

**Debtors' Motion for an Order Pursuant to Section 363(b) of the Bankruptcy Code Approving Entry into an Exclusive Supplier Agreement with Abersham Commercial Services, Inc. and Related Supply Agreement with Ambiente Housing Midwest (the "Abersham Motion").**

By the Abersham Motion, the Debtors seek entry of an order approving Chemtura Corporation's ("Chemtura") entry into an exclusive supplier agreement (the "Abersham Agreement") with Abersham Commercial Services Inc. ("Abersham" and, together with Chemtura, the "Parties") and related supply agreement with Ambiente Housing Midwest ("Ambiente") to facilitate the development of new business activities.

In connection with the formulation of their business plan, the Debtors, together with certain non-Debtor affiliates (collectively, the "Company"), are developing new business activities within the Company's urethane business segment in order to expand the use of the Company's products into new markets. The Debtors assert that entry into the Abersham Agreement will help facilitate the development of these new business activities. Prior to the commencement of the Debtors' chapter 11 cases, Chemtura and Abersham worked together informally to develop urethane products that are compatible with Abersham's patented process for the construction of houses that rely on wall and roof panels (the "Composite Panels"). Presently, the Composite Panels are manufactured, assembled, sold, and distributed by Ambiente, pursuant to a license agreement with Abersham.<sup>1</sup>

Chemtura and Abersham's initial work has been promising, and the Parties have engaged in negotiations to enter into (i) the Abersham Agreement, pursuant to which Chemtura will be the exclusive supplier of certain urethane products for the Composite Panels and (ii) a supply agreement with Ambiente (the "Ambiente Supply Agreement"), whereby Chemtura will supply such urethane products to Ambiente as licensee of Abersham. The salient terms of the Abersham Agreement are as follows:

- Chemtura will be appointed the exclusive supplier of certain urethane products to Ambiente for a minimum quantity of 9 million pounds of such products over the term of the Abersham Agreement.<sup>2</sup>
- The Parties may at any time extend the Abersham Agreement for exclusive supply by Chemtura to Ambiente beyond the minimum quantity, and/or to other licensees of Abersham.

---

<sup>1</sup> Chemtura and Abersham intended at that time to create a future exclusive supplier relationship if the development initiative was successful. In furtherance with this objective, Chemtura, Abersham, and Ambiente entered into a Mutual Non-Analysis/Confidential Disclosure Agreement effective as of January 1, 2007. However, no further agreements have been executed.

<sup>2</sup> Chemtura estimates that the term of the Abersham Agreement and the Ambiente Supply Agreement will last three years based on a projected demand of 3 million pounds per year for the urethane material.

- Chemtura will execute the Ambiente Supply Agreement, which will include mutually acceptable terms and conditions including the following: (i) the price for the urethane products will be based on June 15, 2008 raw material prices; (ii) the payment terms will be net 30 days of Chemtura's invoice, and freight will be pre-paid and additive to the pricing term; and (iii) Chemtura anticipates supply of 3 million pounds per year and projects to have capacity available for up to 6 million pounds per year.
- Abersham agrees not to permit Ambiente to obtain the same products from another supplier or use any substitute products, and Abersham will take all actions necessary to ensure that Ambiente complies with the exclusivity requirement.

The Debtors assert that the Abersham Agreement and the related Ambiente Supply Agreement will facilitate the expansion of the Company's urethane business into new market niches and will set the stage for similar exclusive supply agreements with future licensees of Abersham. In addition, the Debtors estimate that the Abersham Agreement and the related Ambiente Supply Agreement will generate approximately \$21.1 million in revenues for Chemtura. In this regard, the Debtors believe that Chemtura's decision to enter into the Abersham Agreement and the related Ambiente Supply Agreement is well within its sound business judgment.

***A hearing on the Abersham Motion has been scheduled for July 28, 2009 at 9:45 a.m. (ET), with a corresponding objection deadline of July 23, 2009 at 4:00 p.m. (ET).***