in the LC Partnership may transfer (except a transfer to a Wholly Owned Affiliate) or encumber its equity ownership without the consent of the other partner.

14.3 No Rebuilding Termination. Upon a No Rebuilding Termination, Occidental LP1 shall have the option to contribute to the Partnership within 30 days following the No Rebuilding Termination an amount (the "Payment Amount") equal to the excess, if any, of (a) the Proceeds plus the book value (determined in accordance with GAAP) as recorded on the books of OCC for that portion and aspect of the Lake Charles Facility that constitutes land, over (b) the payment made pursuant to Section 26(b) of the Lease in connection with such No Rebuilding Termination. If within such 30-day period Occidental LP1 contributes the Payment Amount to the Partnership, (i) Occidental LP1's 6,623 Units shall remain outstanding, (ii) its Capital Account shall be credited with the Payment Amount, (iii) the assets of the Partnership shall be revalued so that the Capital Account of each Partner is the same per Unit (determined without regard to the special allocations in Sections 4.1(a) through (c)), and (iv) Sections 4.1(e) and (f) shall terminate. If Occidental LP1 does not contribute the Payment Amount to the Partnership within such 30-day period, (A) Occidental LP1's 6,623 Units shall be redeemed and canceled and of no further force and effect and (B) an amount equal to the balance in Occidental LP1's Capital Account shall be distributed by the Partnership to Occidental LP1, or if there is a deficit in Occidental LP1's Capital Account, Occidental LP1 shall contribute to the Partnership an amount of cash necessary to eliminate such deficit. Upon completion of the steps in clauses (A) and (B), Occidental LP1's entire interest in the Partnership shall terminate.

14.4 Other Redemption. If Occidental LP1 breaches any of its obligations under Section 14.1, (a) Occidental LP1's 6,623 Units shall be redeemed and canceled and of no further force and effect and (b) an amount equal to the balance in Occidental LP1's Capital Account shall be distributed by the Partnership to Occidental LP1, or if there is a deficit in Occidental LP1's Capital Account, Occidental LP1 shall contribute to the Partnership an amount of cash necessary to eliminate such deficit. Upon completion of the steps in clauses (a) and (b), Occidental LP1's entire interest in the Partnership shall terminate.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of each of the parties hereto, by their respective officers thereunto duly authorized, effective as of the date first written above.

GENERAL PARTNERS

LYONDELL PETROCHEMICAL G.P. INC.

By: /s/ Dan F. Smith

Name: Dan F. Smith

Title: President and Chief Executive Officer

MILLENNIUM PETROCHEMICALS GP LLC

By: Millennium Petrochemicals Inc.,
its Manager

By: /s/ George H. Hempstead, III

Name George H. Hempstead, III

Title: Senior Vice President

PDG CHEMICAL INC.

By: /s/ R.J. Schuh

Name: R.J. Schuh

Title: President

[Signature Page for Amended and Restated Limited Partnership Agreement]

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LIMITED PARTNERS

LYONDELL PETROCHEMICAL L.P. INC.

By: /s/ Dan F. Smith
Name: Dan F. Smith
Title: President and Chief Executive Officer

MILLENNIUM PETROCHEMICALS GP LLC

By: Millennium Petrochemicals Inc.,
its Manager

By: /s/ George H. Hempstead, III
Name George H. Hempstead, III
Title: Senior Vice President

OCCIDENTAL PETROCHEM PARTNER 1, INC.

By: /s/ John W. Morgan
Name: John W. Morgan
Title: Vice President

OCCIDENTAL PETROCHEM PARTNER 2, INC.

By: /s/ John W. Morgan
Name: John W. Morgan
Title: Vice President

[Signature Page for Amended and Restated Limited Partnership Agreement]

SPECIAL JOINDER PURSUANT TO
SECTION 13.22

MILLENNIUM AMERICA INC.

By: /s/ George H. Hempstead, III

Name: George H. Hempstead, III

Title: Senior Vice President

[Signature Page for Amended and Restated Limited Partnership Agreement]

APPENDIX A
TO LIMITED PARTNERSHIP AGREEMENT

DEFINED TERMS

1998 Credit Facility. See Section 8.6(a).

AAA. See Appendix D.

Acceptance Notice. See Section 10.2(b).

Act. The Delaware Revised Uniform Limited Partnership Act, as amended and in effect from time to time.

Additional Related Agreements. The agreements defined as "Related Agreements" in the Second Master Transaction Agreement (other than this Agreement), as such agreements may be amended from time to time after the date hereof.

Adjusted Capital Account Deficit. With respect to any Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Such Capital Account shall be deemed to be increased by any amounts which such Partner is obligated to restore to the Partnership (pursuant to this Agreement or otherwise) or is deemed to be obligated to restore pursuant to the second to last sentence of Regulation Section 1.704-2(g)(1) and Section 1.704-2(i)(5) (relating to allocations attributable to nonrecourse debt).

(ii) Such Capital Account shall be deemed to be decreased by the items described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Deficit is intended to comply with the provisions of Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted and applied consistently therewith.

Additional Notice. See Section 10.2(b).

Affiliate. As to any specified Person, any other Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Person; provided, however, that for purposes of this Agreement such term shall not include (i) the Partnership or any entities controlled by it, (ii) in the case of Millennium GP and Millennium LP shall not include Suburban Propane Partners, L.P. and any entities controlled by it and (iii) in the case of Occidental GP, Occidental LP1 and Occidental LP2, shall not include Canadian Occidental Petroleum Ltd. and any entities controlled by it. For purposes of this definition the term "control" shall have the meaning set forth in 17 CFR 230.405, as in effect on the date hereof.

Affiliated General Partner. In the case of Lyondell LP, the "Affiliated General Partner" shall mean Lyondell GP. In the case of Millennium LP, the "Affiliated General Partner" shall mean Millennium GP. In the case of each of Occidental LP1 and Occidental LP2, the "Affiliated General Partner" shall mean Occidental GP.

Affiliated Limited Partner. In the case of Lyondell GP, the "Affiliated Limited Partner" shall mean Lyondell LP. In the case of Millennium GP, the "Affiliated Limited Partner" shall mean Millennium LP. In the case of Occidental GP, each of Occidental LP1 and Occidental LP2 shall be "Affiliated Limited Partner".

Affiliated Partner Group. A General Partner and its Affiliated Limited Partner or Affiliated Limited Partners, if more than one.

Agreed Rate. The base commercial lending rate announced by Citibank, N.A. (or its successor) at its principal office, in effect from time to time, such interest rate to change automatically, effective as of the date of each change in such base rate.

Agreement. This Amended and Restated Limited Partnership Agreement of Equistar Chemicals, LP, as amended from time to time.

Alternate. See Section 6.4(b).

Amended and Restated Indemnity Agreement. The Amended and Restated Indemnity Agreement dated as of the date of this Agreement among Lyondell GP, Lyondell LP, Millennium GP, Millennium LP, Millennium America, Occidental GP, Occidental LP1, Occidental LP2 and OCC.

Amended and Restated Parent Agreement. The Amended and Restated Parent Agreement dated as of the date of this Agreement between the Partnership, Lyondell, Millennium, Occidental, Occidental Chemical Corporation and Oxy CH Corporation.

Annual Budget. See Section 8.2.

Applicable Usury Laws. Laws regarding the use, forbearance or detention of any indebtedness arising under this Agreement whether such laws are now or hereafter in effect, including the laws of the United States of America or any other jurisdiction whose laws are applicable, and including any subsequent revisions to or judicial interpretations of those laws.

Arbitrator. See Appendix D.

Asset Fair Market Value. With respect to any asset, as of the date of determination, the cash price at which a willing seller would sell, and a willing buyer would buy, each being apprised of all relevant facts and neither acting under compulsion, such as in an arm's-length negotiated transaction with an unaffiliated third party without time constraints.

Assumed Liabilities. In the case of Lyondell LP and Lyondell GP, Assumed Liabilities means the "Assumed Liabilities" as defined in the Contribution Agreement of Lyondell. In the case of

Millennium LP and Millennium GP, Assumed Liabilities shall mean the "Assumed Liabilities" as defined in the Contribution Agreement of Millennium Petrochemicals. In the case of Occidental LP1, Occidental LP2 and Occidental GP, Assumed Liabilities means the "Assumed Liabilities" as defined in the Contribution Agreement of Occidental.

Auxiliary Committee. See Section 6.9.

Available Net Operating Cash. At the time of determination, (a) all cash and cash equivalents on hand in the Partnership as of the most recent month end, plus the excess, if any, of the Partnership Target Debt over the Partnership's actual indebtedness (as determined in accordance with GAAP) as of such month end, less (b) the Projected Cash Requirements, if any, of the Partnership as of such month end, as determined by the Executive Officers of the Partnership. For purposes of this definition, "Projected Cash Requirements" means, for the 12-month period following any such month end, the excess, if any, of the sum of (a) forecast capital expenditures, plus (b) forecast cash payments for Taxes, debt service including principal and interest requirements and other non-cash credits to income, plus (c) forecast cash reserves for future operations or other requirements, over the sum of (1) forecast net income of the Partnership, plus (2) the sum of forecast depreciation, amortization, other non-cash charges to income, interest expenses, and Tax expenses, in each case to the extent deducted in determining net income, plus or minus (3) forecast decreases or increases, respectively, in working capital, plus (4) the forecast cash proceeds of dispositions of assets (net of expenses) plus (5) an amount equal to the forecast net proceeds of debt financings, contributions and payments of the Lyondell Note. For purposes of this definition, "Partnership Target Debt" means for such month end, the level of indebtedness (as determined in accordance with GAAP) projected for the Partnership in the most recently approved Strategic Plan, except to the extent the Executive Officers of the Partnership determine that changes in the financial condition, results of operations, assets, business or prospects of the Partnership make a change advisable, in which case the Partnership shall advise the General Partners promptly regarding the basis for the change. Projected Cash Requirements shall be calculated consistent with the most recently approved Strategic Plan, except to the extent the Executive Officers of the Partnership determine that changes in the financial condition, results of operations, assets, business or prospects of the Partnership make a change advisable, in which case the Partnership shall advise the General Partners promptly regarding the basis for the change.

Bank Credit Agreement. The Credit Agreement dated as of November 25, 1997 among the Partnership, as Borrower, Millennium America, as Guarantor and the lenders party thereto.

Bank Credit Agreement Repayment Amount. An amount equal to (i) $419,700,000 less (ii) the Bank Credit Agreement Available Amount, but in no event shall the Bank Credit Agreement Repayment Amount be less than zero. The "Bank Credit Agreement Available Amount" shall equal (i) $1.25 billion less (ii) the total principal amount outstanding under the Bank Credit Agreement at the date of calculation.

Bankruptcy. The occurrence of any of the following: (i) a Partner or its Guarantor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer or consent seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency, or other relief for debtors, or shall seek or

consent to or acquiesce in the appointment of any trustee, receiver, conservator or liquidator of such Partner or its Guarantor or of all or any substantial part of its properties or its Units (the term "acquiesce," as used in this definition, includes the failure to file a petition or motion to vacate or discharge any order, judgment or decree within ten Business Days after entry of such order, judgment or decree); (ii) a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against any Partner or its Guarantor seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act, or any other present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency, or other relief for debtors, and such Partner or its Guarantor shall acquiesce in the entry of such order, judgment or decree or such other order, judgment or decree shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive) from the date of entry thereof, or any trustee, receiver, conservator or liquidator of such Partner or its Guarantor or of all or any substantial part of its property or its Units shall be appointed without the consent or acquiescence of such Partner or its Guarantor and such appointment shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive); (iii) a Partner or its Guarantor shall admit in writing its inability to pay its debts as they mature; (iv) a Partner or its Guarantor shall give notice to any governmental body of insolvency or pending insolvency, or suspension or pending suspension of operations; or (v) a Partner or its Guarantor shall make an assignment for the benefit of creditors or take any other similar action for the protection or benefit of creditors.

Book Value. With respect to any asset of the Partnership, the asset's adjusted basis as of the relevant date for federal income tax purposes, except as follows:

(i) The initial aggregate Book Value of all of the assets of the Partnership as of the Initial Closing Date shall be equal to the sum of (A) the beginning aggregate Capital Accounts of the Partners immediately after the Initial Closing Date, and (B) the aggregate amount of all liabilities of the Partnership for federal income tax purposes immediately after the Initial Closing Date.

(ii) The initial Book Value of any asset contributed by a Partner to the Partnership after the Initial Closing Date shall be the gross fair market value of such asset, which shall be equal to the amount credited to such Partner's Capital Account for such contribution (increased by the amount of any liabilities which the Partnership assumes or takes subject to).

(iii) The Book Values of all Partnership assets (including intangible assets such as goodwill) shall be adjusted (at the election of the Partnership Governance Committee) to equal their respective gross fair market values upon the occurrence of any of the events described in Regulation Section 1.704-1(b)(2)(iv)(f)(5).

(iv) The Book Value of any asset distributed by the Partnership to a Partner shall be equal to the gross fair market value of such asset on the date of the distribution.

(v) The Book Value of any Partnership asset with respect to which an adjustment to tax basis has occurred by reason of the application of Section 734(b) or 754(b) of the Code

shall be adjusted to the extent such adjustment to tax basis is taken into account pursuant to Regulation Section 1.704-1(b)(2)(iv)(m).

(vi) If the Book Value of an asset is not equal to its adjusted tax basis for federal income tax purposes, such Book Value shall be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses and other items allocated pursuant to Section 4.1.

The foregoing definition of Book Value is intended to comply with the provisions of Regulation Section 1.704-1(b)(2)(iv) and shall be interpreted and applied consistently therewith. Any determinations of "gross fair market value" in this definition of Book Value shall be made by the Partnership Governance Committee.

Business Day. Any day other than a Saturday, Sunday or other day on which banks are closed in New York City, New York; provided, however, that for purposes of the definitions of "Interest Period" and "LIBOR Rate," "Business Day" shall mean a day of the year on which banks are not required or authorized to close in Houston, Texas and on which commercial banks are open for international business (including dealings for dollar deposits) in the London interbank market.

Business Opportunity. See Section 9.3(c).

Capital Account. The separate capital account established and maintained by the Partnership for each Partner, as contemplated by Section 2.

Capital Expenditure Budget. See Section 8.2(d).

CEO. See Section 7.1(b).

Claim. See Section 13.2(c).

Code. The Internal Revenue Code of 1986, as amended and in effect from time to time and any successor thereto.

Competing Opportunity. See Section 9.3(c).

Confidential Information. All confidential documents and information (including, without limitation, confidential commercial information and information with respect to customers, trade secrets and proprietary technologies or processes and the design and development of new products or services) concerning the Partnership, the Partners or their Affiliates, furnished to a Partner in connection with the transactions leading up to and contemplated by this Agreement and the operation of the Partnership, except to the extent that such information (i) is or becomes generally available to and known by the public or the petrochemical industry (other than as a result of an unpermitted disclosure directly or indirectly by the Partnership or a Partner), (ii) is or becomes available to a Partner on a nonconfidential basis from a source other than the Partnership or a Partner; provided, however, that such source is not and was not bound by a confidentiality agreement with, or other obligation of secrecy to, the Partnership or the other Partner, (iii) has already been or is hereafter

independently acquired or developed by a Partner without violating any confidentiality agreement with or other obligation of secrecy to the Partnership or another Partner or (iv) is otherwise generated by the Partnership with the intention that it not be held as confidential.

Conflict Circumstance. Any transaction or dealing between the Partnership (or any Wholly Owned Subsidiary) and a General Partner (the "Conflicted General Partner") or any of its Affiliates pursuant to any agreement (including this Agreement or any other Related Agreements) or otherwise, including action to be taken by the Partnership pursuant to Section 9.3(c) or (d) or 13.3(b); provided, however, that a Conflict Circumstance shall cease to exist if and when the third party with which the transaction or dealing exists shall cease to be an Affiliate of a General Partner.

Conflicted General Partner. As defined in the definition of "Conflict Circumstance."

Contributed Business. As defined in each of the Contribution Agreements.

Contribution Agreement. In the case of Lyondell LP and Lyondell GP, the Contribution Agreement shall mean the Asset Contribution Agreement dated December 1, 1997, between the Partnership, Lyondell and Lyondell LP. In the case of Millennium LP and Millennium GP, the Contribution Agreement shall mean the Asset Contribution Agreement dated December 1, 1997, between the Partnership, Millennium Petrochemicals and Millennium LP. In the case of Occidental LP1, Occidental LP2 and Occidental GP, the Contribution Agreement shall mean the Agreement and Plan of Merger and Asset Contribution dated as of the date of this Agreement between the Partnership, Oxy Petrochemicals, Occidental LP1, Occidental LP2 and Occidental GP.

Damages. With respect to a Person in connection with a Default, any and all obligations (including all obligations to take an affirmative or curative act), liabilities, damages (including damages arising out of any breach of any representation or warranty, damages related to investigations, proceedings, audits, the interruption of the Partnership's business, restrictions upon the use of, or adverse impact on, the Assets or the Partnership's business, or the interruption, breach or termination of any Related Agreements or other agreements, including any lost profits attributable thereto), fines, penalties, deficiencies, losses, judgments, settlements, costs and expenses (including costs and expenses incurred in connection with performing obligations, bonding and appellate costs and attorneys', accountants', engineers', health, safety, environmental and other consultants' and investigators' fees and disbursements, liquidating, selling or offering for sale the Partnership's business and assets or winding up the Partnership's business, or other payments in respect of such payments) suffered or incurred by such Person that arise out of or relate to such Default, regardless of whether any of the foregoing are foreseeable, unforeseeable, matured or unmatured, existing or contingent as of the date of such Default. "Damages" also shall include, if and to the extent interest is not already included therein under applicable law or other provisions hereof and subject to Section 13.20, interest on amounts actually due until payment thereof is made at a rate per annum equal to the rate set forth in Section 13.19(b). "Damages" shall not include any punitive, exemplary, special or other similar damages.

Deadlock Notice. See Section 8.5.

Default. See Section 11.1.

Default Date. See Section 11.1.

Defaulting Partners. Lyondell GP and Lyondell LP, in the case of a Default by Lyondell GP, Lyondell LP or their Guarantor; Millennium GP and Millennium LP, in the case of a Default by Millennium GP, Millennium LP or their Guarantor; and Occidental GP, Occidental LP1 and Occidental LP2, in the case of a Default by Occidental GP, Occidental LP1, Occidental LP2 or their Guarantor.

Depreciation. For each fiscal year or part thereof, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such year or other period, except that if the Book Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year, Depreciation shall be (i) an amount which bears the same ratio to such Book Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year bears to such adjusted tax basis, or, (ii) if the federal income tax depreciation, amortization or other cost recovery deduction for such year is equal to zero, an amount determined with reference to such Book Value using a reasonable method selected by the Tax Matters Partner.

Dispute Notice. See Appendix D.

Disputing Partner. See Appendix D.

Executive Officers. See Section 7.1(b).

Expense. See Section 13.3(a).

Fair Market Value. "Fair Market Value" with respect to the Partnership shall mean the Asset Fair Market Value of all of the Partnership's assets decreased by the fair value of all its liabilities, as of the most recently ended fiscal quarter. "Fair Market Value" with respect to a Related Business shall mean the Asset Fair Market Value of all the assets of such Related Business decreased by the fair value of all its liabilities, as of the most recently ended fiscal quarter. In either case, the following shall apply to the determination of Fair Market Value:

(i) The General Partners shall first attempt to agree on such value, which if agreed to shall be the Fair Market Value.

(ii) If the General Partners are unable to agree within 20 days of the first written notice from one General Partner to the others proposing an amount to be the Fair Market Value (the "Notice"), then if requested by any General Partner, each General Partner shall (at its own cost) cause an independent, qualified appraiser to deliver a written appraisal of its determination of the Fair Market Value within 50 days of the Notice. If both of the two lowest appraised values are greater than or equal to 90% of the highest appraised value, then the middle of the three appraised values shall be the Fair Market Value.

(iii) If either of the two lowest appraised values are lower than 90% of the highest appraised value, then the General Partners shall jointly appoint a Neutral within 20 days of

the delivery of both such appraisals. If the General Partners have been unable to agree upon such appointment within such 20 days, then such Neutral shall upon the application of any General Partner be appointed within 10 days of the filing of such application by the Center for Public Resources, or if such appointment is not so made promptly then promptly thereafter by the American Arbitration Association in Philadelphia, Pennsylvania, or if such appointment is not so made promptly then promptly thereafter by the senior United States District Court judge sitting in Wilmington, Delaware. The fees and expenses of the Neutral shall be paid equally by the Partners.

(iv) The Neutral shall, within 30 days of the appointment of the Neutral, determine which of the three appraised values (without in any way modifying or compromising between the three appraised values) is closest to the fair market value of the enterprise's assets as determined by the Neutral, and that appraised value shall be the Fair Market Value.

Fault. Any act or omission of a Partner, its Affiliates or any of their respective officers, directors or employees (acting in their capacities as such) that constitutes or results from intentional misconduct, criminal intent or gross negligence.

Finally Determined. Determined by any final, nonappealable judicial order or pursuant to a binding alternative dispute resolution procedure.

Funding Notice. See Section 2.4.

GAAP. United States generally accepted accounting principles, as in effect from time to time.

General Partners. Each Person who executes this Agreement and who is hereby admitted to the Partnership as a general partner of the Partnership, unless such General Partner ceases to be a General Partner hereunder or sells, transfers, forfeits or otherwise disposes of its Units and is replaced by a Substitute General Partner in accordance with this Agreement and the Act, and each Person that becomes a Substitute General Partner, if any, of the Partnership as provided herein, in such Person's capacity as a general partner of the Partnership.

GPA. See Section 14.1(b).

Guarantor. Lyondell Petrochemical Company, with respect to Lyondell GP and Lyondell LP; Millennium Chemicals Inc., with respect to Millennium GP and Millennium LP; Occidental Chemical Corporation and Oxy CH Corporation, with respect to Occidental GP, Occidental LP1 and Occidental LP2; and any successor or additional guarantor party to an agreement substantially in the form of the Amended and Restated Parent Agreement and entered into in accordance with Section 10.

Highest Lawful Rate. The maximum rate of interest, if any, that may be charged to any person under all Applicable Usury Laws on any principal balance from time to time outstanding pursuant to this Agreement.

HSE Law. "HSE Law," as defined in Section 1 of the Contribution Agreement.

Indemnified Party. See Section 13.2(c).

Indemnifying Party. See Section 13.2(c).

Interest Period. The period commencing on the date of this Agreement and ending one month thereafter and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending one month thereafter; provided, however, that whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day.

Initial Agreement. See first WHEREAS clause.

Initial Assets. "Assets," as defined in Section 1 of the applicable Contribution Agreement.

Initial Closing Date. December 1, 1997, the date the closing under the Initial Master Transaction Agreement took place.

Initial Master Transaction Agreement. The Master Transaction Agreement, dated July 25, 1997, as amended, between Lyondell and Millennium, providing for the execution of various agreements concerning the Partnership and the Initial Assets.

Initial Notice. See Section 10.2(a).

Initial Partners. See first WHEREAS clause.

Initial Related Agreements. The agreements defined as "Related Agreements" in the Initial Master Transaction Agreement (other than the Partnership Agreement), as such agreements may be amended from time to time after the Initial Closing Date.

IRS. Internal Revenue Service.

Lake Charles Facility. The property that is the subject of and leased pursuant to the Lease.

LC Partnership. See Section 14.1(b).

Lease. The Lease Agreement, dated May 15, 1998, between OCC, as lessor, and Occidental LP1, as lessee.

Liability. Any loss, claim, damages, fine, penalty, assessment by public agencies, settlement, cost or expense (including costs of investigation, defense and attorneys' fees) or other liability.

LIBOR Rate. For any Interest Period, the rate per annum (rounded upwards, if necessary, to the nearest 1/16th of 1%) published in the Wall Street Journal as the London Interbank Offered Rate for a one month period as of two Business Days prior to the first day of such Interest Period; provided if no such rate appears the rate shall be as shown on page 3750 of the Dow Jones & Company Telerate screen or any successor page as the composite offered rate for London interbank

deposits with a period equal to one month, as shown under the heading "USD" as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period; provided that if no such rate appears, the rate shall be the rate per annum equal to the arithmetic mean (which shall be rounded upward to the nearest 1/16 of 1% per annum) of which U.S. dollar deposits with an Interest Period equal to one month are displayed on page "LIBO" of the Reuters Monitor Money Rates Service or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered rates of major banks at or about 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period.

Limited Partner. Each Person who executes this Agreement and who is hereby admitted to the Partnership as a limited partner of the Partnership, unless such Limited Partner ceases to be a Limited Partner hereunder or sells, transfers, forfeits or otherwise disposes of its Units and is replaced by a Substitute Limited Partner in accordance with this Agreement and the Act, and each Person that becomes a Substitute Limited Partner, if any, of the Partnership as provided herein, in such Person's capacity as a limited partner of the Partnership.

Limited Partners Pro Rata. From or to the Limited Partners in the ratio of the Units owned by each.

Liquidation. See Section 11.4.

Losses. See definition of "Profits and Losses."

Lyondell. See first WHEREAS clause.

Lyondell Assumed Debt. Debt issued by Lyondell having an aggregate principal amount of $745 million, as specified in the Contribution Agreement with respect to Lyondell.

Lyondell GP. See introductory paragraph to this Agreement.

Lyondell LP. See introductory paragraph to this Agreement.

Lyondell Note. The promissory note dated December 1, 1997, in the amount of $345 million payable by Lyondell LP to the Partnership.

Maximum Amount. The maximum nonusurious amount of interest that may be lawfully contracted for, charged or received by any person in connection with any indebtedness arising under this Agreement under all Applicable Usury Laws.

Millennium. See first WHEREAS clause.

Millennium America. Millennium America Inc., a Delaware corporation.

Millennium America Guarantee. See Section 8.6(c).

Millennium America Guaranteed Debt. The portion, if any, of the debt outstanding under the Bank Credit Agreement and the portion, if any, of any debt that refinances the debt outstanding under the Bank Credit Agreement or any subsequent refinancing thereof (in any case, not to exceed a guarantee of $750 million principal amount), in each case to the extent such debt is guaranteed by Millennium America, or an Affiliate thereof, as contemplated by Section 8.6(c).

Millennium GP. See introductory paragraph to this Agreement.

Millennium LP. See introductory paragraph to this Agreement.

Neutral. A neutral Person acceptable to all of the appointing Partners and not affiliated with any of the Partners, except where otherwise specifically provided.

No Rebuilding Termination. A total termination of the Lease pursuant to Section 12(b) or 13 thereof.

Nonconflicted General Partner. With respect to any Conflict Circumstance, any General Partner that is not the Conflicted General Partner with respect thereto.

Non-Defaulting Partners. The Partners other than the Defaulting Partners.

OCC. Occidental Chemical Corporation, a New York corporation.

Occidental. See third WHEREAS clause.

Occidental GP. See introductory paragraph to this Agreement.

Occidental LP1. See introductory paragraph to this Agreement.

Occidental LP2. See introductory paragraph to this Agreement.

Occidental Partners. See third WHEREAS clause.

Offeree Partners. See Section 10.2(a).

Operating Budget. See Section 8.2(c).

Oxy Guaranteed Debt. The $419,700,000 drawdown under the Bank Credit Agreement pursuant to Section 8.6(a) and the portion, if any, of any debt that refinances the $419,700,000 drawdown under the Bank Credit Agreement or any subsequent refinancing thereof (in any case, not to exceed a guarantee of $419,700,000 principal amount), in each case to the extent such debt is guaranteed by Occidental Chemical Corporation, a New York corporation, or an Affiliate thereof and the proceeds thereof have been distributed to Occidental LP2 pursuant to Section 3.1(g) and, until such amount has been so drawn and distributed, "Oxy Guaranteed Debt" shall mean the Oxy Note to the extent the obligations thereunder are indemnified by OCC pursuant to the Amended and Restated Indemnity Agreement.

Oxy Note. The Promissory Note dated May 15, 1998 in the principal amount of $419,700,000 payable by the Partnership to Occidental LP2.

Oxy Petrochemicals. Oxy Petrochemicals Inc., a Delaware corporation.

Partners. The General Partners and the Limited Partners on the date of this Agreement until such Person ceases to be a partner of the Partnership.

Partners Pro Rata. From or to all Partners in the ratio of the Units owned by each.

Partnership. Equistar Chemicals, LP, a Delaware limited partnership, the limited partnership formed and continued under the Act and this Agreement.

Partnership Governance Committee. See Section 6.1.

Partnership Governance Committee Action. See Section 6.1.

Payment Amount. See Section 14.3.

Proceeds. The Insurance Proceeds, the Self-Insurance Proceeds and the Condemnation Proceeds (each as defined in the Lease), to the extent actually received by the lessor under the Lease pursuant to the Lease.

Profits and Losses. For each applicable period, the Partnership's taxable income or loss for such period determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss) with the following adjustments:

(i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken in account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss.

(ii) Any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i) and not otherwise taken in account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss.

(iii) Depreciation for such period shall be taken into account in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss.

(iv) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes shall be computed with reference to the Book Value of the property disposed of, rather than the adjusted tax basis of such property.

(v) If any property is distributed in kind to any Partner, the difference between its fair market value and its Book Value at the time of distribution shall be treated as Profit or Loss, as the case may be, recognized by the Partnership.

(vi) The amount of any adjustment to the Book Value of any Partnership asset pursuant to clause (iii) of the definition of Book Value herein shall be taken into account as Profit or Loss from the disposition of such asset.

Percentage Interest. The percentage determined by dividing the number of Units owned by a Partner by the total number of outstanding Units.

