

Oando says talks underway to restart Guaracara refinery

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O ANDO Plc says its status as the preferred bidder for the Guaracara Refinery was reaffirmed last month by the United National Congress (UNC) Government, and that the company has since begun formal talks on restarting the facility.

Oando made the disclosure in its unaudited half-year results released last week.

'In February 2025, Oando Trading Division (OTD) was selected as the preferred bidder for the lease of the Guaracara Refinery in Trinidad & Tobago, marking a significant step in the Company's entry into the Caribbean downstream market," Oando stated.

Two months before the general election, then Prime Minister Stuart Young announced that an Evaluation Committee had recommended to Cabinet that Oando Trading be selected as the preferred bidder for the Petrotrin refinery. On February 27, Oando said it was formally advised in writing of its selection as the preferred bidder for the lease of Guaracara Refining Company Ltd's refinery assets from Trinidad Petroleum Holdings Ltd. (TPHL).

Oando said it engaged with the United National Congress Government following its general election victory on April 28.

"In July 2025, the newly appointed Government reaffirmed Oando's preferred bidder status and initiated a process to advance discussions on the refinery's restart. Engagements with key government and regulatory stakeholders are ongoing to finalise the lease structure and operational framework," Oando stated. Oando's update comes amid the formation of a committee approved by the Kamla Persad-Bissessar-led United National Congress administration to explore restarting the refinery.

Committee formed

Energy Minister Dr Roodal Moonilal told a post-Cabinet press conference on July 10 that former energy minister Kevin Ramnarine has been appointed to head the committee tasked with assessing the defunct Pointe-à-Pierre oil refinery and reporting on the logistics of reopening the facility. Moonilal said all efforts by the previous government to pursue a buyer for the refinery have been put on hold until the committee completes its work.

Moonilal said the refinery was last properly assessed in 2020, after being "slammed shut" in 2018, and cautioned that interested parties may be bidding on a structure that has since changed. He warned that bids could be "out of sync with what they meet at the refinery", noting that various issues can arise despite expressions of interest already received. Moonilal also highlighted that the new committee includes three experts nominated by the Oilfields Workers' Trade Union (OWTU), emphasising the Government's desire for an independent and technical assessment before moving forward.

He said the Government remains committed to reopening the refinery, as promised during its pre-election campaign. The refinery assessment committee will include Sheriba Ali Rajack, former vice president of finance at Petrotrin, and Kelvin Harnanan, former VP of retail and marketing at the now-closed State-owned company.

Other members include former Petrotrin manager Gowtam Maharaj and engineer Kishore Jagroop.

The committee will also feature Danny Goolcharan, Margaret Oando, senior engineer Yashi Carrington, Anushka Sookhoo, Len Chan Chow, Leslie Chang, and Christopher Jackman of the OWTU.

Moonilal said the OWTU has consistently expressed interest in purchasing the refinery, but the Government must first obtain a technical assessment. He added that this evaluation will help guide decisions regarding potential players, stakeholders, and partners involved in any reopening venture. Ongoing interests have been put on hold pending the committee's report. The committee has been tasked with conducting a technical evaluation covering the refinery's restart, human resource needs, financial regulations, feedstock requirements, and commercial arrangements. Moonilal linked the closure of the refinery to

the country's foreign exchange crisis, noting that thousands of workers were laid off along with the decline of related businesses. He also said that despite being mothballed, the refinery still incurs costs of about \$470,000 per month, paid to a contractor for ongoing services. When total closure expenses are considered, the cost rises to roughly \$5.6 million per month.

Speaking during this year's Labour Day celebration, Persad-Bissessar urged citizens not to forget the consequences of the PNM's decision to close the refinery.

"Never ever forget who blew the light out at Petrotrin," she said. "They sent 5,000 workers on the breadline. No jobs.... And then they (the People's National Movement) want to know why they lost Point Fortin and La Brea? They cut the people's throats in Point Fortin and La Brea-seats that depended on Petrotrin, dependent on the oil industry." Calling the refinery a "beacon in our land" and part of one of the oldest oil industries in the world, she said its closure devastated families and communities across the energy belt.

Previously former prime minister Dr Ketih Rowley said the Petrotrin refinery was closed because of an insufficient supply of oil and because the importing of oil was costing the country billions of dollars in losses. He said when the accounting rules changed in either 2017 or 2018, and the company had to write off its debt in order to have its accounts certified and Petrotrin had to write off \$15 billion. He said after that when one projected how much money

Petrotrin was going to make in the years ahead, from 2019, the best expectation was that they would make a billion dollars a year in losses. Furthermore Petrotrin had US\$850 million to pay by August 2018. He said it was against that background that the Government intervened and the company was restructured.

A strategic bridge

Before Oando was selected by the Cabinet, Young said proposals from CRO Consortium, a locally based group, and INCA Energy LLC, a US-based company, were also evaluated.

Oando said the partnership represents a "strategic bridge" between Africa and the Caribbean and would serve as a catalyst for deeper Afro-Caribbean collaboration in the energy sector, paving the way for increased trade, investment, and knowledge exchange.

"This initiative underscores Africa's growing influence in the global energy landscape and highlights the role of indigenous African companies in fostering economic transformation across borders," it stated.

"We are honoured by the confidence the Trinidadian government has placed in us with this award. This strategic investment aligns with our long-term vision of expanding into high-potential regions and growing our operational footprint, leveraging our vast technical expertise and global partnerships to finance projects. We recognize the significance of this opportunity and look forward to working with all stakeholders to deliver maximum value for all parties involved," Oando's chief executive officer Wale Tinubu stated.

Half year performance

Tinubu said in the six months ended June 30, 2025, Oando advanced its growth agenda in its upstream division by achieving a 63% year-on-year increase in production volumes.

"This was driven by the successful consolidation of (Nigerian Agip Oil Company) NAOC's assets, early gains from our optimization programme and our assumption of operatorship, which enabled us to implement holistic security measures amid improved community relations, resulting in enhanced infrastructure reliability, higher production volumes, and greater operational resilience," Tinubu said.

"Our trading segment faced headwinds which exerted pressure on the entity's revenue and the Group's topline as a result of declining PMS imports into the country due to rising local refining capacity from the Dangote Refinery, a positive development that enhances Nigeria's energy security and self-sufficiency. In response, we diversified our crude offtake sources, optimized trade flows, and expanded into LNG and metals. These initiatives are already gaining traction and will support stronger performance in H2," he stated.

Tinubu said Oando Clean Energy also advanced its e-vehicles, PET recycling and solar module assembly projects, initiatives critical to long-term diversification goals and broader commitment to environmental sustainability.

"As we enter the second half of the year, our priorities are clear: accelerate upstream monetization through drilling and production assurance, strengthen trading performance, and execute our capital restructuring initiatives to restore balance sheet flexibility. With a focused strategy and a clear execution roadmap, we remain committed to delivering sustained value to our shareholders," he stated.

For the six months ended June 30, 2025 Oando recorded a 28% drop in profit to US\$39 million.

Oando said to support long-term growth and reduce balance sheet pressure, it is progressing a comprehensive capital restructuring and funding programme.

"The proposed initiatives aim to strengthen capital adequacy, improve credit metrics, and enhance financial flexibility through a mix of equity, debt conversion, and other financing instruments.

"These proposals will be presented to shareholders for approval at the 2025 Annual General Meeting and Extraordinary General Meeting scheduled for 11 August 2025. If approved, they are expected to significantly improve the Group's capital structure, reduce foreign currency risk, and support long-term value creation," it stated.