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Goldman Sachs Intends to Credit-Bid For Limetree Bay Thursday

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

There's a possibility that the Limetree Bay Refinery would be dismantled and its useful portions sold to other companies while the remainder would be used for scrap, if Goldman Sachs — which during a Monday court hearing stated its intention to credit-bid the facility for \$50 million during the upcoming auction on Thursday — were to win the bid. The surprise move threatens St. Croix Energy's [\\$20 million stalking horse bid](#) for the facility sitting on St. Croix's south shore.

The Goldman Sachs bid would not be actual cash, instead the company would bid debt that is owed to it by Limetree Bay Refinery. Another credit bid could be introduced by Arena Capital, the Debtor in Possession, or DIP lender, however the company's \$19 million bid would be inferior

to St. Croix Energy's \$20 million.

Monday's developments changed the outlook for potential outcomes. On Sunday, St. Croix Energy was the only qualified firm bidding on the bankrupt refinery and was named [the stalking horse bidder](#). A stalking horse agreement is a bid for a bankrupt firm or its assets that is arranged in advance of an auction to act as an effective reserve bid.

With Goldman Sachs now in play, it remains to be seen whether the firm will make good on its stated intention to credit-bid the facility, and if it does, whether St. Croix Energy would put up capital to outbid the multinational investment bank.

Goldman Sachs generally partners with companies that own refineries through its subsidiary J. Aron & Company. The Consortium on Monday reached out to the firm's attorney, Sean O'Neal, seeking comment on Goldman Sachs' intentions for the refinery if it wins the auction on Thursday.

Among other things, the publication sought to learn whether Goldman Sachs had entered into an agreement with its subsidiary, J. Aron & Company to restart the refinery, or whether it intends to scrap the facility. No responses were provided at time of writing.

While it appears Goldman Sachs could scrap the facility, the firm could also partner with another company — as has been its practice in the commodities industry — to restart refining at Limetree Bay.

In a release issued early Oct., St. Croix Energy, whose goal is restart oil refining at Limetree Bay, said, "We are 100 percent committed — not just to the sustainable, economic growth of St. Croix, but also to the environment and to the Virgin Islands as a whole, since most of the partners live here."

The firm said it is comprised of "businessmen with deep roots in the Virgin Islands, along with industry professionals that have decades of experience in the refining, marketing, and renewable fuels sectors."