

logo not found or type unknown

Limetree Bay Files Motion to Reopen Bid as West Indies Petroleum Offers Cash Payment of \$30 Million

Business / **Published On December 06, 2021 03:22 PM /**

Ernice Gilbert **December 06, 2021**

Image not found or type unknown



Limetree Bay Refinery on St. Croix. By. ERNICE GILBERT/ V.I. CONSORTIUM

The bankrupt Limetree Bay Refinery has filed a motion to reopen the auction proceedings that [ended November 18](#) when St. Croix Energy won the bid, according to [court documents filed on Monday](#). The filing comes as West Indies Petroleum, a Jamaican-based firm which specializes in bunker services and oil storage, has offered the debtor, Limetree Bay, \$30 million in cash up front, a much more superior deal to St. Croix Energy's \$20 million cash offering.

The West Indies Petroleum offer was the second matter in recent days challenging the auction outcome of Nov. 18. On Wednesday, Texas-based Bay Ltd., which intends to dismantle the refinery and sell its useful parts, [filed court documents calling for the scheduled Dec. 7 final sale](#)

[to be delayed](#), contending that St. Croix Energy's winning bid in November was slanted in the St. Croix-based company's favor from the outset.

Bay Ltd. has said that its combined bid with Sabin Metal Corporation of up to \$39 million amounted to "far higher" than the St. Croix Energy offering.

"Based on Bay's participation in the sale process and the debtors' lack of engagement before and after the auction, Bay's perception is the sale process was tilted from the start, and throughout, to benefit St. Croix [Energy] for reasons Bay cannot understand," reads the filing in U.S. Bankruptcy Court for the Southern District of Texas, Houston Division calling for the delay.

Even so, the companies' upfront cash offering paled in comparison to St. Croix Energy's and, if the court reopens the bidding process, is dwarfed in the face of West Indies Petroleum's cash offering with is superior to St. Croix Energy's.

According to court documents, Bay Ltd.'s bid included \$3.2 million in cash and up to 55 percent of net proceeds of the equipment it manages to sell as part of the dismantling, "not to exceed \$21.56 million" over the course of three years.

Sabin's bid offered no cash upfront. Instead, the company says it believes it would be able to pay \$15 million to the refinery over a period of 5-8 months from the sale of the catalysts at the plant — the heating metal used in the crude units.

St. Croix Energy won the Nov. 18 auction with a bid value of \$33 million. This includes \$20 million in cash at closing and the payment of expenses over a minimum of three months of at least \$13 million in cash to remove the oil that's currently in the refinery and prepare the facility for restart pending negotiations with the Environmental Protection Agency.

On Monday, West Indies Petroleum challenged what was expected to be a final outcome, as Judge David Jones, the chief bankruptcy judge for the Southern District in Houston, Texas, has set an emergency hearing scheduled for today at 4:30 p.m. Central time.