The Virgin Islands Consortium

HOVENSA Requests 2nd Extension As Sale Talks Continue

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As talks continue between the owners of the HOVENSA oil refinery and potential buyers, more time has been requested going into a the second week beyond deadline set by the Fourth Amendment Agreement between the V.I. Government and HOVENSA.

Attorney George Dudley, local counsel for HOVENSA, Hess Oil, PSVSA and Virgin Islands corp., said on Friday that because the sales process was still ongoing, his clients had requested more time from Governor John P. deJongh.

Originally set to end on August 15th, the Fourth Amendment Agreement between the Virgin Islands Government and HOVENSA was extended for 15 days, which expires today.

Government House hasn't released a statement on the matter, and it is not yet known what decision, if any, Governor deJongh has made.

January of 2012 started out with devastating news for St. Croix when HOVENSA announced that it would stop refining oil and planned to operate only as an oil terminal. The news sent shock waves throughout the territory as over 2,000 employees were made redundant.

The decision led to talks between refinery owners and the Government of the Virgin Islands, and after a lengthy deliberation process which lasted over a year, the Fourth Amendment Agreement was born.

The agreement had HOVENSA agreeing to a sales process for the refinery with aid from an established investment banking firm. As part of the deal, the Government of the Virgin Islands would allow HOVENSA to operate in the interim as an oil storage terminal.