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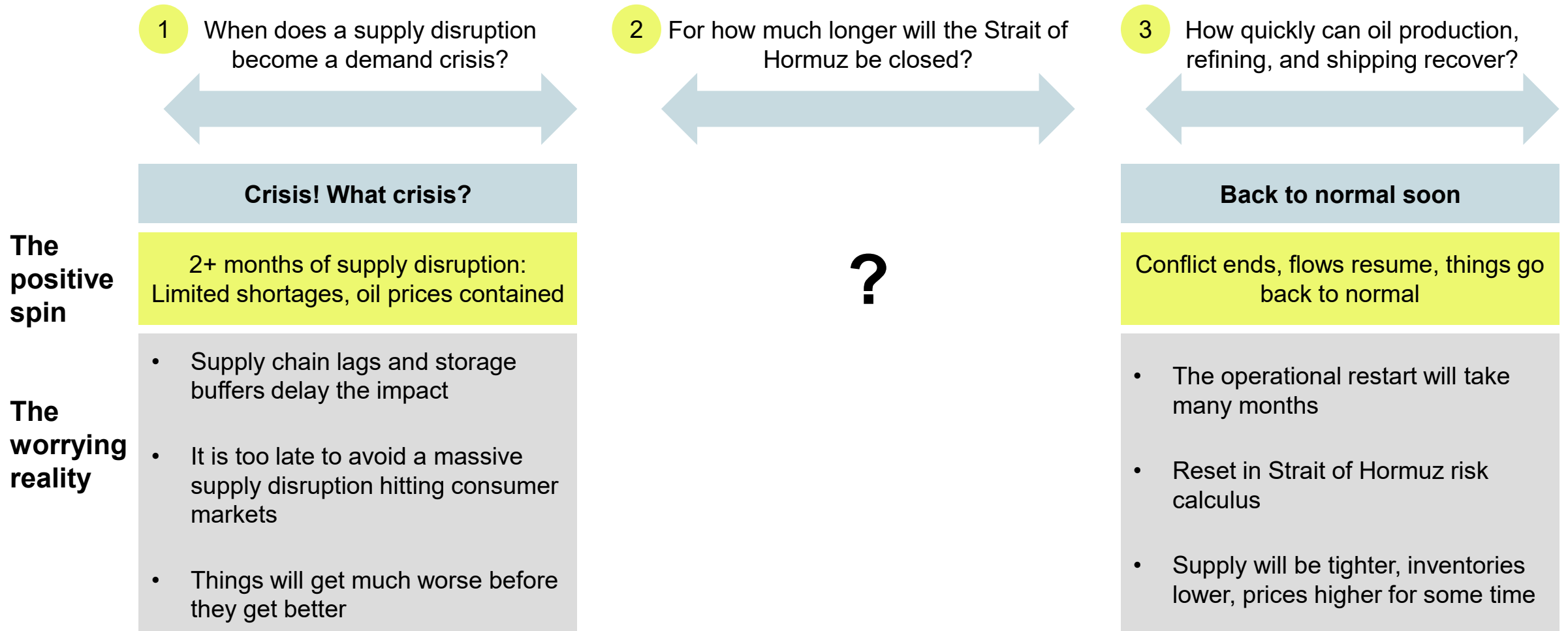
No going back: The biggest oil market disruption of all time

