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Limetree Bay Files for Chapter 11 Bankruptcy; Company Pursuing Sale of Assets

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Limetree Bay

ST. CROIX — Limetree Bay Refining, LLC and several of its affiliates announced Monday night that Limetree has filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas.

Limetree Bay said it intends to use the Chapter 11 process to engage in discussions with its lenders, creditors, equity owners and others to evaluate options to maximize the value of the estate and recoveries for stakeholders, including exploring a potential sale of its assets.

The company said it has received commitments for up to \$25 million in new debtor-in-possession financing that, upon court approval, is expected to provide sufficient liquidity to meet ongoing

business obligations related to the maintenance of the refinery during the Chapter 11 process.

The Chapter 11 filing was necessitated in part by the recent temporary suspension of Limetree Bay's petroleum refining and processing operations on May 12, 2021 and the indefinite suspension of its plans to restart the refinery due to severe regulatory and financial constraints, Limetree Bay said. Given the uncertainty related to the restart of production and commercial sales of refined products, the Company believes filing voluntary petitions under Chapter 11 is the most prudent course of action. It is expected that management will continue to be responsible for handling the care and maintenance of the refinery and all other necessary day-to-day operations throughout this process, according to Limetree Bay.

"We are extremely grateful to our investors, employees and business partners for standing by us through the restart process and these uncertain times," said Limetree Bay CEO Jeff Rinker. "Severe financial and regulatory constraints have left us no choice but to pursue this path, after careful consideration of all alternatives. The Chapter 11 process provides Limetree with the clearest path to maximize the value of our estate for our stakeholders while safely preparing the refinery for an extended shutdown."

The parent of the company expects to continue operations at its oil storage terminal business, Limetree Bay said.

Baker Hostetler is acting as legal counsel for the company and B. Riley Financial Inc. has been retained as restructuring advisor. Limetree Bay said it intends to provide further updates on the Chapter 11 proceedings when there are significant developments.