The Territory's short term hopes of onshore gas and cheaper energy costs for local business and Territory households have been dealt a body blow with news today that the $5 billion Sunrise gas project has been shelved indefinitely, CLP Leader Terry Mills said today.

Mr Mills said reports that project operator Woodside have decided that no more money was being committed to the development and that employees working on Sunrise had been reassigned, was bad news for the Territory.

"Woodside has to be applauded for spending more than $200 million trying to make this work, but ultimately they have made a commercial decision, and this is bad news for the Territory," Mr Mills said.

Mr Mills said the CLP had long urged the Martin Government to refocus its efforts on other prospective fields off our coast.

"Now is the time to listen to these calls," Mr Mills said.

"The Sunrise Gas will remain in the ground for future development and the Martin Government must now ensure that opportunities to secure gas for Territory business and household power generation from other fields off our coast are maximised.

"It is essential that the opportunity for gas for our own power generation needs from fields such as Black Tip are not wasted."

Mr Mills said he feared the death of the Sunrise Gas project will also hinder the Territory's effort's to sell the seas off our coast to countries like Japan as a reliable source of investment.

"It sends out a bad message to potential gas investors considering business in the seas off the Territory coast.

"Investors are well aware of the gas potential of the Timor Sea but they view fiscal certainty as paramount, and if this can't be provided then they will quickly look elsewhere to other more reliable sources of supply."
``East Timor's refusal to present to its parliament for ratification an agreement signed with Australia covering legal and fiscal terms for the Greater Sunrise project now means East Timor will not have a project and neither, sadly, will the Northern Territory."

Ends