Daniel Evans

Vice President, Global Head of Fuels and Refining Research

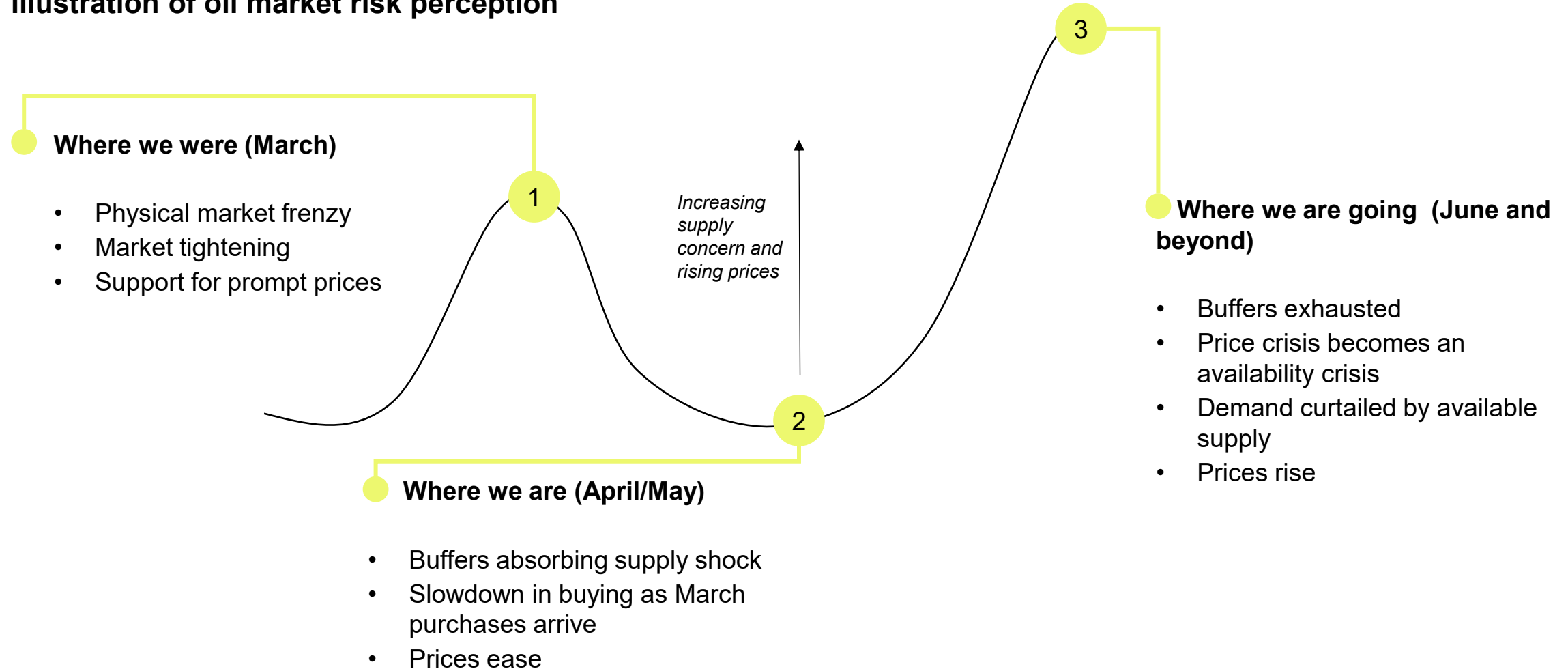
May, 2026

A crisis lagged | Unrealistic expectations create false comforts



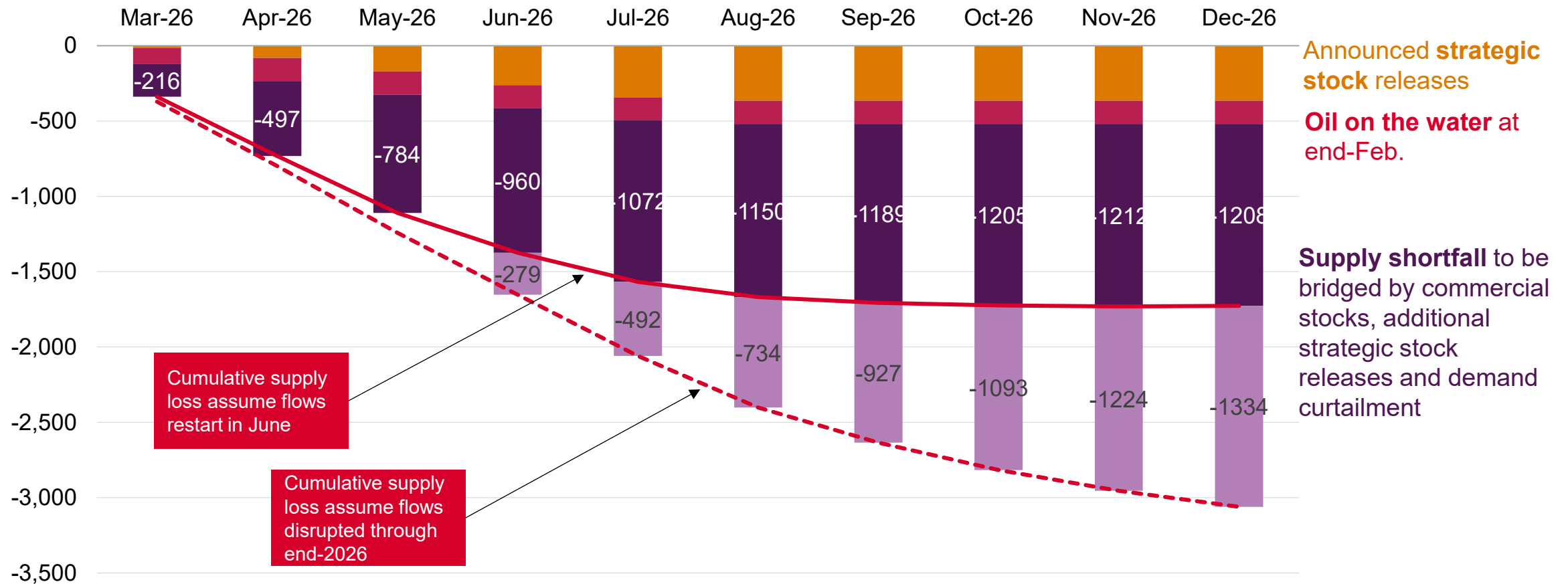
The trough between waves of panic | Panic has subsided, but worse is to come

Illustration of oil market risk perception



Supply losses and the unbridgeable gap | Lack of additional supply and limited buffers will force large-scale demand curtailment

