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WEEKEND READING

ENERGY MARKETS BRIEFING NOTE SYRIA

“Reentering Syria’s Energy Industry — Insights from International Energy Executives Now on the Ground”

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Reentering Syria's Energy Industry — Insights from International Energy Executives Now on the Ground

Over a series of recent conversations conducted by Gulf Intelligence with international energy executives now actively engaging on the ground in Syria, a consistent message emerged: the country is moving faster than many expected — but the path back is complex and fragile.

By Sean Evers, Managing Partner, Gulf Intelligence

Navigating Syria's Energy Sector Amid Rapid Political Normalization

The pace of change over the past twelve months have been "extraordinary" was the most common refrain from the series of interviews. Only a year ago, sanctions were firmly entrenched, conflict dynamics remained volatile, and meaningful international engagement felt distant. Today, EU and US sanctions have been lifted, the Caesar Act repealed, and senior Syrian energy officials are once again articulating a forward-looking development strategy. The speed of political normalization has surprised even seasoned regional operators.

Several executives pointed to anecdotal indicators of scale of the renewed activity. "You can't get a hotel room, a driver or an on the ground fixer unless you book well in advance!" — echoing similar experiences in other re-emerging markets. Increased business travel, advisory delegations, and technical teams on the ground are early signs of commercial re-engagement.

Several executives framed Syria's energy landscape in three layers. Offshore, there is frontier oil and gas potential — technically demanding, capital intensive, and measured in decades. Onshore, particularly in the northeast, lies the heart of the country's historic production base. Until recently, much of that output sat outside central government control. The restoration of state authority over those fields was described by one executive as "foundational, not symbolic." Oil and gas revenues, they argued, represent the fastest lever available to restart the wider economy.

As one put it succinctly: "Revenue brings stability. Stability in Syria strengthens regional stability."

Stabilization First, Scale Later: The Hard Realities Behind the Opportunity

Yet beneath the optimism lies operational realism. Across interviews, executives repeatedly identified banking and financial confidence as the single most immediate bottleneck. After fourteen years of fragmentation, basic financial infrastructure — trade finance, fund transfers and access to capital — must be restored. "Without a functioning banking system, you cannot scale redevelopment," one executive emphasized. "It is the plumbing. Without plumbing, nothing flows."

Conditions on the ground vary sharply. In parts of the northeast, physical damage was limited relative to other regions, though operational standards deteriorated over years of makeshift management. Environmental degradation, substandard maintenance, and underinvestment are common themes. Other areas, particularly around Deir ez-Zor, suffered extensive destruction. There is also a pronounced human capital gap. "There's been a brain drain," one executive noted. "Syria now needs people, technology, and capital — in that order."

On production potential, executives were cautiously optimistic. Before the conflict, Syria produced roughly 400,000 barrels per day. Several interviewees suggested that, over time, output could approach 500,000 barrels per day if investment flows steadily. In the near term, moving from current levels — estimated around 100,000 barrels per day — into the low hundreds of thousands was viewed as achievable.

But expectations are tempered by domestic needs. Syria remains short of crude, gas, and refined products. "Short term, it's about stabilization," one executive explained. "Medium term, exports can return. Before the war, around 230,000 barrels per day were exported. That revenue stream matters."

The investment opportunity was widely described as tiered. The most immediate returns lie in brownfield redevelopment — rehabilitating existing production facilities, conducting workovers, injecting modest capital, and reaching relatively quick final investment decisions. "Go for the low-hanging fruit," one executive advised. "Generate early cash flow. Build confidence."

The middle tier consists of partially damaged assets where infrastructure remains intact, but wells and facilities require rehabilitation. At the frontier end is offshore deepwater exploration — a ten-to-fifteen-year horizon that would likely attract major international oil companies. "Offshore is a long game," one executive observed. "But it's where the bigger players will look."

