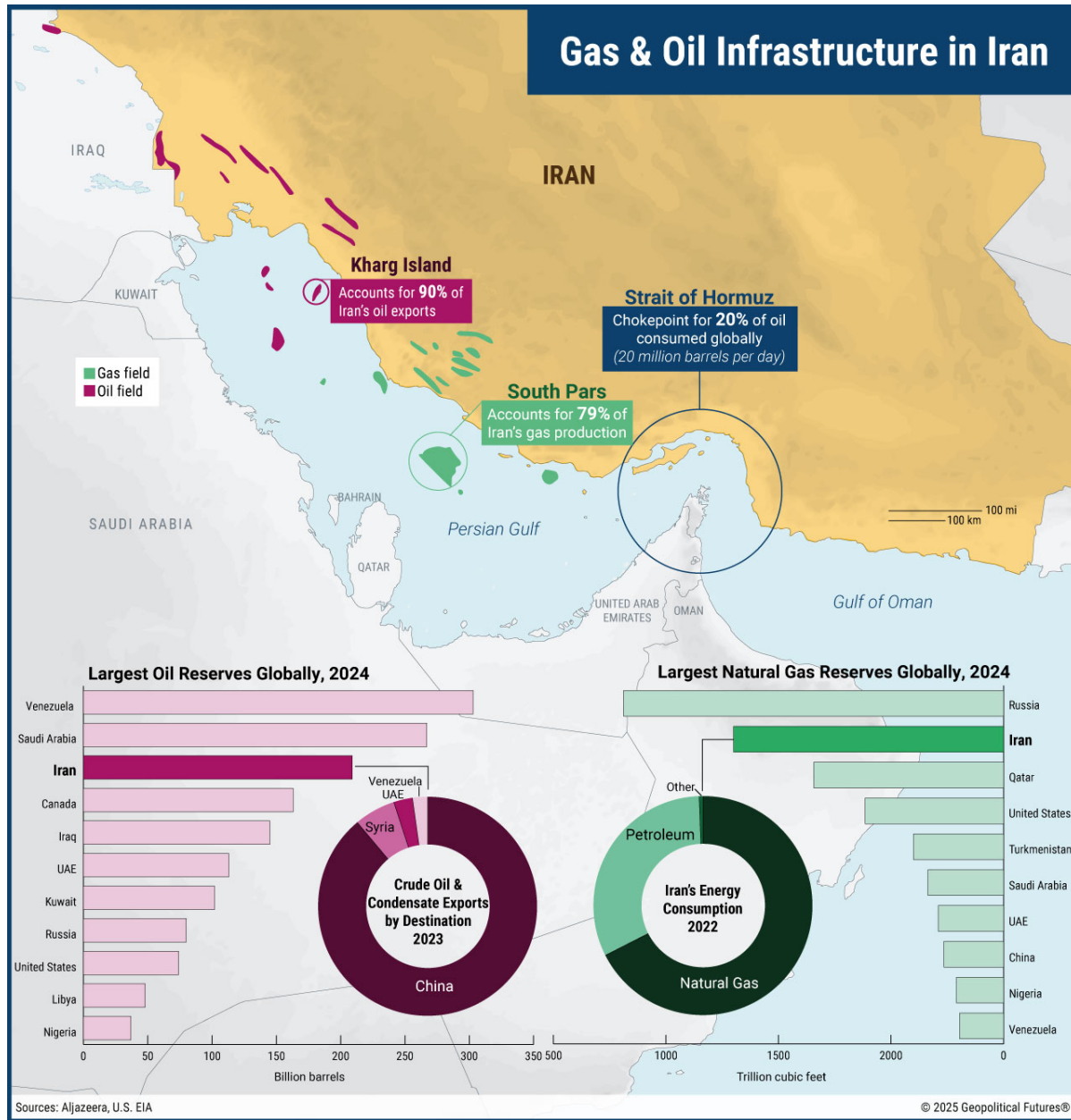


Iranian Oil and Gas Infrastructure

by Geopolitical Futures - June 20, 2025



(click to enlarge)

The Israel-Iran war has severely damaged Iran's energy infrastructure and raised tensions in the Strait of Hormuz. Israeli strikes have hit major oil and gas facilities, including the South Pars gas field, which accounts for about 80 percent of Iran's natural gas production. The attacks have triggered fires and caused major disruptions. Key oil export infrastructure, such as Kharg Island, has been shut down, cutting Iranian crude exports to just over 100,000 barrels per day from roughly 1.7 million. Refineries and storage depots near Tehran, Bushehr and Fars have also been targeted, further reducing Iran's processing capacity. Israeli strikes on power infrastructure have compounded the damage, straining Iran's broader industrial base.

In response, Iran has threatened to block the Strait of Hormuz – a narrow waterway through which nearly 20 percent of global oil shipments pass. While such a move would cause a sharp spike in global energy prices and destabilize markets, it would also undercut Iran's own exports and trade with key partners like China.

Fears of escalation have already pushed global oil prices up roughly 10 percent. OPEC members are considering output increases to stabilize the market, but risk premiums are likely to remain. The conflict has not only disrupted Iran's energy output but also introduced systemic risk to Gulf shipping lanes, fueling broader concerns about regional instability.

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