

logo not found or type unknown

West Indies Petroleum, in Sudden Left-Field Announcement, Says it Has No Stake in Limetree Bay Refinery

Business / **Published On June 22, 2022 09:40 AM /**

Ernice Gilbert **June 22, 2022**

Image not found or type unknown



An aerial shot of the Limetree Bay facility on the south shore of St. Croix. By. ERNICE GILBERT/ V.I. CONSORTIUM

West Indies Petroleum, which along with its partner Port Hamilton Refining and Transportation in January closed on an auction sale of the Limetree Bay Refinery, said Wednesday morning that it does not have a stake in the refinery — and apparently never did — a sudden and left-field announcement leaving more questions than answers.

West Indies Petroleum [took control of the refinery late January](#) after the company and Port Hamilton Refining and Transportation made the final \$11.4 million of the \$62 million sale price

for the [auction-sold](#) south shore facility, [which WIPL won mid-December](#). In fact, Judge David Jones, the chief bankruptcy judge for the Southern District in Houston, Texas [in early December](#) ordered the auction for the Limetree Bay Refinery be reopened to allow West Indies Petroleum to participate. The order essentially snatched the refinery from St. Croix Energy, which on [Nov. 18](#) [had won the auction](#).

Today, WIPL said it has no ownership stake in the Limetree Bay Refinery and that it was prohibited from clarifying its position because of certain legalities.

"West Indies Petroleum Limited wishes to clarify that contrary to media reports it is not a stakeholder in the Limetree Bay Refinery in St. Croix in the U.S. Virgin Islands and was not the entity which purchased the refinery," the company said in a statement.

WIPL further stated, "Although an initial participant in the early bidding process, due to legal factors WIPL elected not to further pursue the initiative. Those factors also constrained WIPL from commenting sooner about the inaccurate reports in the media.

"The sale of the Limetree Bay Refinery was successfully closed earlier this year by Port Hamilton Refining and Transportation which is a consortium of United States and Caribbean based investors."

WIPL's statement conflicts with its own press release issued after winning the auction Dec. 18, 2021. Following that outcome, on January 7, 2022, company CEO Charles Chambers said in a release, "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 at the time that it saw 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.

[Also in the January 7 release](#), West Indies Petroleum said it would seek to increase the Limetree Bay Refinery's operating capacity to approximately 450,000-barrels per day.

Even the government of the Virgin Islands appears to be unaware of what is going on. On June 17, Nathan Simmonds, director at the V.I. Public Finance Authority, said in testimony during a Finance Committee hearing that the refinery was owned by West Indies Petroleum and its partner, Port Hamilton Refining and Transportation.

"On December 21, 2021, after a successful challenge to the first auction, the Court granted the Limetree Bay debtors' motion to sell their assets to West Indies Petroleum Ltd. and Port Hamilton Refining and Transportation for \$62 million, overruling the remaining objections," Mr. Simmonds said as he gave the Senate an update on PFA matters. "Under the terms of the bankruptcy ruling, West Indies Petroleum and Port Hamilton Refining and Transportation are to assume the Refinery Operating Agreement. The Authority and Government representatives have been working with them, and the US Environmental Protection Agency on a safe restart for the refinery."

Today, however, WIPL is saying it never owned a stake in the refinery to begin with.

Meanwhile, Port Hamilton Refining and Transportation has been delinquent on payments to the owners of Limetree Bay Terminals, and the two companies have been engaged in a fight that has spilled over into the public's view. Port Hamilton as of earlier this month [owed Limetree Bay Terminals \\$5.6 million](#).

Attempts to reach Port Hamilton for comment were unsuccessful.

These developments are the latest twists in what has been a whirlwind set of events following the closure of the refinery last year, spurred by [a massive flare incident](#) captured by the Consortium that sent plumes of smoke mixed with oil particles billowing west of St. Croix.

© Viconsortium 2024