Person. Any natural person or any corporation, limited liability company, partnership, joint venture, association, trust or other entity.

Pledge. To mortgage, pledge, encumber or create or suffer to exist any pledge, lien or encumbrance upon or security interest in. Such defined term is used in this Agreement as both a noun and a verb.

Pro Rata. In the ratio of the Units owned by a Partner to the total number of applicable Units.

Proposing Partner. See Section 9.3(c).

Reconstituted Basis. As to each Partnership property, the Partnership's basis in such property immediately after it is contributed to the Partnership reduced by any depreciation and other deductions allocated to a Partner pursuant to Section 4.4(b)(i)(a).

Regulations. The income tax regulations promulgated by Department of the Treasury and in effect from time to time.

Related Agreements. The Initial Related Agreements and the Occidental Related Agreements.

Related Business. Any business related to (i) the manufacturing, marketing and distribution of Specified Petrochemicals; (ii) the purchasing, processing and disposing of feedstocks in connection with the manufacturing, marketing and distributing of Specified Petrochemicals; and (iii) any research and development in connection with the foregoing.

Related Persons. See Section 13.1.

Representative. See Section 6.4(a).

SEC. Securities and Exchange Commission.

Second Master Transaction Agreement. See third WHEREAS clause.

Selling Partners. See Section 10.2(a).

Specified Petrochemicals.

(i) Olefins and olefins coproducts consisting of: ethylene, propylene, butadiene, and mixed butylenes; aromatics and gasoline blending components (benzene, toluene, MTBE, alkylate, pyrolysis gasolines); mixed C5 hydrocarbons; resin formers (dicyclopentadiene, isoprene, piperylenes, resin oil); pyrolysis liquid fuel products (pyrolysis gas oil, pyrolysis fuel oil);

(ii) Polyolefins consisting of: low-density, linear low-density, and high-density polyethylene; polypropylene; ethylene/propylene copolymers; rotomolding and polymeric powders; wire and cable resins; adhesive tie layers; hot melt adhesive resins; colors and concentrates; fuel additives;

(iii) Ethyl alcohol and ethyl ether; and

(iv) Ethylene oxide, ethylene glycol and derivatives thereof.

provided, however that the definition of Specified Petrochemicals shall in no event include polyvinyl chloride or resins derived from phenol compounds or dicyclopentadiene.

Specified Petrochemicals Businesses. The businesses related to Specified Petrochemicals.

Strategic Plan. See Section 8.1.

Substitute General Partner. A Person who is admitted as a General Partner to the Partnership in place of and with all the rights of a General Partner.

Substitute Limited Partner. A Person who is admitted as a Limited Partner to the Partnership in place of and with all the rights of a Limited Partner.

Taxes. All taxes, charges, fees, levies or other assessments imposed by any taxing authority, including, but not limited to, income, gross receipts, excise, property, sales, use, transfer, payroll, license, ad valorem, value added, withholding, social security, national insurance (or other similar contributions or payments), franchise, severance and stamp taxes (including any interest, fines, penalties or additions attributable to, or imposed on or with respect to, any such taxes, charges, fees, levies or other assessments) and "Tax Return" means any return, report, information return or other document (including any related or supporting information) with respect to Taxes.

Tax Matters Partner. Lyondell GP.

Third Party Claim. Any allegation, claim, civil, criminal or other action, proceeding, charge or prosecution brought by any Person other than the Partnership, any Partner or any Affiliate of a Partner.

Transfer. To sell, assign or otherwise in any manner dispose of, whether by act, deed, merger, consolidation, conversion or otherwise. Such defined term is used in this Agreement as both a noun and a verb.

Unit. A unit representing a partnership interest in the Partnership.

Wholly Owned Affiliate. As to any Person, an Affiliate of such Person all of the equity interests of which are owned, directly or indirectly, by a Partner, by another Wholly Owned Affiliate of such Person or by the ultimate parent entity thereof.

Wholly Owned Subsidiary. As to any Person, a subsidiary of such Person all of the equity interests of which are owned, directly or indirectly, by such Person.

APPENDIX B
TO LIMITED PARTNERSHIP AGREEMENT

PARTNERSHIP FINANCIAL STATEMENTS AND REPORTS

Item & Frequency	Due Dates
Monthly:	
Income Statement - current period and year-to-date	10th work day following month-end
Balance Sheet - current period	10th work day following month-end
Cash Flow Statement - current period and year-to-date	10th work day following month-end
Schedule of Income Allocation - preliminary	5th work day following month-end
Schedule of Income Allocation - final	10th work day following month-end
Calculation of Distribution of Available Net Operating Cash - final	15th work day following month-end
Results of Operations Analysis	10th work day following month-end
Quarterly:	
Analysis for Investor Relations and Form 10-Q disclosures:	
- Results of Operations	15th work day following quarter-end
- Cash Flow	15th work day following quarter-end
- Sales Variances	15th work day following quarter-end
- Capital Expenditures	15th work day following quarter-end
- Intercompany Transactions	15th work day following quarter-end
- Volumes	15th work day following quarter-end
- Prices	15th work day following quarter-end
- Unusual Items	15th work day following quarter-end
Income Statement - current quarter and year-to-date	10th work day following quarter-end
Balance Sheet - current period	10th work day following quarter-end
Cash Flow Statement - current quarter and year-to-date	10th work day following quarter-end
Estimate of Each Partner's Regular Taxable Income and Alternative Minimum Taxable Income	10th work day following quarter-end

Item & Frequency	Due Dates
Annual:	
Analysis for Investor Relations and Form 10-K disclosures - Same as quarterly requirements - Plant Capacities	15th work day following year-end
Audited Financial Statements	60 days following year-end

APPENDIX C
TO LIMITED PARTNERSHIP AGREEMENT

EXECUTIVE OFFICERS

Dan F. Smith	Chief Executive Officer
Eugene R. Allspach	President and Chief Operating Officer
Joseph M. Putz	Senior Vice President, Finance and Administration
Debra L. Starnes	Senior Vice President, Polymers
John R. Beard	Vice President, Manufacturing
Clifton B. Currin, Jr.	Vice President, Supply and Optimization
J. R. Fontenot	Vice President, Engineering
Brian A. Gittings	Vice President, Oxygenated Chemicals
Alan Houlton	Vice President, Customer Supply Chain
Gerald A. O'Brien	Vice President and Secretary
Myra J. Perkinson	Vice President, Human Resources
W. Norman Phillips, Jr.	Vice President, Petrochemicals
Kerry F. Williams	Vice President, Research and Development
Jeffrey L. Hemmer	Director, Business Process Improvement

APPENDIX D
TO LIMITED PARTNERSHIP AGREEMENT
DISPUTE RESOLUTION PROCEDURES

(1) Binding and Exclusive Means. Except as otherwise provided in the Partnership Agreement, the dispute resolution provisions set forth in this Appendix shall be the binding and exclusive means to resolve all disputes arising under the Agreement (each a "Dispute").

(2) Standards and Criteria. In resolving any Dispute, the standards and criteria for resolving such Dispute shall, unless the Partners involved in the Dispute in their discretion jointly stipulate otherwise, be as set forth in Appendix 1 to this Appendix.

(3) ADR and Binding Arbitration Procedures. If a Dispute arises, the following procedures shall be implemented (with references to "Partners" meaning the Partners involved in the Dispute):

(a) Any Partner may at any time invoke the dispute resolution procedures set forth in this Appendix as to any Dispute by providing written notice of such action to the Secretary of the Partnership, who within five Business Days after such notice shall schedule a meeting to be held in Houston, Texas between the Partners. The Partners' meeting shall occur within 10 Business Days after notice of the meeting is delivered to the Partners. The meeting shall be attended by representatives of each Partner having decision-making authority regarding the Dispute as well as the dispute resolution process and who shall attempt in a commercially reasonable manner to negotiate a resolution of the Dispute.

(b) The representatives of the Partners shall cooperate in a commercially reasonable manner and shall explore whether techniques such as mediation, minitrials, mock trials or other techniques of alternative dispute resolution might be useful. In the event that a technique of alternative dispute resolution is so agreed upon, a specific timetable and completion date for its implementation shall also be agreed upon. The representatives will continue to meet and discuss settlement until the date (the "Interim Decision Date") that is the earliest to occur of the following events: (i) an agreement shall be reached by the Partners resolving the Dispute; (ii) one of the Partners shall determine and notify the other Partners in writing that no agreement resolving the Dispute is likely to be reached; (iii) if a technique of alternative dispute resolution is agreed upon, the completion date therefor shall occur without the Partners having resolved the Dispute; or (iv) if another technique of alternative dispute resolution is not agreed upon, two full meeting days (or such other time period as may be agreed upon) shall expire without the Partners having resolved the Dispute.

(c) If, as of the Interim Decision Date, the Partners have not succeeded in negotiating a resolution of the Dispute pursuant to subsection (b), the Partners shall proceed under subsections (d), (e) and (f).

(d) After satisfying the requirements above, such Dispute shall be submitted to mandatory and binding arbitration at the election of any Partner involved in the Dispute (the "Disputing Partner").

The arbitration shall be subject to the Federal Arbitration Act as supplemented by the conditions set forth in this Appendix. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date the notice of arbitration is served, other than as specifically modified herein. In the absence of an agreement to the contrary, the arbitration shall be held in Houston, Texas. The Arbitrator (as defined below) will allow reasonable discovery in the forms permitted by the Federal Rules of Civil Procedure, to the extent consistent with the purpose of the arbitration. During the pendency of the Dispute, each Partner shall make available to the Arbitrator and the other Partners all books, records and other information within its control requested by the other Partners or the Arbitrator subject to the confidentiality provisions contained herein, and provided that no such access shall waive or preclude any objection to such production based on any privilege recognized by law. Recognizing the express desire of the Partners for an expeditious means of dispute resolution, the Arbitrator may limit the scope of discovery between the Partners as may be reasonable under the circumstances. In deciding the substance of the Partners' claims, the laws of the State of Delaware shall govern the construction, interpretation and effect of this Agreement (including this Appendix) without giving effect to any conflict of law principles. The arbitration hearing shall be commenced promptly and conducted expeditiously, with each Partner involved in the Dispute being allocated an equal amount of time for the presentation of its case. Unless otherwise agreed to by the Partners, the arbitration hearing shall be conducted on consecutive days. Time is of the essence in the arbitration proceeding, and the Arbitrator shall have the right and authority to issue monetary sanctions against any of the Partners if, upon a showing of good cause, that Partner is unreasonably delaying the proceeding. To the fullest extent permitted by law, the arbitration proceedings and award shall be maintained in confidence by the Arbitrator and the Partners.

(e) The Disputing Partner shall notify the American Arbitration Association ("AAA") and the other Partners in writing describing in reasonable detail the nature of the Dispute (the "Dispute Notice"). The arbitrator (the "Arbitrator") shall be selected within 15 days of the date of the Dispute Notice by all of the Partners from the members of a panel of arbitrators of the AAA or, if the AAA fails or refuses to provide a list of potential arbitrators, of the Center for Public Resources and shall be experienced in commercial arbitration. In the event that the Partners are unable to agree on the selection of the Arbitrator, the AAA shall select the Arbitrator, using the criteria set forth in this Appendix, within 30 days of the date of the Dispute Notice. In the event that the Arbitrator is unable to serve, his or her replacement will be selected in the same manner as the Arbitrator to be replaced. The Arbitrator shall be neutral. The Arbitrator shall have the authority to assess the costs and expenses of the arbitration proceeding (including the arbitrators', and attorneys' fees and expenses) against any or all Partners.

(f) The Arbitrator shall decide all Disputes and all substantive and procedural issues related thereto, and shall enforce this Agreement in accordance with its terms. Without limiting the generality of the previous sentence, the Arbitrator shall have the authority to issue injunctive relief; however, the Arbitrator shall not have any power or authority to (i) award consequential, incidental, indirect or punitive damages or (ii) amend this Agreement. The Arbitrator shall render the arbitration award, in writing, within 20 days following the completion of the arbitration hearing, and shall set forth the reasons for the award. In the event that the Arbitrator awards monetary damages in favor of either party, the Arbitrator must certify in the award that no indirect, consequential, incidental, indirect or punitive damages are included in such award. If the Arbitrator's decision results in a

monetary award, the interest to be granted on such award, if any, and the rate of such interest shall be determined by the Arbitrator in his or her discretion. The arbitration award shall be final and binding on the Partners, and judgment thereon may be entered in any court of competent jurisdiction, and may not be appealed except to the extent permitted by the Federal Arbitration Act.

(4) Continuation of Business. Notwithstanding the existence of any Dispute or the pendency of any procedures pursuant to this Appendix, the Partners agree and undertake that all payments not in dispute shall continue to be made and all obligations not in dispute shall continue to be performed.

APPENDIX 1 TO APPENDIX D

(a) First priority shall be given to maximizing the consistency of the resolution of the Dispute with the satisfaction of all express obligations of the Partners and their Affiliates as set forth in the Partnership Agreement.

(b) Second priority shall be given to resolution of the Dispute in a manner which best achieves the objectives of the business activities and arrangements under the Partnership Agreement and the Related Agreements and permits the Partners to realize the benefits intended to be afforded thereby.

(c) Third priority shall be given to such other matters, if any, as the Partners or the Arbitrator shall determine to be appropriate under the circumstances.

APPENDIX E
TO LIMITED PARTNERSHIP AGREEMENT

DIVISION OF PARTNERSHIP BUSINESS

If the Partnership is dissolved and Section 12.2(e) applies to the winding up of the affairs of the Partnership, the Partnership properties shall, to the extent legally and contractually feasible and, after satisfaction of the liabilities of the Partnership (whether by payment or reasonable provision for payment), be distributed in kind to the Partners in accordance with a division (the "Division") of the properties. The Division shall be implemented by dividing the properties, to the extent feasible, in accordance with the following priorities and principles:

A. First priority shall be given to maximizing the consistency of the Division with a division of the Partnership properties that allocates to each Partner (subject to such Partner's Percentage Interest of the Partnership's liabilities) Partnership properties in proportion to the value of such Partner's Percentage Interest in the Partnership's business taking into account the aggregate Asset Fair Market Value of the Partnership's properties and the value and benefits afforded to such Partner under the Partnership Agreement and the other Related Agreements.

B. Second priority shall be given to the allocation of the Partnership's various assets and business units between the Partners so as to maximize the aggregate going concern value of the respective assets and business units allocated to each Partner, taking into account, without limitation, the potential synergies and efficiencies that are reasonably achievable in connection with the operation of such allocated assets and business units as an independent business entity.

C. Third priority shall be given to maximizing the consistency of the Division with the nature and quality of the Assets and Contributed Business originally transferred to the Partnership by the respective Partners or their Affiliates.

Absent an agreement by the Partners or direction by the Neutral as to both (i) how the Partners should allocate Partnership debt and (ii) the process for relieving each Partner of liability for that portion of Partnership debt allocated to the other Partner, the Partners (A) shall be jointly and severally liable to the holders of all Partnership debt and (B) as between the Partners, each Partner shall be obligated to pay to holders of the debt its Percentage Interest of all payments of principal and interest on Partnership Debt. Notwithstanding the foregoing, the Neutral shall be entitled to direct, and any Partner may propose, an alternative allocation of Partnership debt in any circumstance where such alternative allocation is reasonably likely to result in a Division that is more consistent with the priorities outlined above.

For purposes of this Appendix E, Lyondell GP and Lyondell LP shall be treated as if they were a single Partner, Millennium GP and Millennium LP shall be treated as if they were a single Partner and Occidental GP, Occidental LP1 and Occidental LP2 shall be treated as if they were a single Partner.

The Partners shall attempt to agree on a plan for a mutually acceptable Division. If they are unable to so agree after 60 days following the occurrence of the dissolution, a Neutral shall be appointed in accordance with Appendix D and each Partner shall submit to the Neutral a written proposal for a Division. The Neutral shall decide which of the three proposals (without in any way modifying or compromising between the three proposals) more closely follows the priorities and principles set forth above, and the proposal so chosen shall thereupon be binding upon all Partners and shall be promptly implemented under the direction of the Neutral. The Neutral shall be entitled to employ (at the expense of the Partnership) such financial and accounting advisors and legal counsel as he or she shall select, provided that no such advisor or counsel shall have any affiliation with any Partner.

SCHEDULE 2.3(d)

Effective Date Capital Account Balances

Column I reflects Capital Accounts after the contributions of the Occidental Partners on the Effective Date and the Effective Date adjustments to the Capital Accounts of the Initial Partners, but before the other contributions and distributions described in Section 2.3(c). Column II indicates the amount of the contributions and distributions described in 2.3(c) other than accrued interest. Column III reflects the Capital Accounts if such contributions and distributions were made (and accrued interest was paid and distributed) on the Effective Date. Column IV reflects the number of Units owned by each Partner.

PARTNER	I	II	III	IV
Lyondell GP	$ 42,451,400		$ 42,451,400	820
Lyondell GP	1,931,768,600	$ 148,350,000	2,080,118,600	40,180
				41,000
Millennium GP	30,544,300		30,544,300	590
Millennium GP	1,720,020,000	(223,350,000)	1,496,670,000	28,910
				29,500
Occidental GP	15,272,150		15,272,150	295
Occidental LP1	342,872,650		342,872,650	6,623
Occidental LP2	1,588,770,000	(419,700,000)	1,169,070,000	22,582
				29,500
	$ 5,671,699,100	$ (494,700,000)	$ 5,176,999,100	

*The difference between Lyondell LP's contribution of $345 million to satisfy the Lyondell Note and the distribution to it of $196,650,000 (57%) of the proceeds from such note.

EXHIBIT 10.3

AGREEMENT AND PLAN OF MERGER

AND

ASSET CONTRIBUTION

AMONG

OCCIDENTAL PETROCHEM PARTNER 1, INC.,

OCCIDENTAL PETROCHEM PARTNER 2, INC.,

OXY PETROCHEMICALS INC.,

PDG CHEMICAL INC.

AND

EQUISTAR CHEMICALS, LP

DATED: MAY 15, 1998

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AGREEMENT AND PLAN OF MERGER AND ASSET CONTRIBUTION

This AGREEMENT AND PLAN OF MERGER AND ASSET CONTRIBUTION (this "Agreement"), dated as of May 15, 1998, is entered into among Occidental Petrochem Partner 1, Inc., a Delaware corporation ("Occidental Chemical Sub"), Occidental Petrochem Partner 2, Inc., a Delaware corporation ("Oxy CH Sub"), Oxy Petrochemicals Inc., a Delaware corporation ("Oxy Petrochemicals"), PDG Chemical Inc., a Delaware corporation ("PDG Chemical"), and Equistar Chemicals, LP, a Delaware limited partnership (the "Partnership").

The definitions of capitalized terms used in this Agreement, including the appendices hereto, are set forth in Section 8 hereof.

WHEREAS, Oxy Petrochemicals is a direct wholly owned subsidiary of Oxy CH Sub, Oxy CH Sub is a direct wholly owned subsidiary of Oxy CH Corporation, a California corporation ("Oxy CH") and Oxy CH is a wholly owned indirect subsidiary of Occidental Petroleum Corporation, a Delaware corporation ("Occidental").

WHEREAS, the Partnership, Occidental, Lyondell Petrochemical Company and Millennium Chemicals, Inc. are parties to that certain Master Transaction Agreement of even date (the "Master Transaction Agreement").

WHEREAS, Occidental Chemical Sub, PDG Chemical and Oxy CH Sub will be admitted as partners in the Partnership upon the Closing pursuant to an Amended and Restated Agreement of Limited Partnership of the Partnership.

WHEREAS, Occidental Chemical Sub wishes to contribute certain assets and a lease of certain other assets, in each case subject to certain liabilities associated with the olefins, polyolefins and related petrochemicals businesses to the Partnership, and the Partnership wishes to accept such assets and lease and assume such liabilities, all upon the terms and conditions hereinafter set forth.

WHEREAS, PDG Chemical wishes to contribute all of its right, title and interest in and to PD Glycol, a Texas limited partnership ("PD Gylcol"), and the Partnership wishes to accept such right, title and interest, all upon the terms and conditions hereinafter set forth. Occidental Chemical Sub and PDG Chemical, collectively or individually as the context may require, are referred to herein as the "Asset Contributors."

WHEREAS, the respective Boards of Directors of Oxy Petrochemicals and Oxy CH Sub and the Partnership Governance Committee of the Partnership deem it advisable and in the best interest of their respective entities that Oxy Petrochemicals merge with and into the Partnership (the "Merger"), upon the terms and conditions of this Agreement, and the applicable provisions of the

laws of the State of Delaware. The Asset Contributors and Oxy Petrochemicals, collectively or individually as the context may require, are referred to herein as the "Contributors."

WHEREAS, upon the Closing, the Partnership will consummate certain transactions and enter into certain agreements as provided for in the Master Transaction Agreement.

NOW THEREFORE, in consideration of the premises and of the mutual covenants of the parties hereto, it is hereby agreed as follows:

SECTION 1
THE MERGER

1.1 The Merger. Upon the terms and subject to the conditions of this Agreement and in accordance with the provisions of the DGCL, at the Effective Time, Oxy Petrochemicals shall be merged with and into the Partnership, and the separate corporate existence of Oxy Petrochemicals shall cease and the Partnership shall continue as the surviving entity (hereinafter sometimes referred to as the "Surviving Partnership") under the laws of the State of Delaware under the name of "Equistar Chemicals, LP".

1.2 Effects of the Merger. The Merger shall have the effects provided therefor by the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time:

(a) All of the assets, properties, rights, privileges, powers and franchises of a public as well as a private nature of Oxy Petrochemicals of every kind, nature, character and description, tangible and intangible, real, personal or mixed, wherever located shall be taken and deemed to be transferred to, and vested in, the Surviving Partnership without further act or deed; and all such assets, properties, rights, privileges, powers and franchises and all and every other interest shall be thereafter the property of the Surviving Partnership, as such interests were the property of Oxy Petrochemicals.

(b) The Surviving Partnership shall be subject to all of the restrictions, disabilities and duties of Oxy Petrochemicals and the debts, liabilities and duties of Oxy Petrochemicals shall attach to the Surviving Partnership and the Surviving Partnership agrees to pay, perform and discharge all such debts, liabilities and duties when due.

1.3 Closing; Effective Time.

(a) The consummation of the transactions contemplated by Sections 1 and 2 hereof is referred to as the "Closing." Subject to the terms and conditions hereof, the Closing shall take place at the office of Baker & Botts, L.L.P., One Shell Plaza, 910 Louisiana, Houston Texas 77002-4995, at 10:00 a.m. local time on the date hereof (the "Closing Date"), or (ii) such other place or date as may be agreed to by the Partnership and Oxy CH Sub.

(b) Subject to the terms and provisions of this Agreement, there shall be filed with the Secretary of State of the State of Delaware (the "Secretary of State"), on the Closing Date, a certificate of merger with respect to the Merger in such form as required by, and executed in accordance with, the applicable provisions of the DGCL. Such certificate of merger shall designate that the Merger shall become effective as of the time (the "Effective Time") that such certificate of merger is so filed with the Secretary of State.

1.4 Certificate of Limited Partnership; Partnership Agreement; Partnership Governance Committee. The certificate of limited partnership of the Surviving Partnership from and after the Effective Time shall be the Amended Certificate of Limited Partnership filed contemporaneously with the filing of the certificate of merger referenced herein, continuing until thereafter amended in accordance with the provisions provided by the DRULPA. The partnership agreement of the Surviving Partnership from and after the Effective Time shall be the Amended and Restated Agreement of Limited Partnership executed and delivered on the Closing Date, continuing until thereafter amended in accordance with the terms therein and as provided by the DRULPA. The Partnership Governance Committee of the Partnership as of the Closing Date shall be designated in accordance with such Amended and Restated Agreement of Limited Partnership.

1.5 Conversion of Certificates. As of the Effective Time, by virtue of the Merger and without any action on the part of any Party or the holder of any of the following securities, the following shall occur:

(a) Oxy Petrochemicals Common Stock. The aggregate of all of the common stock, par value $300.00, of Oxy Petrochemicals (the "Oxy Petrochemicals Common Stock") shall be converted into the right to receive (i) Oxy CH Sub's limited partnership interest in the Partnership as set forth in the Amended and Restated Agreement of Limited Partnership of the Partnership and (ii) a promissory note of the Partnership in the form of Exhibit K. All such shares of Oxy Petrochemicals Common Stock shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto, except the right to receive the limited partnership interest and note to be issued pursuant to this Section 1.5(a) with respect thereto upon the surrender of such certificate in accordance with Section 1.6, without interest.

(b) Cancellation of Other Capital Stock of Oxy Petrochemicals. All shares of capital stock of Oxy Petrochemicals that are owned directly or indirectly by Oxy Petrochemicals shall be canceled and no stock or other consideration shall be delivered in exchange therefor.

1.6 Exchange of Certificates.

(a) Oxy Petrochemicals Common Stock. At the Closing, Oxy CH Sub shall deliver to the Partnership, subject to the terms of this Agreement, all certificates representing each share of Oxy Petrochemicals Common Stock together with duly executed stock powers endorsed to the Partnership or other assignments or instruments of conveyance and transfer, in form and substance satisfactory to the Partnership and its counsel, as shall be effective to vest in the Partnership at the

Effective Time, all of Oxy CH Sub's right, title and interest in and to such shares of Oxy Petrochemicals Common Stock. Until surrendered to the Partnership pursuant to this Section 1.6, each such certificate shall, at and after the Effective Time, represent for all purposes only the right to receive the consideration provided for in Section 1.5(a). The certificates representing shares of Oxy Petrochemicals Common Stock so surrendered shall be canceled as of the Effective Time.

(b) No Further Ownership Rights in Capital Stock of Oxy Petrochemicals. The limited partnership interest in the Partnership and the note delivered upon the surrender for exchange of shares of Oxy Petrochemicals in accordance with the terms hereof shall be deemed to have been delivered in full satisfaction of all rights pertaining to such securities, and following the Effective Time, no Person shall have any further rights to, or ownership in, shares of capital stock of Oxy Petrochemicals. There shall be no further registration of transfers on the stock transfer books of Oxy Petrochemicals of the shares of capital stock of Oxy Petrochemicals which were outstanding immediately prior to the Effective Time. If, after the Effective Time, any certificates for shares of the capital stock of Oxy Petrochemicals are presented to the Surviving Partnership for any reason, such certificates shall be canceled.

(c) No Liability. Notwithstanding anything to the contrary in this Section 1, neither the Surviving Partnership nor any other party shall be liable to a holder of shares of any of the capital stock of Oxy Petrochemicals for any amount paid to a public official pursuant to and in compliance with any applicable abandoned property, escheat or similar law.

1.7 Transfer of Excluded Assets. It is expressly understood that, immediately prior to the Effective Time, any and all assets of Oxy Petrochemicals included in the Excluded Assets pursuant to Section 2.2 shall have been contributed, conveyed, assigned or transferred by Oxy Petrochemicals to Oxy CH Sub pursuant to an assignment in the form attached as Exhibit I (the "Excluded Asset Assignment") and shall not be part of the assets deemed transferred to the Partnership pursuant to the Merger.

1.8 Assumption of Excluded Liabilities. It is expressly understood that, immediately prior to the Effective Time, any and all obligations and liabilities of Oxy Petrochemicals included in the Excluded Liabilities pursuant to Section 2.6 shall be assumed by Oxy CH Sub pursuant to an assumption agreement in the form attached as Exhibit J ("Oxy CH Sub Assumption Agreement").

1.9 Transfer of Oxy Petrochemicals Assets. Notwithstanding that pursuant to Section 1.2, title to the Assets of Oxy Petrochemicals shall be deemed transferred from Oxy Petrochemicals to the Partnership as of the Effective Time, as between the parties hereto, the benefits and burdens associated with ownership of such Assets shall be deemed to have been transferred effective as of the Asset Transfer Effective Time.

SECTION 2
CONTRIBUTION OF ASSETS; ASSUMPTION OF CERTAIN LIABILITIES

2.1 Transfer of Assets. On the terms and subject to the conditions set forth in this Agreement, on the date hereof and effective as of the Asset Transfer Effective Time, each Asset Contributor is contributing, conveying, assigning, transferring and delivering to the Partnership, or shall cause to be contributed, conveyed, assigned, transferred and delivered to the Partnership, and the Partnership shall accept, acquire and assume all of the assets, rights, and properties used or held for use in the contemplated operation and conduct of the Contributed Business of every kind, nature, character and description, tangible and intangible, real, personal or mixed, whether held by such Asset Contributor or an Affiliate thereof, wherever located other than the Excluded Assets (provided that the assets of Oxy Petrochemicals are being transferred to the Partnership pursuant to the Merger); and which conveyance, subject to Section 2.2, shall include, without limitation, the following:

(a) All right, title and interest of such Asset Contributor and any Affiliate thereof in the Fee Interests;

(b) All right, title and interest of such Asset Contributor and any Affiliate thereof under the Leaseholds;

(c) All right, title and interest of such Asset Contributor and any Affiliate thereof, if any, in the Associated Rights, including, without limitation, all contracts, easements, rights-of-way, permits, licenses and leases and other similar rights for related equipment, power and communications cables, and other related property and equipment used principally in the normal operation and conduct of the Contributed Business;

(d) All of the right, title and interest of such Asset Contributor and any Affiliate thereof in the Equipment and all warranties and guarantees, if any, express or implied, existing for the benefit of such Asset Contributor or any Affiliate thereof in connection with the Equipment to the extent assignable;

(e) Subject, to the extent applicable, to Section 5.3, all of the right, title and interest of such Asset Contributor and any Affiliate thereof in the Unrecorded Assets;

(f) All of the right, title and interest of such Asset Contributor and any Affiliate thereof in any Contributed Contracts;

(g) Any right, title and interest of such Asset Contributor in any Trademarks to the extent used or contemplated to be used principally in the normal operation and conduct of the Contributed Business;

(h) All Government Licenses that are transferable and as to which Consents to transfer are obtained where required;

(i) The Inventory, Stores Inventory and Prepaid Expenses;

(j) Subject to Section 5.6, Accounts Receivable together with any reserve or allowance for doubtful accounts, returned products or potential price adjustment;

(k) All right, title and interest of such Asset Contributor and any Affiliate thereof in the subsidiaries listed on Schedule 2.1(k) (the "Contributed Subsidiaries");

(l) All claims and rights against third parties (including, without limitation, insurance carriers, indemnitors, suppliers and service providers) to the extent, but only to the extent that, they relate to the Assumed Liabilities; provided, however, that to the extent that any claims or rights of such Asset Contributor against any third parties are not assigned to the Partnership, and the partnership incurs Liabilities that would create such claims or rights on behalf of such Asset Contributor, such Asset Contributor shall enforce such claims or rights for the benefit (and at the cost) of the Partnership to the extent it may lawfully do so, except that the Asset Contributor shall not be required to enforce insurance claims against fronting, captive or retrospectively rated policies which would ultimately result in such claims being ultimately borne, directly or indirectly, by the Asset Contributor;

(m) A fifty percent (50%) interest in PD Glycol, a Texas limited partnership;

(n) Any claims of the Contributors against Union Pacific for service delays related to the Contributed Business; and

(o) Any other asset of such Asset Contributor or its Affiliate contributed to the Partnership pursuant to the terms of this Agreement.

