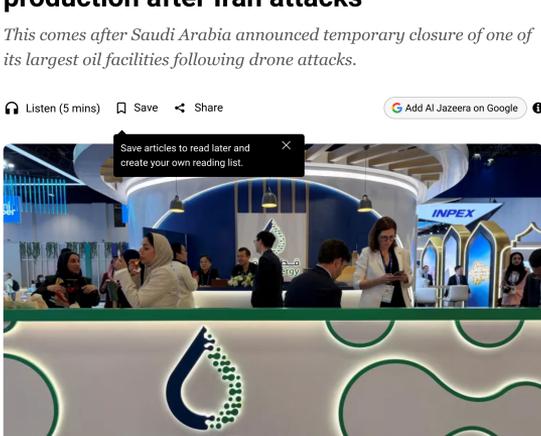


Gas prices soar as QatarEnergy halts LNG production after Iran attacks

This comes after Saudi Arabia announced temporary closure of one of its largest oil facilities following drone attacks.

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People visit the QatarEnergy booth at the World Gas Conference exhibition in Beijing, China May 21, 2025 [Liz Lee/ Reuters]

By Al Jazeera Staff
 2 Mar 2026

Qatar's state-run energy firm says it has halted liquefied natural gas production after Iranian attacks, sending gas prices soaring in Europe and Asia, as Saudi Arabia announced it was temporarily shutting down some units of the Ras Tanura oil refinery located near the country's eastern region after a fire broke out following a drone attack.

"Due to military attacks on QatarEnergy's operating facilities in Ras Laffan Industrial City and Mesaieed Industrial City in the State of Qatar, QatarEnergy has ceased production of liquefied natural gas (LNG) and associated products," the world's largest LNG producer said in a statement on Monday.

Earlier, Qatar's Defence Ministry said the country was attacked by two drones launched from Iran. "One drone targeted a water tank belonging to a power plant in Mesaieed, and the other targeted an energy facility in Ras Laffan Industrial City, belonging to QatarEnergy, without reporting any human casualties," it said in a statement.

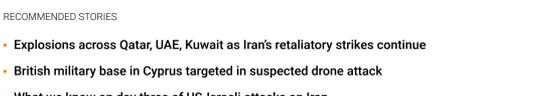
"All damages and losses resulting from the attack will be assessed by the relevant authorities, and an official statement will be issued later," it added.

The Saudi Ministry of Defence, in reports carried by the state-run Saudi Press Agency (SPA), said two drones had "attempted to attack" the Ras Tanura refinery on Monday morning, and that a "small" fire had broken out after they were intercepted.

Footage verified by Al Jazeera showed plumes of smoke rising from the oil facility, located on Saudi Arabia's Gulf coast. The ministry said the refinery "sustained limited damage", but there were no casualties.

Ras Tanura oil refinery, one of the world's largest oil processing facilities and located near the eastern city of Dammam, has a capacity of 550,000 barrels per day. The facility is home to one of the largest refineries in the Middle East and is considered a cornerstone of the Saudi Arabia's energy sector.

The attacks come as oil tankers have been piling up on either side of the Strait of Hormuz, through which about a fifth of the world's seaborne oil and the bulk of Qatari gas flows.



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The maritime disruptions and fears of a prolonged conflict have led to a [sharp rise in global oil prices](#), which will have a significant impact on the global economy.

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Oil prices surged as much as 13 percent intraday to above \$82 a barrel, the highest since January 2025. Prices were already some 25 percent higher earlier in the day, but extended gains after QatarEnergy's production halt.

The Dutch TTF natural gas contract, considered the European benchmark for LNG prices, rose more than 25 percent in the morning. By 11:31 GMT, it was up 7.44 euros at 39.40 euros per megawatt hour (MWh).

Meanwhile, the S&P Global Energy Japan Korea Marker (JKM), widely used as an Asian LNG benchmark, sat at \$15.068 per million British thermal units (MMBtu), Platts data showed.

Iran has been launching retaliatory strikes, mainly targeting Israel and military facilities of the United States across the Middle East, after the US and Israel launched massive air strikes on the country.

In a statement published by SPA, the Saudi Ministry of Energy said some operations had been halted as a "precautionary measure" and that it did not foresee "any impact on the supply of petroleum products to local markets".

Saudi Arabia had earlier said it would "take all necessary measures to defend its security and protect its territory, citizens, and residents, including the option of responding to the aggression" after Iran targeted the capital Riyadh and the country's eastern region with strikes over the weekend.

The US, Bahrain, Jordan, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates issued a joint statement on Sunday condemning [Iranian attacks across the Red Sea](#) and affirming their right to self-defence.

Rob Geist Pinfold, lecturer in defence studies at King's College London, told Al Jazeera that Iran "knows exactly what it's doing" by attacking the Gulf countries.



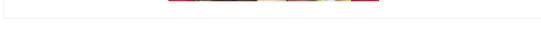
"These countries have less of an appetite for a fight because, at the end of the day, this is not their war. So, Iran is banking that they will want a ceasefire as soon as possible, that they will be pressuring the [US President Donald] Trump administration. But we have no signs of that whatsoever so far," he said.

Pinfeld added that there seems to be a "show of force" and "of unity" coming from the Gulf states, at least rhetorically.

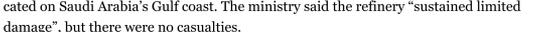
"They're trying to get the message across that they are one and that they are united and that they are resilient," Pinfeld said. "But under the surface, there are profound disagreements here about how to engage with Iran and whether to engage with Iran at all."

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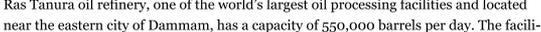
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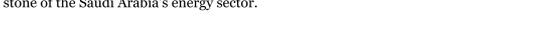
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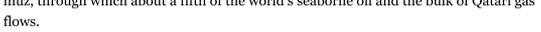
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