

Oil & Gas industry

The damage wrought on the Middle East's oil and gas supplies

Saudi Arabia and Qatar have both suffered significant damage to production capacity during the US-Israeli war against Iran



Smoke rises over an oil-storage facility in Basra, Iraq, after a drone strike © Reuters

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The six-week-long Iran war struck at the heart of the world's most energy-rich region, with oil and gas facilities targeted by both sides and soaring prices for fuel triggering a new global energy shock.

As the dust has begun to settle during a tentative two-week ceasefire, the full scale of the damage has started to become clear, with long-term ramifications for the world economy.

Saudi Arabia, the world's largest oil exporter, has said it has suffered significant damage to its production capacity. Qatar, one of the world's largest liquefied natural gas producers, has lost almost a fifth of its output, which will take years to restore.

Some of the world's largest oil refineries, essential for turning the region's thick black crude into the fuels that power the world economy, have suffered numerous hits, with as much as 2.4mn barrels a day of capacity estimated to be offline.

At peace talks in Islamabad this weekend, much will centre on whether the US and Iran can reach a deal that reopens the Strait of Hormuz, the crucial waterway that remains a roadblock to recovery as long as it is under Tehran's de facto control.

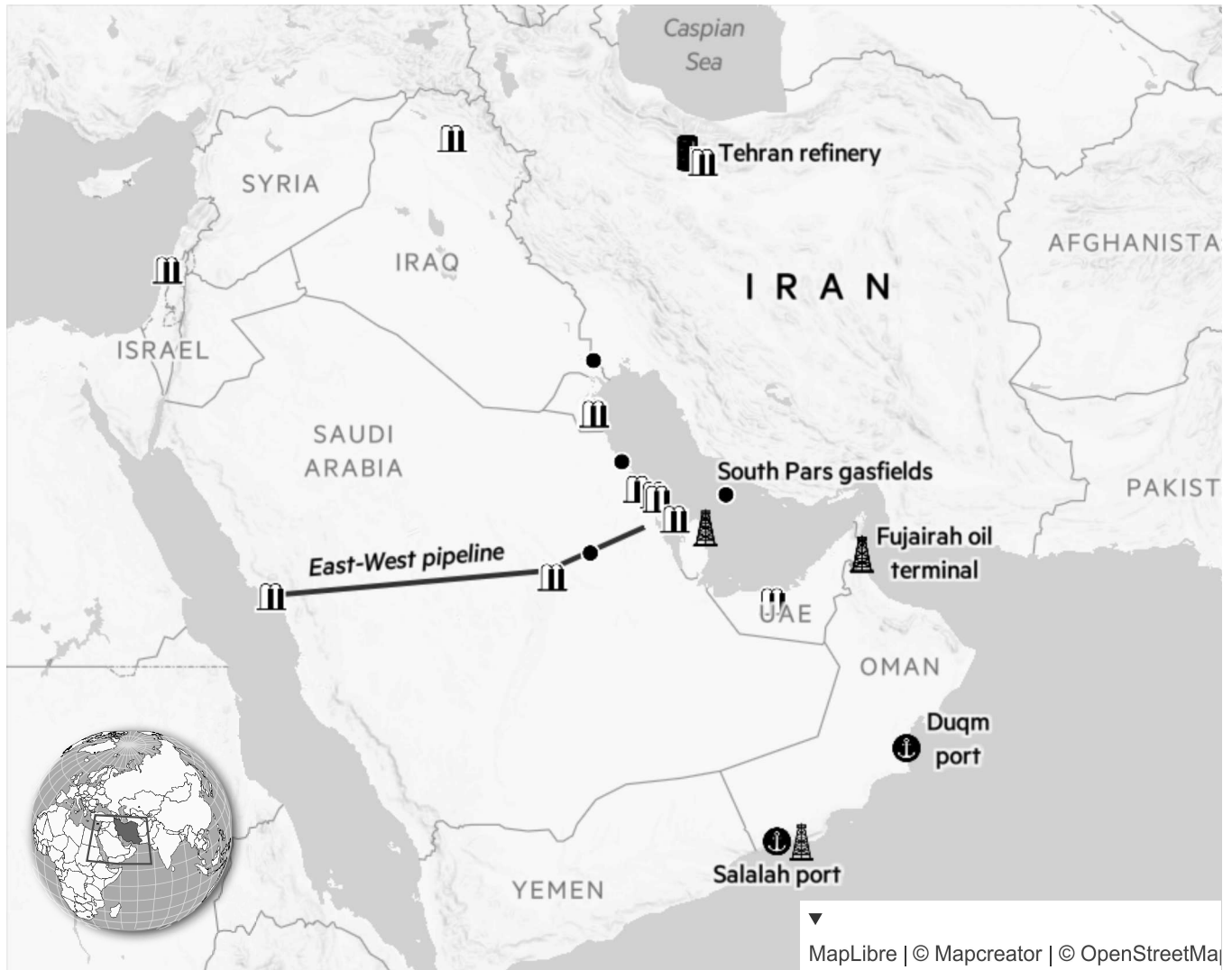
About 10 per cent of the world's crude oil production remains shut in, with little prospect of a speedy return while the strait is closed.

