

RESOURCE, MINING & ENERGY - SUPPLY AND SERVICE SECTOR



**AUSTRALIA'S NORTHERN TERRITORY
INVESTMENT OPPORTUNITY**



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Location: Northern Territory, Australia

Sector: Mining and Energy Resources

Investment type: Buy out of existing businesses; direct or passive equity investment; partnership – either financial or management; joint venture; establishment of new or branch operations

Estimated total project cost: Dependent on project scale and nature of the service or supply opportunity

Investment amount sought: Dependent upon opportunity

Project status: Conceptual



Project description:

Growing offshore oil and gas activity is driving Darwin's emergence as the oil and gas operations and maintenance hub of northern Australia. This growth in the offshore industry is creating a diverse range of opportunities across the sector such as health, safety and environment services, subsea wellhead equipment, subsea controls and umbilicals, drilling equipment and services, remotely operated vehicles, turbines, compressors, Floating Production Storage and Offtake (FPSO) and Floating Liquefied Natural Gas (FLNG) technology.

Darwin is extremely well positioned to capture the opportunities in the offshore sector. Currently there is one Liquid Natural Gas (LNG) train operating in Darwin, the ConocoPhillips Darwin LNG liquefaction plant. By 2017 Darwin will be supporting four LNG trains producing a combined total of 15.5 million tonnes of LNG, two million tonnes of Liquid Petroleum Gas (LPG) per annum, and approximately 186 000 barrels of condensate per day (bpd).

- Darwin LNG and the Bayu Undan offshore development managed by Conoco-Phillips will produce 3.5 million tonnes of LNG from a single train, and one million tonnes of LPG produced offshore per annum, along with approximately 60 000 barrels of condensate per day.
- INPEX operated Ichthys LNG will produce 8.4 million tonnes of LNG, and 1.6 million tonnes of LPG from two trains, along with approximately 100 000 barrels of condensate per day (85 000 offshore and 15 000 onshore) at peak production.
- Prelude FLNG managed by Shell will annually produce 3.6 million tonnes of LNG, and 0.4 million tonnes of LPG, and 1.3 million tonnes (approximately 26 000 bpd) of condensate from one FLNG train moored offshore in the Browse Basin off the Western Australian coast.

The need to support four significant LNG trains from Darwin creates substantial demand for operational and maintenance support, especially when demand from the four trains is aggregated. This represents a significant opportunity for the growth of Darwin as a maintenance and operations hub for the petroleum industry in northern Australia.

Operations-focused opportunities will increasingly emerge from 2017 as the pending LNG trains start to transition towards production.

- Darwin LNG is already operational.
- The Ichthys LNG project will commence production from late 2017.
- The Prelude LNG project is expected to commence production from late 2017.

The emergence of additional offshore facilities and the development of onshore projects will be determined by individual project proponents and emerging demand.

Darwin's emergence as the resource industry operations and maintenance hub of northern Australia means that the range of industry support is gradually expanding as more firms establish a presence in Darwin.

The Northern Territory Department of Trade, Business and Innovation and the Industry Capability Network Northern Territory can provide advice on support services available in regional and major locations.

These repair, maintenance and operation opportunities include a large range of pumps, instruments, valves, compressors, gas and steam turbines and other associated mechanical and process equipment.

Many of the services required by the oil and gas or mining industries are also in demand by other industries such as defence, marine, manufacturing, civil or residential construction. Firms interested in supplying the Northern Territory resource and energy industries may also find opportunities in other sectors.

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