Cumulative call on demand curtailment (million barrels)



As of May. 18, 2026.
 Source: S&P Global Energy.
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Where are we now? | A simple framework to understand a complex crisis



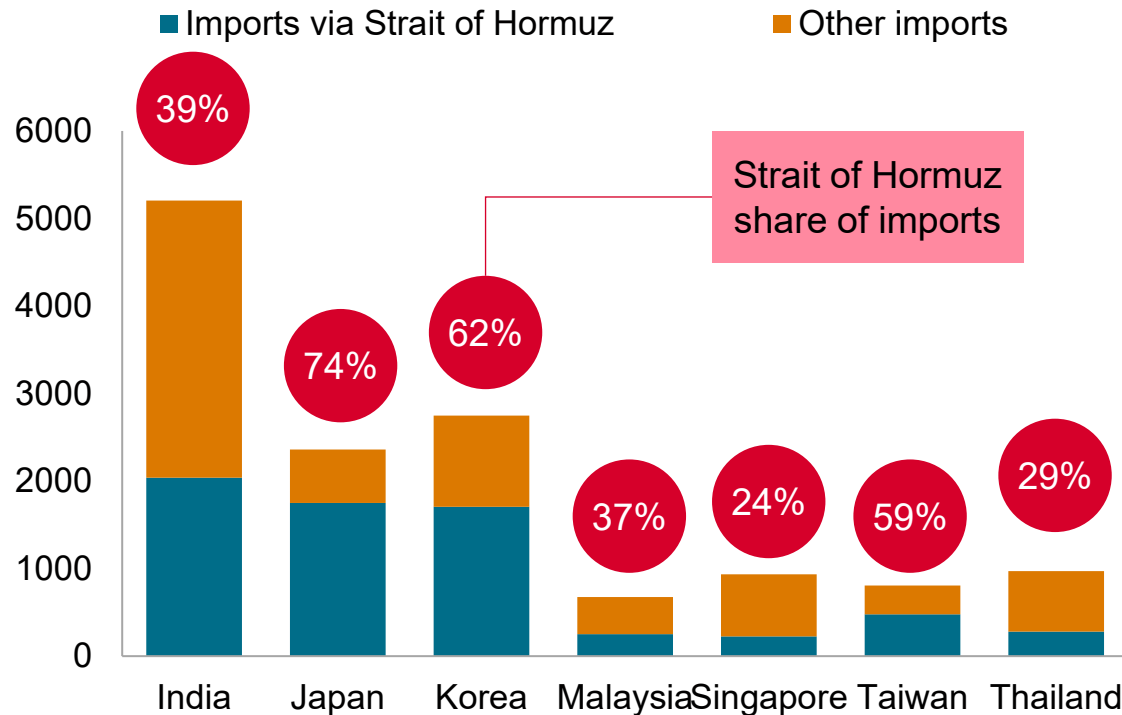
Disruptive demand curtailment? | Supply disruption will likely outpace governments' ability to manage demand down

