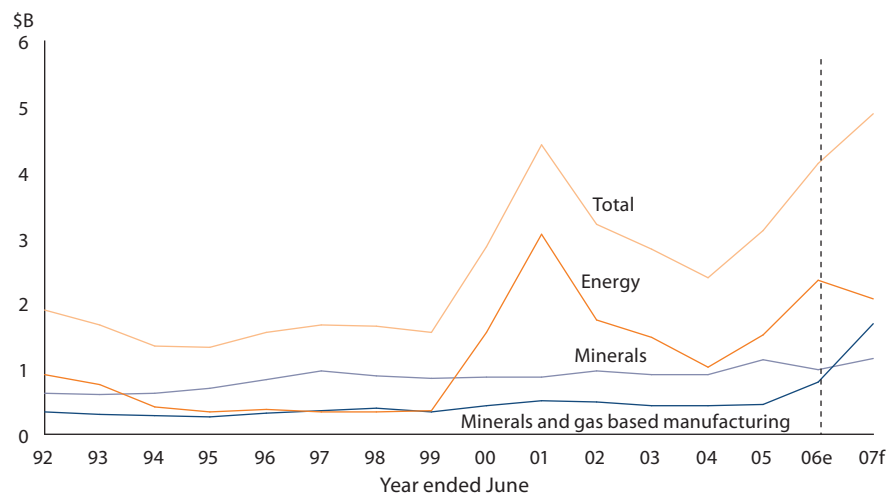


Mining and Energy

- In terms of output, mining is the largest industry in the Territory, accounting for 19 per cent of gross state product in 2004-05, compared to 5 per cent nationally.
- Mining output is volatile and production levels can jump markedly as new projects come on line. Global supply and demand conditions and the impact of exchange rate movements on competitiveness are key factors affecting production levels and price.
- In recent years, output has been dominated by oil production from the Laminaria-Corallina oilfields in the Timor Sea, but has been declining as reserves are depleted.
- In the short to medium term, production will be dominated by gas and condensate production from Bayu-Undan, half of which is attributed to the Territory. Liquefied natural gas (LNG) production at the new Wickham Point plant using feedstock gas from Bayu-Undan began in December 2005.
- Strong growth in the value of minerals production, particularly alumina, manganese and gold is expected in 2006-07, with higher production and prices. Prices are expected to moderate beyond 2006-07 as global supply increases.
- In the medium to long term, the level of exploration is expected to continue to increase, consistent with Australian trends and supported by Territory Government initiatives and strong commodity prices.

Mining and Energy Value of Production and Processing



e: estimate; f: forecast

Source: Northern Territory Treasury, Department of Business, Economic and Regional Development, Department of Primary Industry, Fisheries and Mines