

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY**WRITTEN QUESTION**

Mr Wood

to Minister for Business, Industry and Resource
Development

Economic Benefit from Laminaria/Corallina oil

Apart from the fact that the operation of Laminaria/Corallina oil fields has affected the Territory's import and export figures -

What has been the size of the direct economic benefit to the Territory to date of the Laminaria/Corallina oil fields in the Timor Sea?

ANSWER

The Laminaria oil field was discovered in October 1994 and Corallina in December 1995. Darwin was the base for that exploration.

The fields were brought into production using the Northern Endeavour floating production platform in November 1999. The fields have a design life of 12 years and initially produced around 180 000 barrels of oil per day

The Department of Business, Industry and Resource Development estimated the Laminaria-Corallina project, operated by Woodside Petroleum, provided \$60-65 million of annual economic benefits to the Northern Territory at the time of peak production through the purchase of goods and services, salaries and wages, and flow on effects.

Major direct project purchases are for logistics support, helicopter services, fuel, supply boat services and accommodation.

In developing the fields, Darwin supported the drilling of eight production wells and the installation of the production equipment at the fields. In 2002 Darwin supported the drilling of two additional production wells. This work of a capital nature provided significant additional benefits to the Northern Territory economy.

It is expected that the Laminaria and Corallina fields will continue to provide significant economic benefits to the Territory economy for several years.

However, production has undergone a natural decline to around 50 000 barrels per day leading Woodside to alter its methods of operation in an endeavour to reduce costs. It is also seeking to develop some small fields to provide more oil to the Northern Endeavour. The impact of those objectives has not been assessed.