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Port Hamilton Embarks on Effort to Raise \$200 Million for Refinery Restart; Officials to Face Senate July 14

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The Limetree Bay site on the south shore of St. Croix, USVI. By. ERNICE GILBERT/ V.I. CONSORTIUM

Officials of the Limetree Bay Refinery have embarked on efforts to raise funding to restart oil refining. They will also face questions from senators on July 14, as lawmakers seek clarity on the status of restart efforts and other matters that have perplexed the St. Croix community.

Those matters include a [lawsuit filed against new refinery owners](#) Port Hamilton Refining and Transportation by Limetree Bay Terminals, and recent announcements that West Indies Petroleum [no longer has an ownership stake](#) in the beleaguered facility.

"This hearing is to receive testimony on the overall status of the Limetree Bay Refinery, its recent sale, and other activities taking place at and around the refinery site," reads a notice from Senator Kenneth Gittens, who chairs the Committee Economic Development and Agriculture with jurisdiction over economic matters.

Meanwhile, the Consortium has learned that Port Hamilton is seeking to raise between \$175 million to \$200 million from lenders to restart the refinery, deeming the current environment as advantageous for high profit margins. Port Hamilton also said it has a plan of restart that falls within current Environmental Protection Agency permits with no additional approvals necessary.

Funding options include either debt or equity, meaning lenders would have an opportunity to gain a stake in the new refinery if they so choose, or go the traditional route of payback with interest, the Consortium has learned. Port Hamilton said the funding would be used to hire personnel and to modify the refinery into a topping mode facility. Topping mode is the simplest refinery configuration designed to prepare feedstocks for petrochemical manufacture or for production of industrial fuels in remote oil-production areas. It consists of tankage, a distillation unit, recovery facilities for gases and light hydrocarbons, and the necessary utility systems (steam, power, and water-treatment plants), according to a description of the process.

It appears that Port Hamilton's inability to raise funds would jeopardize any restart effort, while a successful funding round would raise hopes that the south shore facility would once again produce oil and help lift the territory's hurricanes and Covid-battered economy.

This new development comes on the heels of a lawsuit filed against Port Hamilton, which has been either unwilling or unable to pay its debt owed to Limetree Bay Terminals. The debt was [\\$5.6 million in June](#), and may have grown since that time. The suit, [filed by LBT in the V.I. Superior Court](#), seeks relief for breach of contract, debt, and unjust enrichment. LBT is also demanding a jury trial on the issue.