Geography was repeatedly cited as an advantage. Syria sits near established service ecosystems in Kurdistan and the Gulf. Reactivating supply chains — mobilizing equipment, expertise, and oilfield services — is feasible and already underway. Pipeline infrastructure exists, though damaged in places, and trucking is currently filling gaps. "Banking confidence and supply chain restoration — those are the two pillars," one executive summarized.

Syria at an Inflection Point

The question of contract sanctity surfaced in every conversation. Executives were clear: foreign capital will not return if sovereign agreements are treated as flexible. "If contracts aren't respected," one executive said bluntly, "the signal to investors would be disastrous." Maintaining rule of law is viewed as essential to attracting both mid-tier independents and Tier 1 companies.

At the same time, executives cautioned against overestimating the energy sector's ability to finance national reconstruction. "We're talking about hundreds of billions of dollars to rebuild Syria," one interviewee noted. "Oil alone cannot carry that burden." Production increases will initially prioritize domestic stabilization, and export volumes, even if restored, will not instantly transform the fiscal landscape.

There is also recognition that the competitive landscape may evolve. Smaller and mid-sized companies are often more agile in post-conflict environments, particularly where reservoirs require rehabilitation. Offshore gas, some noted, could emerge as a long-term opportunity. Regional actors — including Turkey and Gulf states — are positioned to play important roles in infrastructure financing and joint ventures. "You'll see a spectrum of players," one executive predicted. "Tier 1s, Tier 2s — it won't be a single story."

Across interviews, optimism was measured. The resource base remains attractive. The geopolitical shift is significant. But sequencing will determine success: restore financial credibility, stabilize production, rebuild supply chains, and only then expand into longer-cycle frontier projects.

"The opportunity is real," one executive concluded. "But it requires discipline. If it is rushed or politicized, the window could close as quickly as it opened."

For now, Syria stands at an inflection point. Its energy sector can move faster than the country's broader reconstruction, generating early revenue streams while national rebuilding continues. Whether that momentum is sustained will depend not only on capital and geology, but on governance, confidence, and careful execution in the years ahead.

1. OIL AND GAS AS THE STABILIZATION LEVER

Across interviews, executives consistently framed Syria's energy landscape in three layers.

Offshore — frontier oil and gas potential, technically complex and long-cycle, requiring Tier 1 international capital and a 10–15-year horizon.

Onshore oil and gas — particularly in the northeast — which historically formed the backbone of Syrian production.

MIDTIER - Partially damaged mid-tier assets requiring rehabilitation but not greenfield capital.

One executive emphasized that the restoration of central government control over northeastern oil fields was "foundational, not symbolic." An estimated 70–80% of Syria's oil and gas reserves sit in Kurdish-populated areas. With authority now consolidated, decision-making may accelerate.

"Oil and gas revenues are the fastest lever available to restart the economy," one executive explained. "Revenue brings stability. Stability in Syria strengthens regional stability."

2. THE IMMEDIATE CONSTRAINT: BANKING CONFIDENCE

Perhaps the most consistent message across interviews was this: the primary bottleneck is financial.

After fourteen years of fragmentation, Syria's banking system must regain credibility. Executives stressed that:

- Trade finance must function.
- Swift transactions must resume.
- Capital mobility must normalize.

"Without the plumbing, nothing flows," one executive put it bluntly. "You can have reserves in the ground, but without a functioning banking system, redevelopment cannot scale."

3. INFRASTRUCTURE REALITY: UNEVEN AND UNDERINVESTED

The operational picture is mixed.

In parts of the northeast, physical damage was limited due to airspace control dynamics during the conflict. However, years of improvised operations led to environmental degradation, substandard production practices, and chronic underinvestment.

In contrast, regions such as Deir ez-Zor experienced significant destruction.

Executives also highlighted a pronounced human capital gap. "There's been a brain drain," one said. "Syria now needs people, technology, and capital — in that order."

Refinery rehabilitation is also required. As one executive noted, "The refineries need work." Production increases alone will not resolve domestic imbalances if downstream capacity lags.

