BRAVO ENERGY

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BRAVO ENERGY REPORT

DEEP WATER INTELLIGENCE

-200M

The strait is shut. They're still *signing*.

-800M

Hormuz has been closed to routine traffic for most of five months. Brent trades at $89. Qatar has lost 17% of its LNG export capacity for the next five years. Three stories on why the oil market absorbed the largest supply disruption in its history, why the gas market could not, and why Saipem signed $1.8 billion of Gulf work this morning anyway.

-1.8KM

-3.0KM

STORY ONE · THE SHRUG

The largest disruption in oil history. And Brent is *eighty-nine*.

The IRGC closed the Strait of Hormuz to allied shipping on 2 March. Roughly 13 million barrels a day stopped moving. Five months later the strait is still shut, and OPEC+ has just voted to produce more.

The first move was everything the textbook promised. Brent ran from the mid $70s to roughly $126 inside March, a 65% gain in four weeks. North Sea Dated physical cargoes cleared near $130. Around 54 laden tankers, each carrying an average of more than 1.5 million barrels, sat inside the Gulf with nowhere to go. The IEA called it the largest supply disruption in the history of the oil market, and on volume alone it was right.

Then it faded. A Pakistan-brokered ceasefire on 8 April reopened the strait partially before Iran restricted passage again on 18 April. A US-Iran memorandum reopened it toll-free around 17 June, and that arrangement collapsed in early July after attacks on commercial vessels. Four reversals in four months. Through all of them, the price worked steadily lower. Brent was back at $95 by late April and opened at $88.98 on 12 August.

Strip out the noise and the market has made a judgement. It has decided that Hormuz is a freight problem, not a supply problem.

Two things made that judgement defensible. The first is OPEC+, which has spent the year handing volume back. The seven-country group met on 2 August and approved a further 188,000 b/d for September, the fifth consecutive monthly increase, completing the reversal of roughly 3.5 million b/d of cuts announced in 2023. Saudi Arabia goes to 10.4 million b/d in September, Russia to 9.9 million, Iraq to 4.4 million.

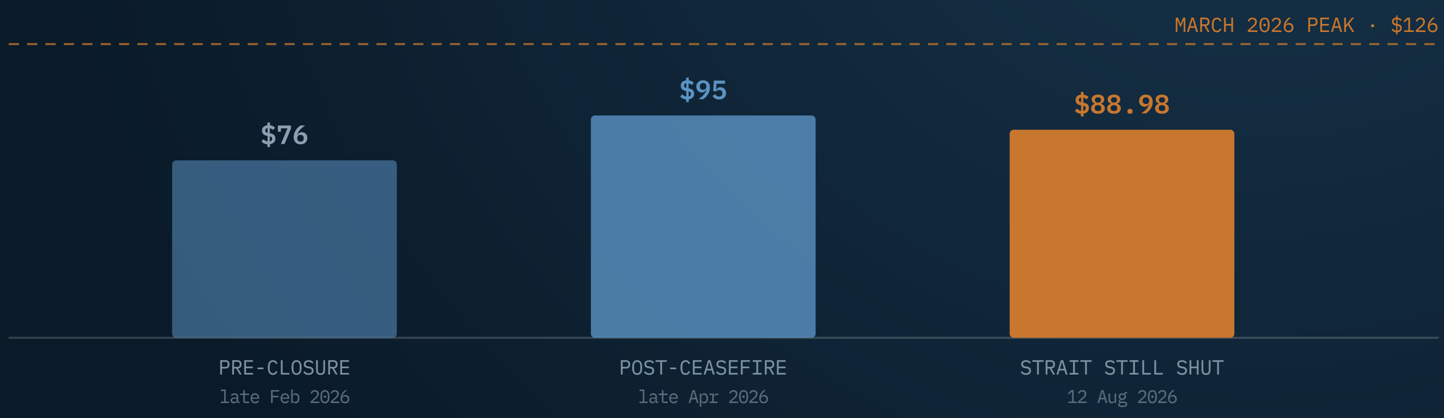
The second is that a barrel is fungible and a route is not. Crude that cannot leave through Hormuz gets replaced by crude from Brazil, Guyana, West Africa or the US Gulf, and the buyer pays a freight differential rather than a scarcity premium. Saudi Arabia still has the East-West pipeline to Yanbu. Nothing about that is comfortable for the producers stuck behind the strait, and none of it shows up as $120 oil.

