

The Virgin Islands Consortium

Delaware Judge Could Clear HOVENSA Sale To ArcLight By Monday

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ST. CROIX -- Governor Kenneth Mapp may not be deposed before U.S. Bankruptcy Judge Mary Walrath on Dec. 17 in Delaware, as a source with direct involvement in the proceedings, who requested anonymity to speak freely, has made known to The Consortium that HESS made available more money to the Official Committee of Unsecured Creditors in HOVENSA's Chapter 11 case, in an effort to move the sale forward. Above, HOVENSA, located on the south shore of this island.

The creditors had raised an objection in court on November 19 against the sale of the shuttered refinery to ArcLight Partners, LLC, which offered \$190 million for the facility. With their withdrawal, the protracted process of finding a buyer for HOVENSA is one step

closer to completion, although the agreement, which Governor Kenneth Mapp said would be announced this week, will have to face Senate ratification.

The Virgin Islands Daily News also reported on the matter, stating that a filing suggesting that the creditors' objection to ArcLight as the winning bidder be withdrawn was submitted to the Delaware court. A resolution could come as early as Monday, as it's the last chance a hearing could be scheduled before December 17, because the judge said she was heading to Antarctica on Tuesday for two weeks.

If the bankruptcy court judge gives clearance to the main players involved in the deal -- the Government of the Virgin Islands, HESS and PDVSA -- Buckeye, the other company involved in the bidding process, which offered \$345 million for the facility, would no longer have a chance at ownership, bar Senate intervention. And Monarch Energy Partners, a company that failed to join the bidding process because it did not follow bidding rules, but was given a chance to be heard -- and hence an opportunity to provide -- substantiated information at the Dec. 17 hearing in regards to its ability to purchase the refinery, would see the conclusion of its own prolonged effort.

The current deal with the three parties, according to Mr. Mapp, will make Virgin Islanders "proud" of their government's ability to negotiate a package that will see the territory benefiting on multiple fronts. "The days of eating crumbs are behind us," Mr. Mapp declared last Tuesday while speaking during a conference on pesticides at the Charles W. Turnbull Regional Library in St. Thomas. He also said on talk radio's Liston Davis, whose show is hosted on AM 1000 in St. Thomas, that ArcLight provided the best offer.

"ArcLight is the government's choice of who we believe [have] the best interest of the territory," he said. "For our future, for jobs, for revenues, for asset transfer, for, really, work."

In regards to claims of collusion, Mr. Mapp said he was willing to be deposed by the judge, and had asked his team to fully cooperate with the process.

"I'm not only willing to be deposed, I have said to everyone in private — meaning attorneys, consultants and government officials who are part of the transaction team — to make every document and email that have been subpoenaed available, and I have made myself available to even appear at the hearing December 17 in Wilmington, Delaware for the court to ask me whatever question they wish to ask me," said the governor last week.

He will most likely not face the judge, who said at the last hearing that she was not against the parties -- HESS, GVI, PDVSA and the creditors -- coming together to settle their differences.