"Even if there is a durable ceasefire tomorrow and the strait reopens, markets will not return to normal for at least six months," said Jorge León, head of geopolitical analysis at Rystad Energy.

"And in some cases it could take significantly longer."

Locations of verified damaged energy assets in the Middle East

-  Oil depot
-  Refinery/processing facility
-  Terminal
-  Port
-  Oilfield/gasfield



Source: FT research

FINANCIAL TIME

Saudi Arabia

The world's top oil exporter confirmed this week that a series of attacks had cut its oil production capacity by 600,000 b/d and reduced the flow at the critical East-West pipeline by 700,000 b/d.

The pipeline, from Abqaiq to Yanbu on the Red Sea, has become a lifeline for oil exports during the war and was struck on the day after the ceasefire, damaging a pumping station.

Strikes at the offshore Manifa oilfield and at the Khurais oilfield north of Riyadh reduced production at each site by about 300,000 b/d, according to a rare statement from Saudi Arabia's energy ministry.

Helima Croft at RBC Capital Markets said the fact that at least some of the attacks came after the initial ceasefire would keep markets on edge.

“How do you reconcile significant material damage to a de-escalated environment?” Croft said. “I just don't think we can square that.”

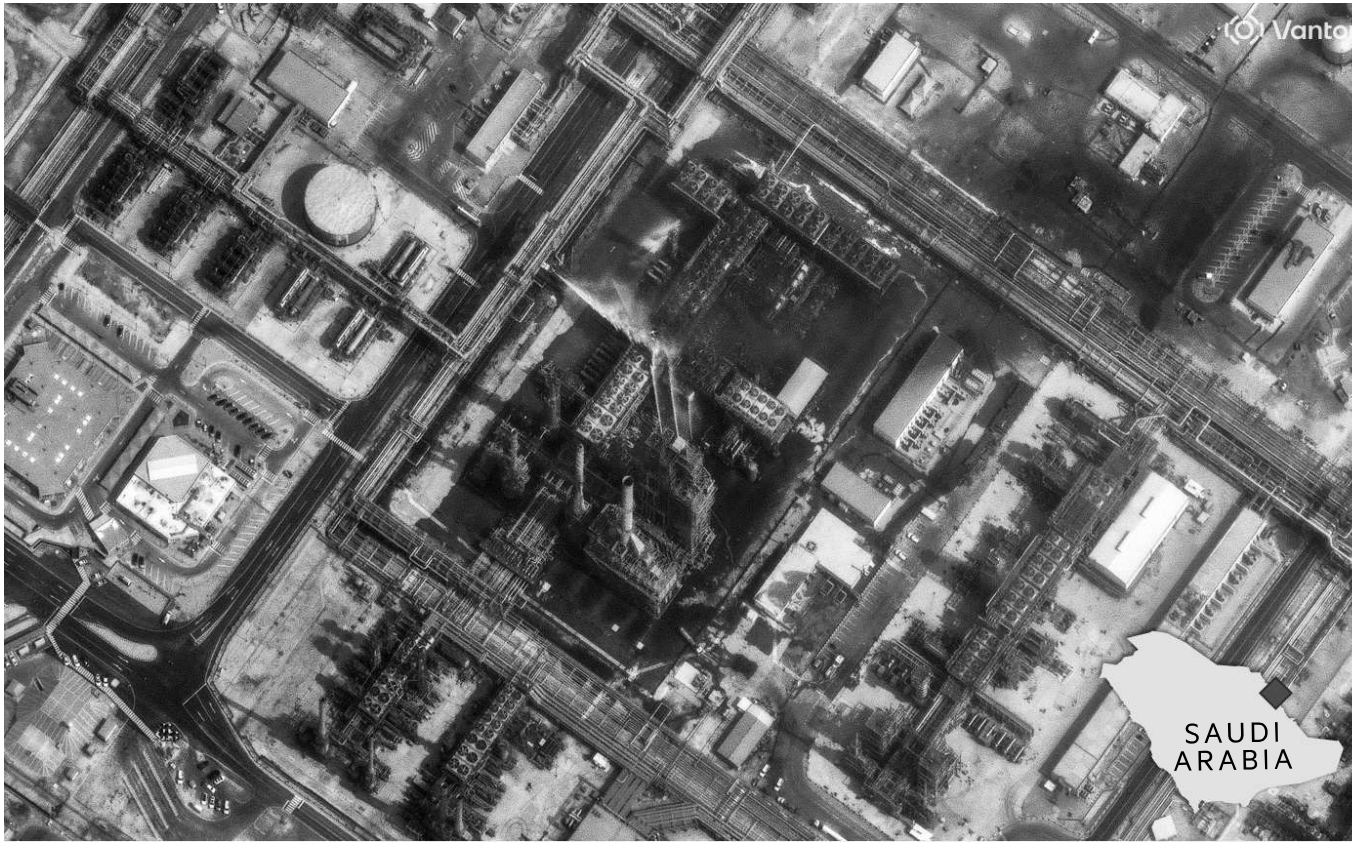
The attacks on fields mean Saudi Arabia's usual 12mn b/d production capacity has been cut — for an indeterminate period of time — by at least 5 per cent. That means that even if the Strait of Hormuz is reopened soon, the kingdom will not be able to pump flat out to replace the barrels lost since late February.