Mechanisms for demand curtailment

| | Adaptation | | Price | | Availability | |
|----------------------------|---|------------------------------------|--|-----------------------------|---|--------------------------------|
| | Tier 1 Reduced availability of petchem feedstock | Tier 2 Substitution / Switching | Tier 3 Discretionary demand | Tier 4 Economic slowdown | Tier 5 Demand management / rationing | Tier 6 Lack of availability |
| Response speed and pathway | Immediate Managed | Fast Market-driven | Slow Fuel price and market specific | Slow Unmanaged | Immediate Managed | Immediate Unmanaged |
| Status | Complete | Complete (Limited) | Limited | Limited | Early signs | Early signs |

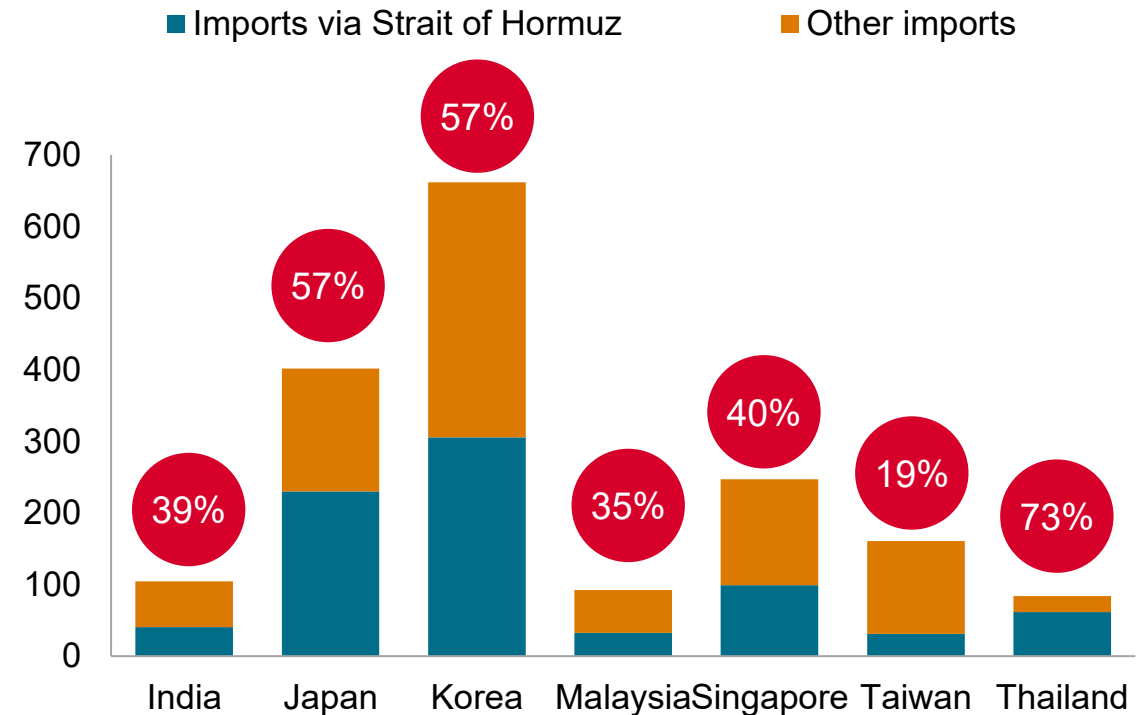
Asia at the epicenter | High demand, import dependence, and direct exposure to Middle East flows make this an Asian crisis first and foremost

