

IRAN

Kharg Island: Iran's Oil Lifeline and a Tempting U.S. Target

The small island in the Persian Gulf serves as Iran's primary oil terminal, handling roughly 90 percent of the country's crude exports. Recently, it has become a high-value target in the U.S.-Israeli war on Iran.



A view of an oil facility on Iran's Kharg Island, on March 12, 2017. Atta Kenare/AFP/Getty Images



UPDATED

April 7, 2026 1:35 p.m.

BY

Will Merrow

Senior Editor, Data Visualization

Mariel Ferragamo

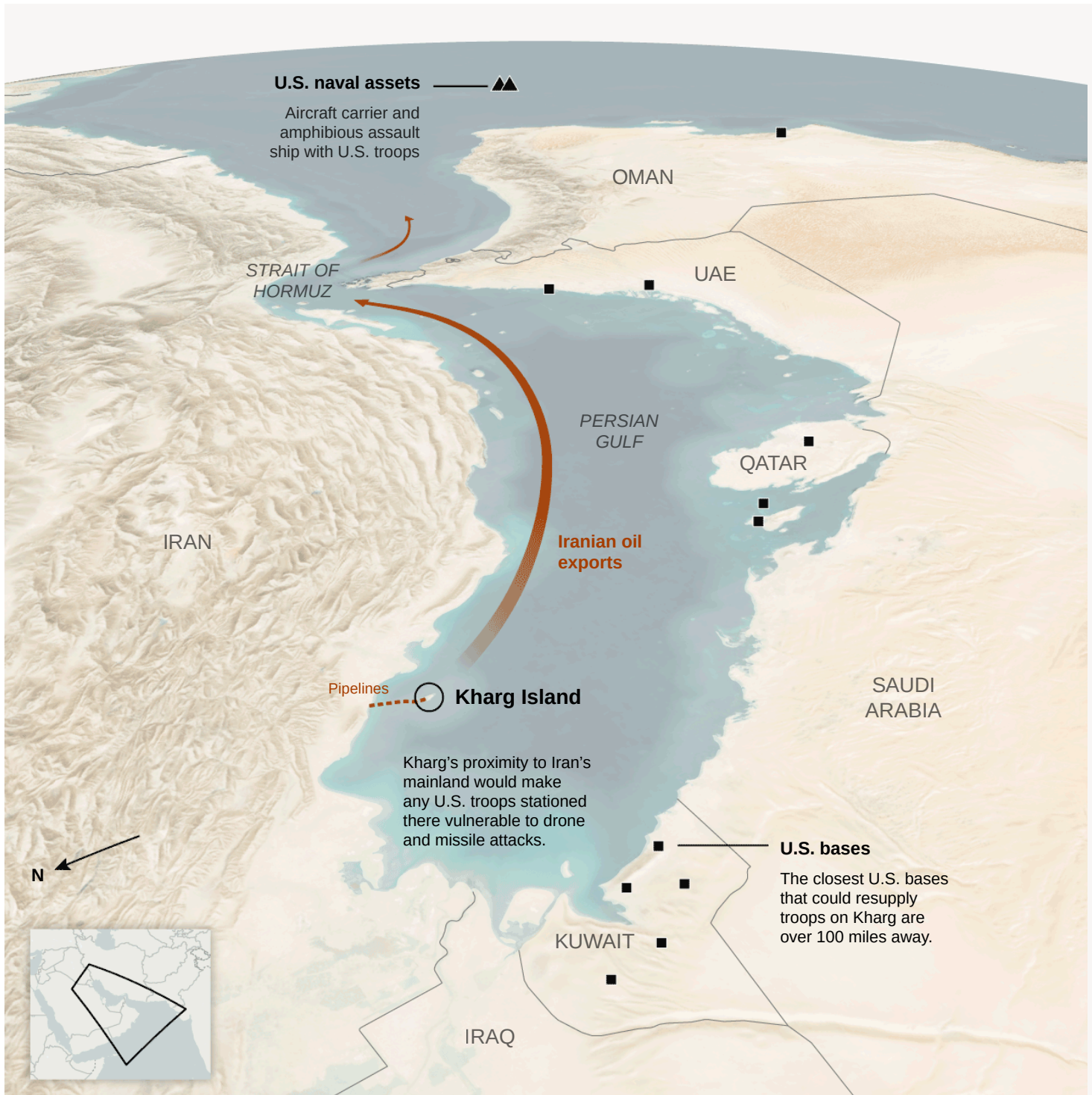
Writer/Editor

Diana Roy

Senior Writer/Editor, Latin America

Kharg Island, a small coral island in the northern Persian Gulf responsible for handling approximately 90 percent of Iran's crude oil exports, has become a flash point in the United States and Israel's widening conflict in Iran.