2.2 Excluded Assets. It is expressly understood and agreed that the Assets shall not include the following (the "Excluded Assets"):

(a) Except as otherwise provided in Section 2.1(j), cash and cash equivalents or similar type investments, such as certificates of deposit, Treasury bills and other marketable securities;

(b) Except as may be agreed pursuant to Section 2.8(g), any assets of any qualified or non-qualified pension or welfare plans or other deferred compensation arrangements maintained by any Contributor or any Affiliate thereof for employees of such Contributor or any Affiliate thereof prior to the Closing Date;

(c) Any of the Contributors' or any Affiliates' right, title and interest in and to (i) the names and logos set forth on Schedule 2.2(c) and any other statutory names, trade names or trademarks, indications or descriptions of which such names or any name similar thereto forms a part and (ii) any other trade names, trademarks, trademark registrations or trademark applications, copyrights, copyright applications or copyright registrations or any derivative thereof or design used

in connection therewith that are not used principally in the normal operation and conduct of and are not uniquely applicable to the Contributed Business;

(d) All claims and rights against third parties (including, without limitation, insurance carriers, indemnitors, suppliers and service providers), to the extent they do not relate to the Assumed Liabilities;

(e) Claims for refunds of Taxes for time periods ending on or before the Closing Date, which Taxes remain the liability of the Contributor under this Agreement;

(f) Subject to the Master Intellectual Property Agreement, any and all of the Intellectual Property and Trademarks of a Contributor or any Affiliate thereof to the extent not used principally in the normal operation and conduct of or to the extent not applicable to the Contributed Business;

(g) All items sold in the ordinary course of business prior to the Closing Date, none of which individually or in the aggregate are material to the normal operation and conduct of the Contributed Business;

(h) The tangible assets, intangible assets, real properties, contracts and rights, described in Schedule 2.2(h);

(i) All assets of Oxy Petrochemicals not used or held for use in the contemplated operation and conduct of the Contributed Business;

(j) Any claims of the Contributors against Union Pacific for service delays not related to the Contributed Business; and

(k) The Lake Charles Leased Assets.

2.3 Instruments of Conveyance and Assignment. On the Closing Date:

(a) Occidental Chemical Sub shall deliver or cause to be delivered to the Partnership, as needed, (i) an Assignment of Lease and Act of Exchange for the Lake Charles Lease being assigned pursuant to this Section 2 in substantially the form attached hereto as Exhibit A ("Assignment of Lake Charles Lease"), (ii) an assignment of leases for such other Leases being assigned pursuant to this Section 2 in substantially the form attached hereto as Exhibit B (the "Assignment of Leases"), (iii) a bill of sale and assignment in substantially the form attached hereto as Exhibit C (the "Bill of Sale and Assignment") conveying title to the Assets (other than the Fee Interests, Leaseholds and Lake Charles Leased Assets) being conveyed pursuant to this Section 2 and assigning the Contracts of such Asset Contributor or its Affiliates, (iv) a license of certain trademarks in substantially the form attached hereto as Exhibit D (the "Trademark License") and (v) an assignment of patent rights, licenses and applications included in the Assets conveyed pursuant to this Section 2 in substantially the form attached hereto as Exhibit E (the "Patent Assignment"); and

(b) Each Asset Contributor shall transfer to the Partnership the originals (to the extent such Contributor or any Affiliate thereof possesses an original and retained no rights thereunder after the Closing Date) or copies, as appropriate, of the Contributed Contracts and the originals or copies, as appropriate, of all current records, files and other data that relate to the Assets and that are necessary for continuing the normal operation and conduct of the Contributed Business by the Partnership.

(c) PDG Chemical shall deliver or cause to be delivered to the Partnership an assignment of partnership interests in substantially the form attached hereto as Exhibit H ("Assignment of Partnership Interests").

2.4 Further Assurances.

(a) On and from time to time after the Closing Date, each Asset Contributor and Oxy CH Sub will execute and deliver, or cause to be executed and delivered, such other instruments of conveyance, assignment, transfer and delivery as the Partnership may reasonably request in order to fulfill and implement the terms of this Agreement, to vest in the Partnership title to the Assets, to confirm the assumption of Excluded Liabilities or to enable the Partnership to continue the normal operation and conduct of the Contributed Business and otherwise to realize the benefits intended to be afforded hereby.

(b) On and from time to time after the Closing Date, the Partnership will execute and deliver, or cause to be executed and delivered, such other instruments of assumption, conveyance, assignment, transfer, power of attorney or assurance as the Asset Contributors and Oxy CH Sub may reasonably request in order to fulfill and implement the terms of this Agreement, to vest in the Partnership all of the Assumed Liabilities, to confirm the transfer of Excluded Assets or to enable the Asset Contributors and Oxy CH Sub to realize the benefits intended to be afforded hereby.

(c) Notwithstanding any other provision of this Agreement to the contrary, the Partnership and each Asset Contributor acknowledge and agree that any Government Licenses, Contributed Contracts, warranties or other Assets related to the Contributed Business and required to be conveyed pursuant to this Agreement which by their terms require Consent from any other unaffiliated contracting party thereto shall not be assigned to the Partnership unless any such Consent has been obtained prior to the Closing Date. Following the Closing, the Partnership and each Asset Contributor shall cooperate with each other and use commercially reasonable efforts to obtain those Consents that were not obtained prior to the Closing and (i) if such Consents are obtained following the Closing, the Partnership and the Asset Contributors shall execute and deliver any other and further instruments of assignment, assumption, transfer and conveyance and take such other and further action as the Partnership may reasonably request in order to vest in the Partnership any Government Licenses, Contributed Contracts, warranties or other Assets to which such Consents relate and (ii) pending such transfer or issuance to the Partnership, shall provide, to the extent it may lawfully do so, the Partnership with the benefits of any such Government Licenses, Contributed Contracts, warranties or other Assets, in which case, the Partnership shall promptly assume and discharge (or reimburse the Asset Contributors or their Affiliates for) all obligations and liabilities associated with

the benefits of such Government Licenses, Contributed Contracts, warranties or other Assets so made available to the Partnership. If an Asset Contributor obtains a Consent to assign any Government Licenses, Contributed Contracts, warranties or other Assets related to the Contributed Businesses and required to be conveyed pursuant to this Agreement after the Closing, each such Government License, Contributed Contract, warranty or other Asset shall be deemed to be assigned to the Partnership promptly after such Consent is obtained.

(d) Following the Closing, the Asset Contributors , Oxy CH Sub and the Partnership shall cooperate in good faith and in a commercially reasonable manner with respect to all matters pertinent to the carrying into effect of this Agreement and the discharge by each party of its obligations and liabilities hereunder and thereunder, and shall furnish to each other such information, cooperation and assistance as reasonably may be requested in connection with the foregoing, including any and all financial information necessary for the Partnership's operation of the Contributed Business or required for financial reporting or other purposes.

2.5 Assumption of Liabilities.

(a) On the terms and subject to the conditions, including Sections 1.2, 2.8 and 6.2, set forth in this Agreement, on the Closing Date, the debts, liabilities and obligations of each Contributor and its Contributed Subsidiaries set forth in this Section 2.5 shall be assumed by the Partnership in connection with the transfer of Assets to it, and the Partnership agrees to pay, perform and discharge all such debts, liabilities and obligations when due:

(i) All obligations arising on or after the Closing Date under the Lake Charles Lease, the Contributed Contracts and Leases that are assigned to the Partnership hereunder unless and to the extent that such obligation arises out of a violation of such Lake Charles Lease, Contributed Contract or Lease prior to the Closing Date;

(ii) All obligations under purchase orders accepted by a Contributor or its Contributed Subsidiaries in the ordinary course of business of the Contributed Business prior to the Closing Date that are not filled as of the Closing Date;

(iii) Trade Accounts Payable;

(iv) All obligations and liabilities, of every kind and nature, without limitation, arising out of, in connection with or related to the ownership, operation or use on or after the Closing Date of the Assets or the Contributed Business;

(v) Seven Year PCCL Claims to the extent the aggregate thereof borne by the Partnership does not exceed $7,000,000;

(vi) Third Party Claims that are related to Pre-Closing Contingent Liabilities and that are first asserted seven years or more after the Closing Date;

(vii) The obligations for indebtedness described on Schedule 2.5(a)(vii);

(viii) [RESERVED];

(ix) All Liabilities associated with products sold after the Closing Date regardless of when manufactured;

(x) The long-term liabilities set forth on Schedule 2.5(a)(x); and

(xi) Any other Liability specifically assumed by the Partnership pursuant to the terms of this Agreement.

The liabilities and obligations assumed by the Partnership pursuant to this Section are sometimes hereinafter referred to collectively as the "Assumed Liabilities."

(b) On the Closing Date, the Partnership shall deliver to each Asset Contributor an instrument of assumption of the Assumed Liabilities substantially in the form attached hereto as Exhibit F (the "Partnership Assumption Agreement").

2.6 Excluded Liabilities. Each Contributor or Affiliate thereof, as applicable, shall remain liable for (or, in the case of Oxy Petrochemicals, Oxy CH Sub shall assume in accordance with Section 1.8), and each Asset Contributor and Oxy CH shall indemnify and hold harmless the Partnership in accordance with Section 6.2 against, any liability or obligation of such Contributor or Affiliate thereof, of whatever nature, whether presently in existence or arising hereafter, whether known or unknown, or whether absolute or contingent, that does not constitute an Assumed Liability (all such liabilities and obligations being herein referred to as the "Excluded Liabilities"), including the following:

(i) Any Pre-Closing Contingent Liability that is not an Assumed Liability;

(ii) any obligation or liability relating to the Excluded Assets;

(iii) any obligation (A) for the payment of severance benefits to employees of a Contributor or any of its Affiliates except as set forth in Sections 2.8(b) or (c), (B) attributable to a Contributor's or any of its Affiliates' employment of any employee, agent or independent contractor prior to the Expiration Date or (C) any obligation or liability assumed by the Contributors pursuant to Section 2.8; and

(iv) all Taxes imposed on Oxy Petrochemicals or any of its Affiliates that would not be assumed by the Partnership if Oxy Petrochemicals were contributing its Assets to the Partnership and remaining in existence as a member of its current affiliated group.

2.7 Master Intellectual Property Agreement. On the Closing Date, the Partnership and Occidental Chemical Corporation, a New York corporation ("OCC"), shall execute and deliver a master intellectual property agreement (the "Master Intellectual Property Agreement") in substantially the form attached hereto as Exhibit G providing, among other things, the following:

(a) Non-exclusive, royalty-free licenses to the Partnership of any Intellectual Property used, contemplated for use or that could be used, in the Contributed Business that is not conveyed to the Partnership pursuant to Section 1.2 or 2.1.

(b) Non-exclusive, royalty-free licenses to OCC or its Affiliates of any Contributed Intellectual Property acquired by the Partnership pursuant to Section 1.2 or 2.1 of this Agreement used, contemplated for use or that could be used in the business of OCC or its Affiliates.

(c) The assignment of the Contributed Intellectual Property to the Partnership.

2.8 Employee Matters.

(a) "Employees" shall mean all employees of a Contributor or an Affiliate whose work relates primarily to the Assets or the Contributed Business and who are immediately prior to the Closing in the active employment of a Contributor or an Affiliate. A true and complete list of names; positions; salaries or hourly wage rates, as applicable; years of service, and the last bonus of the Employees shall be provided by a Contributor or its designee to the Partnership from time to time up to the Closing. In accordance with and subject to Section 3.6 of the Master Transaction Agreement, as of the Expiration Date, the Partnership shall offer employment to certain Employees who are immediately prior to the Expiration Date in the active employment of a Contributor or an Affiliate pursuant to a schedule prepared by the Contributors prior to the Closing Date and agreed to by the Partnership. The Partnership agrees that no Employee will fail to receive an offer of employment from the Partnership unless the Contributor or Affiliate employing such Employee has given its approval, which approval shall not be unreasonably withheld. Any such Employee that accepts such offer is herein called a "Partnership Employee." Partnership Employees shall be employed effective as of the Expiration Date, except as otherwise provided in Section 2.8(e). The Contributors agree that, from the Expiration Date until December 31, 1998, the Contributors, Occidental or an Affiliate shall provide payroll services and benefit plan administration for Partnership Employees, subject to the terms of any agreement for transition services between the Partnership and OCC.

(b) Except with respect to employees of a Contributor or any Affiliate thereof located in Occidental's Dallas, Texas facility ("Non-Plant Employees"), if, within six months after the Expiration Date or in anticipation of the Expiration Date, a Contributor or any Affiliate thereof terminates (other than for cause) the employment of any Employee who does not become a Partnership Employee, then the Partnership will pay to such Contributor an amount, not to exceed the Basic Severance, to the extent such Contributor or any Affiliate thereof pays severance to such employee under any plan or policy of the Contributor or Affiliate. "Basic Severance" means a severance payment according to the severance pay formula as set forth in Schedule 2.8(b). The Contributors shall remain responsible for all severance and other compensation or payment to Non-Plant Employees who do not become

Partnership Employees and for bonus or other executive compensation, if any, to plant employees covered by Occidental's bonus or executive compensation programs. The Contributors shall pay bonus or executive compensation payable to Partnership Employees on a pro-rata basis determined based on the Partnership Employee's months of employment with a Contributor prior to the Expiration Date.

(c) Any Partnership Employee whose employment is terminated by the Partnership (other than for cause) within six months after the Expiration Date shall be entitled to receive a severance benefit from the Partnership equal to the Basic Severance (which, for purposes of calculating service time, shall include the employee's time of service with a Contributor, its predecessors or Affiliates (to the extent service therefor would have been credited by a Contributor) and the Partnership).

(d) Any employees of a Contributor that the Partnership and such Contributor agree are necessary for the orderly transfer of the Contributed Business to the Partnership but who will not become Partnership Employees ("Transition Employees") shall be compensated by such Contributor on terms and conditions and for a duration to be agreed upon by the Partnership and such Contributor. The Partnership shall reimburse such Contributor for any such agreed upon compensation, including payroll taxes, benefit costs and workers compensation premiums and claims, paid by such Contributor to or with respect to any Transition Employee.

(e) If, as of the Expiration Date, any Employee is eligible for and receiving short term disability benefits or sick pay, or is on leave of absence, and the Partnership has offered such Employee employment by the Partnership, that Employee shall become employed by the Partnership (and become a Partnership Employee for purposes of this Section 2.8) upon eligibility to return to active employment with such Contributor under the applicable conditions of the short term disability benefits or sick pay plan of the Contributor, or upon return from leave of absence. Partnership employment shall not be effective until the employing Contributor verifies that the Employee has satisfied the conditions (if any) to return to active employment. Until such time as such Employee becomes a Partnership Employee such Contributor shall continue to bear all costs and expenses associated with such Employee.

(f) None of the Contributors nor any of their Affiliates shall, at any time prior to 60 days after the Expiration Date, effect a "plant closing" or "mass layoff", as those terms are defined in the Worker Adjustment and Retraining Notification Act of 1988 ("WARN"), affecting in whole or in part any facility, site of employment, operating unit or employee of the Contributors or any of their Affiliates without complying fully with the notice and all other applicable requirements of WARN. With regard to the Contributed Business, the Partnership shall not at any time prior to 60 days after the Expiration Date, effectuate a "plant closing" or a "mass layoff", as those terms are defined in WARN, affecting in whole or in part, any facility, site of employment or operating unit, or any Employees without complying fully with the notice and all other applicable requirements of that Act.

(g) In connection with the provision by the Partnership of benefit plans and programs for Partnership Employees as provided in the Master Transaction Agreement,

(i) The Partnership shall recognize all service credited for the Partnership Employees or any other employee of Contributors or their Affiliates directly transferred to the Partnership after the Expiration Date on the records of a Contributor (or its Affiliate) for purposes of eligibility for benefits and vesting under the Partnership's benefit plans and programs and calculation of benefits under the Partnership's benefit plans and programs, other than the Partnership's defined benefit pension plan. For purposes of this Section 2.8(g)(i), an employee shall be directly transferred if the person is employed by the Contributors or their Affiliates immediately prior to his or her employment with the Partnership and if such employment with the Partnership is the result of an agreement between the Partnership and the Contributors or their Affiliates. The Partnership shall not recognize service credited on a Contributor's records for benefit accrual under the Partnership's defined benefit pension plan and only actual periods of service with the Partnership shall be credited for such benefit accrual purposes;

(ii) As of the Expiration Date, to the extent a Contributor (or its Affiliate) is not otherwise required to vest Partnership Employees as plan participants, the Contributors shall cause each Partnership Employee to become fully vested in his interests in the Occidental Petroleum Corporation Savings Plan (the "PSA"), the Occidental Chemical Corporation Savings and Investment Plan (the "SIP") and the Occidental Petroleum Corporation Retirement Plan (the "PRA") (hereinafter collectively referred to as "Occidental's Qualified Plans");

(iii) As of the Expiration Date, the Partnership shall provide each Partnership Employee who was not covered by a collective bargaining agreement immediately prior to the Closing Date (a "Non-Union Employee") with "Partnership Benefit Plans", which shall mean the benefit plans and programs under (a) all employee plans applicable to employees of the Partnership in similar jobs, other than any employee plan that provides benefits under section 401(k) of the Code ("Partnership 401(k) Plan"), and (b) a plan sponsored by the Partnership that is substantially identical to the PSA (the "Mirror Plan"); provided, however that the Mirror Plan will (w) provide for a level of matching contributions and forms of distribution identical to that provided by the Partnership 401(k) Plan (except as required by law for benefits transferred from the PSA and SIP), (x) not offer investment in guaranteed investment contracts, (y) not offer new investments in Occidental common stock and (z) not offer investments in Occidental common stock after September 30, 1998. From and after the Expiration Date, each Non-Union Employee shall be eligible to participate in such Partnership Benefit Plans in accordance with the terms and conditions thereof; provided, however, that from and after January 1, 1999 such Non-Union Employee shall commence participation in the Partnership 401(k) Plan and shall no longer be entitled to contributions under the Mirror Plan. Under such Partnership Benefit Plans which are Employee Welfare Benefit Plans, Non-Union Employees and their eligible dependents, if a participant in any health, long term disability or life insurance plans, as applicable, of a Contributor or its Affiliates immediately prior to the Expiration Date, (a) shall participate in such Partnership Benefit Plans as of the Expiration Date, and (b) shall be deemed to satisfy any pre-existing condition limitations under group medical, dental, life insurance or disability plans that shall be provided after the

Expiration Date. In addition, subject to the agreement of the third-party administrator, amounts paid by such Non-Union Employees towards deductibles and co-payment limitations under the health plans of a Contributor or its Affiliates shall be counted toward meeting any similar deductible and copayment limitations under the health plans that shall be provided under the Partnership Benefit Plans.

(iv) The Contributors shall, or shall cause its Affiliates, as appropriate to, and the Partnership shall take all necessary and reasonable steps to prevent a loan default under the PSA and the SIP (collectively the "Contributors' 401(k) Plans"), including the following: (a) the Contributors shall, or shall cause its Affiliates, as appropriate, to allow Partnership Employees to repay their loans under the Contributors' 401(k) Plans during any period during which the Contributors or its Affiliates provide payroll services, and (b) the Contributors shall cause Occidental to agree and the Partnership agrees to take the necessary and reasonable steps to provide for a plan to plan transfer (as such transfer is defined in Section 414(l) of the Code) of account balances (including outstanding loans) of Partnership Employees from the Contributor's 401(k) Plans to the appropriate Partnership's 401(k) Plan. Notwithstanding the foregoing, any steps which in the sole discretion of the Contributors or its Affiliates jeopardizes the tax- qualified status of any of its Employee Plans shall be deemed unreasonable.

(v) From and after the Expiration Date, Non-Union Employees shall be entitled to retain and take any paid vacation days accrued but not taken under a Contributor's vacation policy for the period from January 1, 1998 through the Expiration Date. Upon or promptly after the Expiration Date, the Contributor shall pay any Banked Vacation and Carryover Vacation. "Banked Vacation" shall mean vacation time accrued on the Contributor's records as payable to any Partnership Employee who is a Non-Union Employee for which vacation time has not been taken for the period prior to January 1, 1982, 1986 or 1988, as appropriate for such Partnership Employee. "Carryover Vacation" shall mean vacation time which (a) is not Banked Vacation; (b) has been accrued on the Contributor's records as payable and approved by designated personnel for any Partnership Employee who is a Non-Union Employee; and (c) such vacation time has not been taken prior to the Expiration Date and which was earned for any period prior to January 1, 1998.

(h) Subject to the representations in Section 3.4 hereof, as soon as possible after the Expiration Date the Contributor and the Partnership shall take all actions necessary to cause (i) the Contributor to cease to be the plan sponsor of the Cain Pension Plan ("Cain Plan") and the PDG Chemical Inc. Pension Plan ("PDG Plan"), (ii) the Partnership to become the plan sponsor of the Cain Plan and the PDG Plan and to assume all present and future obligations and liabilities of the Contributor with respect to such plan, and (iii) the Partnership shall recognize service with Occidental or its Affiliates for early retirement eligibility purposes under the Cain Plan and the PDG Plan. From and after the Expiration Date until the instruction to liquidate assets from the Contributor's master trust for the purpose of transferring assets to the Partnership's trust, assets relating to the Cain Plan and the PDG Plan shall be invested at the discretion of the fiduciaries of such plans, in the normal course, subject to all applicable laws and plan and trust provisions. Any earnings or losses on such

assets after the Expiration Date shall be based on the return of the Contributor's trust as determined by the Contributor's trustee. After liquidation of assets until the date of transfer of the assets of the Cain Plan and PDG Plan, earnings or losses on such assets shall be based on the Short Term Investment Fund ("STIF") rate of The Northern Trust Company, the trustee of such plans.

(i) As of the Expiration Date, the Partnership Employees shall cease to accrue service credit, except as expressly provided in this Section 2.8, under any and all of the Employee Welfare Benefit Plans of the Contributors or its Affiliates, under any and all of the Employee Pension Benefit Plans of the Contributor or its Affiliates, and any and all non-ERISA plans or programs of the Contributor or its Affiliates, in which participation had been available to such Employees prior to the Expiration Date. The Contributors agree that, with respect to any Partnership Employee directly transferred from the Partnership to employment with the Contributors or their Affiliates, they will recognize all service credited for such Partnership Employee on the records of the Partnership for purposes of eligibility for benefits and vesting under the benefit plans and programs of the Contributors and their Affiliates and calculation of benefits under the benefit plans and programs of the Contributors and their Affiliates, other than the defined benefit pension plan of the Contributors and their Affiliates. For purposes of this Section 2.8(i), an employee shall be directly transferred if the person is employed by the Partnership immediately prior to his or her employment with the Contributors or their Affiliates and if such employment with the Contributors or their Affiliates is the result of an agreement between the Partnership and the Contributors or their Affiliates.

(j) The Contributors or their Affiliates shall retain the sole responsibility for, and shall continue to pay, all hospital, medical, and health care continuation coverage benefits as described in section 4980B of the Code, life insurance, disability, other welfare plan expenses and benefits (including all benefits under the Employee Plans), and worker's compensation for employees of the Contributors (including each Employee) and their covered dependents, including "qualified beneficiaries" within the meaning of section 607(3) of ERISA, with respect to claims incurred prior to the Expiration Date. In addition, the Contributors or their Affiliates shall retain sole responsibility for the payment of any claim for medical benefits, health care continuation coverage benefits as described in section 4980B of the Code, life insurance or other welfare benefits by, or any other item of compensation or benefits payable under any Contributor Employee Welfare Benefit Plan to (i) any employee of the Contributor on and after the Expiration Date, (ii) any former employee of the Contributor who retired, died, became long-term disabled or otherwise terminated employment prior to the Expiration Date, and (iii) any "qualified beneficiary" of a Partnership Employee with respect to whom a "qualifying event" (as such terms are defined in sections 603 and 607 of ERISA) has occurred prior to the Expiration Date. Except as set forth above, expenses and benefits relating to such types of claims incurred by Partnership Employees and their covered dependents on or after the Expiration Date shall be the sole responsibility of the Partnership to the extent covered under the terms of its benefit plans. For the purposes of this Section 2.8(j), a claim is deemed incurred when the services giving rise to the claim were performed.

(k) The Contributors and the Partnership agree that they will satisfy their respective obligations, if any, under the National Labor Relations Act regarding union represented employees of the Contributor at the Beaumont, Texas, PD Glycol Plant. Further, the Partnership will recognize

the Oil, Chemical and Atomic Workers International Union and its Local No. 4-243, Production and Maintenance Group, at the Beaumont, Texas, PD Glycol Plant.

(l) Except as otherwise specified in this Section 2.8, in the event that a Contributor or its Affiliates terminates any of its employees other than the Employees at any time prior to the Expiration Date, the Contributor shall be solely responsible for any liability with respect to such termination, including liability for all severance benefit payments to such employees pursuant to its severance plan and any costs associated with violation of any applicable Authority. Notwithstanding the foregoing, the Partnership hereby agrees to indemnify the Contributors and their Affiliates and to defend and hold the Contributors and their Affiliates harmless from and against any claims, losses, expenses, obligations, and liabilities (including cost of defense and reasonable attorney's fees) asserted against and imposed on the Contributors and their Affiliates and arising out of or otherwise in respect of the following: (i) the Partnership's termination of any Partnership Employee's employment with the Partnership; (ii) any failure by the Partnership to comply with its obligations hereunder or otherwise with respect to any Partnership Employee; (iii) any suit or claim of violation brought against the Contributors or their Affiliates under WARN for any actions taken by the Partnership after the Expiration Date with regard to the Partnership Employees at any facility, site of employment or operating unit affected by this Agreement; or (iv) all claims by any Partnership Employee after the Expiration Date whom the Partnership or its Affiliates actually or constructively terminates or by any spouse, dependent, estate or other beneficiary of such Employee, and (v) from any claims or charges by or relating to Employee concerning wrongful termination, discrimination, harassment, or violation of (a) the Fair Labor Standards Act, (b) the Labor Management Relations Act, (c) WARN, (d) the Americans With Disabilities Act, (e) ERISA, (f) the Consolidated Omnibus Budget Reconciliation Act of 1985, (g) the National Labor Relations Act, (h) the Family and Medical Leave Act, (i) the Health Insurance Portability and Accountability Act, (j) Title VII of the Civil Rights Act of 1964, (k) the Age Discrimination in Employment Act, or (l) any and all applicable state and local laws relating to employees or labor relations, all as attributable to the conduct of the Partnership or its Affiliates with respect to such Employee relating to the period subsequent to the Expiration Date. The Partnership hereby agrees to indemnify the Contributors and their Affiliates and to defend and hold Contributors and their Affiliates harmless from and against fifty percent of any claims, losses, expenses, obligations and liabilities (including cost of defense and reasonable attorney's fees) asserted against and imposed on the Contributors and their Affiliates and arising out of the Partnership's and Contributor's joint selection of the Employees offered employment by the Partnership.

(m) Nothing expressed or implied in this Agreement shall confer upon any Employee, or any legal representative thereof, any rights or remedies, including any right to employment, whether directly or as a third party beneficiary, or continued employment for any specified period, of any nature or kind whatsoever.

(n) Except as otherwise specified in this Section 2.8, the Contributors agree to indemnify the Partnership and to defend and hold the Partnership and its Affiliates harmless from and against claims, losses, expenses, obligations, and liabilities (including costs of defense and reasonable attorney's fees) arising out of or otherwise in respect of the following (i) any Contributor employee

benefit plans, or claims of employees or former employees of the Contributor or of any spouse, dependent, estate, or other beneficiary of such employees or former employees that in any case arose prior to the Expiration Date, including, without limitation, any such liability or obligation which may arise under Section 2.8(j) and from (ii) any claims or charges relating to wrongful termination, discrimination, harassment, or violation of (a) the Fair Labor Standards Act, (b) the Labor Management Relations Act, (c) WARN, (d) the Americans With Disabilities Act, (e) ERISA, (f) the Consolidated Omnibus Budget Reconciliation Act of 1985, (g) the National Labor Relations Act, (h) the Family and Medical Leave Act, (i) the Health Insurance Portability and Accountability Act, (j) Title VII of the Civil Rights Act of 1964, (k) the Age Discrimination in Employment Act, or (l) any and all applicable state and local laws relating to employees or labor relations, all as attributable to the conduct of the Contributor or its Affiliates with respect to (A) any employees or former employees of the Contributor who do not become Partnership Employees relating to the periods both before and after the Expiration Date, and (B) the Employees, relating to the period prior to the Expiration Date.