$88.98

Brent open, 12 August 2026
Down roughly $37 from the March peak

STORY ONE · THE ROUND TRIP

Priced a chokepoint. Found a *detour*.



BRENT FRONT-MONTH, USD/BBL. SOURCES: FORBES ADVISOR (12 AUG OPEN), EIA SHORT-TERM ENERGY OUTLOOK, WORLD BANK COMMODITY BLOG, TRADINGECONOMICS

Thirteen dollars. That is the whole security premium left in Brent against where the price sat before any of this started, after five months of the most complete interruption of Persian Gulf exports on record. The war premium was real in March and it has been sold since.

This matters more for sanction cases than for spot traders. Operators build FID economics off strip pricing, and the strip has told them that a closed Hormuz is worth single digits per barrel. Baker Hughes already guides on the assumption that the strait does not fully reopen until the second half of 2026. The market read that and shrugged.

The oil market priced a chokepoint, then discovered it had priced a detour.

THE SEQUENCE

2 Mar IRGC closes the strait to US and Israel-allied shipping.

Mar Brent runs mid $70s to roughly $126. Physical cargoes near $130.

8 Apr Ceasefire, partial reopening. **18 Apr** Iran restricts passage again.

17 Jun US-Iran memorandum reopens the strait toll-free. **Early Jul** It collapses after attacks on commercial vessels.

2 Aug OPEC+ approves 188,000 b/d for September, the fifth straight increase.

SO WHAT

Your client's 2027 sanction case will not carry a war premium, because the forward curve does not. If your commercial narrative leans on high oil prices to justify a scope, rebuild it against $85 Brent. What is clearing FID this year is clearing on cost position and gas exposure.

STORY TWO · THE MOLECULE

You cannot reroute a *liquefaction train*.

Two Iranian missile strikes hit Ras Laffan Industrial City on 18 and 19 March. Trains 4 and 6 stopped. Qatar's own estimate for the repair is up to five years, and the gas market has behaved nothing like the oil market since.

Trains 4 and 6 carry a combined 12.8 million tonnes a year, close to 17% of Qatar's export capacity. Energy Minister Saad Al-Kaabi put the revenue loss at about $20 billion a year and the repair window at three to five years, with no milestone schedule published beyond that range. QatarEnergy declared force majeure on 4 March and has since extended it, for up to five years, across long-term contracts serving China, South Korea, Italy and Belgium.

Qatar's entire 77 mtpa of nameplate capacity sits across 14 trains at one coastal site. That concentration was an efficiency for thirty years. In March it became a single point of failure, and Kpler's thermal monitoring counted only six of the fourteen trains showing signatures through July.

The gas price did what the oil price refused to. Platts JKM more than doubled inside the first two trading days after the closure and touched roughly $25.39/MMBtu intraday, a 68% move in a session. March settled at an $18/MMBtu average, the highest monthly print since January 2023.

Five months on there has been no round trip. JKM was $21.19/MMBtu on 11 August, up 28.2% over the month and 77.6% on the year. Brent is back near its pre-closure level. Gas is still climbing.

The reason is structural and it is worth stating plainly. There is no OPEC for gas, no spare liquefaction sitting idle waiting for a call, and no way to substitute a train that has been hit by a missile. Oil lost a route. Gas lost a factory. Asian buyers who take more than 80% of Qatari volume have spent five months competing for the same spot cargoes.