Sources: Congressional Research Service (U.S. bases); U.S. Naval Institute (naval assets); OpenStreetMap (pipelines)

The U.S. military carried out a fresh round of strikes on the island on April 7, hitting more than fifty military targets. Speaking to reporters, Vice President JD Var

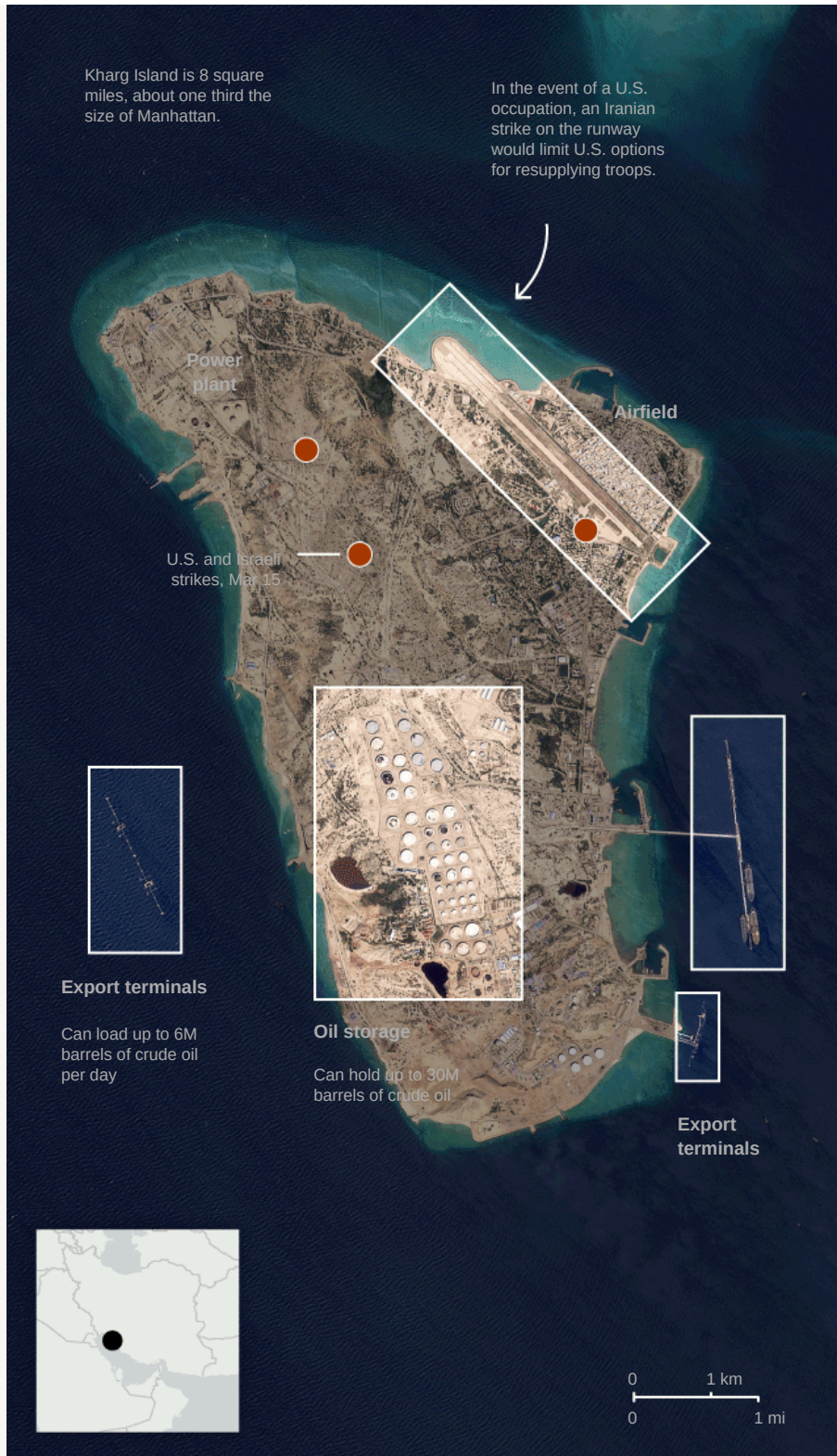
strikes didn't mark "a change in strategy." The attacks came ahead of an 8 p.m. Eastern Time deadline issued by President Donald Trump for Iran to reopen the Strait of Hormuz, the choke point for nearly one-fifth of the world's oil and natural gas supply. While the strikes did not hit critical oil infrastructure, the price of crude oil still spiked 3 percent after the attack, hitting almost \$116 per barrel, and Brent crude jumped to more than \$110 per barrel.

