



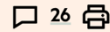
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Surveying the Middle East's energy infrastructure damage

A look at the 60-ish facilities hit in the war

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Published 9 HOURS AGO



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This is partly because people are waking up to the fact that the war will cause lasting damage, even if the ceasefire somehow endures.

Most obviously, Iran's control of the Strait of Hormuz is now a fact, and something of which it is taking full advantage. Secondly, a lot of energy infrastructure in the region has been damaged since the war erupted, and some of it will take time to repair.

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As JPMorgan's energy analysts said in a note yesterday evening (Alphaville's emphasis in bold below):

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In conflicts, headlines tend to focus on the fact of damage, not the scale. Facilities are 'hit,' infrastructure is 'targeted,' operations are 'disrupted,' but rarely do we get the quantifiers and qualifiers that matter for markets. The result is an estimate. What we do know is that in the nearly six weeks since the conflict began, more than 60 energy infrastructure assets in the Gulf have been affected by drone and missile strikes, with roughly 50 sustaining different degrees of damage. **We expect most attacks will not cause long-lasting disruptions. Some facilities, however, will face lengthy repair timelines, with at least eight assets appearing severely impacted. Qatar's Ras Laffan oil and gas complex, for example, may require years of repairs to restore 17% of its damaged capacity, while Bahrain's Sitra refinery was struck twice.**

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Oil refining has been a particular focus, with an estimated 2.4 mbd of capacity shut-in across 20 impacted plants. Most facilities have either restarted or were taken offline as a precaution. Around 900 kbd could potentially return within weeks, another 800 kbd may take about a month, while the remaining 700 kbd of Bahrain's Sitra refinery and Iran's Tehran refinery is likely to require significantly longer repairs.

. . . The Saudi Press Agency reported on Wednesday that multiple energy facilities across the kingdom have come under attack, hitting upstream, midstream, and downstream infrastructure, including the East-West pipeline, Manifa and Khurais facilities, key refineries, and LPG/NGL export sites. **The loss of 700 kbd of throughput on the East-West pipeline after a pumping station was attacked just hours after a two-week ceasefire was announced is particularly consequential, as the pipeline remains a critical bypass for roughly 5 mbd of oil flows.**