OIL AND GAS

Globally significant reserves of energy resources—oil and gas—are hidden in underground basins in a wide arc east and north of Darwin. More than 200 trillion cubic feet of gas is the industry estimation—energy that could power Australia for 200 years.

In a world where energy security is becoming increasingly important, the Northern Territory is in the driver’s seat to fill a global need. Particularly for the Asia Pacific region—a major user of oil and gas resources and where consumption far outstrips local production.

The NT is well known as an international oil and gas hub, with multi-billion-dollar projects in full swing and many more in planning or development. Mining and energy production constitutes around 15 per cent of the NT’s overall economic activity. About $47 out of every $100 of export earnings are earned through natural gas.

The US$37 billion INPEX-led Ichthys LNG project is in the final stages of construction. At its peak, the project is expected to produce 8.9 million tonnes of LNG per year and 100,000 barrels of condensate a day (a premium by-product of gas that is added to some fuels to improve their quality).

The ConocoPhillips Darwin LNG plant, which has been producing gas from the Bayu-Undan field in the Timor Sea, 500km north west of the NT, since 2006. More than 500 ships have been loaded in the 10 years since. In a world first, the ConocoPhillips plant implemented innovative technology to be the only LNG plant using aero derivative gas turbines as refrigerant drivers. Capable of producing 3.7 million tonnes of LNG per annum from the Bayu-Undan field in the Timor Sea, 500 kilometres north west of the NT, the plant has helped establish Darwin as a global player in the world’s oil and gas industry since it began operation.

The 622-kilometre Northern Gas Pipeline will connect the Northern Territory to the national gas grid, linking Tennant Creek in the Northern Territory with Mount Isa in Queensland.
Construction on the $800 million project began in July 2017, with the first gas expected to flow in late 2018. Australian energy and water transportation assets company Jemena is building the pipeline.

The southern hemisphere’s first ever helium production plant and one of only 15 in the world opened in Darwin in 2010. It produces enough helium to supply the whole Australian market. Owned by BOC, the plant has additional capacity to export to international markets, currently supplying about 3% of the world’s helium.

The Shell Prelude Floating Liquefied National Gas project, the largest offshore floating facility ever built, is now in position 475 kilometres North-North East of Broome. It is expected to produce 3.6 million tonnes of LNG per annum and is serviced from a supply base in Darwin.

The Top End has played host to a number of leading oil and gas conferences. These have included the Australian Petroleum Production and Exploration Association Conference in 2012 and the 2010 Australian Pipelines and Gas Association Conference and Exhibition, which is returning to Darwin in 2018 to celebrate the milestone 50th anniversary of the Association. The now annual South East Asia Australia Offshore and Onshore Conference also leverages the growing interest in the Northern Territory’s oil and gas development.