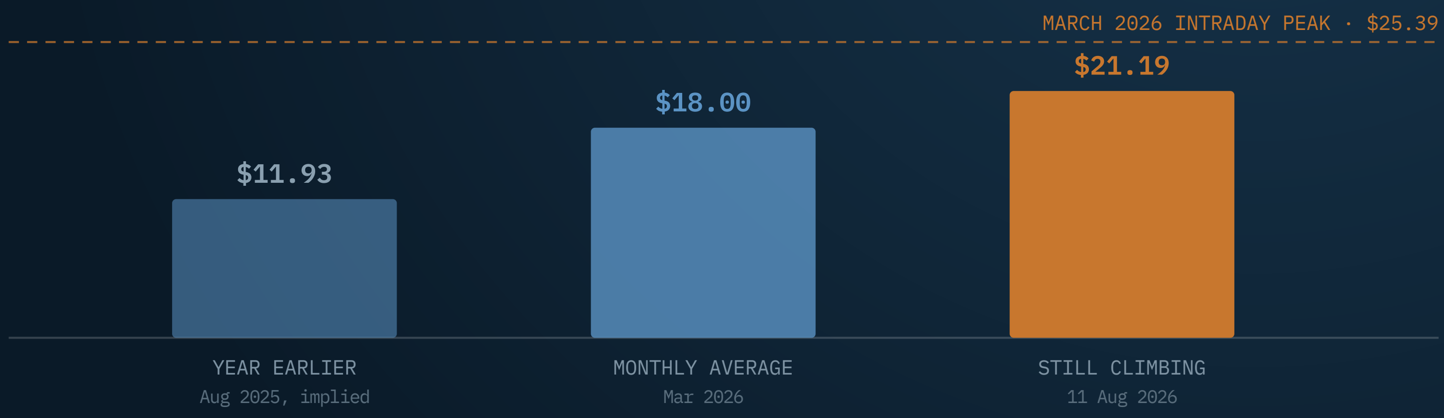
Which produced the year's most instructive trade. QatarEnergy has bought as many as 33 spot cargoes from the United States and shipped them to Japan, South Korea, India, Bangladesh and Taiwan, 28 of them already delivered. The world's largest LNG exporter is buying American gas to keep its own contracts alive.

12.8 MTPA

Trains 4 and 6, offline since 19 March 2026
Roughly 17% of Qatar's export capacity

STORY TWO · NO ROUND TRIP

Oil lost a route. Gas lost a *factory*.



PLATTS JKM, USD/MMBTU. AUG 2025 VALUE IMPLIED FROM THE STATED 77.65% YEAR-ON-YEAR CHANGE. SOURCES: TRADINGECONOMICS, IEA GAS MARKET REPORT Q2-2026, EIA

Two commodities, one chokepoint, opposite outcomes. Brent gave back almost the entire move. JKM kept 78% of a year-on-year gain and added 28% in the last month alone. That divergence is the single most useful signal in the market right now, and it points in one direction for anyone deciding which tender list to chase.

Qatar has to replace 12.8 mtpa it cannot repair quickly, while North Field East is meant to add 32 mtpa across four mega-trains from 2026 into 2027. Every LNG buyer in Asia has just learned what a five-year force majeure feels like, and the answer is diversification.

The largest LNG exporter on earth is buying American cargoes to honour its own contracts.

RAS LAFFAN, BY THE NUMBERS

77 mtpa nameplate across 14 trains, all at one site.

12.8 mtpa lost with Trains 4 and 6, about 17% of export capacity.

$20bn/yr revenue loss on QatarEnergy's estimate. **3 to 5 years** to repair, no milestone schedule published.

4 countries covered by the extended force majeure: China, South Korea, Italy, Belgium.

33 cargoes bought by QatarEnergy on the US spot market, 28 delivered.

SO WHAT

Gas is where the 2027 to 2029 award money moves. Qatar must rebuild capacity it cannot repair on schedule, and Asian buyers are now paying for supply security over the cheapest molecule. If your capability statement leads with oil tiebacks, reweight it toward gas gathering, trunklines and FLNG hookup.

STORY THREE · THE SIGNATURE

Saipem signed $1.8 billion of Gulf work *this morning*.

The Dorra award landed on 13 August, into a Gulf that war underwriters have repriced by a factor of forty. Operators sanction on a five-year view. Contractors price on a three-year one. The strait moves on a three-month one.