(o) Representatives of the Partnership shall be entitled to meet with the Employees at mutually agreeable times prior to the Expiration Date to explain and answer questions about the conditions, policies and benefits of employment by Partnership after the Expiration Date. The Contributors shall cooperate with the Partnership until Expiration Date in communicating to such Employees any additional information concerning employment after the Expiration Date which such Employees may seek, or which the Partnership may desire to provide, and during normal business hours shall allow additional meetings by representatives of the Partnership with such Employees upon the reasonable request of the Partnership. In addition, the Contributor and the Partnership agree to furnish each other with appropriate records for each of the Employees as may be necessary to assist in proper benefit administration.

(p) The indemnity provisions of this Section shall be subject to the requirements of Section 6.3 of this Agreement.

2.9 Joint Contracts.

(a) Any Contributed Contracts contributed to the Partnership pursuant to Section 1.2 or 2.1 that relate principally to the Contributed Business but also relate to the business (other than the Contributed Business) of an Asset Contributor or its Affiliates will be made available to the appropriate Asset Contributor and its Affiliates by the Partnership pursuant to arrangements by which such Asset Contributor and its Affiliates will enjoy the benefits of such Contributed Contracts as they relate to their business (other than the Contributed Business) on the same terms and conditions as the Partnership.

(b) Any Contracts that relate principally to the business (other than the Contributed Business) of an Asset Contributor or its Affiliates but also relate to the Contributed Business will be made available to the Partnership by such Asset Contributor or its Affiliates pursuant to other arrangements by which the Partnership will enjoy the benefits of such Contracts as they relate to the Contributed Business on the same terms and conditions as such Asset Contributor or its Affiliates.

SECTION 3
REPRESENTATIONS AND WARRANTIES OF THE CONTRIBUTORS

Except as set forth on Schedule 3 or in the SEC Reports, each Contributor and Oxy CH Sub represent and warrant to the Partnership as follows:

3.1 Due Organization; Good Standing and Power. Each Contributor and Oxy CH Sub are corporations duly organized, validly existing and in good standing under the laws of its state of organization and each Contributor has the requisite power and authority to own, lease and operate the properties to be contributed hereunder and to conduct the Contributed Business as now conducted by it. Each Contributor and Oxy CH Sub has all requisite power and authority to enter into this Agreement and the Assignment and Assumption Agreements and to perform its obligations hereunder and thereunder. Each Contributor is duly authorized, qualified or licensed to do business as a foreign corporation and is in good standing, in the State of Texas and in each of the other jurisdictions in which its right, title or interest in or to any of the Assets held by it, or the conduct of the Contributed Business by it, requires such authorization, qualification or licensing, except where the failure to so qualify or to be in good standing would not reasonably be expected to have a Material Adverse Effect.

3.2 Authorization and Validity of Agreements. The execution, delivery and performance of this Agreement and the other Related Agreements by each Contributor and Oxy CH Sub and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by the Board of Directors of such Person. Except to the extent heretofore obtained, no other corporate action or action by stockholders is necessary for the authorization, execution, delivery and performance by a Contributor and Oxy CH Sub of this Agreement and the other Related Agreements and the consummation by any such Person of the transactions contemplated hereby or thereby. This Agreement and the other Related Agreements have been duly executed and delivered by each Contributor and Oxy CH Sub and constitute legal, valid and binding obligations of such Person, enforceable in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equity principles.

3.3 No Consents Required; No Conflict with Instruments to which a Contributor is a Party. The execution, delivery and performance of this Agreement and the other Related Agreements by the Contributors, Oxy CH Sub and any of their Affiliates that is a party thereto and the consummation by each such Person or any such Affiliate of the transactions contemplated thereby (i) will not require any Consent except for such Consents the failure of which to be obtained or made, would not in the aggregate reasonably be expected to have a Material Adverse Effect; and (ii) will not violate (with or without the giving of notice or the lapse of time or both), or conflict with, or result in the breach or termination of any provision of, or constitute a default under, or result in the acceleration of the performance of the obligations of such Person, or result in the creation of an Encumbrance upon any Assets or a portion of the Contributed Business pursuant to, the charter or by-laws of such Person, or any indenture, mortgage, deed of trust, lease, licensing agreement, contract, instrument or other agreement to which such Person is a party or by which such Person or

any of the Assets held by such Person is bound, except for such violations, conflicts, breaches, terminations, defaults, accelerations or Encumbrances which would not in the aggregate reasonably be expected to have a Material Adverse Effect.

3.4 Employee Benefits.

(a) (i) Each of the Contributor's Defined Benefit and Defined Contribution Pension Plans covering employees ("Employee Plan") is in substantial compliance with applicable requirements prescribed by any and all Legal Requirements, including, but not limited to the Code, except for violations the occurrence of which would not in the aggregate reasonably be expected to have a Material Adverse Effect. Each Employee Plan that is intended to be qualified under Section 401(a) of the Code currently has a favorable determination letter from the Internal Revenue Service as to that Plan's qualification under Section 401(a) of the Code and nothing has occurred since the date of such letter that could reasonably be expected to cause the loss of such qualification.

(ii) Each Contributor has in all material respects performed all obligations required to be performed by it under ERISA, the Code and any other applicable Legal Requirements and under the terms of each Employee Plan, except such failures to perform which would not in the aggregate reasonably be expected to have a Material Adverse Effect. No Contributor has received any written notice of the existence of any material default or violation by any other party of any of such Legal Requirements, terms or requirements applicable to any of the Employee Plans.

(iii) Other than routine claims for benefits, no Contributor has received any written notice of any pending material claims or lawsuits which have been asserted or instituted against any of the Employee Plans, the assets of the trust or funds under the Employee Plans, the sponsor or administrator of any of the Employee Plans, or against any fiduciary of any of the Employee Plans with respect to the operation of such Plan.

(iv) No Contributor has received any written notice of any pending investigation or pending enforcement action by the Pension Benefit Guaranty Corporation, the Department of Labor, the Internal Revenue Service or any other Authority with respect to any of the Employee Plans.

(v) All contributions required to be made under the terms of each Contributor's Employee Plans have been timely made. No Employee Plan has an "accumulated funding deficiency" (within the meaning of section 412 of the Code or Section 302 of ERISA).

(b) Each Contributor's "group health plans" (within the meaning of Code Section 5000(b)(1)) have been operated in substantial compliance with the group health plan continuation coverage requirements of Section 4980B of the Code and Sections 601 through 608 of ERISA, Title XXII of the Public Health Service Act and the provisions of the Social Security Act.

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(c) There has been no act or omission by a Contributor that has given rise to or may give rise to material fines, penalties, taxes, or related charges under Section 502(c), (i) or (l) or Section 4071 of ERISA or Chapter 43 of the Code or the imposition of a lien pursuant to Sections 401(a)(29) or 412(n) of the Code or pursuant to ERISA.

3.5 Title to Assets; Absence of Liens and Encumbrances; Leases.

(a) Each Contributor has good and marketable title to all of its Fee Interests, free and clear of all Encumbrances, except (i) any prior reservations, easements and other matters of record to the extent valid, subsisting and affecting the Assets, (ii) any prior unrecorded easements for which improvements have been constructed in such a manner as to be apparent to the Partnership from inspection of the Assets to the extent valid, subsisting and affecting the Assets, (iii) liens for current taxes not yet due and payable and mechanics and similar statutory liens arising in the ordinary course of business, (iv) liens of employees and laborers for current wages not yet due, (v) building, zoning and health regulations of the jurisdictions in which the Assets are located; and (vi) such imperfections of title, easements and Encumbrances, if any, as do not in the aggregate materially detract from the value or materially interfere with the use of the Assets as they are currently being used or as otherwise would not reasonably be expected to have a Material Adverse Effect.

(b) Each Contributor is the sole lessee under its Leases and the sole party entitled to its Leasehold interests in favor of the lessee thereunder, and the sole owner or, in the case of OCC Sub, the sole lessee, of the improvements (other than fixtures) situated on its Leased Premises, free and clear of all Encumbrances affecting its Leaseholds except (i) any prior reservations, easements and other matters of record to the extent valid, subsisting and affecting the Assets, (ii) any prior unrecorded easements for which improvements have been constructed in such a manner as to be apparent to the Partnership from inspection of the Assets to the extent valid, subsisting and affecting the Assets, (iii) liens for current taxes not yet due and payable and mechanics and similar statutory liens arising in the ordinary course of business, (iv) liens of employees and laborers for current wages not yet due, (v) building, zoning and health regulations of the jurisdictions in which the Assets are located; and (vi) such imperfections of title, easements and such Encumbrances, if any, as do not in the aggregate materially detract from the value or materially interfere with the use of the Assets or as otherwise would not reasonably be expected to have a Material Adverse Effect. No Contributor or any Affiliate thereof has received from or delivered to the lessors under such Leaseholds any written notice of termination or threat of termination of such respective Leaseholds. True and complete copies of all written lease agreements (including any written amendments or modifications thereof) constituting, or evidencing the terms of, such Leaseholds have been delivered or made available to the Partnership. No material default or event of default on the part of a Contributor or any Affiliate thereof under the provisions of any of such Leaseholds, and no event that with the giving of notice or passage of time or both would constitute such default or event of default on the part of such Contributor, has occurred (which default or event of default has not been cured). No Contributor or any Affiliate thereof has received any written notice from any lessor under any Leasehold, that any material default or event of default on the part of such Contributor or such Affiliate as lessee under the provisions of any Leaseholds, or that any event that with the giving of notice or passage of time or both would constitute such a default or an event of default on the part

of such Contributor or any such Affiliate, as lessee, has occurred (which default or event of default has not been cured). No material default or event of default on the part of the lessor under the provisions of any of such Leaseholds, and no event that with the giving of notice or passage of time or both would constitute such default or event of default on the part of any such lessor, has occurred (which default or event of default has not been cured).

(c) Each Contributor or an Affiliate thereof has good title to all of the personal property constituting Assets purported to be owned by it, free and clear of all Encumbrances, except for liens for Taxes not yet due and payable and such Encumbrances, if any, that do not in the aggregate materially detract from the value or materially interfere with the use of the Assets (as they are currently being used) or as otherwise would not reasonably be expected to have a Material Adverse Effect.

3.6 Title Matters; Defects in Improvements. There are no trespassers or other adverse parties in possession on or affecting the Fee Interests or the Leased Premises of a Contributor or any Affiliate thereof that would reasonably be expected to have a Material Adverse Effect. No Contributor or any Affiliate thereof has granted and none of the foregoing is party to any unrecorded options, rights of refusal, sales contracts or other such contractual rights in favor of any third parties relating to its Fee Interests or the Leased Premises. No written notice has been received by a Contributor or any Affiliate thereof from any insurance company with respect to its Fee Interests or the Leased Premises or by any board of fire underwriters claiming any material defects or deficiencies or requiring the performance of any repairs, replacement, alteration or other work relating to the improvements situated thereon (in each case, which have not been cured).

3.7 Working Capital. Each Contributor has operated the Contributed Business in the ordinary course of business from September 30, 1997 to the Closing Date such that its Inventory, Stores Inventory, Prepaid Expenses, Accounts Receivable (and all reserves or allowances for doubtful accounts, returned products or potential price adjustments) and Trade Accounts Payable, as of the Closing Date, are at substantially the same level as would have existed for such Contributor without regard to the transactions contemplated by the Master Transaction Agreement. In connection with this Section 3.7, it is understood among the parties that the Originator Receivables Sale Agreement dated as of October 29, 1998, by and among Occidental Receivables Inc., OCC and other parties, has been terminated with respect to Oxy Petrochemicals.

3.8 Technology and Similar Rights. Each Contributor owns or is licensed to use all of its Intellectual Property, Licensed Technology and Licensed Trademarks, and such Intellectual Property, Licensed Technology and Licensed Trademarks together with the rights assigned or licensed under the Related Agreements constitute all relevant patents, pending patent applications, invention disclosures, copyrights, software, trade secrets, technical information, technology, know-how, processes, tradenames, trademarks, trademark registrations or applications, copyrights, copyright applications or registrations or any derivative thereof or design used in connection therewith necessary for the normal operation and conduct of the Contributed Business as it is currently operated and conducted, except where the failure to have such ownership or licenses would not reasonably be expected to have a Material Adverse Effect.

3.9 Government Licenses, Permits and Related Approvals. The Government Licenses constitute all those necessary for the normal operation and conduct of the Contributed Business as it is currently operated and conducted, except where the failure to have such Government Licenses would not reasonably be expected to have a Material Adverse Effect.

3.10 All Necessary Assets. The Assets together with the rights under the Related Agreements constitute all property and other rights necessary to enable the Partnership to operate and conduct the Contributed Business in substantially the same manner as it is being operated and conducted on the date of this Agreement, except in all cases where the failure of the Partnership to acquire such property or other rights by conveyance or license would not in the aggregate reasonably be expected to have a Material Adverse Effect.

3.11 Conduct of Business in Compliance with Regulatory and Contractual Requirements. Each Contributor, and any Affiliate thereof, is operating and conducting the Contributed Business in compliance with all applicable Legal Requirements, rights of concession, licenses, know-how or other proprietary rights of others, the failure to comply with which would reasonably be expected to have a Material Adverse Effect.

3.12 Legal Proceedings. There is no litigation, proceeding, claim, grievance, arbitration, investigation or other action to which a Contributor or any Affiliate thereof is a party (i) that is pending or, to the Knowledge of a Contributor, threatened, (ii) that relates in any way to the Assets, to the operation or conduct of the Contributed Business, or to the transactions contemplated by this Agreement, and (iii) that upon resolution adverse to a Contributor or any of its Affiliates, could reasonably be expected to have a Material Adverse Effect.

3.13 [Reserved].

3.14 Tax Matters.

(a) There are no material liens for Taxes (other than for current Taxes not yet due and payable) upon the Assets.

(b) None of the Assets directly or indirectly secures any indebtedness for money borrowed the interest on which is tax-exempt.

3.15 [Reserved].

3.16 HSE Matters. Except as would not be reasonably likely to have a Material Adverse Effect:

(a) (i) The Fee Interests, the Leased Premises and the operations of each Contributor and any Affiliate thereof in connection with the Contributed Business are in compliance with all HSE Laws and (ii) to the extent arising out of a Contributor's or any Affiliate's ownership or use of the Assets or operation of the Contributed Business, there are no Chemical Substances held, located,

released, generated, treated, stored or disposed of, on, under or from such Fee Interests or such Leased Premises or in, on or from any fixtures or improvement thereon in excess of any standard prescribed or permitted by any HSE Laws or which require corrective or other action pursuant to the provisions of any HSE Laws.

(b) No Contributor or any Affiliate has received any notice from any federal, state, or local agency naming such Contributor or such Affiliate as a potentially responsible party ("PRP"), or otherwise notifying such Contributor or such Affiliate of any potential liability under either the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA" or "Superfund"), the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), or any state statute, rule or local regulation imposing liability similar to CERCLA or RCRA that relates in any way to any Chemical Substances generated by or derived from the operations on the Fee Interests, or the Leased Premises of such Contributor or any Affiliate; nor has either Contributor or any of its Affiliates received any comparable claim or notice from any private party.

(c) Each Contributor or an Affiliate thereof, as applicable, has been and is, in compliance with, all permits, licenses, approvals, permission, or authorizations necessary for its operations in connection with the Contributed Business to comply in all respects with HSE Laws.

(d) (i) No Contributor or any Affiliate thereof has received written notice of any actual, impending, or potential proceedings, allegations, claims, losses, actions, investigations or inquiries of any kind in connection with the Contributed Business and HSE Laws or Chemical Substances ("HSE Proceedings") and (ii) no Contributor nor any Affiliate thereof has any Knowledge of any facts, events or occurrences that would reasonably be expected to result in any HSE Proceedings being brought.

(e) No Contributor or any Affiliate thereof is party to, or is subject to the terms of, any consent order, consent judgment, consent decree, court or administrative order or judgment, agreement, schedule, or decree issued by any Authority with respect to the Contributed Business.

3.17 Investigation to Acquire Knowledge. Each of the persons covered by clauses (i) and (ii) of the definition of "Knowledge" set forth in Section 1 has reviewed, with counsel to such Contributor, the other representations and warranties contained in, and the Schedules that relate to, this Section 3 to the extent that they relate to such person's area of responsibility or expertise and has made a reasonable inquiry as to the accuracy and completeness of such representations, warranties and Schedules.

SECTION 3A
ADDITIONAL REPRESENTATIONS AND WARRANTIES OF OXY CH SUB

Except as set forth on Schedule 3, Oxy CH Sub represents and warrants to the Partnership as follows:

3A.1 Capitalization. At the Effective Time, the authorized capital stock of Oxy Petrochemicals will consist of 1,100 shares of common stock, of which 1,100 shares will be issued and outstanding. All shares of the capital stock of Oxy Petrochemicals which will be outstanding as of the Effective Time will be duly authorized, validly issued, fully paid and non-assessable, and will not be subject to or have been issued in violation of any preemptive rights. Except as contemplated by this Agreement, there are no other shares of capital stock of Oxy Petrochemicals authorized or outstanding and there are no subscriptions, options to purchase, rights of refusal, rights of first offer, conversion or exchange rights, warrants, preemptive rights or other agreements, claims or commitments of any kind obligating Oxy Petrochemicals or any Affiliate thereof to issue, transfer, deliver or sell shares of the capital stock or other securities of, or interests in, Oxy Petrochemicals or obligating Oxy Petrochemicals or an Affiliate thereof to grant, extend or enter into any such agreement or commitment. At the Effective Time, there will be no shareholder agreements, voting trusts or other agreements or understandings to which Oxy Petrochemicals or an Affiliate thereof is a party or by which Oxy Petrochemicals or such Affiliate is bound, relating to the voting of any shares of the capital stock of Oxy Petrochemicals.

3A.2 Ownership of Common Stock. Oxy CH Sub is the beneficial owner of all of the issued and outstanding shares of Oxy Petrochemicals Common Stock, in each case, free and clear of any Encumbrances or limitations on the voting or transfer thereof.

3A.3 No Undisclosed Liabilities. As of the Effective Time, Oxy Petrochemicals will have no debts, liabilities or obligations whether accrued, absolute, contingent or otherwise and whether due or to become due, other than (a) the Assumed Liabilities and (b) the Excluded Liabilities assumed by Oxy CH Sub pursuant to Section 1.8.

SECTION 4
REPRESENTATIONS AND WARRANTIES OF THE PARTNERSHIP

The Partnership represents and warrants to each Contributor as follows:

4.1 Due Organization; Good Standing and Power. The Partnership is a limited partnership duly formed and validly existing under the laws of the State of Delaware. The Partnership has all partnership power and authority to enter into this Agreement and the other Related Agreements and to perform its obligations hereunder and thereunder. The Partnership is duly authorized, qualified or licensed to do business as a foreign partnership, in each of the jurisdictions in which its right, title or interest in or to any asset, or the conduct of its business, requires such authorization, qualification or licensing, except where the failure to so qualify would not have a material adverse effect on the ability of the Partnership to perform its obligations hereunder or under the Assignment and Assumption Agreements.

4.2 Authorization and Validity of Agreement. The execution, delivery and performance of this Agreement and the other Related Agreements by the Partnership and the consummation by the Partnership of the transactions contemplated hereby and thereby have been duly authorized by all necessary partnership action on the part of the Partnership. No other partnership action is necessary

for the authorization, execution, delivery and performance by the Partnership of this Agreement, the other Related Agreements and the consummation by the Partnership of the transactions contemplated hereby or thereby. This Agreement and the other Related Agreements have been duly executed and delivered by the Partnership and constitute legal, valid and binding obligations of the Partnership, enforceable in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equity principles.

4.3 No Consents Required; No Conflict with Instruments to which the Partnership is a Party. The execution, delivery and performance of this Agreement and the other Related Agreements by the Partnership and the consummation by it of the transactions contemplated thereby (i) will not require any Consent except for such Consents the failure of which to be obtained or made, would not in the aggregate reasonably be expected to have a Material Adverse Effect on the Partnership's ability to perform its obligations hereunder or thereunder, and (ii) will not violate (with or without the giving of notice or the lapse of time or both), conflict with, or result in the breach or termination of any provision of, or constitute a default under, or result in the acceleration of the performance of the obligations of the Partnership under, the partnership agreement of the Partnership, or any indenture, mortgage, deed of trust, lease, licensing agreement, contract, instrument or other agreement to which the Partnership is a party or by which the Partnership or any of its assets or properties is bound, except for such violations, conflicts, breaches, terminations, defaults, accelerations or liens which would not in the aggregate reasonably be expected to have a material adverse effect on the Partnership's ability to perform its obligations hereunder or thereunder.

SECTION 5
COVENANTS SUBSEQUENT TO CLOSING DATE

5.1 Access to Information. Following the Closing Date, the Partnership shall afford, and will cause its Affiliates to afford, to the Asset Contributors, Oxy CH Sub, their counsel, accountants and other authorized representatives, during normal business hours, reasonable access to the books, records and other data of the Contributed Business with respect to the period prior to the Closing Date (and any personnel familiar therewith) to the extent that such access may be reasonably required by an Asset Contributor or Oxy CH Sub to facilitate (i) the preparation by such Asset Contributor or Oxy CH Sub of such tax returns as it may be required to file with respect to the operations of the Assets and the Contributed Business or in connection with any audit, amended return, claim for refund or any proceeding with respect thereto, (ii) the investigation, litigation and final disposition of any claims which may have been or may be made against such Asset Contributor or Oxy CH Sub in connection with the Assets and the Contributed Business, (iii) the payment of any amount in connection with any liabilities or obligations which have not been assumed by the Partnership under this Agreement and (iv) for any other reasonable business purpose. For a period of ten years after the date of this Agreement, the Partnership will not dispose of, alter or destroy any such books, records and other data without giving 90 days' prior notice to such Asset Contributor or Oxy CH Sub to permit it, at its expense, to examine, duplicate or repossess such records, files, documents and correspondence.

5.2 Mail or Other Communications. Each Asset Contributor or Oxy CH Sub authorizes and empowers the Partnership on and after the Closing Date to receive and open all mail received by the Partnership relating to the Contributed Business or the Assets and to deal with the contents of such communications in any proper manner. Each Asset Contributor and Oxy CH Sub shall promptly deliver to the Partnership any mail or other communication received by it on and after the Closing Date pertaining to the Contributed Business or the Assets and any cash, checks or other instruments of payment to which the Partnership is entitled. The Partnership shall promptly deliver to the appropriate Asset Contributor or Oxy CH Sub any mail or other communication received by it after the Closing Date pertaining to the Excluded Assets or Excluded Liabilities, and any cash, checks or other instruments of payment in respect of such.

5.3 Use of Trade Name. Pursuant to the Trademark License to be granted to the Partnership by Occidental and OCC, after the Closing Date the Partnership shall be permitted to use any items of Inventory or packaging material, any sales or promotional materials, any forms or documents or any other printed materials that bear the names set forth on Schedule 2.2(c) or other trademarks or trade names of which such names or any name similar thereto forms a part.

5.4 Closing Date Balance Sheet. Not later than 60 days after the Closing Date, each Contributor shall cause Arthur Andersen LLP to prepare and deliver to such Contributor and the Partnership an audited balance sheet of the Contributed Business as of the Closing Date (the "Closing Date Balance Sheet"). In addition, each Contributor shall prepare and deliver to the Partnership such other financial statements or information as the Partnership may reasonably request in connection with any proposed Partnership financing; it is currently anticipated that the Partnership will request the Contributors to provide the Partnership with audited financial statements related to the operation of the Contributed Business for the past three (3) fiscal years.

5.5 [Reserved]

5.6 Collection of Accounts Receivable. The Partnership shall take all commercially reasonable efforts to collect any Accounts Receivable; provided, however, to the extent any Accounts Receivable set forth on the Closing Date Balance Sheet are not collected within 180 days after the Closing Date by the Partnership, the appropriate Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) will buy such uncollected Accounts Receivable from the Partnership at the amount set forth on the Closing Date Balance Sheet; provided, further, that the amount to be paid by the appropriate Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) for such uncollected Accounts Receivable shall be reduced by the amount of any reserve or allowance for doubtful accounts, returned products or potential price adjustments, transferred to the Partnership pursuant to Section 2.1(j); and provided, further, that any payments or reimbursements that are made by the Partnership as a result of volume or price rebates or adjustments and that are attributable (in whole or in part) to transactions prior to the Closing Date shall be for the account of the Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub), to the extent so attributable. Collections on Accounts Receivable shall be applied on a specific identification basis. The Partnership will report monthly in writing to each Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) on the amounts collected during the preceding month, and shall provide an aging summary of uncollected

accounts and a detailed description of each problem account (45 or more days overdue). On reasonable notice to the Partnership, each Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) shall have the right to take over the collection process for any problem account.

5.7 Reimbursement for Prepaid Expenses. The Partnership and each Contributor acknowledge that the Prepaid Expenses attributable to its Contributed Business have been conveyed to the Partnership solely in order to facilitate the timely and efficient transfer of the Contributed Business to the Partnership. Consequently, the Partnership shall reimburse such Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) for the Prepaid Expenses associated with its Contributed Business (other than the prepaid expenses for "turnaround" costs) within 10 days following the receipt of the Closing Date Balance Sheet.

SECTION 6
SURVIVAL AND INDEMNIFICATION

6.1 Survival Limitations. The representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing until the date that is 60 months after the Closing Date, except (i) Section 3.14, which shall survive until the expiration of the applicable statute of limitations and (ii) Section 3.5, which shall survive without limitation and shall not be merged with the Assignment and Assumption Agreements. No action can be brought with respect to any breach of any representation or warranty (except with respect to Section 3.5) pursuant to this Agreement unless a written notice that complies with Section 6.3 has been delivered pursuant to such Section 6.3 prior to the expiration of the survival period applicable to such representation or warranty; provided that upon the giving of such notice, notwithstanding any other provision of this Agreement the representation and warranty that is the basis of such action shall continue with respect to such action beyond the time at which the representation and warranty would otherwise terminate.

6.2 Indemnification.

(a) Subject to the other provisions of this Section 6, each Asset Contributor and Oxy CH Sub hereby agrees, to the fullest extent permitted by applicable law, to indemnify, defend and hold harmless the Partnership, its partners, their Affiliates and their respective officers, directors and employees from, against and in respect of any losses, claims, damages, fines, penalties, assessments by public agencies, settlement, cost or expenses (including costs of defense and attorneys' fees) and other liabilities (any of the foregoing being a "Liability") incurred or suffered by the Partnership or any of its Affiliates, arising out of, in connection with or relating to:

(i) Any misrepresentation in or breach of the representations and warranties of a Contributor, Oxy CH Sub or any of its Affiliates in this Agreement, the Assignment and Assumption Agreements, the Master Intellectual Property Agreement, or the Master Transaction Agreement, provided that any Liability arising out of, in connection with or relating to any breach of the warranties in any Assignment and Assumption Agreement that

is not a breach of the warranties in this Agreement shall not be indemnified against pursuant to this Section 6;

(ii) Any failure of a Contributor, Oxy CH Sub or any of its Affiliates to perform any of its covenants or obligations contained in this Agreement, the Assignment and Assumption Agreements, the Master Intellectual Property Agreement, or the Master Transaction Agreement;

(iii) Excluded Liabilities; or

(iv) Any Pre-Closing Contingent Liability that is not an Assumed Liability.

provided, however, that the following limitations shall apply to the indemnification obligations in clauses (i) and (iv) above:

(A) the Asset Contributors and Oxy CH Sub, in the aggregate, shall not have any indemnification obligation under clause (i) and (iv) above for any individual Liability unless the amount of such Liability exceeds $25,000 (the "Individual Basket") (it being understood that all Liabilities arising from the same event, condition or set of circumstances shall be considered as an individual Liability for purposes of such calculation), but if the amount of such Liability exceeds the Individual Basket, the entire amount of such Liability, including the first $25,000 of such Liability, may be the subject of indemnification hereunder; provided, further, that the parties agree that the amount of Liability for which indemnification may be sought for breach of any representation or warranty under clause (i) above shall be calculated taking into account the Individual Basket but without regard to any qualification or exception regarding materiality or Material Adverse Effect qualification contained in such representation or warranty (it being understood that such materiality or Material Adverse Effect qualifications shall apply for purposes of determining whether there has been such a breach in the first place, but once it has been established that there is such a breach, the Partnership shall be entitled to indemnity relating back to the first dollar); and

(B) to the extent any misrepresentation in or breach of the representations and warranties of a Contributor or Oxy CH Sub results in a Liability of the Partnership in excess of the Individual Basket and such Liability would also constitute a Pre-Closing Contingent Liability, such misrepresentation or breach shall be treated as a Pre-Closing Contingent Liability.

