

SITUATION OVERVIEW

Conflict Escalates Across Energy, Maritime and Financial Systems

The conflict between Iran, the United States and Israel has entered a more disruptive phase, expanding beyond military exchanges into energy production, maritime routes and financial systems. Drone strikes on the UAE's ADNOC Shah gas field and Iraq's Majnoon oil field mark the first confirmed targeting of upstream oil and gas assets, while a tanker strike near Fujairah highlights growing risks to Gulf export corridors. The Strait of Hormuz remains severely constrained, with Gulf oil exports falling by approximately 60% and only limited non-Iranian shipping transiting the corridor. Energy markets remain volatile around \$100 per barrel, with analysts warning prices could rise toward \$200 if disruption persists. Cybercrime linked to the conflict has surged by over 200%, alongside intensifying disinformation campaigns shaping the regional security environment.

COUNTRY KEY DEVELOPMENTS

Iran

- Targets Gulf energy infrastructure while selectively allowing some Hormuz shipping transit.

Israel

- Missile interceptor shortages reported as operations continue across multiple fronts.

United Arab Emirates

- Drone strikes hit Shah gas field, Fujairah oil infrastructure and Dubai aviation zone.

Saudi Arabia

- Intercepts nearly 100 drones in largest single-day attack on energy regions.

Kuwait

- Authorities disrupt organised sabotage plot targeting national security and stability.

Qatar

- Missile interceptions continue; Doha halts flights amid heightened security risks.

Oman

- Establishes food depots and logistics corridors to offset regional supply disruptions.

Iraq

- Drone strikes hit oil infrastructure; airspace closure extended and security incidents escalate.

Lebanon

- Western states warn Israeli ground offensive risks devastating humanitarian consequence.

Turkey

- Iraq seeks oil exports via Ceyhan pipeline as Ankara pushes diplomacy.

Yemen

- Analysts warn Houthis could escalate Red Sea attacks threatening Bab el-Mandeb shipping.

Egypt

- Suez Canal revenues drop \$10bn as conflict disrupts regional shipping.

Syria

- Israeli strikes target Iranian logistics corridors and militia networks across territory.

RISK INDICATORS

Security Risk: Expanding Iranian drone and missile attacks targeting energy production sites, ports and military infrastructure across the Gulf.

SEVERE

Aviation Risk: Airspace closures and missile interceptions continue to disrupt regional aviation corridors.

HIGH

Maritime Risk: Hormuz transit remains unstable, with vessel strikes, rerouting and limited naval coordination increasing shipping risk.

SEVERE

Energy Risk: Attacks on upstream oil and gas infrastructure significantly increase supply disruption risks.

HIGH

OPERATIONAL IMPACT

Aviation

- Oman Air introduced fuel and war-risk surcharges across its cargo network as jet fuel prices surge and insurance costs rise.
- Jet fuel prices have risen over 58% week-on-week, increasing operating costs across global aviation markets.
- A drone strike hit a fuel tank near Dubai International Airport (DXB), forcing a temporary suspension of operations.

Logistics & Supply Chain

- Suez Canal revenues have declined by approximately \$10bn, highlighting sustained disruption to global trade routes and Red Sea shipping flows.
- Oman is establishing emergency food depots to stabilise supply chains and mitigate maritime disruption across the Gulf.
- Iraq–Türkiye Development Road gains traction as alternative trade corridor.

Maritime

- Suez Canal revenues have declined by approximately \$10bn, highlighting sustained disruption to global trade routes and Red Sea shipping flows.
- Only five non-Iranian tankers have transited the Strait of Hormuz, indicating effective Iranian control over commercial shipping access.

Energy Markets

- The IEA signalled readiness to expand strategic reserve releases beyond 400 million barrels to stabilise markets.
- Japan is exploring increased imports of Russian crude, while Canada has pledged output increases, reflecting global efforts to offset Gulf supply disruption.
- Hormuz transit limited; Iran selectively controls shipping access.

OUTLOOK (NEXT 72–96 HOURS)

The conflict will remain highly volatile as Iran continues asymmetric attacks targeting energy infrastructure, maritime routes and airspace, while U.S. and Israeli strikes persist. Attacks on upstream oil and gas assets signal a sustained strategy to pressure Gulf economies and global energy markets.

Disruption in the Strait of Hormuz is likely to continue, with selective transit controls limiting exports despite partial use of alternative routes. Energy markets will remain sensitive, with sustained supply constraints supporting elevated price risks.

Cyber operations are expected to intensify, targeting critical infrastructure, financial systems and corporate networks. At the same time, cyber-enabled fraud, phishing and disinformation campaigns are increasing across the Gulf.

Logistics, aviation and financial systems will continue operating under disruption, higher costs and reduced reliability.

ADVISORY NOTE

Organisations operating across the Gulf should maintain heightened vigilance and activate crisis management and business continuity protocols. Companies should review exposure to energy supply disruption, maritime routing constraints and aviation fuel availability, and prepare contingency plans for logistics delays and cost increases.

Strengthen cybersecurity posture immediately, including monitoring for phishing, fraud attempts and disinformation targeting employees or financial systems. Critical infrastructure and corporate networks should be placed on elevated alert.

Limit non-essential travel and review staff safety procedures, particularly in high-risk locations or near strategic assets. Monitor official government guidance and avoid reliance on unverified social media information.

Finance teams should assess liquidity positions and exposure to market volatility, while leadership should prepare for rapid changes in operating conditions across the region.