Chief Minister Adam Giles wants to ensure the Northern Territory’s long-term fuel security by encouraging the development of a gas-to-liquid processing facility.

Mr Giles said $500,000 has been allocated in Budget 2016 to examine the feasibility of the Northern Territory making fuel from onshore gas.

“We see potential from turning that gas into a synthetic diesel that’s cleaner and greener than diesel that’s currently burned in our cars and in our power stations out bush,” Mr Giles said.

“If we can make our own fuel for those generators and cars in the Northern Territory we can get cleaner-burning fuel which helps our environment.”

Currently, the NT imports 630 million litres of diesel per annum, which equates to 10,856 barrels per day.

“A gas-to-liquid processing facility could feasibly be located at Tennant Creek, in partnership with the gas pipeline and a processing facility, in Alice Springs or in Darwin at East Arm,” Mr Giles said.

“It has the potential to create an enormous amount of jobs.

“The study will look at how we best do it and where it should be located.

“It has the potential to improve fuel refining capacity for Australia to provide greater energy security and increase investment in gas processing, and gas, diesel and energy-consuming industries and remote communities.”

Mr Giles said the NT gas market is still in the early stages of development, but this study will investigate its economic potential and employment opportunities.

“This is an opportunity to enhance the economic development of the Territory and create a more competitive energy market with lower diesel prices by creating a more diverse market and reducing dependency on overseas imports,” he said.

The refining of natural gas to diesel could benefit the NT gas industry by allowing producers to use a facility with a production rate of 5000 barrels per day of clean (ultra-low sulphur) synthetic diesel.

By-products could include 20% naphtha and paraffinic wax which are both high-value products.

“Remote areas of the Northern Territory rely on diesel for power stations, four wheel drives, trucks and mining equipment,” Mr Giles said.
“A small-scale processing plant has the potential to reduce diesel costs significantly and the synthetic diesel it could produce would also lower the Territory’s carbon footprint.”

**Media contact:** Michael Gorey 0437 249 003