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St. Croix Energy Engages Greenhill to Explore Bid for Limetree Bay Refining Assets

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Limetree Bay headquarters on St. Croix. By. ERNICE GILBERT/ VI CONSORTIUM

Newly formed [St. Croix Energy](#) is working with Greenhill & Co. as a financial advisor to explore a bid for Limetree Bay Refining's assets, according to [Reorg Research](#), a respected subscription-based finance publication.

According to Reorg, citing sources familiar with the matter, St. Croix Energy recently listened to pitches from investment banks. The company is represented by Ropes & Gray in Limetree Bay Refining's chapter 11 cases.

The refinery pushed out the deadlines related to its sale process last week. The debtors now need to pick an initial bidder, called a stalking horse, by Oct. 18, instead of Sept. 10. The deadline to

host an auction is Oct. 29 at 11:00 a.m. ET, and a sale hearing needs to happen by Nov. 20, Reorg said.

Also during last week's bankruptcy proceedings, which is taking place in Texas and being presided over by Judge David Jones, the new deadline for the winning bidder to close the sale transaction is Dec. 3, 2021, and the new deadline for a backup bidder to close the sale transaction is Dec. 10, 2021.

According to Reorg's sources, Limetree Bay Refining's investment banker, Michael O'Hara of Jefferies, said during last week's court hearing that 25 parties including strategic, financial and third-party marketers were under nondisclosure agreements, adding that he had made "decent progress" with all of the groups. O'Hara indicated at the hearing that the "last key piece" of information for buyers, a consulting engineering report, had recently been added to the data room. He said then that the debtors plan to ask for indications of interest within the next week. Judge David Jones asked the debtors to "not cut any options off" and said that proceeding with a sale under section 363 of the Bankruptcy Code "doesn't bother me at all."

Rick Kincheloe of the U.S. Attorney's Office, appearing on behalf of the Environmental Protection Agency, said at the hearing that there would be "one or two" consent decrees that the EPA would want a buyer to enter into as a party, according to Reorg. He also said that whether or not the refinery would require an additional permit upon restarting after being shut down was an open question. Buyers may have to close with uncertainty on the permitting issue "factored in," he said.

A representative for Limetree Bay Refining declined to comment to Reorg. Greenhill & Co. did not immediately respond to a request for comment.