

Image not found or type unknown

St. Croix Energy Files Motion Objecting to West Indies Petroleum's Winning \$62 Million Bid for Limetree Bay

Government / **Published On December 20, 2021 04:34 AM /**

Ernice Gilbert **December 20, 2021**

Image not found or type unknown



St. Croix Energy on Sun. Dec. 19, 2021, filed court documents seeking adjournment, instead of closure, of the Limetree Bay Refinery auction. Above, a portion of the refinery on the south shore of St. Croix. By. ERNICE GILBERT/ V.I. CONSORTIUM

St. Croix Energy on Sunday filed a motion objecting to the outcome of [Saturday night's Limetree Bay Refinery auction result](#), which saw West Indies Petroleum winning the bid for the refinery with \$62 million. SCE is asking the U.S. Bankruptcy Court for the Southern District of Texas, where the auction is being presided over by Judge David Jones, to adjourn instead of closing the auction for a date no later than Jan. 14, 2022.

St. Croix Energy objected to a number of outcomes in its filing, including that it was the original winner after SCE had complied with all the rules. The company also said that notwithstanding West Indies Petroleum's (WIPL) \$62 million cash offering, SCE's own offering was better when considering all factors.

"This is because the [Limetree Bay Refinery] and certain of the other interested parties failed to adequately assess and properly consider the closing risk attendant to the WIPL and PHRT bid being consummated on or before the new closing date of January 21, 2022, as required by their bid," reads the filing, seen [here](#).

PHRT, or Port Hamilton Refining and Transportation, LLLP was added as a partner to WIPL in the bid, a development that lawyers could argue is in violation of Judge Jones's order reopening the bid, which said [only parties that were involved in the original auction could participate](#).

SCE also contends that the reopened auction is invalidated because it was reopened on the premise that West Indies Petroleum would close the sale on or before Dec. 22, but WIPL two days before the new auction submitted its bid with a new closing date: January 21, 2022.

"This last minute change prejudiced SCE and other bidders because they understood that the sale closing would remain December 22, 2021, and financing was sought to close the sale on December 22, 2021, not a later date," reads the filing. "Indeed, that expectation was the very premise on which the auction was reopened. It is indisputable that by changing the outside closing date to January 21, 2022, WIPL's bid was not a higher and better bid of 50 percent more than SCE's bid with a closing date by December 22, 2021, as had been represented to the Court. Indeed, based on the facts established at the auction, the WIPL bid was at most \$5 million more. As such, the premise on which the auction was reopened was false and, accordingly, WIPL's \$30 million bid was not submitted in good faith and its last minute change of the closing date and the introduction of new joint bidder constituted a material change to the sale process, which has severely prejudiced SCE."

SCE said a number of factors make it better positioned to restart the refinery. "Finally, SCE also contends that its bid was a higher or otherwise better bid for the island of St. Croix and the United States Virgin Islands because, among other reasons, not only did it have less of a risk of closing, but also (i) the SCE bid would enable SCE to immediately begin the process of restarting the refinery using the [Limetree Bay's] existing permits, which permits do not require the consent of the EPA to transfer; (ii) the SCE bid would not require certain regulatory approvals, which the WIPL bid requires; and (iii) the SCE bid was submitted by individuals living on the island of St. Croix, who are committed to restarting the refinery, preserving the environment, and willing to remain responsible to the citizens of St. Croix."

"If WIPL is going to be permitted to abandon its represented December 22, 2021 closing date, SCE objects to the timing of the re-opened Auction and Sale Hearing and requests that the Auction remain open and the Sale Hearing, currently schedule for December 21, 2021, be adjourned to a date no earlier than January 14, 2022. U.S. Bankruptcy Court for the Southern District of Texas," reads the filing.