

NiQuan's assets being sold off

By Joel Julien

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AN unused piece of equipment intended for NiQuan Energy Trinidad Ltd's operations is among several assets now up for sale by the receiver, just after the seventh anniversary of the gas-to-liquid plant's grand opening.

The unused FT Max Catalyst-T 2811, weighing 231,000 pounds and used in gas-to-liquids (GTL) processes, is being sold by receiver manager Varune Mungal.

Also, up for sale is a hydrocracker catalyst weighing 14,062 pounds.

'The Receiver Manager of NiQuan Energy Trinidad Ltd (in receivership) is offering the following assets of the company for sale as a complete package or on an individual basis,' a notice about the assets for sale stated.

ASSETS FOR SALE:

One Air Compressor – New Kaishan KRSP2 Eight ISO Tanks 20 feet One Three-tonne CAT Diesel forklift One 2.5-tonne CAT Electrical forklift Four 40ft Officer Containers Three 40ft Storage Containers One Plotter (HP Design Jet T3500 Production MFP) Office Equipment and Furniture Amine (KS-2040) (18 Tote) FT Max Catalyst (Unused) T2811 (231,000 lbs) Hydrocracker Catalyst (Spent) TK 928, TK 711, TK 551 (14,062 lbs) On October 10, Mungal was appointed as the receiver for NiQuan Energy Trinidad Ltd amid ongoing winding-up proceedings.

Mungal is the managing director of Business Recovery and Advisory Services Limited (BRASL).

Mungal was appointed as the receiver under a series of mortgage debentures dating back to 2018, according to a newspaper advertisement.

His appointment was pursuant to the following: ☐ A mortgage debenture dated July 6, 2018; ☐ An amended mortgage debenture dated July 30, 2019; ☐ An amended and restated mortgage debenture February 6, 2020; and ☐ An amended and restated mortgage debenture dated July 18, 2023.

NiQuan's former vice-president, David Small, was awarded \$18.8 million for breach of a written mutual separation agreement dated November 2, 2021, along with exemplary damages, on September 29 last year.

However, after complaining about not being paid, Small, a former independent senator, filed a petition in the High Court on February 1, seeking the winding-up of NiQuan in an effort to recover the money owed to him by the company. And on March 15, M Hamel-Smith & Co, the attorney representing Republic Bank Ltd, wrote the Registrar of the Supreme Court.

'Our client is, among other things, the Collateral Agent under a Short-Term Note Instrument issued by NiQuan to approximately 20 noteholders from various countries. As Collateral Agent, our client is contractually obliged to represent the interest of the Noteholders with respect to the STNI and accompanying registered security granted in relation to the STNI in favour of the Noteholders which includes all tangible and intangible assets of NiQuan secured under a charge of shares (as amended from time to time) and a mortgage debenture (as amended from time to time). As at the date of this letter, the STNI covers debt owed by NiQuan to the Noteholders in the amount of US\$175,000,000,' the letter from M Hamel-Smith & Co stated.

Since the matter was brought before the High Court, the Junior Sammy Group, JMMB and at least five other companies also stepped forward, claiming they too are owed money by the company.

At the end of April, approximately 80 employees at NiQuan Energy Trinidad Ltd were sent home after the company's founder, Ainsley Gill, informed staff that expected funding had not materialised as planned, forcing the mothballing of the gas-to-liquids plant.

'During these last few months, the Company has been preserving the plant in anticipation of an amicable solution and the return of gas. However, following the disproportionate curtailment of gas supply suffered by the Company, followed by the wrongful termination of the Gas Supply Contract (GSC), it is with disappointment and frustration that the Company has no other alternative but to now place the plant into a dry layup and, mothballed status,' Gill stated in a letter to employees.

Gill said as a direct consequence of those difficulties, it was with 'deep regret' that NiQuan's senior secured mortgage holders have been unable to fund the company as was 'reasonably expected'.

'And as a further direct consequence, the company is now unable to continue to preserve the GTL Plant,' Gill said.

'Further, it is likely that a winding up order will be made by the High Court pursuant to a winding up petition brought against the company by two unsecured creditors. The next hearing before the Court is scheduled for May 3, 2024,' he said.

Gill said that as a result of this pending appointment of a liquidator by the court, NiQuan was unable to extend the current extended furlough that staff members were placed on.

'Therefore at 5 p.m. on April 30, 2024, your Contract of Employment will be terminated, and the Company will issue individual formal termination letters,' the letter stated.

'This is a very unfortunate outcome; one the Company did not wish to occur,' he added.

NiQuan's troubled gas-to-liquids plant was placed in 'Asset Preserving Silent Mode' last September due to a lack of natural gas, and financial constraints.

In August last year, NiQuan lost its bid for an injunction against the Government to compel the State to resume its natural gas supply.

Delivering a decision last August, High Court Judge Kevin Ramcharan dismissed NiQuan's application for an injunction against the Trinidad and Tobago Upstream Downstream Energy Operations Company Ltd (TTUDEOCL) and the Office of the Attorney General.

NiQuan owed TTUDEOCL US\$21 million for natural gas contractually given to it.

Gill established NiQuan Energy LLC, in 2008.

'Under his (Gill's) leadership, NiQuan Energy achieved a historic milestone by developing the world's first commercially viable small-scale Gas-to-Liquids (GTL) facility, also the first GTL plant in the Western Hemisphere. Ainsley sees GTL technology as a practical solution for reducing greenhouse gas (GHG) emissions in hard-to-abate industries, positioning NiQuan as a leader in the clean energy transition. His vision includes expanding NiQuan's presence worldwide, with multiple GTL facilities providing sustainable energy solutions for the future,' NiQuan's website states.

The gas-to-liquids plant was opened in T& T in March 2021 with Prime Minister Dr Keith Rowley delivering the feature address.

'In 2018 when NiQuan acquired the plant, Petrotrin received a cash payment of US\$10 million, with the remaining US\$25 million to be paid in Preference Shares. To complete the plant, a further capital injection of approximately US\$125 million was required,'Rowley said, 'Additionally, the Government is expected to receive TT\$2 billion in taxes and statutory payments over the life of the project. NiQuan's investment represents the first major private investment in the downstream energy sector in recent times, despite difficulties in the global markets,'he stated,