4. PRODUCTION OUTLOOK: REALISTIC BUT PHASED

Historically, Syria produced approximately 400,000 barrels per day. Several executives suggested that, over time and with disciplined reinvestment, production could approach 500,000 barrels per day.

Near-term recovery, however, is incremental.

Current estimates hover around 100,000 barrels per day. Executives believe output could rise into the low hundreds of thousands relatively quickly through brownfield redevelopment.

Before the conflict, exports averaged roughly 230,000 barrels per day. Today, Syria remains short of crude, gas, and refined products. One executive noted that prior to the recent political transition, Iran was supplying approximately three cargoes per month — underscoring structural supply vulnerability.

"In the short term, it's about stabilization," an interviewee explained. "Medium term, exports can return. But domestic needs come first."

5. THE INVESTMENT SPECTRUM

Executives consistently described Syria as offering a tiered opportunity set:

Low-Hanging Fruit - Brownfield redevelopment, workovers, modest capital injections, and relatively quick Final Investment Decisions. Early revenue generation builds confidence and can help self-fund expansion.

Mid-Tier Rehabilitation - Fields and facilities damaged but salvageable. Processing infrastructure often remains intact, requiring targeted capital rather than full rebuilds.

Frontier Offshore - Deepwater exploration with a 10–15 year timeline, suited to major international oil companies willing to absorb geopolitical risk.

"You'll see a spectrum of players," one executive predicted. "Tier 1s and Tier 2s — it won't be a single story."

6. LOGISTICS & REGIONAL INTEGRATION

Geography provides strategic optionality.

Syria borders established service ecosystems in Kurdistan and the Gulf. Executives confirmed efforts are underway to reactivate supply chains from the Kurdistan Regional Government and Gulf service providers.

Pipeline infrastructure exists but has been partially damaged. In the interim, trucking remains necessary. A Turkish pipeline transporting Azeri gas into Syria adds another dimension to regional integration.

Turkey, UAE, Saudi Arabia, and Qatar were all mentioned as potential capital contributors or infrastructure partners.

"Banking confidence and supply chain restoration — those are the two pillars," one executive summarized.

7. RECONSTRUCTION SCALE: A SOBERING REALITY

Executives were unanimous that oil alone cannot finance Syria's full reconstruction.

"We're talking about hundreds of billions of dollars," one interviewee emphasized. Even if production returns to historical highs, hydrocarbon revenues will initially serve domestic stabilization before generating surplus for broader national rebuilding.

Reservoirs in some areas have suffered from unprofessional handling during years of fragmentation, adding technical complexity and capital requirements.

Offshore gas, some suggested, may represent a longer-term structural opportunity, but not an immediate fiscal solution.

8. CONTRACT SANCTITY AND INVESTOR CONFIDENCE

A recurring question during interviews was whether the new government would honor agreements signed under previous administrations.

Executives were clear: respecting sovereign contracts is essential.

"If contracts aren't respected, the signal to investors would be disastrous," one said. Rule of law continuity is viewed as non-negotiable if Syria hopes to attract meaningful foreign capital.

Oilfield service companies, executives added, are likely to move quickly once financial and contractual frameworks stabilize.

9. MEASURED OPTIMISM

Across interviews, optimism was disciplined rather than exuberant.

The resource base remains attractive. Political normalization has advanced faster than expected. Regional actors are engaged. But sequencing is critical:

A. Restore banking credibility
B. Stabilize and incrementally increase production
C. Reactivate supply chains
D. Maintain contract integrity
E. Only then expand into frontier offshore ambitions

"The opportunity is real," one executive concluded. "But it requires discipline. If it is rushed or politicized, the window could close as quickly as it opened."

For now, Syria stands at an inflection point. Its energy sector can move ahead of broader reconstruction, generating early revenue streams while the country rebuilds. Whether that momentum becomes durable depends not only on geology and capital, but on governance, confidence, and careful execution in the years ahead. ■

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