Saipem, in a grouping with India's Larsen & Toubro, took the Dorra packages from Al Khafji Joint Operations, the Aramco and Kuwait Petroleum joint venture in the Saudi-Kuwait neutral zone. Package 2A covers gas wellhead topsides, flowlines and umbilicals. Package 2B covers the central gathering platform complex, export pipelines and cables. Saipem's share is $1.8 billion. The field is gas, which is the point.

It is not an outlier either. McDermott took ADNOC's Nasr-115 expansion in January, a "major" award on the company's own $750 million to $1 billion definition, 130 km northwest of Abu Dhabi, lifting Nasr Phase II toward 115,000 b/d by 2027. Aramco gave McDermott CRPO 166, carved out of the $15 billion Marjan programme. Saipem took CRPO 156, a 48-inch trunkline running 65 km offshore and 12 km onshore from Safaniya, then a further $400 million of Safaniya work in April. The Middle East remains the largest single contributor to McDermott's backlog.

Underneath all of that, the insurance layer has moved by an order of magnitude. War risk cover in the Middle East Gulf has gone from around 0.25% of hull value to between 3% and 10%. On a $100 million hull that is a $250,000 line becoming a $3 million to $10 million line. Seven-day Gulf cover is up roughly tenfold on pre-conflict levels. Some underwriters have cancelled annual hull war policies outright using the standard seven-day notice clause, and the US government stood up a $20 billion marine reinsurance facility in March to hold capacity in the market.

A construction spread is not a tanker, and the distinction cuts both ways. A DLV or a heavy-lift vessel transits once and then stays on location for months, so it avoids the per-voyage premium that is punishing tanker owners. It also sits inside the risk zone continuously, on a hull worth several hundred million dollars, with no ability to leave quickly if the strait shuts again. Nobody has a loss history for that.

STORY THREE · WHAT THE PREMIUM DID

Forty times the *premium*.

MIDDLE EAST GULF HULL WAR RISK COVER ON A $100M HULL. SOURCES: LLOYD'S LIST, S&P GLOBAL COMMODITY INSIGHTS, THE NATIONAL (17 JUL 2026)

The award cycle and the geopolitical cycle run on different clocks, and that mismatch is where money is won and lost this year. KJO sanctioned Dorra against gas demand that runs to the 2040s. Saipem priced it against an execution window starting in 2027. Neither of those horizons is helped by a strait that has opened and closed four times since March.

The contractors still bidding are making a specific bet: that the premium is transient and the backlog is permanent. That is a reasonable bet on a five-year programme. It is a poor one if the war-risk line in the estimate was frozen before March.

Operators sanction on a five-year view. The strait moves on a three-month one.

GULF AWARDS SINCE THE CLOSURE

13 Aug 2026 Saipem with L&T, KJO Dorra Packages 2A and 2B, Saipem share $1.8bn.

15 Apr 2026 Saipem, $400m of Aramco EPCI at Safaniya.

Jan 2026 McDermott, ADNOC Nasr-115 expansion, $750m to $1bn class.

Jan 2026 McDermott, Aramco CRPO 166, carved from the $15bn Marjan programme.

Dec 2025 Saipem with COOEC, QatarEnergy LNG offshore EPCI, $3.1bn.

SO WHAT

Check when your war-risk assumption was set. If the mobilisation line was built before March 2026 it is out by roughly forty times, and on a several-hundred-million-dollar spread that is the margin, not a contingency. Close two questions before submission: does the client's insurance schedule leave the war-risk premium with you, and does the force majeure clause cover a closure that has already happened four times this year? A named-peril list written in 2024 does not.

MARKET INTELLIGENCE · JULY – AUGUST 2026

What moved while you were reading.

TENDERS & CONTRACTING

▶ 13 AUG 2026 · **Saipem takes $1.8bn Dorra scope.** Al Khafji Joint Operations awarded Packages 2A and 2B of the Dorra gas development in the Saudi-Kuwait neutral zone to a Saipem and Larsen & Toubro grouping. Scope spans wellhead topsides, flowlines, umbilicals, the central gathering platform complex, export pipelines and cables.