The morning of, Trump warned that "a whole civilization will die tonight" if Iran doesn't meet his deadline.

The United States previously bombed the island on March 13, hitting more than ninety Iranian military targets, including missile and naval mine storage facilities. While Trump wrote on social media at the time that he chose not to "wipe out" the island's oil infrastructure, he also warned he would "immediately reconsider" that decision if Iran continued to disrupt global shipping in the Strait of Hormuz.

Trump has indicated that his administration is considering seizing the island, telling the Financial Times on March 29, "Maybe we take Kharg Island, maybe we don't. We have a lot of options." While the United States has ramped up its military presence in the Middle East, experts say an attack or invasion of Kharg Island could further drive up global oil prices by curbing Iran's oil exports, provoke retaliation, and endanger the lives of U.S. military personnel who could be deployed to the island.





Sources: Planet Labs PBC (satellite image); Bloomberg (image analysis); Institute for the Study of War and American Enterprise Institute (strike locations)

Where is Kharg Island?



The island is situated in the northern Persian Gulf, approximately 21 miles off the coast of Iran. Known as the “Forbidden Island” due to its role as a critical energy hub, Kharg Island measures only roughly 8 square miles—about one-third the size of Manhattan—and is heavily guarded by Iran’s Islamic Revolutionary Guard Corps, with strict limitations on who can enter.

Why is Kharg Island important?

Kharg Island has been Iran’s primary oil export hub for nearly seven decades and is considered a lifeline for the Iranian economy. It handles the majority of the country’s crude oil shipments, most of which are destined for Asia—predominantly China. The island’s deepwater, high-capacity terminals can accommodate very large crude carriers, known as supertankers, which cannot dock on much of Iran’s shallow mainland coast.

A 1984 declassified CIA document [PDF] described the island’s oil facilities as “the most vital in Iran’s oil system,” noting that “their continued operation is essential to Iran’s economic well-being.” On March 7, shortly before the U.S. attack, Israeli opposition leader Yair Lapid wrote on social media that destroying the island’s oil infrastructure “will cripple Iran’s economy and topple the regime.”

As some analysts argue, if the United States were to occupy the island, it would gain leverage over the Iranian regime and could pressure it to reopen the Strait of Hormuz. The U.S. military “could kill two birds with one stone: remove an economic lifeline for the regime—and perhaps lower its chances of survival—and stabilize global energy markets,” Bilal Y. Saab, associate fellow in the Middle East and North Africa Program at Chatham House, wrote for War on the Rocks.


Iran is a major oil producer, holding roughly 12 percent of global oil reserves. Despite severe international sanctions, primarily led by the United States, Iran accounted for

approximately 4 percent of global oil supplies in 2023, placing it among the top ten oil producers worldwide. Analysts say the current conflict has actually driven a surge in oil revenues, likely in the “hundreds of millions of dollars,” as Iran still controls access through the Strait of Hormuz.

According to the Foundation for Defense of Democracies, roughly half of Iran's government revenue comes from oil and gas, meaning any destruction or loss of Kharg Island would deal a major blow to a critical revenue source for Iran. But the Trump administration recently eased sanctions on Iranian oil, and any disruption to Kharg Island could further reduce global supply at a time when energy markets are already experiencing a significant shock triggered by the outbreak of war.

How difficult would it be for the U.S. to occupy Kharg Island?

If Trump were to attack the island, that operation—whether by air or sea—could pose a threat to U.S. security. Kharg Island's proximity to Iran's mainland means it could be targeted by drones and short-range missiles; should U.S. troops be deployed to the island, they would be susceptible to Iranian attacks. Indeed, Iran's parliamentary speaker warned that the country would “rain down fire” on U.S. forces attempting to invade the island. Iran's mountainous coast makes it difficult for U.S. radar to pick up on any assault quickly enough to neutralize it, experts say.

