

'Sunrise Will Be Developed': NT Minister



Paul Henderson.

Ratification of the Timor Sea Treaty plus the extensive marketing efforts that have been carried out should pave the way for the development of the Greater Sunrise reservoirs, according to the Northern Territory Minister for Business, Industry and Resource Development, Paul Henderson.

In an exclusive interview with PESA News, the Minister said that despite its complex geology and politics, the Greater Sunrise Field was too large not to be developed.

"The negotiation and completion of the Sunrise IUA (International Unitisation Agreement) has opened the door to future development", he said.

"It was very clear to us there are many markets that are potentially available for a large volume of gas that could be sourced from the Timor Sea.

"It is for these reasons that I am confident that Sunrise will be developed in the future, however, it is difficult to predict within what time frame at this time."

Henderson said the securing of gas customers as a whole is of vital importance so that the known gas reserves can be brought into the market.

"You only have to look at the development of the North West Shelf regions in that once a successful project is under way that in itself provides a snowball for further exploration efforts", he said.

"We expect the same thing to happen not only in the Greater Sunrise vicinity but elsewhere in the Timor Sea not affected by the JPDA."

While the controversy over Sunrise and the Timor Treaty stole much of the media limelight over the past two years, Henderson said NT authorities are not ignoring other key onshore and offshore petroleum assets in the region.

A number of projects have been undertaken as part of its exploration initiative for onshore areas, which has resulted in increased explorer interest in the Georgina, Pedirka, Wisá and Amadeus basins.

Henderson said while the Federal Government could do more to encourage exploration in remotes and frontier areas such as the NT and surrounding waters, the latest release of offshore NT acreages was "interesting" and the amount of exploration effort will depend upon the success of the initial development of projects such as the ConocoPhillips-led Bayu-Undan project.

Besides Timor Sea gas fields, there are the Blacktip and Petrel/Tern fields in the Joseph Bonaparte Basin.

The project proponents for Blacktip (Woodside/AGIP) and Petrel/Tern (Santos) have already begun targeting big gas consumers such as the Alcan Gove alumina refinery, McArthur River zinc deposit and the PowerWater Corporation.

Henderson said decisions regarding the preferred gas supplier to those projects are expected some time during this year and depend on the outcome of number of feasibility studies that are currently under way.

"The NT Government is an integral part of those projects and is facilitating and been part of a number of negotiations", he said.

And then there is the on-again, off-again multi-billion dollar PNG-to-Queensland gas pipeline project lurking in the background as a potential strong competitor to the Timor Sea gas fields.

While he would prefer to see gas sourced from the Timor Sea for NT projects, Henderson said if PNG gas is the only economically viable source for major onshore development such as mineral processing then he would have no problem receiving such gas.

With three big sources of gas nearby, proximity to Asian markets and low sovereign risk, the Government, Opposition, consultants and key industries, dubbed 'Team NT', have hit the road selling Darwin to major gas users as a potential key location for their operations.

"It is of course a complex issue, particularly as a number of these projects are of considerable size and which can compete globally", he said.

"The Chief Minister and I have been engaged in a number of discussions with major companies and the Chief Minister has visited Pechiney and Alcan in France and in Canada with the purpose of encouraging those companies to locate in the NT."

In addition to a proposal for a methanol plant to be based around the Evans Shoal field, Henderson said there are potentially some other fields coming on stream in the medium to long term.

"Apart from expansions at Alcan Gove and McArthur River arising from developments at say Petrel/Tern and Blacktip, we could see that there are opportunities for the expansion of the Darwin LNG Plant fed by gas from any number of sources which may include Sunrise", the Minister said.

Henderson said the success of such projects will encourage explorers to find more gas reserves. "I think the best example of all of this is to look at the thirty year history of the North West Shelf and see what happened there", he said.

