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Future of Limetree Bay Refining in Question as BP Mulls Pulling out of Deal, Says Reuters Report

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Ernice Gilbert **October 16, 2020**

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ST. CROIX — The future of Limetree Bay Refining could come into question as the facility's largest supplier of oil, BP, has said it could pull out of the agreement if Limetree fails to start refining by December, according to a Reuters report which cited two people familiar with the matter.

BP, as part of its decision to invest, had anticipated that production would start in late 2019, according to Reuters. Locally, the target was known to be late 2019 to early 2020. BP's current agreement sees the oil giant supplying crude oil to Limetree Bay to be refined at the south shore facility.

Limetree Bay Ventures, which owns the refinery, has spent roughly \$2.7 billion in restoration efforts. The initial bet was to take advantage of the rise in demand for low-sulfur fuels with markets in the Caribbean and Latin America as the targets. Limetree Bay's goal was to refine up to 210,000 barrels daily, but those plans were shattered by the coronavirus pandemic.

"In recent weeks, Limetree experienced problems trying to restart the crude unit, according to one of the people familiar with the matter. That followed a series of delays due to corrosion uncovered during renovations," reads [the Reuters story](#). "With the problems the refinery is having, it is less attractive for BP to remain invested, according to sources familiar with the plant. The oil major is in the midst of a global overhaul of its operations, with plans to boost renewable investments and cut fossil fuel development, which also now makes this investment less attractive."

Reuters said a BP-booked vessel from Guyana loaded with crude oil has been moored outside Limetree Bay since August.

If BP pulls out, the decision could threaten the very existence of Limetree Bay. A negative scenario would also be detrimental to St. Croix, whose economy was ravaged when Hovensa shuttered in 2012, leaving thousands without jobs and prompting the migration of a large swath of the island's working class.