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New Owners of Limetree Bay Plan to Increase Production to 450,000 Barrels Per Day, Want to Help St. Croix Reduce Energy Costs

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

West Indies Petroleum on Friday reiterated its commitment to successfully close the sale and pursue what it called a "major strategic investment" at the Limetree Bay Refinery, announcements aimed at quelling concern that the Jamaica-based firm may not have the financial wherewithal needed to sustain the behemoth facility on the south shore of St. Croix.

WIPL on Sat. Dec. 18, 2021 won the auction for Limetree Bay with its \$62 million bid, and the firm said Friday it is also committed to being sensitive to environmental considerations in its operation of the facility which is widely regarded among stakeholders as a landmark and the

largest of its kind in the western hemisphere.

Limetree Bay Refinery has storage/operating capacity which is multiple times that of refineries across the region including Jamaica's state-owned oil refinery, Petrojam, according to WIPL.

The Limetree Bay Refinery's operating capacity is 220-thousand barrels per day. This compared to Petrojam's capacity, which is reportedly approximately 30-thousand barrels per day and a refinery in Suriname, which operates at approximately 15-thousand barrels per day. WIPL said Friday it intends to increase Limetree Bay's operating capacity to approximately 450,000-barrels per day.

The Limetree Bay Refinery has state-of-the-art equipment with the previous owners investing approximately \$4 billion in upgrading and modernizing the facility.

WIPL said it expects that its investment in Limetree Bay refinery will eventually assist in reducing energy costs, in particular in St Croix where the refinery has been upgraded to use LPG as its source of power generation. The refinery's capacity presents significant opportunities for St. Croix and the region, stated WIPL in its release.

The auction, which was won by WIPL took place in the United States Bankruptcy Court for the Southern District of Texas. The result of the auction was approved by Judge David Jones, and WIPL has until January 21, 2022 to close the sale.

In reacting to the winning bid, WIPL CEO Charles Chambers said, "No doubt we are committed to and confident about successfully closing out the sale and moving towards maximizing the potential benefits that this refinery may have on improving not just local or regional but also global energy security."

He added, "Quite apart from the economic boost to St. Croix via the significant foreign direct investment and job creation which our investment will naturally bring, it's important to note that given the distinct comparative advantage which its strategic location facilitates, our winning bid and attendant proposed major investment in the Limetree Bay refinery have significantly raised the prospects of WIPL leveraging its footprints by supporting in a major way the energy requirements of a raft of countries including Puerto Rico, Trinidad and Tobago, Jamaica and sections of the United States."

While concurring with Mr. Chambers's assessment of the favorable economic and energy security prospects which a responsibly reopened Limetree Bay refinery offers, WIPL Senior Vice President Danville Walker is describing the winning bid and accompanying strategic investment plans as "potentially game-changing, not only for St. Croix, Jamaica and the region but a host of countries across the globe".

Mr. Walker, a former commissioner of Customs and director of Elections in Jamaica, said ultimately, if the support of policymakers is had, "We at WIPL hope to use the refinery to over the medium to long-term create an environment which augurs well for the reduction in electricity costs in several countries.

The WIPL senior vice president, who has in the past served as chairman of the Natural Resources Conservation Authority (NRCA) in Jamaica, stated, "To be very clear, WIPL is fully aware of past environmental mishaps which occurred during the operation of the Limetree Bay refinery in its previous proprietary dispensation, and our proposed operation of the mega-facility will not only see us seeking not to repeat errors made, but also being mindful of the prescriptions and mandate of the Environmental Protection Agency (EPA) which is a United States federal government

agency whose mission is to protect human and environmental health."

Mr. Walker said it's noteworthy that the EPA has in the past supported a reopening of the refinery if protocols pertaining to environmentally conscientious commerce are adhered to.

Mr. Walker said the energy company plans to fully engage the EPA as it moves to close the bid and pursue the potentially trailblazing investment in the Limetree Bay refinery in St. Croix.

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