(b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW, NO ASSET CONTRIBUTOR, OXY CH SUB OR ANY OF THEIR AGENTS, EMPLOYEES, REPRESENTATIVES OR AFFILIATES SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES IN CONNECTION WITH DIRECT CLAIMS BY AN INDEMNIFIED PARTY (I.E., A CLAIM BY AN INDEMNIFIED PARTY THAT DOES NOT SEEK REIMBURSEMENT FOR A THIRD PARTY CLAIM PAID OR PAYABLE BY SUCH INDEMNIFIED PARTY) WITH RESPECT TO

THEIR INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT UNLESS ANY SUCH CLAIM ARISES OUT OF THE FRAUDULENT ACTIONS OF AN ASSET CONTRIBUTOR OR OXY CH SUB. IN DETERMINING THE AMOUNT OF ANY LOSS, LIABILITY, OR EXPENSE FOR WHICH AN INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT, THE GROSS AMOUNT THEREOF WILL BE REDUCED (BUT NOT BELOW ZERO) BY THE NET PRESENT VALUE OF ANY CORRELATIVE INSURANCE PROCEEDS ACTUALLY REALIZED BY SUCH INDEMNIFIED PARTY UNDER POLICIES TO THE EXTENT THAT THE FUTURE PREMIUM RATE WILL NOT BE INCREASED BY CLAIM EXPERIENCE RELATING TO SUCH LOSS, LIABILITY OR EXPENSE.

(c) Notwithstanding the provisions of Sections 6.2(a)(i) and 6.2(a)(iv), it is expressly agreed that no Asset Contributor or Oxy CH Sub shall be required to indemnify the Partnership for any Liability arising out of, in connection with or related to any HSE Claim to the extent that the condition, event, circumstance or other basis for the HSE Claim was exacerbated or accelerated by the Partnership. The Partnership shall not be deemed to have exacerbated a condition, event, circumstance or other basis for an HSE Claim by reason of the continuance thereof after the Closing (i) under circumstances where the Partnership does not know of its existence and has not breached any legal duty to have conducted an investigation or inquiry that would have uncovered the matter or (ii) under circumstances where the Partnership does know of its existence but is taking commercially reasonable actions to cure the matter or to otherwise achieve compliance in a commercially reasonable and prudent manner.

(d) Subject to the other provisions of this Section 6, the Partnership hereby indemnifies, to the fullest extent permitted by law each Asset Contributor, Oxy CH Sub and their Affiliates and their respective officers, directors and employees against and agrees to hold each of them harmless from any and all Liability incurred or suffered by such Person arising out of or relating to:

(i) Any misrepresentation in or breach of the representations and warranties of the Partnership or the failure of the Partnership to perform any of its covenants or obligations contained in this Agreement, the Assignment and Assumption Agreements, the Master Intellectual Property Agreement or the Master Transaction Agreement;

(ii) Assumed Liabilities; or

(iii) Any HSE Claim to the extent arising out of the Partnership's exacerbation or acceleration of such HSE Claim.

(e) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER THE PARTNERSHIP NOR ANY OF ITS AGENTS, EMPLOYEES, REPRESENTATIVES OR AFFILIATES SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES IN CONNECTION WITH DIRECT CLAIMS BY AN INDEMNIFIED PARTY (I.E., A CLAIM BY AN INDEMNIFIED PARTY THAT DOES NOT SEEK REIMBURSEMENT FOR A THIRD

PARTY CLAIM PAID OR PAYABLE BY SUCH INDEMNIFIED PARTY) WITH RESPECT TO THEIR INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT UNLESS ANY SUCH CLAIM ARISES OUT OF THE FRAUDULENT ACTIONS OF THE PARTNERSHIP. IN DETERMINING THE AMOUNT OF ANY LOSS, LIABILITY, OR EXPENSE FOR WHICH AN INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT, THE GROSS AMOUNT THEREOF WILL BE REDUCED (BUT NOT BELOW ZERO) BY THE NET PRESENT VALUE OF ANY CORRELATIVE INSURANCE PROCEEDS ACTUALLY REALIZED BY SUCH INDEMNIFIED PARTY UNDER POLICIES TO THE EXTENT THE FUTURE PREMIUM RATE WILL NOT BE INCREASED BY CLAIM EXPERIENCE RELATING TO SUCH LOSS, LIABILITY OR EXPENSE.

(f) The rights provided to each Indemnified Party pursuant to this Section 6, as limited by and subject to the provisions of this Section 6, shall be such Indemnified Party's sole remedy for breach of any representation or warranty by or covenant or obligation of any Indemnifying Party under this Agreement, the Assignment and Assumption Agreements, the Master Intellectual Property Agreement and the Master Transaction Agreement.

6.3 Procedures.

(a) Any Person seeking indemnification under Section 6.2 (the "Indemnified Party") agrees to give prompt written notice to the party against whom indemnity is sought (the "Indemnifying Party") of the assertion of any claim that does not involve a Third Party Claim, which notice shall describe in reasonable detail the nature of the claim, an estimate of the amount of damages attributable to such claim to the extent feasible and the basis of the Indemnified Party's request for indemnification under this Agreement. If the Indemnifying Party disputes such claim and such dispute is not resolved by the parties, such dispute shall be resolved in accordance with Section 7.9.

(b) If an Indemnified Party is notified of a Third Party Claim which may give rise to a claim for indemnification against any Indemnifying Party under this Section, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing (including copies of all papers served with respect to such Third Party Claim), which notice shall describe in reasonable detail the nature of the Third Party Claim, an estimate of the amount of damages attributable to the Third Party Claim to the extent feasible and the basis of the Indemnified Party's request for indemnification under this Agreement; provided that any failure to timely give such notice shall not relieve the Indemnifying Party of any of its obligations under this Section 6 except to the extent that such failure prejudices or impairs, in any material respect, any of the rights or obligations of the Indemnifying Party.

(c) Any Indemnifying Party may, and at the request of the Indemnified Party shall, participate in and control the defense of the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party. The Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless (i) the employment thereof has been specifically authorized in writing by the Indemnifying Party, (ii) the Indemnifying Party failed to

assume the defense and employ counsel or failed to diligently prosecute or settle the Third Party Claim or (iii) there shall exist or develop a conflict that would ethically prohibit counsel to the Indemnifying Party from representing the Indemnified Party. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim that the Indemnifying Party elects to contest, including, without limitation, by making any counterclaim against the person or entity asserting the Third Party Claim or any cross-complaint against any person or entity, in each case only if and to the extent that any such counterclaim or cross-complaint arises from the same actions or facts giving rise to the Third Party Claim. The Indemnifying Party shall be the sole judge of the acceptability of any compromise or settlement of any claim, litigation or proceeding in respect of which indemnity may be sought hereunder, provided that the Indemnifying Party will give the Indemnified Party reasonable prior written notice of any such proposed settlement or compromise and will not consent to the entry of any judgment or enter into any settlement with respect to any Third Party Claim without the prior written consent of the Indemnified Party, which shall not be unreasonably withheld. The Indemnifying Party (if the Indemnified Party is entitled to indemnification hereunder) shall reimburse the Indemnified Party for its reasonable out of pocket costs incurred with respect to such cooperation.

(d) If the Indemnifying Party fails to assume the defense of a Third Party Claim within a reasonable period after receipt of written notice pursuant to the first sentence of subparagraph (c), or if the Indemnifying Party assumes the defense of the Indemnified Party pursuant to subparagraph (c) but fails diligently to prosecute or settle the Third Party Claim, then the Indemnified Party shall have the right to defend, at the sole cost and expense of the Indemnifying Party (if the Indemnified Party is entitled to indemnification hereunder), the Third Party Claim by all appropriate proceedings, which proceedings shall be promptly and vigorously prosecuted by the Indemnified Party to a final conclusion or settled. The Indemnified Party shall have full control of such defense and proceedings; provided that the Indemnified Party shall not settle such Third Party Claim without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this Section, and the Indemnifying Party shall bear its own costs and expenses with respect to such participation.

(e) Notwithstanding the other provisions of this Section 6.3, if the Indemnifying Party disputes its potential liability to the Indemnified Party under this Section 6.3 and if such dispute is resolved in favor of the Indemnifying Party, the Indemnifying Party shall not be required to bear the costs and expenses of the Indemnified Party's defense pursuant to this Section 6.3 or of the Indemnifying Party's participation therein at the Indemnified Party's request, and the Indemnified Party shall reimburse the Indemnifying Party in full for all costs and expenses of the litigation concerning such dispute. If a dispute over potential liability is resolved in favor of the Indemnified Party, the Indemnifying Party shall reimburse the Indemnified Party in full for all costs of the litigation concerning such dispute.

(f) After it has been determined, by acknowledgment, agreement, or ruling of court of law, that an Indemnifying Party is liable to the Indemnified Party under this Section 6, the

Indemnifying Party shall pay or cause to be paid to the Indemnified Party the amount of the Liability within ten business days of receipt by the Indemnifying Party of a notice reasonably itemizing the amount of the Liability but only to the extent actually paid or suffered by the Indemnified Party.

(g) In the event a Third Party Claim is brought in which the liability as between the Partnership and any or all Contributors is alleged to be joint (it being agreed that any Third Party Claim related to a Pre-Closing Contingent Liability shall be deemed joint) or in which the entitlement to indemnification under this Section 6 has not been determined, the Partnership and the appropriate Contributors shall cooperate in the joint defense of such Third Party Claim and shall offer to each other such assistance as may reasonably be requested in order to ensure the proper and adequate defense of any such matter. Such joint defense shall be under the general management and supervision of the party which is expected to bear the greater share of the liability, unless otherwise agreed; provided, however, that neither party shall settle or compromise any such joint defense matter without the consent of the other, which consent shall not be unreasonably withheld or delayed. Any uninsured costs of such joint defense shall be borne as the parties may agree, provided, however, that in the absence of such agreement, the defense costs shall be borne by the party incurring such costs; provided, further, that, if it is determined that one party was entitled to indemnification under this Section 6, the other party shall reimburse the party entitled to indemnification for all of its costs incurred in connection with such defense.

6.4 Subrogation. In the event of any payment by an Indemnifying Party to an Indemnified Party in connection with any Liability, the Indemnifying Party shall be subrogated to and shall stand in the place of the Indemnified Party as to any events or circumstances in respect of which the Indemnified Party may have any right or claim against any third party relating to such event or indemnification. The Indemnified Party shall cooperate with the Indemnifying Party in any reasonable manner in prosecuting any subrogated claim.

6.5 Claims for HSE Work. Notwithstanding the other provisions of this Section 6, in the case of any assertion, claim or demand requiring the performance of investigatory, removal or remedial work with respect to environmental conditions, HSE Laws or Chemical Substances for which the Partnership may seek indemnification, the Partnership shall have the right to conduct and control such work provided (i) it uses its good faith, commercially reasonable efforts to achieve the Lowest Cost Response and (ii) it provides the Contributors with the opportunity to: (A) review and comment upon any work plans for any remedial action prior to finalization and implementation; (B) attend meetings with regulators concerning the remedial action; and (C) have a representative present during the performance of any remedial action.

6.6 EXTENT OF INDEMNIFICATION. WITHOUT LIMITING OR ENLARGING THE SCOPE OF THE INDEMNIFICATION, RELEASE AND ASSUMPTION OBLIGATIONS SET FORTH HEREIN, TO THE FULLEST EXTENT PERMITTED BY LAW, AN INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNIFICATION HEREUNDER IN ACCORDANCE WITH THE TERMS HEREOF, REGARDLESS OF WHETHER THE INDEMNIFIABLE LOSS GIVING RISE TO ANY SUCH INDEMNIFICATION OBLIGATION IS THE RESULT OF THE SOLE, GROSS, ACTIVE, PASSIVE, CONCURRENT OR

COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF ANY LAW OF OR BY ANY SUCH INDEMNIFIED PARTY. THE PARTIES AGREE THAT THIS STATEMENT CONSTITUTES A CONSPICUOUS LEGEND.

SECTION 7
MISCELLANEOUS

7.1 Construction. In construing this Agreement, the following principles shall be followed: (i) no consideration shall be given to the captions of the articles, sections, subsections or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in construction: (ii) no consideration shall be given to the fact or presumption that any of the parties had a greater or lesser hand in drafting this Agreement; (iii) examples shall not be construed to limit, expressly or by implication, the matter they illustrate; (iv) the word "includes" and its syntactic variants mean "includes, but is not limited to" and corresponding syntactic variant expressions; (v) the plural shall be deemed to include the singular, and vice versa; (vi) each gender shall be deemed to include the other gender; and (vii) each exhibit, appendix, attachment and schedule to this Agreement is a part of this Agreement.

7.2 Payment of Certain Expenses and Taxes.

(a) Subject to the further provisions of this Section 7.2, (i) each Contributor shall be responsible for all Taxes attributable to such Contributor's ownership or use of the Assets or operation of the Contributed Business prior to the Closing, (ii) Oxy CH Sub shall be responsible for all Taxes attributable to Oxy Petrochemical's ownership or use of the Assets or operation of the Contributed Business prior to the Closing, and (iii) the Partnership shall be responsible for all Taxes attributable to the Partnership's ownership or use of the Assets or operation of the Contributed Business after the Closing. Each Contributor and Oxy CH Sub shall be responsible for any liability of the Partnership pursuant to Texas Tax Code Section 111.020 (including interest, penalties and attorneys' fees in connection therewith) with respect to any amounts owed or owing by such Person under Title 2, Texas Tax Code.

(b) All sales, transfer, or other similar taxes incurred in connection with the transfer of the Assets shall be borne by the Partnership. The Partnership, each Contributor and Oxy CH Sub shall cooperate fully with each other after the Closing in connection with (i) the preparation and filing of any tax return, exemption certificate, or other filing in connection with such taxes, and (ii) any audit examination by any taxing Authority of the tax returns, exemption certificates, or other filings referred to above.

(c) All real property taxes, personal property taxes, ad valorem taxes, and other similar taxes (or payments in lieu of such taxes) assessed on any of the Assets (including Inventory) in the tax period in which the Closing Date occurs ("Property Taxes") shall be prorated between the Partnership and the Asset Contributors or Oxy CH Sub, as appropriate, as of the Closing.

(d) [RESERVED]

(e) The Partnership shall pay any title or recordation fees in connection with the transfer of the Assets. The Partnership shall also pay for any title insurance policies or surveys of the Fee Interests that are requested or ordered by the Partnership.

(f) After the Closing, either a Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) or the Partnership receiving each Property Tax bill or notice applicable to the Assets for the period in which the Closing Date occurred shall, if other than the Partnership, promptly notify the Partnership and shall pay each such tax bill prior to the last day such taxes may be paid without penalty or interest. If paid by a Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) the Partnership shall promptly on receipt of a written request (accompanied by appropriate supporting documentation) reimburse the paying party with respect to the share of the Partnership of such amount so paid as provided under this Agreement. If paid by the Partnership, the Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) shall promptly on receipt of a written request (accompanied by appropriate supporting documentation) reimburse the Partnership with respect to the share of the Contributor (or, in the case of Oxy Petrochemicals, Oxy CH Sub) of such amount so paid as provided under this Agreement. The Contributors and the Partnership shall cooperate fully with each other on and after Closing with respect to any Property Tax assessment or valuation (or protest in connection therewith) by any taxing Authority with respect to the tax period in which the Closing Date occurs.

(g) If any party receives a refund of any Taxes for which the other is liable or responsible under this Agreement, the party receiving such refund shall, within 30 days after the receipt of such refund, remit it to the party who is liable.

(h) Any Taxes, Property Taxes or other liabilities to be paid by a Contributor pursuant to this Section 7.2 that relate to the Assets or Contributed Business of Oxy Petrochemicals shall be paid by Oxy CH Sub.

(i) Notwithstanding any other provision of this Agreement, the obligations of the parties set forth in this Section 7.2 shall be unconditional and absolute and shall remain in effect until audit, assessment and collection of any such taxes are barred by the applicable statute of limitations.

7.3 Notices. All notices, requests, demands and other communications which are required or may be given under this Agreement shall unless otherwise provided for elsewhere in this Agreement, be in writing and shall be deemed to have been duly given if and when (i) transmitted by telecopier facsimile with proof of confirmation from the transmitting machine, or (ii) delivered by courier or other hand delivery, as follows:

(a) If to a Contributor or Oxy CH Sub:

c/o Occidental Petroleum Corporation
10889 Wilshire Blvd.
Los Angeles, CA 90004
Attention: President
Telecopy Number: (310) 443-6977

with a copy to:

c/o Occidental Petroleum Corporation
10889 Wilshire Blvd.
Los Angeles, CA 90004
Attention: General Counsel
Telecopy Number: (310) 443-6333

(b) If to the Partnership:

Equistar Chemicals, LP
1221 McKinney Street
Houston, Texas 77010
Attention: Gerald A. O'Brien
Telecopy Number: (713) 309-4718

or to such other address or telecopy number as either party shall have specified by notice in writing to the other party. All such notices, requests, demands and communications shall be deemed to be effective upon receipt.

7.4 [Reserved].

7.5 Binding Effect; Benefit. Subject to Section 7.7, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the parties hereto and their Affiliates or their respective permitted successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

7.6 Occasional and Bulk Sales. To the extent applicable, the Partnership and the Contributors each agree to waive, to the fullest extent permitted by law, compliance by the other with the provisions of the Bulk Sales Law of any jurisdiction.

7.7 Assignability. Neither this Agreement nor any of the rights or obligations hereunder shall be assignable (by operation of law or otherwise) by a Contributor without the prior written consent of the Partnership or shall be assignable (by operation of law or otherwise) by the Partnership

(except to a wholly-owned subsidiary thereof) without the prior written consent of each Contributor. Any assignment or purported assignment in violation of this Section shall be null and void.

7.8 Amendment; Waiver. This Agreement may be amended, supplemented or otherwise modified only by a written instrument executed by the parties hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. Subject to the agreements and obligations of the Partnership hereunder or under applicable Legal Requirements, no investigations by the Partnership heretofore or hereafter made shall affect the representations and warranties of a Contributor, and, except as otherwise provided in Section 6.1, such representations and warranties shall survive any such investigation. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

7.9 Dispute Resolution. All disputes under this Agreement shall be resolved in accordance with the Dispute Resolution Procedures set forth in Appendix A.

7.10 Severability. In the event that any provisions of this Agreement shall finally be determined to be unlawful, such provision shall, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to the Contributors or the Partnership, be deemed severed from this Agreement and every other provision of this Agreement shall remain in full force and effect.

7.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

7.12 APPLICABLE LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE EXCLUDING CONFLICTS OF LAW PRINCIPLES OF SUCH JURISDICTION EXCEPT TO THE EXTENT SUCH MATTERS ARE MANDATORILY SUBJECT TO THE LAWS OF ANOTHER JURISDICTION PURSUANT TO THE LAWS OF SUCH OTHER JURISDICTION.

7.13 JURISDICTION; CONSENT TO SERVICE OF PROCESS; WAIVER. ANY JUDICIAL PROCEEDING BROUGHT AGAINST ANY PARTY TO THIS AGREEMENT OR ANY DISPUTE UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY MATTER RELATED HERETO SHALL BE BROUGHT IN THE FEDERAL OR STATE COURTS OF THE STATE OF DELAWARE, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES TO THIS AGREEMENT ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT (AS FINALLY ADJUDICATED) RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT EXCEPT TO THE EXTENT THIS AGREEMENT RELATES TO THE CONVEYANCE OR ASSIGNMENT OF ANY INTEREST IN REAL ESTATE OR THE CREATION, PERFECTION, PRIORITY OR FORECLOSURE OF ANY LIEN ON ANY INTEREST IN REAL ESTATE IN WHICH CASE, SUCH COURTS

JURISDICTION SHALL BE NON-EXCLUSIVE. EACH OF THE PARTIES TO THIS AGREEMENT SHALL APPOINT THE CORPORATION TRUST COMPANY, THE PRENTICE-HALL CORPORATION SYSTEM, INC. OR A SIMILAR ENTITY (THE "AGENT") AS AGENT TO RECEIVE ON ITS BEHALF SERVICE OF PROCESS IN ANY PROCEEDING IN ANY SUCH COURT IN THE STATE OF DELAWARE BY ENTERING INTO AN AGREEMENT AS OF THE DATE OF THIS AGREEMENT WITH THE AGENT TO SUCH EFFECT. THE FOREGOING CONSENTS TO JURISDICTION AND APPOINTMENTS OF AGENT TO RECEIVE SERVICE OF PROCESS SHALL NOT CONSTITUTE GENERAL CONSENTS TO SERVICE OF PROCESS IN THE STATE OF DELAWARE FOR ANY PURPOSE EXCEPT AS PROVIDED ABOVE AND SHALL NOT BE DEEMED TO CONFER RIGHTS ON ANY PERSON OTHER THAN THE PARTIES HERETO. EACH PARTY HEREBY WAIVES ANY OBJECTION IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS.

7.14 WAIVER OF JURY TRIAL. THE PARTNERSHIP AND THE CONTRIBUTORS HEREBY KNOWINGLY AND INTENTIONALLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 8
DEFINITIONS

The terms used in this Agreement have the following definitions or are defined in the Sections referenced below:

"AAA" is defined in Appendix A.

"Accounts Receivable" constitute, as of the Closing Date and as further defined below, all uncollected accounts receivable that have been generated by, or are attributable to, the Contributors' operation prior to the Closing Date of the Contributed Business in the ordinary course and in all respects in a manner consistent with the provisions of Section 3.2 of the Master Transaction Agreement. Accounts Receivable shall not include any reserves or accruals.

"Affiliate" means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified; provided, however, that for purposes of this Agreement none of the Partnership, any Person controlled by it, Canadian Occidental Petroleum Ltd. or any Person controlled by it shall be considered an Affiliate of any Contributor. For purposes of this definition, the term "control" shall have the meaning set forth in 17 CFR 230.405 as in effect on the date hereof. With respect to the period from and after the date hereof, Oxy Petrochemicals shall not be considered an Affiliate of the Asset Contributors.

"Agreement" is defined in the first paragraph of this Agreement.

"Arbitrator" is defined in Appendix A.

"Asset Contributors" is defined in the fifth WHEREAS clause.

"Asset Transfer Effective Time" means 4:00 A.M., local time, where the respective Assets are located, on the Closing Date.

"Assets" means all of the assets, rights and properties being contributed, conveyed, assigned, transferred and delivered to the Partnership pursuant to Sections 1.2(a) and 2.1.

"Assignment and Assumption Agreements" means the Assignment of Lake Charles Lease, the Assignment of Leases, the Bill of Sale and Assignment, the Trademark License, the Patent Assignment, the Assumption of Partnership Interests, the Partnership Assumption Agreement, the Excluded Assets Assignment and the Oxy CH Sub Assumption Agreement.

"Assignment of Lake Charles Lease" is defined in Section 2.3(a).

"Assignment of Leases" is defined in Section 2.3(a).

"Assignment of Partnership Interests" is defined in Section 2.3(c).

"Associated Rights" means all right, title and interest of a Contributor and any Affiliate thereof, if any, in lands, or real property of others, used principally in the normal operation and conduct of the Contributed Business.

"Assumed Liabilities" is defined in Section 2.5(a).

"Authority" means any government or governmental or regulatory body thereof, or political subdivision thereof, whether federal (or any commonwealth, territory or possession thereof), state, local or foreign, or any agency, department or instrumentality thereof, or any court or arbitrator (public or private).

"Banked Vacation" is defined in Section 2.8(g).

"Basic Severance" is defined in Section 2.8(b).

"Cain Plan" is defined in Section 2.8(h).

"Capital Spares" means the inventory of spare parts used by a Contributor in the Contributed Business and owned by a Contributor as of the Closing Date.

"Carryover Vacation" is defined in Section 2.8(g).

"CERCLA" is defined in Section 3.16(b).

"Chemical Substance" means any (i) chemical substance, pollutant, contaminant, constituent, chemical, mixture, raw material, intermediate, product or byproduct that is regulated (including any requirement for the reporting of any Release thereof) under any HSE Law or defined or listed as an industrial, toxic, deleterious, harmful, radioactive, infectious, disease-causing or hazardous substance, material or waste under any HSE Law, and (ii) petroleum or any fraction thereof, asbestos or asbestos-containing material or polychlorinated biphenyls ("PCBs").

"Closing" is defined in Section 1.3(a).

"Closing Date" is defined in Section 1.3(a).

"Closing Date Balance Sheet" is defined in Section 5.4.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consent" means any consent, waiver, appraisal, authorization, exception, registration, license or declaration of or by any Person or any Authority, or any expiration or termination of any applicable waiting period under any Legal Requirement, required with respect to the Contributed Business or a Contributor or any Affiliate thereof in connection with (i) the execution and delivery of this Agreement or any of the Related Agreements or (ii) the consummation of the transactions contemplated hereby or thereby.

"Contracts" means contracts, maintenance and service agreements, purchase commitments for materials and other services, advertising and promotional agreements, leases, taxation agreements with any Authority, and other agreements.

"Contributed Contracts" means, other than Government Licenses, (i) all Contracts to which a Contributor or an Affiliate thereof is a party, whether or not entered into in the ordinary course of business, that relate principally to the normal operation and conduct of the Contributed Business, but in the case of any Contracts under which either such Asset Contributor or any Affiliate thereof retains rights with respect to its other businesses, only to the extent any such Contract relates to the operation of the Contributed Business and (ii) all agreements and instruments setting forth such Contributor's and any of its Affiliates' rights with respect to rights-of-way, privileges, riparian and other rights, appurtenances, licenses or franchises and in respect of intellectual property rights, in each case that constitute Assets described in clauses (a) through (e), of Section 2.1.

"Contributed Business" is defined in Schedule A.

"Contributed Intellectual Property" means all of the items referred to in Section 2.1(g) to the extent such item is not an Excluded Asset, together with the items referred to in clause (ii) of the definition of Unrecorded Assets.

"Contributed Subsidiaries" is defined in Section 2.1(k).

"Contributor(s)" is defined in the sixth WHEREAS clause.

"Contributors' 401(k) Plans" is defined in Section 2.8(g).

"Deeds" is defined in Section 2.3(a).

"De Minimis Claim" means any Third Party Claim for which the Liability associated therewith is less than $25,000.

"DGCL" is defined as the Delaware General Corporation Law, as amended.

"Dispute Notice" is defined in Appendix A.

"Disputing Party" is defined in Appendix A.

"DRULPA" is defined as the Delaware Revised Uniform Limited Partnership Act, as amended.

"Effective Time" is defined in Section 1.3(b).

"Employee Pension Benefit Plan" is defined in ERISA Section 3(2).

"Employee Plan" is defined in Section 3.4(a)(i).

"Employee Welfare Benefit Plan" is defined in ERISA Section 3.1.

"Employees" is defined in Section 2.8(a).

"Encumbrance" means any lien, charge, encumbrance, security interest, title defect, option or any other restriction or third party right.

"Environment" is defined in this Section 1 in the definition of "HSE Laws".

"Equipment" means all of the right, title and interest of a Contributor and any Affiliate thereof in and to the equipment, furniture, furnishings, fixtures, machinery, Capital Spares, vehicles, tools, computers and other tangible personal property used principally in the normal operation and conduct of the Contributed Business including without limitation the items listed on Schedule 2.1(d).

"ERISA" means the Employment Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Excluded Assets" is defined in Section 2.2.

"Excluded Assets Assignment" is defined in Section 1.7.

"Excluded Liabilities" is defined in Section 2.6.

"Expiration Date" shall mean the date that the term of the Operating Agreement shall expire or shall be terminated in accordance with the provisions thereof.

"Fee Interests" means all right, title and interest of a Contributor and any Affiliate thereof in the parcels of land described as fee property on Schedule 2.1(a), together with all buildings, structures, fixtures and other improvements situated thereon and all right, title and interest of such Contributor and any Affiliate thereof under easements, privileges, rights-of-way, riparian and other water rights, lands underlying any adjacent streets or roads, appurtenances and licenses to the extent pertaining to or accruing to the benefit of the land.

"GAAP" means United States generally accepted accounting principles, as in effect from time to time.

"Government Licenses" means all licenses, permits or franchises issued by any Authority relating to the operation, development, use, maintenance or occupancy of the Facilities or any other Asset or of the Contributed Business to extent that such licenses, permits or franchises relate principally to the normal operation and conduct of the Contributed Business.

"HSE Claim" means (i) any action, event, circumstance or responsibility (including any compliance action or requirement) that is necessary to comply with HSE Laws but only to the extent that any of the foregoing gives rise to out of pocket costs or expenses or results in a Liability that is required by GAAP to be reflected on the balance sheet of the applicable party or (ii) any third party (including private parties, Authorities and employees acting on each such party's own behalf or on the behalf of other third parties) action, lawsuit, claim, investigation or proceeding arising under HSE Laws.

"HSE Laws" means any Legal Requirements or rule of common law now in effect (including any amendments now in effect) and any current judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree, or judgment, relating to (i) any ambient air, surface water, drinking water, groundwater, land surface, subsurface strata, river sediment, natural resources or real property and the physical buildings, structures and fixtures thereon, including sewer, septic and waste treatment, storage or disposal systems (the "Environment"), including pollution, contamination, cleanup, preservation, protection and reclamation of the Environment; (ii) health or safety, including the exposure of employees and other Persons to any Chemical Substance; (iii) the Release or threatened Release of any Chemical Substance, noxious noise or odor, including investigation, study, assessment, testing, monitoring, containment, removal, remediation, response, cleanup and abatement of such Release or threatened Release; and (iv) the management of any Chemical Substance, including the manufacture, generation, formulation, processing, labeling, use, treatment, handling, storage, disposal, transportation, distribution, re-use, recycling or reclamation of any Chemical Substance.

"HSE Proceeding" is defined in Section 3.16(d).

"Indemnified Party" is defined in Section 6.3(a).

"Indemnifying Party" is defined in Section 6.3(a).

