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Limetree Bay Refinery Now Belongs to West Indies Petroleum

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

The Limetree Bay Refinery now belongs to West Indies Petroleum and its partner, Port Hamilton Refining and Transportation LLP, after the companies made the final \$11.4 million of the \$62 million sale price of the auction-sold south shore facility.

Late Friday, Limetree Bay Refinery filed for and was granted a motion to extend the sale of the refinery from Friday, Jan. 21 to Monday, Jan. 24, telling the U.S. Bankruptcy Court for the Southern District of Texas, which has jurisdiction over the sale proceedings, that West Indies Petroleum, which had paid a substantial amount of the \$62 million closing cost on Friday, wired the remaining amount but the funds as of late Friday hadn't arrived.

West Indies Petroleum had funded \$50,599,895 of the \$62 million purchase price of the refinery, and Limetree Bay Refinery said the additional \$11,480,720 was sent via wire transfer and was in transit. According to court documents, Limetree Bay Refinery told the bankruptcy court that it was in receipt of the federal reference number and SWIFT code for the funds in transit, and confirmed that the funds totaled more than the remaining \$11,480,720 balance of the purchase price of \$62 million.

Limetree Bay Refinery further stated that West Indies Petroleum anticipated that the funds would have been received by or before Friday, "however, due to delays with the international wire transfer, [Limetree Bay Refinery] had yet to receive the funds in transit, according to the emergency filing.

As of Tuesday, the transaction was completed after Limetree Bay received the remaining \$11.4 million, according to court documents.

In a release issued January 7, 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." The Jamaica-based firm said it sees the purchase of the refinery as a "major strategic investment," as it worked to quell concerns that it didn't have the financial wherewithal needed to sustain the behemoth facility on the south shore of St. Croix.

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."

WIPL on Sat. Dec. 18, 2021 [won the auction](#) for the Limetree Bay Refinery with its \$62 million bid, and the firm has said it is committed to being sensitive to environmental considerations in its operation of the facility, which WIPL said is widely regarded among stakeholders as a landmark and the largest of its kind in the western hemisphere.

Neither West Indies Petroleum or Limetree Bay have commented publicly on the finalized transaction. Though the sale is now completed, it remains to be seen what will be the next steps for the refinery, as it must go through an arduous EPA process. WIPL has been seeking a PSD, or prevention of significant deterioration permit from the EPA in its quest to restart the refinery.

The PSD permit requires a minimum of 11-18 months that includes inspections, planning and other aspects of permit approval. The EPA throughout the auction preferred this strategy over losing bidder St. Croix Energy's, which would see SCE continuing operations under the Limetree Bay operating agreement while seeking to rectify compliance issues with the EPA — a strategy the EPA admitted during the Dec. 6 hearing to reopen the bid that it would rather not entertain.