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PHRT Assures Continued Operations Amid Contract Renegotiations

PHRT releases a statement to allay fears over the refinery's future, asserting that the plant closing notice is part of a larger negotiation process with potential investors

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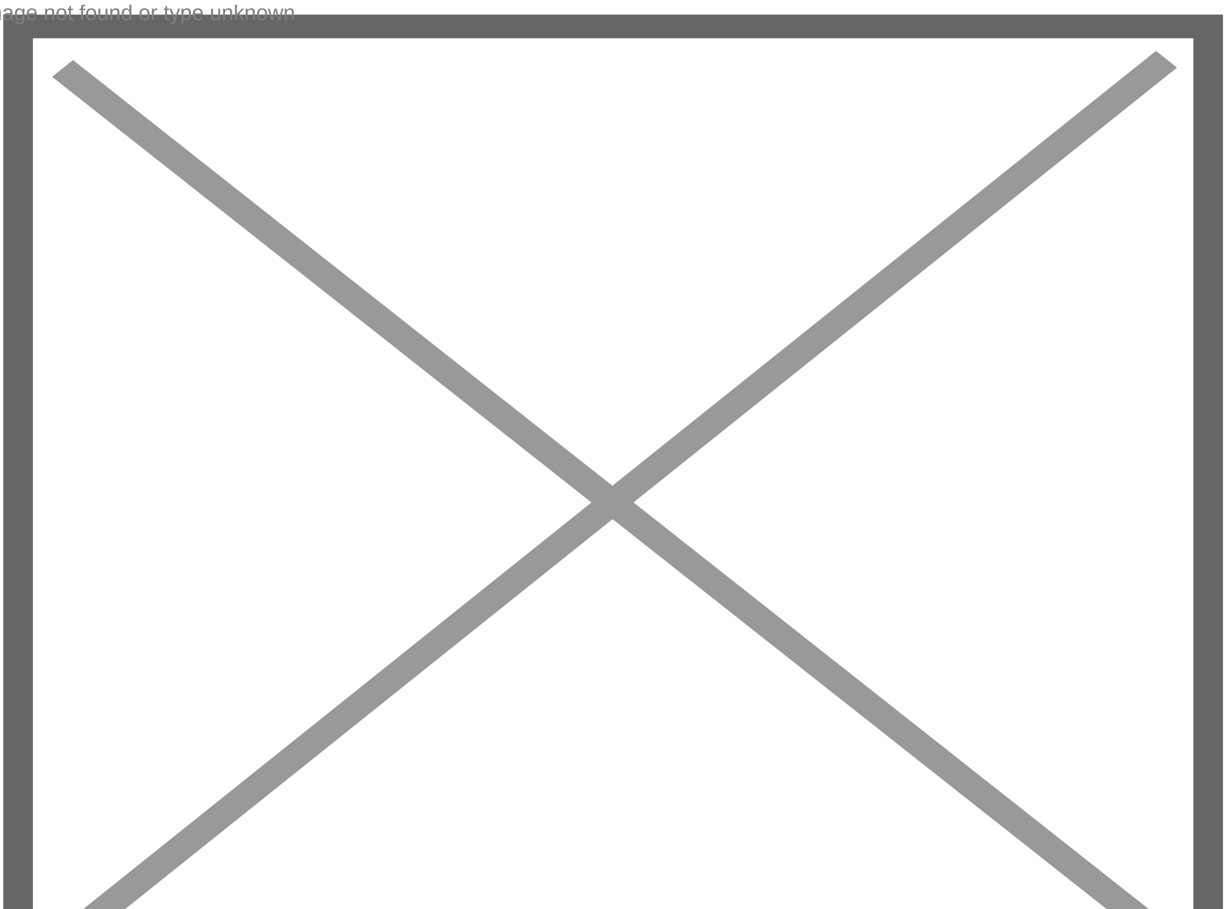

An aerial shot of the refinery and terminal on the south shore of St. Croix. **By. V.I. CONSORTIUM**

Port Hamilton Refining & Transportation LLLP (PHRT) has issued a statement in response to a "plant closing" notice given by Pinnacle Services to its employees contracted to work for PHRT.

The notice, which was obtained by the Consortium, indicated a potentially significant impact on employment and operations at the refinery. The Consortium reached out to PHRT over the weekend after obtaining the Pinnacle notice, and PHRT emphatically stated that the notice is part of a strategic negotiation process rather than a definite decision to close the plant.

The statement clarifies that PHRT is currently in negotiations with potential investors and lenders for the planned restart of the refinery. These negotiations involve potentially renegotiating existing contracts, including the one with Pinnacle Services.

PHRT said it gave Pinnacle a 90-day notice of intent to cancel the contract to comply with the Virgin Islands Plant Closing Act and to give Pinnacle time to meet its obligations in case the contract is not renegotiated. The company likens this situation to the process of renewing a homeowner’s insurance policy, where a 30-day notice of policy cancellation is given even while renewal negotiations are ongoing.

PHRT emphasized its intent to continue its relationship with Pinnacle Services and said it values the experience of Pinnacle’s employees at the refinery.

On Sunday, Pinnacle confirmed to the Consortium that on January 25, it received a notification from PHRT regarding the company's engagement in negotiations with potential investors for the refinery's restart. "As such the potential investors requested the flexibility, if necessary, to renegotiate Port Hamilton’s existing contracts, including the existing contract with Pinnacle," Pinnacle said in its statement.

Pinnacle confirmed the 90-day notice and said this step is part of PHRT's efforts to renegotiate contracts in line with the needs of potential investors for the refinery's restart.

"Port Hamilton gave this 90 day notice to Pinnacle to allow Pinnacle to meet its obligations under the Virgin Islands Plant Closing Act in the unlikely event that the contract is not renegotiated and the existing contract is terminated," Pinnacle said.