"Intellectual Property" means research material, technical information, marketing information, patent rights, patent licenses, pending patent applications, trade secrets, technical information, know-how, management information systems, technology, quality control data, specifications, designs, drawings, software, sales promotion literature and advertising materials.

"Inventory" means materials used by a Contributor in the Contributed Business and owned by a Contributor as of the Closing Date including raw materials, feed stocks, supplies, additives, pigments, process chemicals, packaging materials (to the extent the Partnership's use thereof would be consistent with Section 5.3), catalysts, work-in-process and finished goods that relate principally to the normal operation and conduct of the Contributed Business. Inventory shall include any FIFO or LIFO reserves, as well as any reserve for slow moving or obsolete items and for any volume or price adjustments.

"Knowledge" with respect to a Contributor means the actual knowledge of (i) any plant manager, (ii) any officer of such Contributor having responsibilities with respect to the Contributed Business, and (iii) any employee reporting directly to an officer described in clause (ii), in each case employed, as of the Closing Date, by such Contributor in connection with the Contributed Business.

"Lake Charles Facility" means the Plant Site, Plant and Pipeline (each as defined in the Lake Charles Lease).

"Lake Charles Lease" means that certain Lease dated May 15, 1998 between OCC and Occidental Chemical Sub with respect to the Lake Charles Leased Assets.

"Lake Charles Leased Assets" means all of the tangible assets and properties, real, personal or mixed, used or held for use in the contemplated operation and conduct of the Contributed Business at the Lake Charles Facility, excluding the Lake Charles Transferred Assets and any Excluded Assets listed in Schedule 2.2(h).

"Lake Charles Transferred Assets" means those Assets set forth in the schedule to Exhibit C.

"Leased Premises" means, generally, the premises described in the Leases and specifically, with respect to the Lake Charles Lease, the Lake Charles Leased Assets.

"Leaseholds" means all right, title and interest of a Contributor and any Affiliate thereof under the Leases, for the use and occupancy of the Leased Premises, together with all buildings, structures, fixtures and other improvements situated thereon and, all rights and interests of such Contributor and any Affiliate thereof under all easements, privileges, rights-of-way, riparian and other water rights, appurtenances and licenses pertaining to the Leases or accruing to the benefit of the tenant under the Leases.

"Leases" means the Lake Charles Lease and the leases and subleases, all amendments thereto and all agreements related thereto described on Schedule 2.1(b).

"Legal Requirement" means any law, statute, rule, ordinance, decree, requirement, regulation, order or judgment of any Authority, including the terms of any Government License.

"Liability" is defined in Section 6.2(a).

"Licensed Technology" means the technology licensed to the Partnership pursuant to the Master Intellectual Property Agreement.

"Licensed Trademarks" means the trademarks licensed to the Partnership pursuant to the Master Intellectual Property Agreement.

"Lowest Cost Response" means the response required or allowed under HSE Laws that addresses the Chemical Substances present at the lowest cost (considered as a whole taking into consideration any negative impact such response may have on the conduct of the Contributed Business and any potential additional costs or liabilities that may arise as a result of such response) as compared to any other response that is consistent with HSE Laws. Taking no action shall constitute the Lowest Cost Response if, after investigation, taking no action is determined to be consistent with HSE Laws. If taking no action is not consistent with HSE Laws, the least costly non-permanent remedy (such as mechanisms to contain or stabilize Chemical Substances, including caps, dikes, encapsulation, leachate collection systems, etc.) shall be the Lowest Cost Response, provided that such non-permanent remedy is consistent with HSE Laws and less costly than the least costly permanent remedy (such as the excavation and removal of soil).

"Master Intellectual Property Agreement" is defined in Section 2.7.

"Master Transaction Agreement" is defined in the second WHEREAS clause.

"Material Adverse Effect" means any adverse circumstance or consequence that, individually or in the aggregate, has an effect that is material to the financial condition, results of operations, assets or business of the Contributed Business or the Assets, taken as a whole.

"Merger" is defined in the sixth WHEREAS clause.

"Mirror Plan" is defined in Section 2.8(g).

"Non-Plant Employees" is defined in Section 2.8(b).

"Non-Union Employee" is defined in Section 2.8(g).

"OCC" is defined in Section 2.7.

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"Occidental" is defined in the first WHEREAS clause.

"Occidental Chemical Sub" is defined in the first paragraph of this Agreement.

"Occidental's Qualified Plan" is defined in Section 2.8(g).

"Operating Agreement" means that certain Operating Agreement, dated May 15, 1998, between OCC and the Partnership.

"Oxy CH" is defined in the first WHEREAS clause.

"Oxy CH Sub" is defined in the first paragraph of this Agreement.

"Oxy CH Sub Assumption Agreement" is defined in Section 1.8.

"Oxy Petrochemicals" is defined in the first paragraph of this Agreement.

"Oxy Petrochemicals Common Stock" is defined in Section 1.5(a).

"Partnership" is defined in the first paragraph of this Agreement.

"Partnership Benefit Plans" is defined in Section 2.8(g).

"Partnership Employees" is defined in Section 2.8(a).

"Partnership 401(k) plan is defined in Section 2.8(g).

"Partnership Governance Committee" shall have the meaning assigned to it in the Amended and Restated Agreement of Limited Partnership of the Partnership.

"Patent Assignment" is defined in Section 2.3(a).

"PCBs" is defined in this Section in the definition of "Chemical Substance".

"PDG Chemical" is defined in the first paragraph of this Agreement.

"PDG Plan" is defined in Section 2.8(h).

"PD Glycol" is defined in the fifth WHEREAS clause.

"Partnership Assumption Agreement" is defined in Section 2.5(b).

"Person" means any natural person or any corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization.

"Pipeline" means pipe and related equipment used primarily for the transportation of ethylene and propylene in connection with the Contributed Business, but excluding pipe and related equipment located within the property boundaries of facilities not part of the Contributed Business.

"Pre-Closing Contingent Liabilities" means all Liabilities of every kind and nature arising out of, in connection with or related to the ownership, operation or use prior to the Closing Date of the Assets or the Contributed Business other than the Liabilities referred to in Sections 2.5(a)(i), (ii), (iii), (vii) and (ix).

"Prepaid Expenses" means the balances in the prepaid accounts consistent with GAAP of a Contributor or its Affiliates, as of the Closing Date, that are associated with the Contributed Business and that will have value to the Partnership in owning and operating the Contributed Business after the Closing Date.

"PRA" is defined in Section 2.8(g).

"Property Tax" is defined in Section 7.2(c).

"PSA" is defined in Section 2.8(g).

"Related Agreements" means the Master Transaction Agreement, Tier 1 Related Agreements (other than this Agreement) and Tier 2 Related Agreements, as such terms are defined in the Master Transaction Agreement.

"Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, dumping, discharge, dispersal, leaching, escaping, emanation or migration of any Chemical Substance in, into or onto the Environment of any kind whatsoever, including the movement of any Chemical Substance through or in the Environment, exposure of any type in any workplace, any release as defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or any other HSE Law and any noxious noise or odor emission.

"SEC Reports" means (i) the 1996 Annual Report on Form 10-K and the Quarterly Reports on Form 10-Q for the first three quarters of 1997 of Occidental required to be filed with the Securities and Exchange Commission or (ii) if filed by Occidental on or prior to the date of this Agreement, its 1997 Annual Report on Form 10-K.

"Secretary of State" is defined in Section 1.3(b).

"Seven Year PCCL Claims" means Third Party Claims (other than any De Minimis Claim) related to Pre-Closing Contingent Liabilities that have been or are asserted within seven years after the Closing Date.

"SIP" is defined in Section 2.8(g).

"STIF" is defined in Section 2.8(h).

"Stores Inventory" means the inventory of spare parts, excluding Capital Spares, that are used by a Contributor or any Affiliate thereof in the Contributed Business and owned by such Contributor or any Affiliate thereof as of the Closing Date and that consist of items that generally can be used for several processes or types of equipment, including, but not limited to, such items as pumps, motors, pipe fittings, electrical wiring, instruments, nuts and bolts, unfabricated metals, safety items, small hand tools and other miscellaneous repair parts or supplies. Stores Inventory shall include any reserve for slow moving or obsolete materials and supplies, and for any inventory volume or price adjustments.

"Surviving Partnership" is defined in Section 1.1.

"Taxes" means all taxes, charges, fees, levies or other assessments imposed by any taxing Authority, including, but not limited to, income, gross receipts, excise, property, sales, use, transfer, payroll, license, ad valorem, value added, withholding, social security, national insurance (or other similar contributions or payments), franchise, severance and stamp taxes (including any interest, fines, penalties or additions attributable to, or imposed on or with respect to, any such taxes, charges, fees, levies or other assessments).

"Third Party Claim" means any allegation, claim, civil or criminal action, proceeding, charge or prosecution brought by a Person other than a Contributor, any Affiliate thereof, the Partnership, any member of the Millennium Group (as defined in the Master Transaction Agreement), any member of the Lyondell Group (as defined in the Master Transaction Agreement) or any member of the Occidental Group (as defined in the Master Transaction Agreement).

"Trade Accounts Payable" means, as of the Closing Date, all current trade accounts payable and current accrued expenses, including salaries and wages due to Partnership Employees that are generated by and result from the execution by the Contributors and their Affiliates of normal and customary payment and month-end closing processes prior to the Closing Date. Trade Accounts Payable includes unpaid invoices or accruals for services, materials, supplies, feedstocks and products received in the ordinary course of business prior to the Closing Date and which are attributable to the Contributed Business. Trade Accounts Payable shall not include any payments due to an Affiliate of the Contributors including any payments due for services, rent, overhead or similar items.

"Trademarks" means trade names, trademarks, trademark registrations or trademark applications, copyrights, copyright applications or copyright registrations or any derivative thereof or design used in connection therewith.

"Trademark License" is defined in Section 2.3(a).

"Transition Employees" is defined in Section 2.8(d).

"Unrecorded Assets" means all (i) right, title and interest in customer lists, customer credit information (to the extent neither a Contributor nor any Affiliate thereof is bound to any confidentiality obligation with respect thereto), customer payment histories and credit limits, vendor lists, catalogs, and (ii) right, title and interest in Intellectual Property to the extent used or contemplated for use principally in the normal operation and conduct of (or to the extent under development for use principally in the normal operation and conduct of) or the marketing or promotion of, the Contributed Business.

"WARN" is defined in Section 2.8(f).

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

OCCIDENTAL PETROCHEM PARTNER 1, INC.,
a Delaware corporation

By: /s/ John W. Morgan

Name: John W. Morgan
Title: Vice President

OCCIDENTAL PETROCHEM PARTNER 2, INC.,
a Delaware corporation

By: /s/ John W. Morgan

Name: John W. Morgan
Title: Vice President

OXY PETROCHEMICALS INC.,
a Delaware corporation

By: /s/ R. J. Schuh

Name: R. J. Schuh
Title: Executive Vice President

PDG CHEMICAL INC.,
a Delaware corporation

By: /s/ R.J. Schuh

Name: R.J. Schuh
Title: President

[Signature Page of Agreement and Plan of Merger and Asset Contribution]

EQUISTAR CHEMICALS, LP,
a Delaware limited partnership

By: /s/ Eugene R. Allspach

Name: Eugene R. Allspach
Title: President and Chief Operating Officer

[Signature Page of Agreement and Plan of Merger and Asset Contribution]

EXHIBIT 10.4

AMENDED AND RESTATED PARENT AGREEMENT

AMONG

OCCIDENTAL CHEMICAL CORPORATION,

OXY CH CORPORATION,

OCCIDENTAL PETROLEUM CORPORATION,

LYONDELL PETROCHEMICAL COMPANY,

MILLENNIUM CHEMICALS INC.

AND

EQUISTAR CHEMICALS, LP

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APPENDICES

Appendix A	List of Related Agreements
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AMENDED AND RESTATED PARENT AGREEMENT

This Amended and Restated Parent Agreement (this "Agreement") is made as of this 15th day of May, 1998 among Occidental Chemical Corporation, a New York corporation ("OCC"), Oxy CH Corporation, a California corporation ("Oxy CH"), Lyondell Petrochemical Company, a Delaware corporation ("Lyondell"), Millennium Chemicals Inc., a Delaware corporation ("Millennium"), Occidental Petroleum Corporation, a Delaware corporation ("OPC"), and Equistar Chemicals, LP, a Delaware limited partnership (the "Partnership," and together with OCC, Oxy CH, Lyondell, Millennium and OPC, the "Parties").

WHEREAS, except as provided in Section 3, OCC and Oxy CH, taken together and jointly and severally, are the "Occidental Parent" for purposes of this Agreement, and the Occidental Parent (except as provided in Section 3), Lyondell and Millennium are each a "Parent" for purposes of this Agreement.

WHEREAS, Lyondell Petrochemical G.P. Inc. ("Lyondell GP") and Lyondell Petrochemical L.P. Inc. ("Lyondell LP" and, together with Lyondell GP, the "Lyondell Partner Subs") are both Delaware corporations and direct or indirect wholly owned subsidiaries of Lyondell.

WHEREAS, Millennium Petrochemicals GP LLC ("Millennium GP") and Millennium Petrochemicals LP LLC ("Millennium LP" and, together with Millennium GP, the "Millennium Partner Subs") are both Delaware limited liability companies and direct or indirect wholly owned subsidiaries of Millennium.

WHEREAS, PDG Chemical Inc. ("Occidental GP") and Occidental Petrochem Partner 2, Inc. ("Occidental LP2") are both Delaware corporations and direct or indirect wholly owned subsidiaries of Oxy CH; Occidental Petrochem Partner 1, Inc. ("Occidental LP1" and, together with Occidental GP and Occidental LP2, the "Occidental Partner Subs") is a Delaware corporation and a wholly owned subsidiary of OCC; and Oxy CH and OCC are both direct or indirect wholly owned subsidiaries of OPC.

WHEREAS, for purposes of this Agreement, the Occidental Partner Subs are the Partner Subs of the Occidental Parent.

WHEREAS, pursuant to the terms of the Master Transaction Agreement dated as of July 25, 1997 between Lyondell and Millennium (the "Initial Master Transaction Agreement"), the Partnership was formed under the laws of the State of Delaware pursuant to the Limited Partnership Agreement dated October 10, 1997 (the "Old Partnership Agreement"), with Lyondell GP and Millennium GP as the general partners and Lyondell LP and Millennium LP as the limited partners of the Partnership.

WHEREAS, in connection with the closing of the transactions contemplated by the Initial Master Transaction Agreement, Lyondell and Millennium entered into the Parent Agreement with the Partnership dated as of December 1, 1997 (the "Initial Parent Agreement"), providing for, among

other things, certain guarantees of performance by their respective Affiliated Obligors (as defined therein) and for certain restrictions on the transfer of their respective Partner Sub Stock (as defined therein);

WHEREAS, the Partnership, OPC, Lyondell and Millennium entered into a Master Transaction Agreement dated May 15, 1998 (the "Second Master Transaction Agreement"), providing for, among other things, the admission of the Occidental Partner Subs as partners in the Partnership. The Occidental Partner Subs, together with any other Affiliate of the Occidental Parent that is a party to any of the Related Agreements (as defined herein), are referred to herein as the "Occidental Affiliated Obligors." The Lyondell Partner Subs, together with any other Affiliate of Lyondell that is a party to any of the Related Agreements, are referred to herein as the "Lyondell Affiliated Obligors." The Millennium Partner Subs, together with any other Affiliate of Millennium that is a party to any of the Related Agreements, are referred to herein as the "Millennium Affiliated Obligors." The Occidental Affiliated Obligors, the Lyondell Affiliated Obligors and the Millennium Affiliated Obligors, collectively or individually as the context may require, are referred to herein as the "Affiliated Obligors." The Occidental Partner Subs, the Lyondell Partner Subs and the Millennium Partner Subs, collectively or individually as the context may require, are referred to herein as the "Partner Subs."

WHEREAS, in connection with the closing of the transactions effected pursuant to the Initial Master Transaction Agreement and to be effected in connection with the closing of the Second Master Transaction Agreement, the Parents and certain of their respective Affiliates, have entered into or are entering into various agreements and other legal documents, including the Amended and Restated Limited Partnership Agreement of the Partnership dated as of the date of this Agreement (the "Partnership Agreement"), the Agreement and Plan of Merger and Asset Contribution dated as of the date of this Agreement (the "Occidental Contribution Agreement") among the Partnership, the Occidental Partner Subs and Oxy Petrochemicals Inc. ("OPI"), services agreements and other asset contribution agreements, as applicable (including this Agreement, the "Related Agreements"), each of which is integrally related to the capitalization or operations of the Partnership and is listed on Appendix A hereto. The Related Agreements (other than this Agreement) and any additional agreements that may from time to time be added to Appendix A hereto by agreement of the Parents, as they may in the future be amended, supplemented, restated or otherwise modified, are referred to herein as the "Other Agreements". The Other Agreements to be entered into in connection with the Second Master Transaction Agreement are herein called the "Additional Other Agreements".

WHEREAS, the Parties desire to amend and restate the Initial Parent Agreement in connection with the admission of the Occidental Partner Subs to the Partnership and the closing of the other transactions contemplated by the Second Master Transaction Agreement.

WHEREAS, this Agreement is essential to the consummation of the closing pursuant to the Second Master Transaction Agreement and the entering into and effectiveness of the Additional Other Agreements and each of the parties to such agreements is relying on this Agreement in connection with entering into each of the Additional Other Agreements.

WHEREAS, this Agreement provides for the continuation of obligations and restrictions set forth in the Initial Parent Agreement, which were essential to the consummation of the closing pursuant to the Initial Master Transaction Agreement and the entering into and effectiveness of the Other Agreements entered into in connection therewith.

WHEREAS, each Parent is willing, solely for the benefit of the Beneficiaries (as defined below in Section 1.11) and their successors and assigns, to guarantee the performance by its Affiliated Obligors of certain of the obligations of such Affiliated Obligors as set forth in this Agreement.

WHEREAS, each Parent is willing to subject the Partner Sub Stock (as defined herein) to certain restrictions on transfer, as set forth in this Agreement.

WHEREAS, OPC is willing to (i) indemnify the Partnership from certain potential liabilities that the Partnership would not otherwise be subject to but for the merger of OPI with and into the Partnership, and (ii) agree to certain other covenants in connection with the closing of the transactions contemplated by the Second Master Transaction Agreement.

NOW THEREFORE, in, consideration of the foregoing and the mutual promises and covenants of the Parties hereto, the Parties hereby agree as follows:

SECTION 1
GUARANTEE OF OBLIGATIONS

1.1 Guarantee. Each Parent hereby unconditionally, absolutely and irrevocably guarantees, undertakes and promises to cause, as herein provided, the due and punctual payment and the full and prompt performance by its Affiliated Obligors of all of the amounts to be paid and all of the terms and provisions to be performed or observed by or on the part of its Affiliated Obligors under the Other Agreements in accordance with the terms thereof (all such terms and provisions as now or hereafter in existence being collectively called the "Obligations") as follows: in the event that its Affiliated Obligors shall fail in any manner whatsoever to pay, perform or observe any of their Obligations, when and as the same shall be required to be paid, performed or observed under the terms of the Other Agreements, such Parent will itself duly and punctually pay, or fully and promptly perform or observe, as the case may be, such Obligations, or cause the same to be duly and punctually paid, or fully and promptly performed or observed, in each case as if such Parent were itself the obligor with respect to such Obligations under the Other Agreements. Insofar as this Section 1.1 relates to the obligations of an Affiliated Obligor under the Partnership Agreement, no Parent shall be required to make, or cause a Partner Sub to make, any contribution to the Partnership that such Partner Sub is not otherwise required to make pursuant to the terms of Section 2.3, 2.4, or 12.2(d)(ii) of the Partnership Agreement. Insofar as this Section 1.1 applies to Other Agreements

other than the Partnership Agreement, the term "Affiliated Obligors" will not include the Partnership nor any partner in the Partnership in its capacity as such. Notwithstanding the foregoing, this Section 1.1 shall not apply to Obligations that are within the scope of Section 1.2.

1.2 Guarantee Regarding Interested Owner Agreements. Each Parent acknowledges that the Partnership Agreement sets forth definitions of "Conflicted General Partner" and "Nonconflicted General Partner," and provides that the Nonconflicted General Partners (whether one or more) have certain exclusive rights to control the Partnership with respect to any Conflict Circumstance (as defined in the Partnership Agreement); and accordingly, without limiting the rights of its Partner Subs under Section 6.8 of the Partnership Agreement, and without prejudice to any rights, remedies or defenses the Partnership may have in respect of any such Other Agreement or Conflict Circumstance, each Parent hereby agrees to cause its Partner Subs (i) to cause the Partnership to pay, perform and observe all of the Obligations to be paid, performed or observed by or on the part of the Partnership under the Other Agreements, in accordance with the terms thereof, to the extent that such Partner Sub is a Nonconflicted General Partner and is thereby entitled to cause the payment, performance and observance of such Obligations and (ii) except to the extent inconsistent with its obligations under Section 1.2(i), to abide by its obligations as a Nonconflicted General Partner with respect to any Conflict Circumstance arising in connection with any Other Agreement in accordance with the terms of the Partnership Agreement applicable thereto; provided, however, that each Parent's responsibility under this Section 1.2 for a failure of the Partnership to pay, perform or observe its Obligations under the Other Agreements shall be limited to the circumstances in which the Partnership's failure to so pay, perform or observe its obligations under the Other Agreements was directly caused by an act or failure to act of its Partner Sub, provided, further, that nothing in this Section 1.2 shall require a Parent to make or cause such Partner Sub (i) to cure or mitigate any inability of the Partnership to make any payment or to perform or observe any Obligations under any Other Agreements, (ii) to cause the Partnership to require from the Partner Subs any cash contributions in respect of any payment, performance or observance involved in such Conflict Circumstance, or (iii) to make any contribution to the Partnership that such Partner Sub is not otherwise required to make pursuant to Section 2.3, 2.4, or 12.2(d)(ii) of the Partnership Agreement.

1.3 No Demand or Notice. It shall not be a condition to the guarantees and agreements set forth in Sections 1.1 and 1.2 above (together, the "Guarantee") that a Beneficiary shall have first made any request of or demand upon, or given any notice of the occurrence of a default under the Other Agreements or any other notice whatsoever to, any Parent or its Affiliated Obligors or any other Person, or shall have instituted any action or proceeding against any Affiliated Obligor or any other Person in respect thereof, or shall have joined any Affiliated Obligor or the Partnership in any such action or proceeding. A Beneficiary in asserting the benefit of the Guarantee shall give prompt notice to a Parent of any failure by its Affiliated Obligors or the Partnership to pay, perform or observe any Obligation; provided, however, that any failure, delay or defect in the giving of such notice shall not alter or affect the Guarantee under this Agreement.

1.4 Waiver of Resort to Security. Each Parent further agrees that this Agreement, insofar as it constitutes a guarantee of monetary Obligations, constitutes a guarantee of payment when due and not of collection, and each Parent waives any right to require as a condition to its Guarantee that any resort be had by a Beneficiary to any security held for the payment of any Obligations.

1.5 No Discharge. The Guarantee is and shall remain absolute and unconditional irrespective of any circumstance that might otherwise constitute a legal or equitable discharge of a surety or guarantor, as the case may be, with respect to its Guarantee.

1.6 Waivers by the Parent. Each Parent hereby waives, with respect to the Guarantee but without prejudice to the rights of the parties to the Other Agreements, any notice of acceptance of this Agreement, grace, presentment, demand, protest, notice of the occurrence of a default under the Other Agreements and any other notice of any kind whatsoever and promptness in making any claim or demand hereunder. The Guarantee shall not be affected by (i) the failure of a Beneficiary to assert any claim or demand or to enforce any right or remedy under the provisions of any of the Other Agreements or any agreement related thereto or otherwise, (ii) any extension or renewal of any of the Other Agreements or any agreement related thereto, (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of any of the Other Agreements or of any agreement related thereto, including, without limitation, any change in the time, manner or place of payment or performance of any of the obligations under the Other Agreements, or (iv) the release of any security held for payment of any Obligations.

1.7 No Reduction. The Guarantee shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, except as provided in Section 1.10.

1.8 Enforcement. Notwithstanding anything herein to the contrary, a Beneficiary may proceed to enforce the Guarantee without first pursuing or exhausting any right or remedy that it or any of its successors or assigns may have against any Affiliated Obligor or any Parent or any other person.

1.9 Continued Effectiveness. The Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation of an Affiliated Obligor is rescinded or must otherwise be restored or returned by the Person receiving such payment upon the insolvency, bankruptcy or reorganization of an Affiliated Obligor, all as though such payment or part thereof had not been made.

1.10 Certain Defenses. Nothing herein is intended to deny to any Parent, and it is expressly agreed that each Parent shall have and may assert, any and all of the defenses, set-offs, counterclaims and other rights (other than those relating to insolvency, bankruptcy or reorganization as described in Section 1.9) with regard to any Obligations that its Affiliated Obligors may possess except any defense its Affiliated Obligors may possess relating to lack of validity or enforceability of the Other Agreements or any other agreement or instrument relating thereto as against its Affiliated Obligors arising from the defective incorporation or other defective organization of its Affiliated Obligors, their lack of qualification to do business in any applicable jurisdiction or their defective corporate or other organizational authority to enter into, deliver or perform the Other Agreements.

1.11 Parties in Interest. Section 1 of this Agreement shall inure solely to the benefit of the Beneficiaries, each of whom has the right to enforce the Guarantee against the Parents, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. As used in this Agreement, "Beneficiaries" shall mean (i) as to any obligations of the Occidental Parent, except for its obligations pursuant to Section 1.1 hereof with respect to the Partnership Agreement, the Partnership, Lyondell, the Lyondell Affiliated Obligors, Millennium and the Millennium Affiliated Obligors, (ii) as to any obligations of Millennium, except for its obligations pursuant to Section 1.1 hereof with respect to the Partnership Agreement, the Partnership, the Occidental Parent, the Occidental Affiliated Obligors, Lyondell and the Lyondell Affiliated Obligors, (iii) as to any obligations of Lyondell, except for its obligations pursuant to Section 1.1 hereof with respect to the Partnership Agreement, the Partnership, the Occidental Parent, the Occidental Affiliated Obligors, Millennium and the Millennium Affiliated Obligors, and (iv) as to any obligations of any Parent pursuant to Section 1.1 hereof with respect to the Partnership Agreement, the other Parents. As used in this Agreement, the term Parent includes any successor or transferee of the Parent, and the term Affiliated Obligors includes any successor to or transferee of the Affiliated Obligors' interest in the Partnership permitted pursuant to the Partnership Agreement.

1.12 Parent Net Worth.

(a) Each Parent shall at all times maintain a GAAP Net Worth in an amount sufficient to satisfy its known and potential obligations under this Agreement.

(b) Each Parent agrees that, as of the end of each fiscal quarter, either (i) the excess of its GAAP Net Worth at such time over its Partnership Investment at such time or (ii) the excess of its Equity Market Capitalization at such time over its Adjusted Partnership Investment at such time, shall be at least $250 million.

(c) The term "GAAP Net Worth" means, for a Parent at any time, such Parent's consolidated stockholders equity, determined in accordance with generally accepted accounting principles ("GAAP"), as of the end of its most recent fiscal quarter. The term "Equity Market Capitalization" means, for a Parent at any time, (x) the aggregate market value of such Parent's outstanding publicly traded equity securities, as of the end of its most recent fiscal quarter (based on the average closing price for the most recent 20 trading days on the principal stock exchange on which such securities are traded) plus (y) the amount of stockholders equity, determined in accordance with GAAP, attributable at such time to any equity securities of such Parent that are not publicly traded. The term "Partnership Investment" means, for a Parent at any time, its investment in the Partnership, determined in accordance with GAAP as of the end of the most recent fiscal quarter. The term "Adjusted Partnership Investment" means, for a Parent at any time, (A) Lyondell's investment in the Partnership, determined in accordance with GAAP as of the end of the most recent fiscal quarter, multiplied by (B) a fraction the numerator of which is the aggregate Percentage Interest at such time of the Partner Subs owned by the Parent whose Partnership Investment is being determined and the denominator of which is the aggregate Percentage Interest at such time of the Partner Subs owned by Lyondell. The term "Percentage Interest" is used as defined in the Partnership Agreement.

(d) The provisions of Section 1.12(b) shall expire as to a Parent at such time after the seventh anniversary of the Closing Date at which no material Seven Year PCCL Claim (as defined in the Asset Contribution Agreement (as defined in the Partnership Agreement) applicable to such Parent, its Affiliated Obligors or, if applicable, its predecessor Parent or its Affiliated Obligors) is outstanding against such Parent, any of its Affiliated Obligors or, if applicable, its predecessor Parent or its Affiliated Obligors.

SECTION 2
OWNERSHIP AND BUSINESS OF PARTNER SUBS

2.1 Restrictions on Transfer and Pledge of Partner Sub Stock. (a) Each Parent agrees that except as otherwise provided below in this Section 2.1 or Section 2.2 or with the written consent of each of the other Parents, which consent may be granted or withheld in such Parent's sole discretion, it will not, in any transaction or series of transactions, directly or indirectly, (i) sell, assign or otherwise in any manner dispose of, whether by act, deed, merger or otherwise ("Transfer") or (ii) mortgage, pledge, encumber or create or suffer to exist any pledge, lien or encumbrance upon or security interest in ("Pledge"), all or any part of the capital stock (including any securities convertible into or exchangeable for or carrying any rights to purchase, subscribe for or otherwise acquire any such capital stock) of its Partner Subs (collectively, the "Partner Sub Stock"). (Each of the defined terms "Transfer"and "Pledge" is used herein both as a noun and as a verb.) Any attempt by a Parent to Transfer or Pledge all or a portion of its Partner Sub Stock in violation of this Agreement shall be void ab initio and shall not be effective to Transfer such Partner Sub Stock or any portion thereof. The Partnership Agreement contains provisions relating to the Transfer and Pledge of the Partner Subs' direct interests in the Partnership.