Crude oil imports (thousand b/d)



As of May. 06, 2026.
2025 annual data.
Source: S&P Global Energy.
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Naphtha imports (thousand b/d)



As of May. 06, 2026.
2025 annual data.
Source: S&P Global Energy.
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Difficult decisions | Will petrochemicals be collateral damage as governments seek to square the oil supply circle?

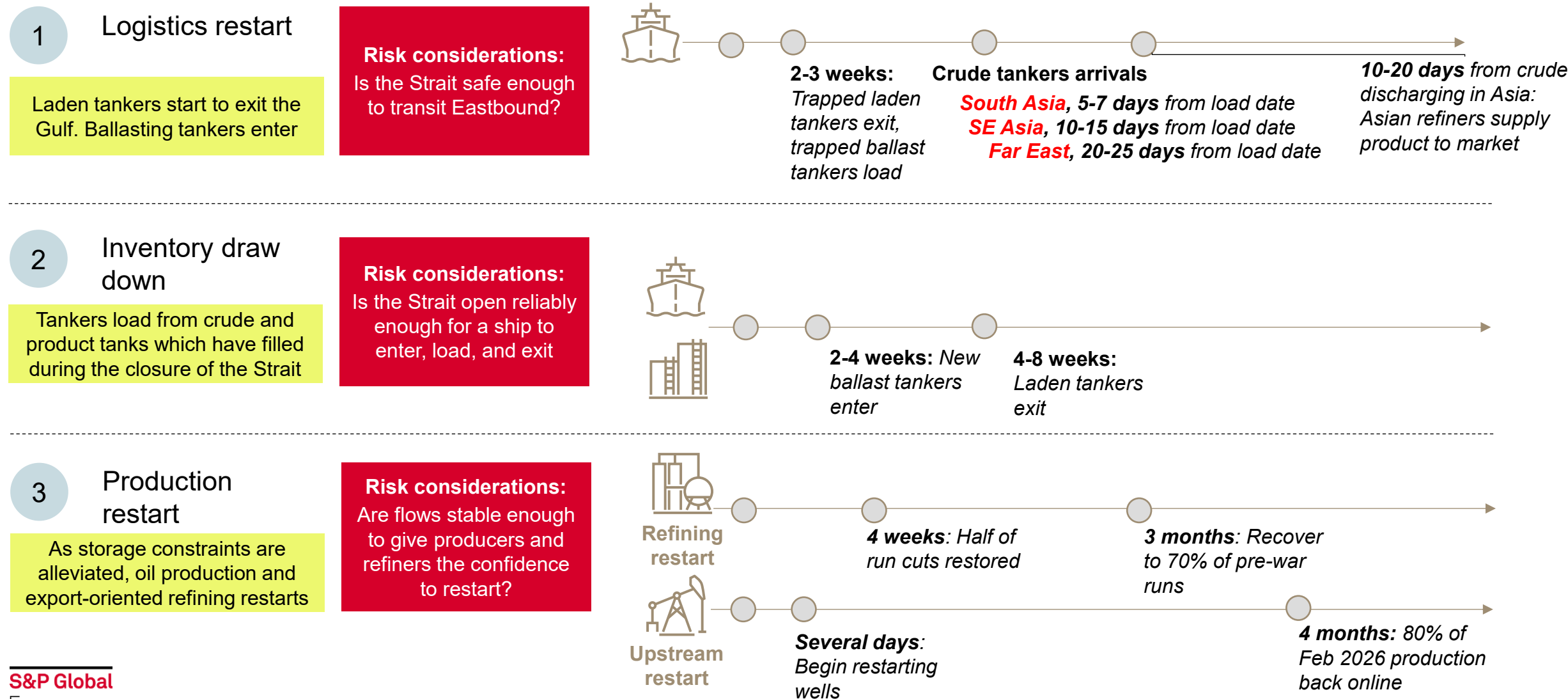
Price crisis



Availability crisis

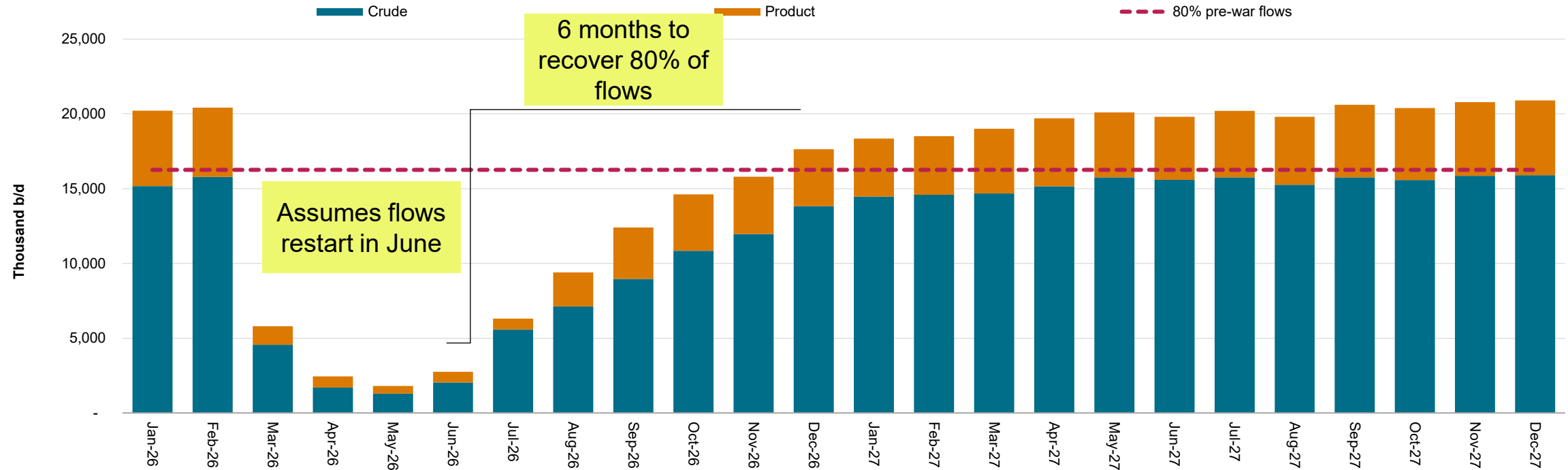


Restarting the Persian Gulf oil system | Restart is likely to play out in three main phases



Restarting production and flows will take many months | Even if flows were to resume in June, a return to pre-war volumes would take at least 6 months

Oil flow recovery timeline through Strait of Hormuz



Data compiled May 11, 2026

Source: S&P Global Energy.

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Data compiled May 10, 2026.

Note: Excludes exports via Oman, Red Sea, Fujairah, and the Kirkuk-Ceyhan pipeline. Numbers are based on the May STO vintage for both crude and refined products.

Source: S&P Global Energy; Commodities at Sea

Long-lasting consequences | The Iran war will shape energy policy for decades to come

1

Diversification accelerates

2

Self-sufficiency becomes more important

3

Redundancy becomes acceptable

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