

Kharg Island Strike: US Attack on Kharg Island Raises Global Oil Supply Risks

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Kharg Island Latest News

- The United States launched a major bombing raid on **Iran's Kharg Island**, a critical hub for Iran's oil exports in the Persian Gulf, marking a significant escalation in the ongoing West Asia conflict.
- According to US President Donald Trump, the bombing raid targeted military installations on Kharg Island. Despite the attack, oil infrastructure was deliberately not targeted.
- Kharg Island handles almost all of Iran's oil exports, making it one of the most strategically important energy infrastructure sites in the region.

Geographical Location of Kharg Island

Kharg Island through which around 90% of Iran's oil exports pass has so far remained untouched in the U.S.-Israel bombing campaign – but striking it could send already surging oil prices sharply higher.

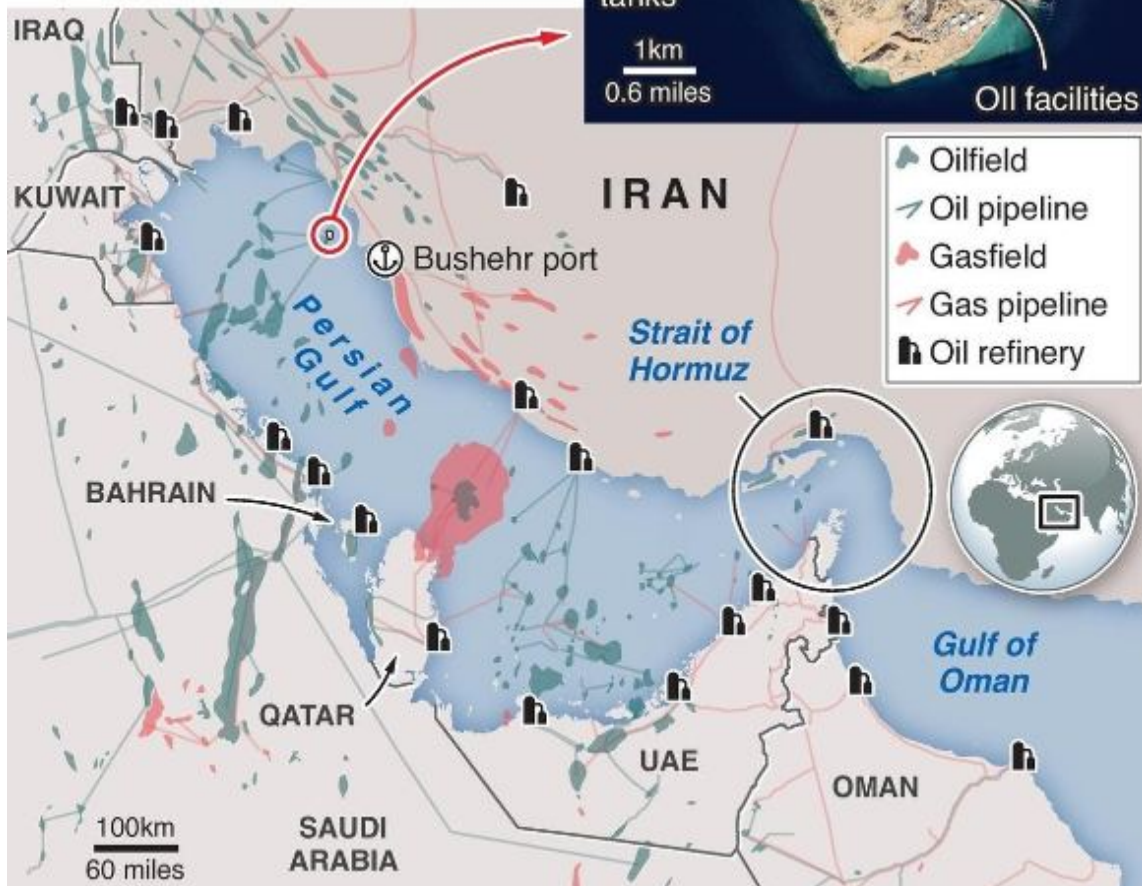
KHARG ISLAND

■ Located 24km off Iranian mainland; oil export terminal built by U.S. oil giant **Amoco** in 1960s, seized by Iran state after 1979 Islamic Revolution

■ Handles around **1.5 million** barrels per day – volume surpassing output of most OPEC countries

■ Storage tanks hold up to **30 million** barrels – around one-third capacity of giant U.S. storage hub in Cushing, Oklahoma

■ Space to berth eight tankers; up to **10 million** barrels of crude can be loaded per day



Geographical location of Kharg Island

- Kharg Island is a small coral island in the northern Persian Gulf, about 8 km long and covering roughly **20 sq. km**, located around **25-30 km off Iran's mainland coast**.
- Its landscape is dominated by industrial infrastructure such as massive oil storage tanks, jetties, and an airstrip, reflecting its role as a major oil export hub.

- Often called the “orphan pearl” of the Persian Gulf, Kharg Island has long been part of regional trade routes.
- Over centuries, it saw control by Dutch and British forces before becoming a key Iranian energy hub.
- Kharg Island became Iran’s main oil export terminal because it connects to major oil fields such as Ahvaz, Marun, and Gachsaran through pipelines and has deep-water jetties that allow supertankers to dock.

Strategic Importance of Kharg Island for Iran

- **Economic and Energy Significance** – Kharg Island is one of Iran’s most critical economic assets, serving as the main hub for the country’s oil storage and export infrastructure. Pipelines from the island connect to several major Iranian oil and gas fields.
- **Impact on Iran’s Oil Exports** – The island handles around 90% of Iran’s crude oil exports. Any attack on its oil infrastructure could severely disrupt Iran’s export capacity and cause a sharp rise in global oil prices.
- **Global Oil Market Implications** – Although recent strikes targeted only military facilities, analysts warn that tensions around Kharg Island could still push global crude prices toward \$150 per barrel, given its central role in Iran’s energy exports.

Key Energy Infrastructure on the Island

- Kharg Island hosts major energy facilities operated by the Iranian oil ministry, including Falat Iran Oil Company, which produces about 500,000 barrels of crude oil per day, as well as Kharg Petrochemical Company and large oil and LNG storage and export terminals.
- Until recently, US-Israeli strikes avoided targeting oil export facilities to prevent destabilising global oil markets and allow Iran to retain economic recovery options after the conflict.

Why Kharg Island’s location makes it crucial

- **Key Hub for Iran’s Oil Pipelines** – Kharg Island serves as the terminal point for pipelines from Iran’s major oil fields located in the central and western parts of the country, making it a crucial export hub for Iranian crude.
- **Historical Background of the Facility** – The infrastructure on Kharg Island was originally developed by the American Oil Company (Amoco) but was seized by Iran following the 1979 Iranian Revolution.
- **Geographic Advantage for Large Oil Tankers** – Most of Iran’s coastline is too shallow for very large crude carriers, but Kharg Island lies near deep waters with specialised jetties, allowing large oil tankers to dock and load crude efficiently.
- **Volume of Oil Passing Through Kharg Island** – On average, about 1.5 million barrels of oil per day are exported through Kharg Island. In anticipation of potential conflict, Iran reportedly increased exports to around 3 million barrels per day in early 2026.
- **Strategic Oil Storage Capacity** – Kharg Island also serves as a major storage hub, holding approximately 18 million barrels of crude oil as reserve capacity to ensure continuity of exports during disruptions.

Source: **IE** | **TH**

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