(b) Each Parent agrees that all certificates representing shares of Partner Sub Stock, whether currently owned or hereafter acquired, shall carry the following legend, which legend each Parent agrees to cause to be placed thereon and to cause to remain thereon as long as such shares are subject to the restrictions of this Agreement:

> THE SALE, ASSIGNMENT, PLEDGE OR OTHER TRANSFER OR HYPOTHECATION OF THE STOCK REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS PURSUANT TO AND MAY NOT BE EFFECTED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF AN AGREEMENT BINDING UPON THE OWNER OF THE STOCK REPRESENTED HEREBY. THE OWNER OR ISSUER WILL FURNISH A COPY OF SUCH AGREEMENT TO ANY PROPOSED TRANSFEREE OR PLEDGEE WITHOUT CHARGE UPON REQUEST.

(c) Without the need for the consent of any Person, any Parent may Transfer its Partner Sub Stock to any wholly-owned Affiliate of such Parent or of a common parent.

(d) Without the need for the consent of any Person, each Parent (other than OCC or Oxy CH) may Transfer all (but not less than all) of its Partner Sub Stock, if such Transfer is in connection with (i) a merger, consolidation, conversion or share exchange of such Parent or (ii) a sale or other

disposition of (x) the Partner Sub Stock plus (y) other assets representing at least fifty-percent (50%) of the book value of such Parent's assets excluding the Partner Sub Stock, as reflected on its most recent audited consolidated (or combined) financial statements; provided, however, that the Successor Parent, if any, (A) shall succeed to and be substituted for such Parent, with the same effect as if it had been named herein and (B) shall execute an instrument wherein such Successor Parent shall agree to be bound by the obligations of such Parent under this Agreement, with the same effect as if it had been named herein, whereupon, unless such Parent shall become a direct or indirect subsidiary of such Successor Parent, such Parent shall thereupon be released from all obligations under Sections 1, 2 and 4 of this Agreement.

(e) Without the need for the consent of any Person, OCC may Transfer all (but not less than all) of its Partner Sub Stock, if such Transfer is in connection with:

(i) a merger, consolidation, conversion or share exchange of OCC,

(ii) a sale or other disposition of (x) the Partner Sub Stock plus (y) other assets representing at least fifty percent (50%) of the book value of Oxy CH's assets excluding the Partner Sub Stock, as reflected on its most recently unaudited consolidated (or combined) financial statements, or

(iii) any Transfer permitted by Section 2.1(f);

and following the consummation of any such transaction, the Partner Sub Stock held directly or indirectly by OCC and Oxy CH on the date hereof shall be held by the same transferee or one or more transferees that are wholly-owned Affiliates of each other or of a common parent entity; provided, however, that the Successor Parent, if any, (A) shall succeed to and be substituted for OCC, with the same effect as if it had been named herein, and (B) shall execute an instrument wherein such Successor Parent shall agree to be bound by the obligations of OCC hereunder, with the same effect as if it had been named herein, whereupon, unless OCC shall become a direct or indirect subsidiary of such Successor Parent, OCC shall thereupon be released from all obligations under Sections 1, 2 and 4 of this Agreement.

(f) Without the need for the consent of any Person, Oxy CH may Transfer all (but not less than all) of its Partner Sub Stock, if such Transfer is in connection with:

(i) a merger, consolidation, conversion or share exchange of Oxy CH,

(ii) a sale or other disposition of (A) the Partner Sub Stock plus (B) other assets representing at least fifty percent (50%) of the book value of Oxy CH's assets excluding the Partner Sub Stock, as reflected on its most recently prepared unaudited consolidated (or combined) financial statements, or

(iii) any Transfer permitted by Section 2.1(e) or (g);

and following the consummation of any such transaction, the Partner Sub Stock held directly or indirectly by OCC and Oxy CH on the date hereof shall be held by the same transferee or one or more transferees that are wholly-owned Affiliates of each other or of a common parent entity; provided, however, that the Successor Parent, if any, (A) shall succeed to and

be substituted for Oxy CH, with the same effect as if it had been named herein, and (B) shall execute an instrument wherein such Successor Parent shall agree to be bound by the obligations of Oxy CH hereunder, with the same effect as if it had been named herein, whereupon, unless Oxy CH shall become a direct or indirect subsidiary of such Successor Parent, Oxy CH shall thereupon be released from all obligations under Sections 1, 2 and 4 of this Agreement.

(g) Nothing in this Agreement shall prevent or restrict the Transfer or Pledge of the capital stock, equity ownership interests or other securities of a Parent (or, in the case of the Occidental Parent, either of OCC or Oxy CH), and no such Transfer or Pledge of securities issued by a Parent (or, in the case of the Occidental Parent, either of OCC or Oxy CH) shall be deemed to constitute a Transfer or Pledge of Partner Sub Stock hereunder; provided that, (i) in the event of a Transfer in the form of a transaction described in clause (i) of Section 2.1(d), (e) or (f), the Successor Parent, if any, shall execute an instrument to the effect described in clause (B) of Section 2.1(d), (e) or (f), as applicable, and (ii) following the consummation of any such Transfer or Pledge of securities of a Parent, all the Partner Sub Stock of such Parent shall be held by the same transferee or one or more transferees that are wholly-owned Affiliates of each other or of a common parent entity or shall be Pledged to the same pledgee or pledgees.

(h) For purposes of this Section 2.1, the term "Successor Parent" shall mean the acquiring, succeeding or surviving entity in any transaction contemplated by Section 2.1 (d), (e) or (f) that owns the applicable Partner Sub Stock following such transaction, if other than a Parent.

(i) Each Parent may Pledge all (but not less than all) of its Partner Sub Stock to any one or more Approved Lenders; provided that the Pledge shall be evidenced by an instrument, reasonably satisfactory to the Partnership, wherein the Approved Lender receiving such Pledge shall agree that in the event such Approved Lender obtains a right of foreclosure on such Parent's Partner Sub Stock, such Approved Lender will foreclose on the Partner Sub Stock of each of such Parent's Partner Subs equally so that such Approved Lender will in all events hold equal portions of Partner Sub Stock of Occidental GP, Occidental LP1 and Occidental LP2, Lyondell GP and Lyondell LP or Millennium GP and Millennium LP, as the case may be. An "Approved Lender" shall be any bank, insurance company, investment bank or other financial institution that is regularly engaged in the business of making loans.

2.2 Right of First Option.

(a) Without the consent of each of the other Parents, no Parent may Transfer less than all of its Partner Sub Stock, and unless such Transfer is otherwise permitted by Section 2.1, no Parent may Transfer its Partner Sub Stock for consideration other than cash. Unless such Transfer is otherwise permitted by Section 2.1, any Parent (the "Selling Parent") desiring to Transfer all of its Partner Sub Stock to any person (including another Parent or any Affiliate thereof) shall give written notice (the "Initial Notice") to the Partnership and each of the other Parents (the "Offeree Parents") stating that the Selling Parent desires to Transfer its Partner Sub Stock and stating the cash

purchase price and all other terms on which it is willing to sell (the "Offer Terms"). Delivery of an Initial Notice shall constitute the irrevocable offer of the Selling Parent to sell its Partner Sub Stock to the Offeree Parents hereunder.

(b) Each Offeree Parent shall have the option, exercisable by delivering written notice (the "Acceptance Notice") of such exercise to the Selling Parent within 45 days of the date of the Initial Notice, to elect to purchase its pro rata share in the case of both of the limited partner and the general partner (based on the ratio of the number of Units held by its Partner Subs to the number of Units held by all of the Partner Subs of the Offeree Parents or on any other basis that shall be mutually agreed upon between the Offeree Parents delivering an Acceptance Notice) of all of the Partner Sub Stock of the Selling Parent on the Offer Terms described in the Initial Notice. If one Offeree Parent, but not the other, elects to so purchase, the Selling Parent shall give written notice thereof (the "Additional Notice") to the Offeree Parent electing to purchase and such Parent shall have the option, exercisable by delivery of an Acceptance Notice, of such exercise to the Selling Parent within 15 days of such notice, to purchase all of the Partner Sub Stock held by the Selling Parent, including the Partner Sub Stock it has not previously elected to purchase; provided, however, that any election by an Offeree Parent not to purchase all such Partner Sub Stock shall be deemed a rescission of such Offeree Parent's original Acceptance Notice and an election not to purchase any of the Partner Sub Stock of the Selling Parent. Each Acceptance Notice shall set a date for closing the purchase, such date to be not less than 30 nor more than 90 days after delivery of the Acceptance Notice; provided that such time period shall be subject to extension as reasonably necessary (up to a maximum of an additional 120 days after such 90 day period) in order to comply with any applicable filing and waiting period requirements under the Hart-Scott-Rodino Antitrust Improvements Act. The closing shall be held at the Partnership's offices. The purchase price for the Selling Parent's Partner Sub Stock shall be paid in cash delivered at the closing. The purchase shall be consummated by appropriate and customary documentation (including the giving of representations and warranties substantially similar to (i) in the case of Lyondell or Millennium, those set forth in Sections 2.1 through 2.4 of the Initial Master Transaction Agreement, and in the case of the Occidental Parent, those set forth in Section 2.2 of the Second Master Transaction Agreement, and (ii) customary representations and warranties regarding the Selling Parent's title to its Partner Sub Stock).

(c) If one or both of the Offeree Parents does not elect to purchase all of the Selling Parent's Partner Sub Stock within 45 days after the receipt of the Initial Notice or within 15 days after the receipt of the Additional Notice, if applicable, the Selling Parent shall have a further 180 days during which it may, subject to Sections 2.2(d) and (e), consummate the sale of its Partner Sub Stock to a third party purchaser at a purchase price and on such other terms that are no more favorable to such purchaser than the Offer Terms. If the sale is not completed within such further 180-day period, the Initial Notice shall be deemed to have expired and a new notice and offer shall be required before the Selling Parent may make any Transfer of its Partner Sub Stock.

(d) Before the Selling Parent may consummate a Transfer of its Partner Sub Stock to a third party in accordance with this Agreement, the Selling Parent shall demonstrate to the other two Parents that such proposed purchaser (or the Person willing to serve as its guarantor as contemplated by Section 2.2(e)) has outstanding indebtedness that is rated investment grade by either

Moody's Investor Services Inc. or Standard & Poor's Ltd, or if such proposed purchaser (or such other Person) has no rated indebtedness outstanding, such Person shall provide an opinion from one of such entities or from a nationally recognized investment banking firm that it could be reasonably expected to obtain such a rating.

(e) Notwithstanding the foregoing provisions of this Section 2.2, a Parent may Transfer its Partner Sub Stock (other than pursuant to Section 2.1) only if all of the following occur:

(i) The Transfer is accomplished in a non-public offering in compliance with, and exempt from, the registration and qualification requirements of all federal and state securities laws and regulations.

(ii) The Transfer does not cause a default under any material contract which has been approved unanimously by the Partnership Governance Committee (as defined in the Partnership Agreement) and to which the Partnership is a party or by which the Partnership or any of its properties is bound.

(iii) The transferee executes an appropriate agreement to be bound by this Agreement.

(iv) The transferor and/or transferee bears all reasonable costs incurred by the Partnership in connection with the Transfer.

(v) The transferee (or the guarantor of the obligations of the transferee) satisfies the criteria set forth in Section 2.2(d) and delivers an agreement to each of the other Parents and the Partnership substantially in the form of this Agreement.

(vi) The proposed transferor is not in default in the timely performance of any of its material obligations to the Partnership.

(vii) The provisions of Section 2.2(f) are satisfied.

(f) No Parent may Transfer the Partner Sub Stock of any of its Partner Subs to any Person unless such Parent simultaneously Transfers the Partner Sub Stock of its other Partner Sub or Partner Subs (if the Parent has more than one Partner Sub), to such Person or a wholly-owned Affiliate of such Person or of a common parent.

2.3 Prohibition on Affiliated Obligor Bankruptcy, Etc. Each Parent hereby agrees that it will not, without the written consent of each of the other Parents, permit any of its Affiliated Obligors (or their successors or assigns) (i) to commence a voluntary action under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or State bankruptcy, insolvency or other similar law, (ii) to institute a proceeding to be adjudicated a voluntary bankrupt, (iii) to consent to the filing of a bankruptcy proceeding against it, (iv) to fail to contest a bankruptcy proceeding against it, (v) to consent to the appointment of a receiver, custodian, liquidator or trustee for it or for all or any substantial portion of its property, (vi) in the case of its

Partner Subs, to issue or sell other than to such Parent any of its own Partner Sub Stock or (vii) to effect, recognize or permit any transfer of any of its own Partner Sub Stock other than in accordance with the provisions of Section 2 of this Agreement.

2.4 Special Purpose Subsidiaries. Each Parent agrees that (i) the business of its Partner Subs shall be restricted solely to the holding of the respective interests in the Partnership and the doing of things necessary or incidental in connection therewith, and (ii) it will cause its Partner Subs not to own any assets, incur any liabilities or engage, participate or invest in any business outside the scope of their businesses as described in clause (i); provided, however, that this Section 2.4 shall not apply with respect to any wholly-owned Affiliates to whom such Partner Subs shall transfer their respective interests in the Partnership if such wholly-owned Affiliates are not bound by Section 9.6 of the Partnership Agreement. Notwithstanding the foregoing provisions of this Section 2.4, this Section 2.4 shall not prohibit any Partner Sub from incurring debt payable to its Parent or an Affiliate as long as:

(i) such debt is not transferable (by contract or operation of law) to any Person other than Parent or an Affiliate of Parent;

(ii) no payment on such debt is permitted or required to be made if at the time of such payment such Partner Sub is in Default under (and as defined in) the Partnership Agreement or by making such payment such Partner Sub would not be able to perform its obligations under the Partnership Agreement.

Each Parent hereby agrees that it and its Affiliates shall not be entitled to, and that the Partner Sub shall not be required to make, any payments on any such debt payable by its Partner Sub if: (i) at the time of such payment such Partner Sub is in Default under the Partnership Agreement, (ii) by making such payment such Partner Sub would not be able to perform its obligations under the Partnership Agreement, or (iii) such Parent is in default of its obligations under Section 1.12 of this Agreement.

SECTION 3
STANDSTILL AGREEMENT AND CERTAIN OTHER MATTERS

3.1 Standstill. For purposes of this Section 3 only, the term "Parent" means and includes OPC, Oxy CH, OCC, Lyondell and Millennium. Each Parent agrees that with respect to each of the other Parents (each a "Subject Parent", provided that no Parent shall be a "Subject Parent" from and after the expiration of 24 months from the date on which such Parent and its Affiliates no longer hold an interest in the Partnership; and provided, further, that none of OPC, Oxy CH or OCC is a Subject Parent with respect to each other), neither it, nor any of its Affiliates shall, without prior written invitation or request of another Subject Parent: (i) in any manner acquire, agree to acquire or make any proposal to acquire, directly or indirectly, any securities, assets or property of such other Subject Parent, whether such agreement or proposal is made with or to such other Subject Parent or a third party; (ii) make any unsolicited proposal to enter into, directly or indirectly, any merger or other business combination involving such other Subject Parent; (iii) make, or in any way participate,

directly or indirectly, in any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Securities and Exchange Commission) to vote, or seek to advise or influence any person with respect to the voting of, any voting securities of such other Subject Parent; (iv) form, join or in any way participate in a "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934) with respect to any voting securities of such other Subject Parent; (v) otherwise act, alone or in concert with others, to seek to control the management, Board of Directors or policies of such other Subject Parent; (vi) disclose any intention, plan or arrangement inconsistent with the foregoing; or (vii) advise, encourage, provide assistance (including financial assistance) to or hold discussions with any other persons in connection with any of the foregoing. Each Parent also agrees during such period not to: (i) request that such other Subject Parent (or its respective directors, officers, employees or agents), directly or indirectly, amend or waive any provision of this Section 3.1 (including this sentence); or (ii) take any action which might reasonably be expected to require that such other Subject Parent to make a public announcement regarding the possibility of a business combination or merger.

3.2 Exceptions. Notwithstanding the provisions of Section 3.1:

(a) Any Parent may, by notice to another Parent, terminate the provisions of Section 3.1 (as applied to the relationship between such two Parents, but not as to their respective relationships with the third Parent) at any time within 30 days after the occurrence of any of the following events with respect to such other Parent: (i) a Change of Control (as defined below) of such other Parent shall have occurred, (ii) such other Parent shall have entered into a definitive agreement providing for, or publicly announced its intention to effect, any transaction involving a Change of Control of such other Parent or (iii) a tender offer or exchange offer shall have been commenced or publicly announced that, if consummated, would have the effect with respect to such other Parent described in clause (c) of the definition of "Change of Control." A "Change of Control" of a Parent shall mean the occurrence of any of the following events: (a) there shall be consummated any consolidation, merger or share exchange of such Parent (i) in which such Parent is not the continuing or surviving Person (other than a consolidation, merger or share exchange with a wholly owned subsidiary of such Parent in which all shares of common stock of such Parent outstanding immediately prior to the effectiveness thereof are changed into or exchanged for the same number of shares of common stock of such subsidiary) or (ii) pursuant to which the common stock of such Parent is converted into cash, securities or other property, other than, in each case, a consolidation, merger or share exchange of such Parent in which the holders of the common stock immediately prior to the consolidation, merger or share exchange hold, directly or indirectly, at least a majority of the voting power and common equity of the continuing or surviving Person immediately after such consolidation, merger or share exchange; (b) such Parent's properties and assets are sold or otherwise disposed of substantially as an entirety on a consolidated basis to any Person or group of Persons in any one transaction or a series of related transactions, other than as contemplated by the Initial Master Transaction Agreement or the Second Master Transaction Agreement; or (c) any Person or any Persons acting together which would constitute a "group" (as defined in Section 3.1) (other than such Parent, any subsidiary of such Parent, any employee stock purchase plan, stock option plan or other stock incentive plan or program, retirement plan or automatic dividend reinvestment plan or any substantially similar plan of such Parent or any subsidiary of such Parent or any Person holding securities of such Parent for or pursuant to the terms of any such employee benefit plan), together

with any Affiliates thereof, shall acquire beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of 50% or more of the voting stock of such Parent.

(b) The terms of the first sentence of Section 3.1 shall not be applicable to the purchase and sale of any securities of a Parent by independent third-party managers of any pension or other related employee benefit plans who are acting as passive investors in such Parent.

3.3 OPC Indemnity. OPC hereby agrees, to the fullest extent permitted by applicable law, to indemnify, defend and hold harmless the Partnership and its Affiliates and their respective officers, directors and employees from, against and in respect of any Liability (as defined in Section 6.2(a) of the Occidental Contribution Agreement) incurred or suffered by the Partnership or any of its Affiliates, arising out of, in connection with, or relating to:

(a) all income taxes, and all interest and penalties incurred with respect thereto, that are imposed on OPC or any member of its affiliated group; and

(b) any obligation arising under Title IV of ERISA (as defined in the Occidental Contribution Agreement) with respect to any Employee Plan (as defined in the Occidental Contribution Agreement) maintained by any Contributor (as defined in the Occidental Contribution Agreement) or any member of a controlled group (as defined in Section 414 of the Code (as defined in the Occidental Contribution Agreement)) with the Contributor, but excluding obligations arising under the Cain Plan (as defined in the Occidental Contribution Agreement) and obligations under the PDG Plan (as defined in the Occidental Contribution Agreement with respect to funding requirements arising after the Closing Date.

3.4 Mutual Indemnity.

(a) From the date hereof through the twenty-fifth anniversary hereof, each of OPC, Lyondell and Millennium (an "Indemnifying Party") hereby agrees, to the fullest extent permitted by applicable law, to indemnify, defend and hold harmless the Partnership, its partners, their Affiliates and their respective officers, directors, and employees (collectively, the "Indemnified Parties") from, against and in respect of any Liability incurred by any of the Indemnified Parties arising out of, in connection with, or relating to, any Third Party Claim (as defined in the Occidental Contribution Agreement) (whether in contract, tort, statute or otherwise) arising out of, in connection with, or relating to the failure of the Indemnifying Party or any of its Affiliates to give notice to, obtain any consent of, or obtain any waiver by, or any breach by the Indemnifying Party or any of its Affiliates of any obligation owing to, any Person (as defined in the Occidental Contribution Agreement), in each case with respect to such Indemnifying Party's or its Affiliates' entering into the Related Agreements or performing their respective obligations thereunder;

provided, however, that the following limitations shall apply to the indemnification obligations in Sections 3.3 and 3.4 above:

(b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, TO THE FULLEST EXTENT PERMITTED BY LAW, NO INDEMNIFYING PARTY OR ANY OF ITS AFFILIATES OR THEIR RESPECTIVE AGENTS, EMPLOYEES, OR REPRESENTATIVES SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT OR PUNITIVE DAMAGES IN CONNECTION WITH DIRECT CLAIMS BY AN INDEMNIFIED PARTY (I.E., A CLAIM BY AN INDEMNIFIED PARTY THAT DOES NOT SEEK REIMBURSEMENT FOR A THIRD PARTY CLAIM PAID OR PAYABLE BY THE INDEMNIFIED PARTY) WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT UNLESS ANY SUCH CLAIM ARISES OUT OF THE FRAUDULENT ACTIONS OF AN INDEMNIFYING PARTY OR ITS AFFILIATES. IN DETERMINING THE AMOUNT OF ANY LOSS, LIABILITY, OR EXPENSE FOR WHICH ANY INDEMNIFIED PARTY IS ENTITLED TO INDEMNIFICATION UNDER THIS AGREEMENT, THE GROSS AMOUNT THEREOF WILL BE REDUCED (BUT NOT BELOW ZERO) BY THE NET PRESENT VALUE OF ANY CORRELATIVE INSURANCE PROCEEDS ACTUALLY REALIZED BY THE INDEMNIFIED PARTY UNDER POLICIES TO THE EXTENT THAT THE FUTURE PREMIUM RATE WILL NOT BE INCREASED BY CLAIM EXPERIENCE RELATING TO SUCH LOSS, LIABILITY OR EXPENSE.

(c) Indemnification pursuant to Sections 3.3 and 3.4 shall be subject to the indemnification provisions set forth in Section 6.3 of the Occidental Contribution Agreement, as if the Indemnified Parties and Indemnifying Party were the "Indemnified Parties" and the "Indemnifying Party" thereunder.

(d) The rights provided to each Indemnified Party pursuant to Sections 3.3 and 3.4 of this Agreement and Section 14 of the Partnership Agreement, as limited by and subject to the provisions of this Section 3 shall be such Indemnified Party's sole remedy for any matter arising out of, relating to, or in connection with, the matters described in Section 3.3 and 3.4 of this Agreement and Section 14 of the Partnership and shall be without duplication of any rights provided to such Indemnified Party under the Master Transaction Agreement or any of the Related Agreements.

(e) EXTENT OF INDEMNIFICATION. WITHOUT LIMITING OR ENLARGING THE SCOPE OF THE INDEMNIFICATION OBLIGATIONS SET FORTH HEREIN, TO THE FULLEST EXTENT PERMITTED BY LAW, AN INDEMNIFIED PARTY SHALL BE ENTITLED TO INDEMNIFICATION HEREUNDER IN ACCORDANCE WITH THE TERMS HEREOF, REGARDLESS OF WHETHER THE INDEMNIFIABLE LOSS GIVING RISE TO ANY SUCH INDEMNIFICATION OBLIGATION IS THE RESULT OF THE SOLE, GROSS, ACTIVE, PASSIVE, CONCURRENT OR COMPARATIVE NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OR VIOLATION OF ANY LAW OF OR BY ANY SUCH INDEMNIFIED PARTY. THE PARTIES AGREE THAT THIS STATEMENT CONSTITUTES A CONSPICUOUS LEGEND.

SECTION 4
MISCELLANEOUS

4.1 No Waivers. No failure or delay by a Beneficiary or a Party in exercising any right or power under this Agreement, or any single or partial exercise of any such right or power, shall preclude any other or further exercise thereof or the exercise of any other right or power. Such single or partial exercise of any right or power shall be cumulative and not exclusive of any rights or remedies provided by law.

4.2 Expenses in Connection with Exercise. In the event of a dispute between Parties regarding the exercise or enforcement of any of the rights of a Beneficiary under this Agreement or the failure by a Party to perform or observe any of the provisions of this Agreement, the Party that does not ultimately prevail in such dispute shall be liable, and hereby agrees, to reimburse, on demand, each other such Party for any and all costs and expenses, including the fees and expenses of legal counsel and of any other counsel, experts, consultants or agents, that such other Party may incur in connection therewith.

4.3 Subordination and Subrogation. The rights of a Parent against its Affiliated Obligors arising from any payment or performance by a Parent hereunder shall be subordinate in all respects to the rights of the Beneficiaries against such Affiliated Obligors, and such Parent shall not compete in any way with a Beneficiary in any winding-up or dissolution of such Affiliated Obligors unless and until all sums due and to become due from such Affiliated Obligors to the Beneficiaries have been paid in full. If any amount shall be paid to a Parent in violation of this Section, such amount shall be held in trust for the benefit of the Beneficiaries and shall forthwith be paid to the Beneficiaries to be credited and applied to any sums owed or to be owed by such Parent's Affiliated Obligors. Subject to the foregoing, upon payment of all sums due or to become due by Affiliated Obligors to the Beneficiaries, the Parent of such Affiliated Obligors shall be subrogated to the rights of the Beneficiary against such Affiliated Obligors, and the Beneficiaries agree to take at such Parent's expense such steps as such Parent may reasonably request to implement such subrogation.

4.4 Confidentiality and Use of Information. (a) Each Parent agrees that it and its Affiliates shall be bound by the terms and conditions of Section 13.1 of the Partnership Agreement as if such Person was a "Partner" as defined in such agreement.

(b) Lyondell, Millennium and OPC shall consult with each other on an ongoing basis with respect to disclosures regarding the Partnership and its business and affairs that each is required to make in reports filed from time to time with the Securities and Exchange Commission.

(c) The letter agreement regarding confidentiality dated December 11, 1997 between Lyondell and OPC is hereby terminated.

4.5 Competing Businesses. If any Parent or an Affiliate thereof desires to initiate or pursue any opportunity to undertake, engage in, acquire or invest in a Business Opportunity (as such term is defined in the Partnership Agreement), such Person shall offer such Business Opportunity to the Partnership under the terms and conditions set forth in Sections 9.3(c) and (d) of the

Partnership Agreement as if such Person were the "Proposing Partner" (as defined in the Partnership Agreement) with respect thereto, and in such event the Partnership shall have the rights and obligations with respect thereto set forth in such Sections 9.3(c) and (d).

4.6 Further Assurances. From time to time, each Party agrees to execute and deliver such additional documents and provide such additional information and assistance as the Beneficiaries may reasonably require to carry out the terms of this Agreement.

4.7 Assignment; Successors and Assigns. (a) Except as provided in this Agreement and except that a Parent may assign its rights or obligations under this Agreement to a third party in connection with a transfer of direct interests in the Partnership owned by its Partner Subs if such transfer is permitted and consummated in accordance with the Partnership Agreement, no Parent may assign or delegate any of its rights or obligations under this Agreement without the prior written consent of all the Beneficiaries, which consent shall be in the sole and absolute discretion of such Beneficiaries. Any purported assignment or delegation without such consent shall be void and ineffective.

(b) Except as may be expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the successors of the Beneficiaries.

(c) Within six months after the date of this Agreement, Oxy CH and OCC shall be entitled to assign their respective rights and obligations under Section 1 to Occidental Chemical Holding Corporation, a California corporation and an indirect wholly owned subsidiary of OPC ("OCHC"), provided that OCHC executes an instrument wherein OCHC shall agree to be bound by the obligations of Oxy CH and OCC thereunder and under Section 4 in a form reasonably acceptable to the Partnership. Upon such execution, OCHC shall become the "Occidental Parent" for purposes of Section 1, and Oxy CH and OCC shall thereupon be released from all obligations under Section 1.

4.8 Benefits of Agreement Restricted to the Parties. This Agreement is made solely for the benefit of the Parties and, with respect to Sections 1 and 4 (excluding Sections 4.4 and 4.5), the Beneficiaries (as defined in Section 1.11), and no other Person shall have any right, claim or cause of action under or by virtue of this Agreement.

4.9 Notices. All notices, requests, demands and other communications (collectively, "notices") required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if and when (i) transmitted by telecopier facsimile with proof of confirmation from the transmitting machine or (ii) delivered by commercial courier or other hand delivery, as follows:

If to OPC

Occidental Petroleum Company
10889 Wilshire Blvd.
Los Angeles, CA 90024
Attention: President
Telecopy Number: (310) 443-6977

If to OCC, Oxy CH, the Occidental Partner Subs

c/o Occidental Petroleum Corporation
10889 Wilshire Blvd.
Los Angeles, CA 90024
Attention: President
Telecopy Number:(310) 443-6977

With a copy to

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: General Counsel
Telecopy Number: (310) 443-6333

With a copy to

Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024
Attention: General Counsel
Telecopy Number: (310) 443-6333

If to Lyondell

Lyondell Petrochemical Company
1221 McKinney Street
Houston, Texas 77010
Attention: Kerry A. Galvin
Telecopy Number: (713) 309-4718

If to the Lyondell Partner Subs

c/o Lyondell Petrochemical Company
1221 McKinney Street
Houston, Texas 77010
Attention: Kerry A. Galvin
Telecopy Number: (713) 309-4718

If to Millennium

Millennium Chemicals Inc.
99 Wood Avenue South
Iselin, New Jersey 08830
Attention: George H. Hempstead, III
Telecopy Number: (908) 603-6857

If to the Millennium Partner Subs

c/o Millennium Chemicals Inc.
99 Wood Avenue South
Iselin, New Jersey 08830
Attention: George H. Hempstead, III
Telecopy Number: (908) 603-6857

If to the Partnership

Equistar Chemicals, LP
1221 McKinney Street
Houston, Texas 77010
Attention: Gerald A. O'Brien
Telecopy Number: (713) 309-4718

or to such other address as such Party or Beneficiary shall have specified by notice to the other Parent.

