One of the first tangible signs of gas and oil coming onshore to the Territory is under construction on Darwin’s East Arm Wharf.

Lands and Planning Minister Kon Vatskalis said a $2.5 million fluid drilling plant is being constructed on the wharf specifically as a support industry for the Phillips Petroleum Bayu-Undan gas project.

"I have approved a plan from Sinclair Knight Merz on behalf of Baker Hughes INTEQ to build the plant on the East Arm Wharf," Mr Vatskalis said.

"The plant will produce drilling fluid for the expansion of the oil and gas industry in the Northern Territory.

"This is an exciting announcement because it is just the start of huge projects that will be seen in the Territory in the near future.

"These projects are worth billions of dollars and this is the first tangible sign of their arrival.

"I treated the plan to build this plant as a matter of the highest priority. Approving it in a prompt fashion is a sign of this government’s determination to bring these projects to the Territory as soon as possible."

Mr Vatskalis said local contractors are being utilised in the plant’s construction phase and it is expected it will employ about 12 people when operational.

Mr Vatskalis said the plant also has environmental benefits.

"The fluid will be shipped directly from the plant to offshore drilling operations, thus minimising any environmental impacts by cutting on transport and handling frequency," he said.

"About 75 per cent of the drilling fluid is returned to the plant following a drilling operation for re-mixing and re-use.

"I welcome this development and I look forward to working with the company and others like it in the future," Mr Vatskalis said.

"The Northern Territory Government is committed to producing sound economic development within sensible and reasonable environmental frameworks and this plant is an excellent example of that."

The plant will include 32 silos, being built by local firm EC&E at Berrimah.

Baker Hughes INTEQ fluids plant manager Andrew Liew said the plant is just the start of investment in the Territory from his company and others like it.

"We have confidence and faith in the development of the gas and oil industry in the Northern Territory and it is an exciting time to be involved," Mr Liew said.

"There will be many, many opportunities over the next three-and-a-half years in particular."
Baker Hughes INTEQ is a Texas-based international oil company and one of the world’s biggest drilling contractors.