▶ 4 AUG 2026 · **Intermoor wins third Petrobras contract in a year.** Three-year award covering inspection, preservation, maintenance and operational readiness for subsea interconnection, mooring and anchoring materials offshore Brazil.

▶ 31 JUL 2026 · **Subsea7 lands Brunei Shell pipeline replacement.** EPCI of subsea pipeline and riser systems in water depths to 50 m. Project management and engineering run from Kuala Lumpur with support from Perth and Paris.

▶ 7 JUL 2026 · **Equinor commits NOK 6bn across four NCS tiebacks.** TWIN, Omega Sør, Tyrihans Nord and Brime, together worth 130 to 220 mmboe. TechnipFMC takes $250m to $500m of subsea production systems and rigid pipelay. OneSubsea supplies umbilicals across all four, Ocean Installer the marine scope, NOV the flexibles.

VESSELS & ASSETS

▶ 1 AUG 2026 · **Skandi Buzios back on hire.** The PLSV returned to Petrobras service after its contract was extended to September 2026, keeping Brazilian pipelay tonnage locked up through the second half. Sapura Energy separately holds $1.8bn of Petrobras subsea services and PLSV work across six vessels, and Subsea7 has long-term day-rate contracts running on Seven Waves and Seven Rio.

▶ JUL 2026 · **DOF books Skandi Inventor into northern Australia.** Large subsea construction and pre-commissioning support award in the APAC region, with offshore operations starting Q4 2026 in northern Australian waters. It takes another mid-size construction vessel out of regional availability at the point when APAC tender activity is building.

CORPORATE & MARKETS

▶ 2 AUG 2026 · **OPEC+ approves the last hike of the year.** The seven-country group added 188,000 b/d for September, completing the reversal of roughly 3.5 million b/d of 2023 cuts. Saudi Arabia goes to 10.4 million b/d, Russia to 9.9 million, Iraq to 4.4 million. It is the final scheduled quota increase of 2026.

▶ JUL 2026 · **Westwood counts 38 offshore FIDs in the first half.** Up 90% on 1H 2025, carrying $66.4bn of committed field development capex, more than three times a year earlier. A further $70.5bn is identified as sanctionable in the second half, alongside more than $30bn of floating production and subsea EPC awards. Both the FPS and subsea markets strengthened materially in Q2.

▶ 2026 · **The floater fleet keeps shrinking while rates hold.** Top-tier deepwater drillships in the Gulf of Mexico, Brazil and West Africa are contracting at $525k to $585k a day, with leading-edge specialty work pushing toward $600k. Marketed drillship utilisation sits at 94% for 2026 and semisubmersibles at 88%, against an active floater count down to roughly 170 from about 260 in 2014.

DOSSIER

ASSET PROFILE · THE SINGLE POINT OF FAILURE

Ras Laffan *Industrial City*

Every tonne of Qatari LNG leaves from one site on the Gulf coast. In March, two missiles found it.

What it is	**Qatar's entire LNG export complex**, 14 trains, 77 mtpa nameplate, single coastal site
What happened	**Iranian missile strikes, 18 and 19 March 2026**
Damage	**Trains 4 and 6**, combined 12.8 mtpa
Share of exports	**Roughly 17%**
Revenue loss	**About $20bn a year**, QatarEnergy estimate
Repair estimate	**Three to five years**, no milestone schedule
Force majeure	**Declared 4 Mar 2026**, extended up to five years
Contracts affected	**China, South Korea, Italy, Belgium**
Trains running	**Six of fourteen** showing thermal signatures, July 2026
The workaround	**33 US spot cargoes** bought, 28 delivered
Watch	**North Field East**, 32 mtpa across four mega-trains, ramping 2026 to 2027

> *"Thirty years of building the world's cheapest LNG at one location, and it took two missiles to price the concentration risk."*

The rebuild is the story worth tracking. Qatar has to restore 12.8 mtpa while simultaneously commissioning North Field East, and both compete for the same EPC contractors, the same fabrication yards and the same specialist commissioning teams. Buyers in Japan, Korea and China are already writing supply-security language into contracts that used to be priced on landed cost alone.

B.

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