4.10 Severability. In the event that any provisions of this Agreement shall finally be determined to be unlawful, such provision shall, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to any Party, be deemed severed from this Agreement and every other provision of this Agreement shall remain in full force and effect.

4.11 Termination. Except for Sections 3.1, 3.2 and 3.4 (which sections shall terminate only as provided therein), this Agreement shall terminate and be of no further force and effect as to a Parent (i) as and when provided in Section 2.1(d), (e) or (f) or (ii) if and when such Parent Transfers all of its Partner Sub Stock in a transaction permitted by Section 2.2; provided, however, that such termination shall not discharge (x) any accrued Obligations owed by a Parent as of the date of such termination or (y) any Obligations, whether arising before or after such termination, under such Parent's Asset Contribution Agreement (as such term is defined in the Partnership Agreement) or any Related Agreement executed pursuant to such Asset Contribution Agreement. In addition, the Guarantee by a Parent of Obligations of an Affiliated Obligor other than a Partner Sub shall terminate as and when the Parent ceases to be an Affiliate of such Affiliated Obligor, insofar as such Guarantee relates to Obligations arising thereafter. The obligations of OPC and the obligations of each of Lyondell and Millennium to OPC, in each case pursuant to Section 4.4(b), shall terminate and be of no further force and effect at such time as OPC is no longer required to make the disclosures referred to in Section 4.4(b) to the Securities and Exchange Commission.

4.12 Construction and Certain Definitions.

(a) In construing this Agreement, the following principles shall be followed: (i) no consideration shall be given to the captions of the articles, sections, subsections or clauses, which are inserted for convenience in locating the provisions of this Agreement and not as an aid in construction; (ii) no consideration shall be given to the fact or presumption that any Party had a greater or lesser hand in drafting this Agreement; (iii) examples shall not be construed to limit, expressly or by implication, the matter they illustrate; (iv) the word "includes" and its syntactic variants mean "includes, but is not limited to" and corresponding syntactic variant expressions; (v) the plural shall be deemed to include the singular, and vice versa; (vi) each gender shall be deemed to include the other gender; and (vii) each exhibit, attachment and schedule to this Agreement is a part of this Agreement.

(b) The term "Affiliate" shall mean any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified; provided, however, that, in the case of OPC and its Affiliates, for purposes of this Agreement, such term shall not include Canadian Occidental Petroleum Ltd. For purposes of this definition, the term "control" shall have the meaning set forth in 17 CFR230.405 as in effect on the date hereof.

(c) The term "Person" shall mean any natural person or any corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization.

4.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, and all of which when taken together shall constitute one and the same original document.

4.14 Governing Law. The laws of the State of Delaware shall govern the construction, interpretation and effect of this Agreement without giving effect to any conflicts of law principles.

4.15 Jurisdiction; Consent to Service of Process; Waiver. ANY JUDICIAL PROCEEDING BROUGHT AGAINST ANY PARTY TO THIS AGREEMENT OR ANY DISPUTE UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY MATTER RELATED HERETO SHALL BE BROUGHT IN THE FEDERAL OR STATE COURTS OF THE STATE OF DELAWARE, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES TO THIS AGREEMENT ACCEPTS THE EXCLUSIVE JURISDICTION OF SUCH COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT (AS FINALLY ADJUDICATED) RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH OF THE PARTIES TO THIS AGREEMENT SHALL APPOINT THE CORPORATION TRUST COMPANY, THE PRENTICE-HALL CORPORATION SYSTEM, INC. OR A SIMILAR ENTITY (THE "AGENT") AS AGENT TO RECEIVE ON ITS BEHALF SERVICE OF PROCESS IN ANY PROCEEDING IN ANY SUCH COURT IN THE STATE OF DELAWARE. THE FOREGOING CONSENTS TO JURISDICTION AND APPOINTMENTS OF AGENT TO RECEIVE SERVICE OF PROCESS SHALL NOT CONSTITUTE GENERAL CONSENTS TO SERVICE OF PROCESS IN THE STATE OF DELAWARE FOR ANY PURPOSE EXCEPT AS PROVIDED ABOVE AND SHALL NOT BE DEEMED TO CONFER RIGHTS ON ANY PERSON OTHER THAN THE PARTIES HERETO. EACH PARENT HEREBY WAIVES ANY OBJECTION IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON-CONVENIENS.

4.16 Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY AND INTENTIONALLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

4.17 Dispute Resolution. All disputes under this Agreement shall be resolved in accordance with the Dispute Resolution Procedures set forth in Appendix B.

4.18 Obligations Regarding Affiliates. Each Parent shall cause its Affiliates (including any person controlling such Parent) to comply with all provisions of this Agreement that apply to Affiliates of such Parent, and each Parent shall be responsible for any failure of any such Affiliate to comply with any such provision.

4.19 Amendment. All waivers, modifications, amendments or alterations of this Agreement shall require the execution of a written instrument signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have executed and delivered this Amended and Restated Parent Agreement as of the date first above written.

OCCIDENTAL CHEMICAL CORPORATION

By: /s/ R. J. Schuh

Name: R. J. Schuh
Title: Executive Vice President

OXY CH CORPORATION

By: /s/ Keith C. McDole

Name: Keith C. McDole
Title: Senior Vice President

OCCIDENTAL PETROLEUM CORPORATION

By: /s/ S.P. Dominick, Jr.

Name: S.P. Dominick, Jr.
Title: Vice President and Controller

[Signature Page to Amended and Restated Parent Agreement]

LYONDELL PETROCHEMICAL COMPANY

By: /s/ Dan F. Smith

Name: Dan F. Smith
Title: President and Chief Executive Officer

MILLENNIUM CHEMICALS INC.

By: /s/ George H. Hempstead, III

Name: George H. Hempstead, III
Title: Senior Vice President

EQUISTAR CHEMICALS, LP

By: /s/ Eugene R. Allspach

Name: Eugene R. Allspach
Title: President and Chief Operating Officer

[Signature Page to Amended and Restated Parent Agreement]

APPENDIX A
TO
PARENT AGREEMENT

LIST OF RELATED AGREEMENTS

1. Old Partnership Agreement.

2. $345 million promissory note dated December 1, 1997, of Lyondell LP payable to the Partnership.

3. Asset Contribution Agreement dated as of December 1, 1997, between Lyondell, Lyondell LP and the Partnership.

4. Asset Contribution Agreement dated as of December 1, 1997, between Millennium Petrochemicals, Millennium LP and the Partnership.

5. Bill of Sale and Assignment dated December 1, 1997 from Lyondell to the Partnership with respect to property specified on attached schedule.

6. Assignment of Trademarks dated November 25, 1997 from Lyondell to the Partnership with respect to certain O&P Trademarks as listed on attached schedule.

7. Assignment of Patents dated November 25, 1997 from Lyondell to the Partnership with respect to certain O&P Patents as listed on attached schedule.

8. Assumption Agreement dated December 1, 1997 between Lyondell as Assignor and the Partnership as Assignee pursuant to the Asset Contribution Agreement with respect to the assumption by Assignee of certain liabilities.

9. Master Intellectual Property Agreement dated December 1, 1997 by and between Lyondell and the Partnership.

10. Assignment dated December 1, 1997 between Lyondell as "Assignor" and the Partnership as "Assignee" with respect to the contribution by Assignor of LCR Agreements.

11. Assignment dated December 1, 1997 between Lyondell and the Partnership, of Ground Lease (LMC) with respect to certain real property specified therein.

12. Assignment dated December 1, 1997 between Lyondell and the Partnership, of Operating Agreement, Natural Gas Sales and Methanol Supply with respect to Lyondell Methanol Company.

13. Administrative Services Agreement (as amended or otherwise modified from time to time) effective as of December 1, 1997 between the Partnership and Lyondell with respect to the provision of services as described in Appendix A attached.

14. Letter Agreement dated December 1, 1997 between Lyondell and the Partnership with respect to the net payment by the Partnership to Lyondell for certain Administrative Services as described in Attachment 1 thereto.

15. Assignment dated November 25, 1997, but effective December 1, 1997, from Lyondell to the Partnership, of leases specified therein (Channelview, Texas Golf Courses).

16. Assignment dated November 25, 1997, but effective December 1, 1997, from Lyondell to the Partnership, of leases specified therein (Alvin, Texas).

17. Assignment dated November 25, 1997, but effective as of December 1, 1997, from Lyondell to the Partnership, of leases specified therein (Plano, Texas).

18. Assignment dated November 25, 1997, but effective as of December 1, 1997, from Lyondell to the Partnership, of leases specified therein (Chicago, Illinois - CALPERS Lease).

19. Assignment of Sublease dated November 25, 1997, but effective as of December 1, 1997, from Lyondell to the Partnership, of leases specified therein (Chicago, Illinois - MATRIX Partners Sublease).

20. Assignment dated November 25, 1997, but effective as of December 1, 1997, from Lyondell to the Partnership, of leases specified therein (Philadelphia, Pennsylvania).

21. Assignment dated November 25, 1997, but effective December 1, 1997, from Lyondell to the Partnership, of leases specified therein (Victoria, Texas).

22. Sublease Agreement dated November 25, 1997, but effective December 1, 1997, by and between Lyondell and the Partnership with respect to Office Lease Agreement dated December 31, 1985 and amended by 19 Amendments as described on Exhibit A as attached thereto (Administrative Office Space, OHC).

23. General Warranty Deed dated November 25, 1997, but effective as of December 1, 1997, from Lyondell to the Partnership with respect to certain real property specified therein (Channelview, Texas).

24. General Warranty Deed dated November 25, 1997, but effective as of December 1, 1997, from Lyondell to the Partnership, with respect to certain real property specified therein (Mount Belvieu, Texas).

25. General Warranty Deed dated, November 25, 1997, but effective December 1, 1997, from Lyondell to the Partnership with respect to certain real property specified therein (Bayport, Texas).

26. General Warranty Deed dated November 25, 1997, but effective December 1, 1997, from Lyondell to the Partnership with respect to certain real property specified therein (Matagorda, Texas).

27. Conveyance and Assignment of Easements, Rights of Way, and Licenses dated November 25, 1997, but effective as of December 1, 1997, from Lyondell to the Partnership with respect to certain real property specified therein (Pipeline Right of Way).

28. Bill of Sale and Assignment dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to the property set forth on Schedule A attached.

29. Assignment of Trademarks dated November 21, 1997 between Millennium Petrochemicals as Assignor and the Partnership as Assignee with respect to the transfer of O&P Trademarks as set forth in the schedule attached.

30. Assignment of Patents dated November 21, 1997 between Millennium Petrochemicals as Assignor and the Partnership as Assignee with respect to the transfer of O&P Patents as set forth in the schedule attached.

31. Assumption Agreement effective as of December 1, 1997 between Millennium Petrochemicals as Assignor and the Partnership as Assignee pursuant to the Asset Contribution Agreement with respect to the assumption by the assignee of certain liabilities.

32. Master Intellectual Property Agreement dated December 1, 1997 by and between Millennium Petrochemicals and the Partnership.

33. Shared Services Agreement for Wastewater effective as of December 1, 1997 by and between Millennium Petrochemicals and the Partnership.

34. Shared Services Agreement for the LaPorte Complex effective as of December 1, 1997 by and between Millennium Petrochemicals and the Partnership with respect to the services as specified therein and on the attachments and appendix.

35. Shared Services Agreement for Water and Utility Instrument Air effective as of December 1, 1997 by and between Millennium Petrochemicals and the Partnership with respect to the services as specified therein and on the attachments, exhibits and appendix.

36. Shared Services Agreement for the Northlake Office Complex effective as of December 1, 1997 by and between Millennium Petrochemicals and the Partnership with respect to services as specified therein and on attachments and appendix.

37. Agreement for Interim Study at the LaPorte Complex effective as of December 1, 1997 by and between Millennium Petrochemicals and the Partnership.

38. Fuel Stream Agreement effective as of December 1, 1997 by and between Millennium Petrochemicals and the Partnership.

39. Electricity Service Agreement effective as of December 1, 1997 by and between Millennium Petrochemicals and the Partnership.

40. Sales Agreement (Vinyl Acetate Monomer), effective December 1, 1997 between Millennium Petrochemicals as "Seller" and the Partnership as "Buyer".

41. Sales Agreement (Ethylene), effective December 1, 1997 between the Partnership as "Seller" and Millennium Petrochemicals as "Buyer".

42. Sales Agreement (Purified Hydrogen), between the Partnership as "Seller" and Millennium Petrochemicals as "Buyer" effective December 1, 1997.

43. Sales Agreement (Natural Gas), effective December 1, 1997 between the Partnership as "Seller" and Millennium Petrochemicals as "Buyer".

44. Letter Agreement dated December 1, 1997 between Millennium Petrochemicals and the Partnership regarding interim distribution logistics support.

45. Letter Agreement dated December 1, 1997 between Millennium Petrochemicals and the Partnership with respect to the net payment for various shared services.

46. Assignment of Railcar Lease dated December 3, 1997 by and between Millennium Petrochemicals Inc. as "Assignor" and the Partnership as "Assignee" (The Sumitomo Bank Leasing and Finance, Inc. Lease).

47. Assignment of Leasehold dated November 25, 1997 by and between Millennium Petrochemicals and the Partnership with respect to certain real property specified therein (Tuscola, Illinois).

48. Assignment of Leasehold dated December 1, 1997 by and between Millennium Petrochemicals and the Partnership with respect to certain real property specified therein (Fairport Harbor, Ohio).

49. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of lease specified therein (Clinton, Iowa).

50. Quit Claim Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Clinton, Iowa).

51. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of Credit Union Sublease (Clinton, Iowa).

52. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of Appurtenant Easements (Clinton, Iowa).

53. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of Dock Lease and Agreement (Clinton, Iowa).

54. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of Sub-lease Option to Purchase Agreement (Clinton, Iowa).

55. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of Cellular Telephone Sublease (Clinton, Iowa).

56. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of Farm Leases (Clinton, Iowa).

57. Assignment dated December 1, 1997 between Millennium Petrochemicals and the Partnership of Eastern Iowa Propane Lease (Clinton, Iowa).

58. Lease Agreement dated December 1, 1997 between Millennium Petrochemicals and the Partnership with respect to certain real property specified therein (Lease for Cincinnati Research Laboratory).

59. Warranty Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain Real Property specified therein (Clinton, Iowa).

60. General Warranty Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (LaPorte, Texas).

61. Letter agreement dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to Millennium Petrochemicals agreement to provide the Partnership an option on approximately 20+ acres of land (LaPorte Expansion Land).

62. Warranty Deed dated November 25, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Morris, Illinois).

63. General Warranty Deed dated November 25, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Port Arthur, Texas).

64. General Warranty Deed dated November 25, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Chocolate Bayou, Texas).

65. Warranty Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Tuscola, Illinois).

66. General Warranty Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Heath, Ohio)

67. General Warranty Deed dated November 25, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Crockett, Texas)

68. Deed dated November 24, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Newark, New Jersey).

69. Grant Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Anaheim, California).

70. Limited Warranty Deed dated December 1, 1997 from the Partnership to Millennium Petrochemicals with respect to certain real property specified therein (the Northlake Drive 0.1553 Acre Parcel Cincinnati-Research Center-Northlake, Ohio).

71. General Warranty Deed (Conveyance between Adjoining Lot Owners) dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Cincinnati-Research Center-Northlake, Ohio).

72. General Warranty Deed (Conveyance between Adjoining Lot Owners) dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein, the Northlake Drive 0.0987 Acre Parcel (Cincinnati-Research Center-Northlake, Ohio).

73. General Warranty Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein, the East Kemper Road and Northlake Drive 25.0864 Acre Parcel (Cincinnati-Research Center-Northlake).

74. Declaration of Easements and Restrictive Covenants dated December 1, 1997 by Millennium Petrochemicals and the Partnership with respect to certain real property specified therein (Cincinnati-Research Center-Northlake, Ohio).

75. Assignment and Assumption dated December 1, 1997 by and between Millennium Petrochemicals and the Partnership, of Service Agreement (Cincinnati-Research Center-Northlake, Ohio).

76. Letter Agreement dated November 20, 1997 from Millennium Petrochemicals to the Partnership with respect to Fiber-Optic Cable System, Northlake Drive Property, Cincinnati, Ohio (Cincinnati-Research Center-Northlake, Ohio).

77. Parking Agreement dated December 1, 1997 between Millennium Petrochemicals and the Partnership with respect to additional parking at the Northlake Facility (Cincinnati-Research Center-Northlake, Ohio).

78. General Warranty Deed dated December 1, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Fairport Harbor, Ohio).

79. Assignment of Easements dated November 25, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein (Chocolate Bayou, Texas).

80. Easement Agreement dated December 1, 1997 to Millennium Petrochemicals from the Partnership with respect to certain real property specified therein (LaPorte, Texas).

81. Easement Agreement dated December 1, 1997 to the Partnership from Millennium Petrochemicals with respect to certain real property specified therein (LaPorte, Texas).

82. Assignment (Mont Belvieu Pipeline Easements) dated November 25, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein.

83. General Warranty (Mont Belvieu Pipeline Fee Parcels) dated November 25, 1997 from Millennium Petrochemicals to the Partnership with respect to certain real property specified therein.

84. Partnership Agreement.

85. Agreement and Plan of Merger and Asset Contribution dated as of May 15, 1998, among Occidental GP, Occidental LP1, Occidental LP2, OPI and the Partnership.

86. Sales Agreement (Ethylene) dated as of May 15, 1998 by and between the Partnership and OCC with respect to the sale of Ethylene by the Partnership to OCC.

87. Operating Agreement dated as of May 15, 1998 by and between the Partnership and OCC with respect to OCC providing certain services to the Partnership after May 15, 1998.

88. Toll Processing Agreement dated May 15, 1998 between the Partnership and OCC with respect to Ashtabula EO/EG tolling.

89. Amended and Restated Indemnity Agreement among OCC, Occidental GP, Occidental LP1, Occidental LP2, Lyondell GP, Lyondell LP, Millennium GP, Millennium LP and Millennium America Inc.

90. Letter Agreement dated May 15, 1998 between OCC and the Partnership with respect to OCC providing a guarantee for the collection of $419,700,000 of Partnership debt.

91. Letter Agreement dated May 15, 1998 between OCC and the Partnership with respect to the prepayment or restructuring of the Occidental Assumed Debt.

92. Promissory Note for $419,700,000 dated May 15, 1998 of the Partnership payable to Occidental LP2.

93. Promissory Note for $75 million dated May 15, 1998 of the Partnership payable to Millennium LP.

94. Bill of Sale and Assignment dated May 15, 1998 from OCC to Occidental LP1 with respect to property specified on attached schedule.

95. Bill of Sale and Assignment dated May 15, 1998 from Occidental LP1 to the Partnership with respect to property specified on attached schedule.

96. Patent Assignment dated May 15, 1998 from OCC to the Partnership with respect to patents as listed on attached schedule.

97. Assumption Agreement dated May 15, 1998 between Occidental LP1, Occidental LP2 and Occidental GP, as Assignors, and the Partnership, as Assignee, pursuant to the Agreement and Plan of Merger and Asset Contribution with respect to the assumption by Assignee of certain liabilities.

98. Master Intellectual Property Agreement dated May 15, 1998 by and between the Partnership and OCC.

99. Assignment of Partnership Interests dated May 15, 1998 from Occidental GP to the Partnership with respect to interests in PD Glycol, a Texas limited partnership.

100. Assignment of Leases dated May 15, 1998 from OCC to the Occidental LP1 with respect to leases specified therein.

101. Assignment of Lease and Act of Exchange dated May 15, 1998 from Occidental LP1 to the Partnership with respect to the lease specified therein, together with such lease.

102. Assignment of Leases dated May 15, 1998 from Occidental LP1 to the Partnership with respect to leases specified therein.

103. Assumption Agreement dated May 15, 1998 between OPI as Assignor and the Partnership as Assignee with respect to Lease Intended for Security dated December 18, 1991 ($205 million).

104. Termination and Release of Guaranty dated May 15, 1998 between Lyondell and OCC with respect to the termination of Lyondell guaranty of certain Partnership railcar leases.

105. Sublease dated May 15, 1998 from OCC to the Partnership with respect to 1990 railcar lease.

106. Sublease dated May 15, 1998 from OPI to the Partnership with respect to 1995 railcar lease.

107. Tax Indemnity Agreement dated May 15, 1998 between OCC and the Partnership with respect to Sublease of 1990 railcar lease.

108. Tax Indemnity Agreement dated May 15, 1998 between OPI and the Partnership with respect to Sublease of 1998 railcar lease.

109. Master Arbitration Amendment to Related Agreements dated May 15, 1998 between the Partnership, Lyondell and Millennium.

110. First Amendment to Lyondell Asset Contribution Agreement dated May 15, 1998 between the Partnership, Lyondell and Lyondell LP.

111. First Amendment to Millennium Asset Contribution Agreement dated May 15, 1998 between the Partnership, Millennium Petrochemicals and Millennium LP.

112. Transition Services Agreement between the Partnership and OCC to be entered into pursuant to the Operating Agreement with respect to OCC providing certain services to the Partnership.

113. Pipeline Acquisition Agreement dated as of May 15, 1998 between OCC and the Partnership with respect to the Cyclohexane pipeline.

114. Trademark License Agreement dated as of May 15, 1998 among OCC, Occidental and the Partnership with respect to the trademarks as set forth on the schedule attached.

115. Assignment of Excluded Assets dated May 14, 1998 between OPI as Assignor and OCC as Assignee with respect to certain assets described therein.

116. Assumption Agreement dated May 14, 1998 between OPI as Assignor and OCC as Assignee with respect to certain liabilities described therein.

117. Termination Agreement and General Release dated May 15, 1998 among Occidental, OPI, Occidental LP2 and Occidental Holding Company with respect to certain intercompany debts.

118. Assumption Agreement dated May 15, 1998 between OPI as Assignor and Occidental LP2 as Assignee with respect to certain intercompany debts.

119. Assignment and Assumption Agreement dated May 15, 1998 between OCC as Assignor and the Partnership as Assignee with respect to Lease intended for security dated March 28, 1994 by and between OCC and Pitney Bowes Credit Corporation.

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120. Letter from Lyondell to OCC and the Partnership regarding PVC technology.

121. Agreement regarding provision by the Partnership of certain support facilities associated with the Lake Charles propylene fractionation unit to be entered into pursuant to the Operating Agreement.

APPENDIX B
TO
PARENT AGREEMENT

DISPUTE RESOLUTION PROCEDURES

(1) Binding and Exclusive Means. The dispute resolution provisions set forth in this Appendix B shall be the binding and exclusive means to resolve all disputes arising under this Agreement (each a "Dispute").

(2) Standards and Criteria. In resolving any Dispute, the standards and criteria for resolving such dispute shall, unless the Parties involved in the Dispute in their discretion jointly stipulate otherwise, be as set forth in Appendix 1 to this Appendix B.

(3) ADR and Binding Arbitration Procedures. If a Dispute arises, the following procedures shall be implemented (with references to "Parties" meaning the Parties involved in the Dispute):

(a) Any Party may at any time invoke the dispute resolution procedures set forth in this Appendix B as to any Dispute by providing written notice of such action to the other Parties, and all Parties within five Business Days after such notice shall schedule a meeting to be held in Houston, Texas between the Parties. The meeting shall occur within 10 Business Days after notice of the meeting is delivered to the other Parties. The meeting shall be attended by representatives of each Party having decision-making authority regarding the Dispute as well as the dispute resolution process and who shall attempt in a commercially reasonable manner to negotiate a resolution of the Dispute.

(b) The representatives of the Parties shall cooperate in a commercially reasonable manner and shall explore whether techniques such as mediation, minitrials, mock trials or other techniques of alternative dispute resolution might be useful. In the event that a technique of alternative dispute resolution is so agreed upon, a specific timetable and completion date for its implementation shall also be agreed upon. The representatives will continue to meet and discuss settlement until the date (the "Interim Decision Date") that is the earliest to occur of the following events: (i) an agreement shall be reached by the Parties resolving the Dispute; (ii) one of the Parties shall determine and notify the other Parties in writing that no agreement resolving the Dispute is likely to be reached; (iii) if a technique of alternative dispute resolution is agreed upon, the completion date therefor shall occur without the Parties having resolved the Dispute; or (iv) if another technique of alternative dispute resolution is not agreed upon, two full meeting days (or such other time period as may be agreed upon) shall expire without the Parties having resolved the Dispute.

(c) If, as of the Interim Decision Date, the Parties have not succeeded in negotiating a resolution of the dispute pursuant to subsection (b), the Parties shall proceed under subsections (d), (e) and (f).

(d) After satisfying the requirements above, such Dispute shall be submitted to mandatory and binding arbitration at the election of any Party involved in the Dispute (the "Disputing Party"). The arbitration shall be subject to the Federal Arbitration Act as supplemented by the conditions set forth in this Appendix B. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect on the date the notice of arbitration is served, other than as specifically modified herein. In the absence of an agreement to the contrary, the arbitration shall be held in Houston, Texas. The Arbitrator (as defined below) will allow reasonable discovery in the forms permitted by the Federal Rules of Civil Procedure, to the extent consistent with the purpose of the arbitration. During the pendency of the Dispute, each Party shall make available to the Arbitrator and the other Parties all books, records and other information within its control requested by the other Parties or the Arbitrator subject to the confidentiality provisions contained herein, and provided that no such access shall waive or preclude any objection to such production based on any privilege recognized by law. Recognizing the express desire of the Parties for an expeditious means of dispute resolution, the Arbitrator may limit the scope of discovery between the Parties as may be reasonable under the circumstances. In deciding the substance of the Parties' claims, the laws of the State of Delaware shall govern the construction, interpretation and effect of this Agreement (including this Appendix B) without giving effect to any conflict of law principles. The arbitration hearing shall be commenced promptly and conducted expeditiously, with each Party involved in the Dispute being allocated an equal amount of time for the presentation of its case. Unless otherwise agreed to by the Parties, the arbitration hearing shall be conducted on consecutive days. Time is of the essence in the arbitration proceeding, and the Arbitrator shall have the right and authority to issue monetary sanctions against any of the Parties if, upon a showing of good cause, that Party is unreasonably delaying the proceeding. To the fullest extent permitted by law, the arbitration proceedings and award shall be maintained in confidence by the Arbitrator and the Parties.

(e) The Disputing Party shall notify the American Arbitration Association ("AAA") and the other Parties in writing describing in reasonable detail the nature of the Dispute (the "Dispute Notice"). The arbitrator (the "Arbitrator") shall be selected within 15 days of the date of the Dispute Notice by all of the Parties from the members of a panel of arbitrators of the AAA or, if the AAA fails or refuses to provide a list of potential arbitrators, of the Center for Public Resources and shall be experienced in commercial arbitration. In the event that the Parties are unable to agree on the selection of the Arbitrator, the AAA shall select the Arbitrator, using the criteria set forth in this Appendix B, within 30 days of the date of the Dispute Notice. In the event that the Arbitrator is unable to serve, his or her replacement will be selected in the same manner as the Arbitrator to be replaced. The Arbitrator shall be neutral. The Arbitrator shall have the authority to assess the costs and expenses of the arbitration proceeding (including the arbitrators', and attorneys' fees and expenses) against any or all Parties.

(f) The Arbitrator shall decide all Disputes and all substantive and procedural issues related thereto, and shall enforce this Agreement in accordance with its terms. Without limiting the generality of the previous sentence, the Arbitrator shall have the authority to issue injunctive relief; however, the Arbitrator shall not have any power or authority to (i) award consequential, incidental, indirect or punitive damages or (ii) amend this Agreement. The Arbitrator shall render the arbitration award, in writing, within 20 days following the completion of the arbitration hearing, and

shall set forth the reasons for the award. In the event that the Arbitrator awards monetary damages in favor of any Party, the Arbitrator must certify in the award that no indirect, consequential, incidental, indirect or punitive damages are included in such award. If the Arbitrator's decision results in a monetary award, the interest to be granted on such award, if any, and the rate of such interest shall be determined by the Arbitrator in his or her discretion. The arbitration award shall be final and binding on the Parties, and judgment thereon may be entered in any court of competent jurisdiction, and may not be appealed except to the extent permitted by the Federal Arbitration Act.

(4) Continuation of Business. Notwithstanding the existence of any Dispute or the pendency of any procedures pursuant to this Appendix B, the Parties agree and undertake that all payments not in dispute shall continue to be made and all obligations not in dispute shall continue to be performed.

(a) First priority shall be given to maximizing the consistency of the resolution of the Dispute with the satisfaction of all express obligations of the Parties and their Affiliates as set forth in the Agreement.

(b) Second priority shall be given to resolution of the Dispute in a manner which best achieves the objectives of the business activities and arrangements under the Agreement and permits the Parties to realize the benefits intended to be afforded thereby.

(c) Third priority shall be given to such other matters, if any, as the Parties or the Arbitrator determine to be appropriate under the circumstances.