It would also be a challenge for the United States to resupply troops stationed on Kharg Island, especially as the waterways near Iran, particularly the Strait of Hormuz, have become highly securitized. The nearest major U.S. military bases are in Bahrain, Kuwait, and Qatar, which are all more than 100 miles away from Kharg, leaving any ships traveling that distance vulnerable to attacks, too. Iran and its proxies could also lay land mines or strike ships in the Persian Gulf using its so-called mosquito fleet, composed of small attack craft  with drones, missiles, and rockets.

Iran could also retaliate against oil and gas facilities in the region, further driving up prices. Several nearby sites have already suffered damage.

In terms of the legality of a potential U.S. invasion or seizure of Kharg Island, international law allows attacks on civilian infrastructure only if the military edge gained outweighs the civilian harm done. There are at least eight thousand civilians living on the island, which could raise the legal stakes of a potential invasion or occupation.

Are there other strategic targets around the Strait of Hormuz?

Several other islands in the area could be targets in the war. Nearby Kharg Island is Qeshm, the largest island in the Persian Gulf where Iran is suspected to house underground missile and drone sites. It is also home to desalination plants that serve as a crucial water source for water-stressed Iran.

Abu Musa and Greater and Lesser Tunb are a trio of islands right off the Strait of Hormuz; they are all occupied by Iran but are claimed by both Iran and the United Arab Emirates. Larak Island, too, sits just offshore from the critical Bandar Abbas port, a point through which Iran currently has all tanker vessels pass for checks. Together, this constellation of islands off Iran's coast gives the United States multiple potential targets to disrupt the shipment of Iranian oil.

A maritime blockade against ships carting Iranian oil out of the Gulf—further from the coast—could be another alternative and, perhaps, safer option if it is out of reach of many of Iran's weapons.

DATA VISUALIZATION


Will Merrow

МИСНАЕГ ДИСКРИПТИ



Austin Steinhart

Lara Yeyati Preiss

 Creative Commons: Some rights reserved.

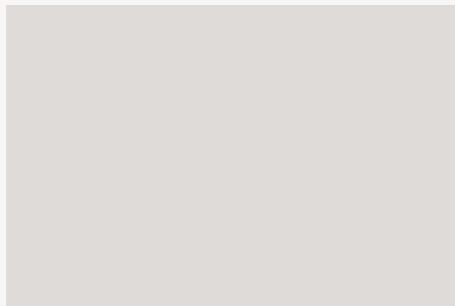
This work is licensed under Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0) License.

IRAN

MIDDLE EAST AND NORTH AFRICA

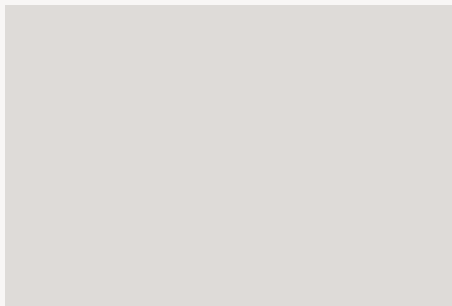
UNITED STATES

MILITARY OPERATIONS



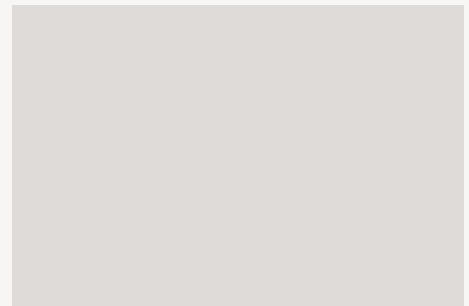
Europe Has Leverage in the Iran War. It Should Use It.

April 7, 2026



Trump Pledges 'Demolition' of Iranian Infrastructure as Deadline Looms

April 7, 2026



Trump Escalates Threats to Iranian Infrastructure Amid Strait of Hormuz Impasse

April 6, 2026

COUNCIL *on* FOREIGN RELATIONS

[About CFR](#)

[Support CFR](#)

[Careers](#)

[CFR Education ↗](#)

[Contact Us](#)

[Privacy Policy](#)

[Membership](#)

[Fellowships](#)

[Newsletters ↗](#)

[CFR Store ↗](#)

[Media](#)



GET CFR'S DAILY NEWS BRIEF

email@example.com

Subscribe

©2026 Council on Foreign Relations