It will also lower the world's spare capacity buffer, which Riyadh has historically maintained the lion's share of to help counter the threat of supply disruptions elsewhere.

Saudi Arabia has also confirmed attacks on four major refining facilities, though most were able to keep operating.

The kingdom, which is widely expected to pressure the US Trump administration to ensure Iran is not left in control of the Strait of Hormuz, warned the attacks had affected “security of supply for consuming countries” — a pointed message it hopes will resonate in Washington.

Ras Tanura oil refinery caught fire after Iranian drones were intercepted



Source: Vantor

FINANCIAL TIME

Qatar

QatarEnergy's Ras Laffan vast industrial site was hit by missiles on March 18 and 19 after Israel bombed petrochemical facilities and the South Pars gasfield in Iran.

The Iranian retaliatory strikes marked one of the most significant escalations of the war, with ballistic missiles slamming into the world's largest LNG facility in two waves.

The company said the damage to the LNG facility would affect about 17 per cent of its exports and take three to five years to repair.

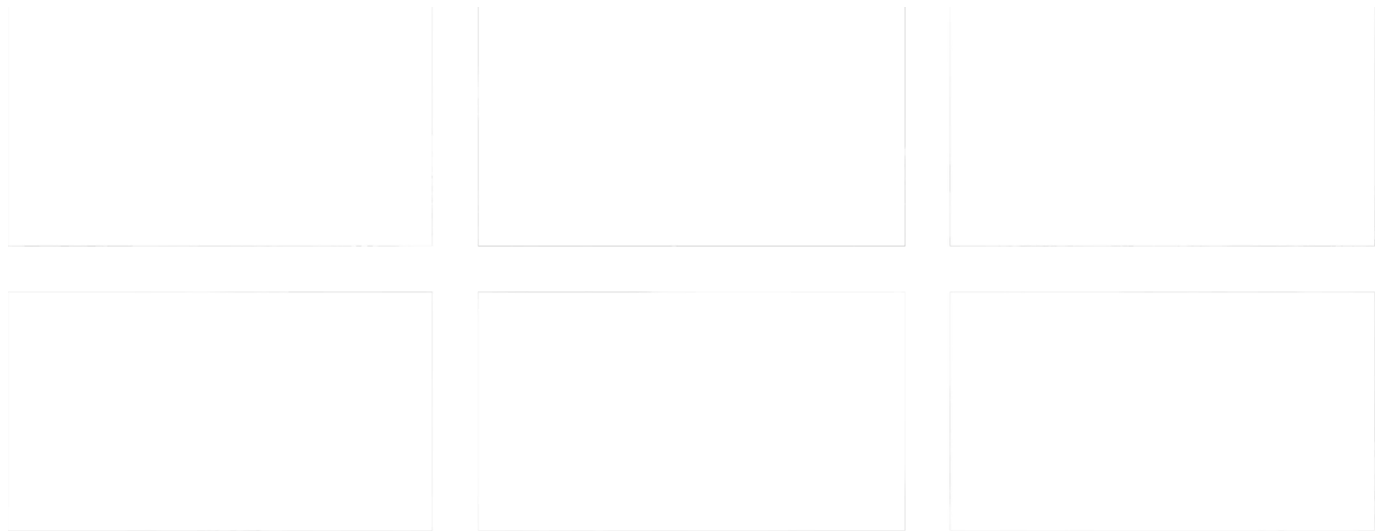
As well as the lost LNG production totalling about 12.8mn tonnes per year, QatarEnergy has said a gas-to-liquids plant operated with Shell was damaged in the attacks and would reduce its capacity for at least a year.

Analysts at Wood Mackenzie believe it will take several months to bring back the non-damaged parts of its LNG sites.

“The ceasefire means it may be possible for the 14 trapped LNG cargoes in the Gulf to exit the Strait of Hormuz and provide some relief to the global gas market,” said Tom Marzec-Manser, Europe gas and LNG analyst at Wood Mackenzie.

But he said there would be no “real structural change in supply” until Ras Laffan could start restoring its remaining production.

Energy infrastructure damage across the Gulf region



Footage includes A. Fujairah Oil Industry Zone, UAE (March 3) B. A fuel facility in Muharraq Governorate, Bahrain (March 12) C. Bahrain's Bapco oil refinery (March 9) D. Saudi Arabia's Ras Tanura refinery (March 2) E. Mina Al Ahmadi refinery in Kuwait (March 19) F. The South Pars gasfield, Iran (March 18)

UAE

Abu Dhabi's 922,000 b/d Ruwais refinery, one of the world's largest, was among the first energy facilities to be targeted in the conflict. On March 10, drone strikes sparked a fire at the facility, while debris from an air-defence interception caused several fires at the plant again on April 5.

Operations at the Habshan gas processing plant, the largest of its kind in the United Arab Emirates, were suspended twice during the conflict including on April 8 after falling debris from an interception sparked multiple fires.

The incident was reported within an hour of the ceasefire agreed between Washington and Tehran, immediately raising questions over the efficacy of the deal.

Two gasfields were also struck in March, leading to suspensions of production.

The UAE has been able to continue some oil exports through its port of Fujairah, which lies outside the Strait of Hormuz and can be reached by pipeline. However, operations have been halted on multiple occasions as the port and oil storage facilities have been targeted.

Satellite image captures burning oil storage tanks at Fujairah port following Iranian strike



FINANCIAL TIMES

Source: SOAR Atlas via © AIRBUS DS 2026 • Image captured March

Kuwait

Two of Kuwait's oil refineries — Mina Al Ahmadi and Mina Abdullah — have suffered serious damage from multiple strikes, according to people familiar with the matter, though both have continued running.

Before the war both plants were significant suppliers of jet fuel to Europe, particularly the UK, as well as sending refined fuels to Asia. The loss of their supplies has contributed to warnings about jet fuel running short in Asia and Europe in the coming weeks.

Iraq

Iraq, the second-largest oil producer in Opec, has been hit heavily by the effective closure of the Strait of Hormuz, due to its lack of alternative export routes.

The country has been forced to shut in more than three-quarters of its oil production, with volumes falling to just 800,000 b/d last month, compared to 4.3mn b/d before the war.

The country has also suffered direct attacks on its energy infrastructure. Drone attacks shut the Rumaila oilfield.

One tanker carrying Iraqi crude successfully transited the Strait of Hormuz on April 5, pointing to a tentative agreement between Iraq and Iran that would allow for the transit of crude through the strait.

Iran

Israel targeted three fuel depots in the capital and another in the nearby city of Karaj, west of Tehran, along with refineries on March 8. The attacks sparked enormous fires that caused thick black clouds to gather over Tehran, plunging the capital into darkness.

The Israeli strikes on the South Pars gasfield on March 18 forced Iran to take several units out of production.

Kharg Island, which hosts Iran's main oil export hub, has also been struck several times, but the attacks have centred on military targets, leaving its energy facilities intact.

Oman and Bahrain

Oman has received far fewer drone and missile attacks than its neighbours in the UAE, and the country has historically close links to Iran.

However, several air attacks have succeeded in disrupting operations at the port of Salalah, where an attack on oil storage facilities injured one worker. Danish shipping giant Maersk suspended operations there following the attacks.

Bahrain declared force majeure on March 9 after its 400,000 b/d Sitra refinery on the east of the island was struck.

Analysts said the damage appeared serious and it would take several months to get back to full output.

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