Highlights: 25Q3 G2M2 Global Gas Outlook

November 19, 2025

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Global Impacts on NA Gas Markets

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Global Gas Market Snapshot (2026)

Global 2026 gas fundamentals overview

- Where demand is concentrated regionally
- Which countries drive global consumption
- How U.S. states compare to European gas markets
- Who leads global gas production
- LNG flow balance: exporting vs. importing regions

Where Demand is Concentrated Regionally

Global gas demand in 2026 is expected to reach ~390 Bcfd.

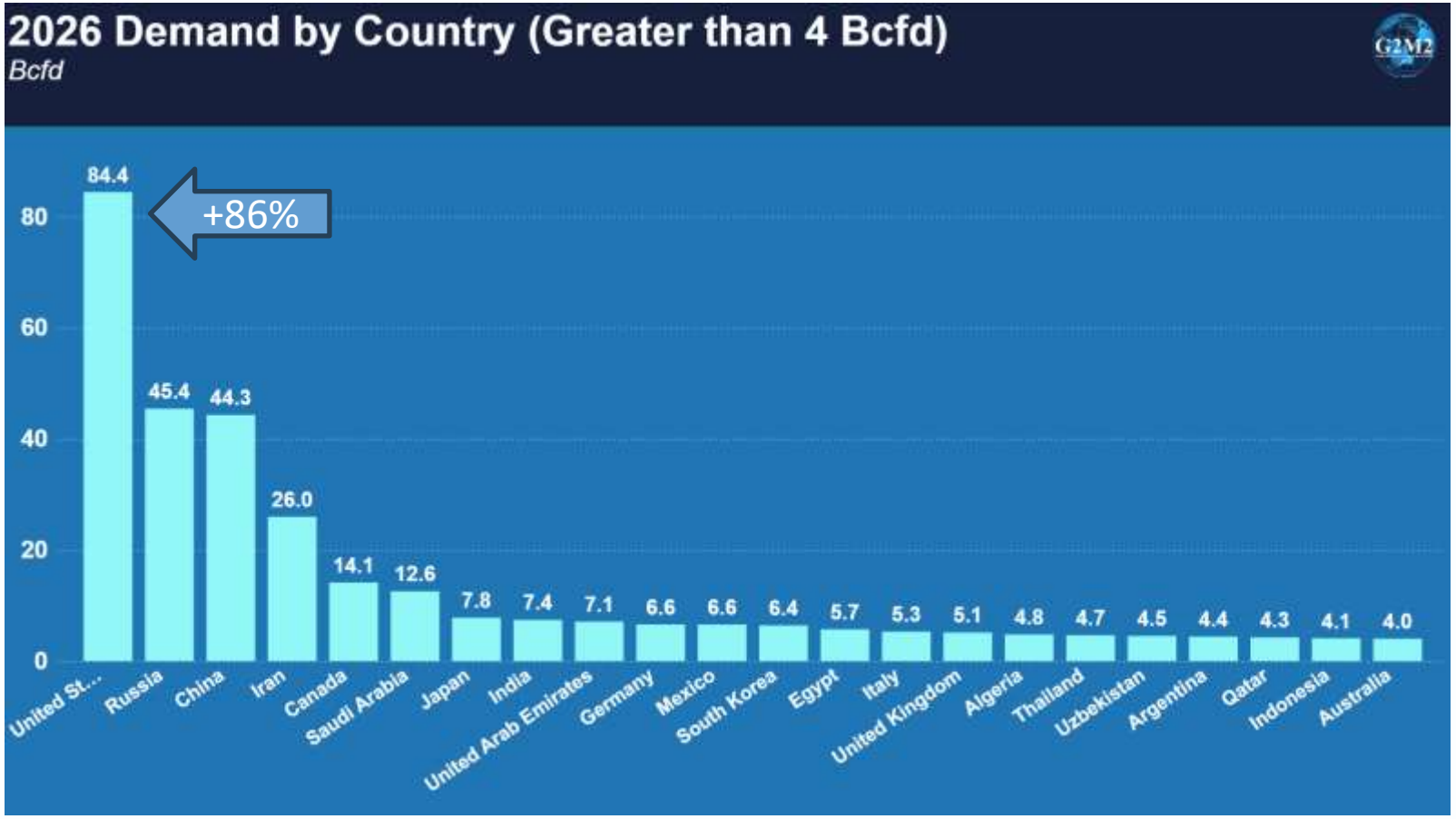
- **North America** is the largest consumer at **~105.6 Bcfd**, supported by strong industrial and power demand.
- **Asia** follows at **~90.4 Bcfd**, driven by continued economic and population growth.
- **Middle East** reaches **~61.4 Bcfd**, reflecting expanding power and industrial use.
- **FSU ex Europe-E** posts **~58.1 Bcfd**, with stable domestic sector consumption.
- **Europe** totals **~39.4 Bcfd**, structurally lower due to supply loss and voluntary reductions.
- **Africa** reaches **~16.2 Bcfd**, tied to growing power-sector needs.
- **South America** shows **~14.4 Bcfd**, reflecting moderate industrial and power demand.
- **Australasia** is the smallest at **~4.6 Bcfd** given its limited domestic consumption base.

2026 Total Global Demand: 390 Bcfd

Countries Driving Global Natural Gas Consumption

Global gas demand in 2026 is ~390 Bcfd, with about **half of the consumption** concentrated in **four** countries.

- **United States leads at ~84 Bcfd**, far above any other single country.
- **Russia (~45 Bcfd) and China (~44 Bcfd)** form the second tier of large consumers.
- **Iran (~26 Bcfd)** is the largest Middle East consumer, but all demand is satisfied by domestic production

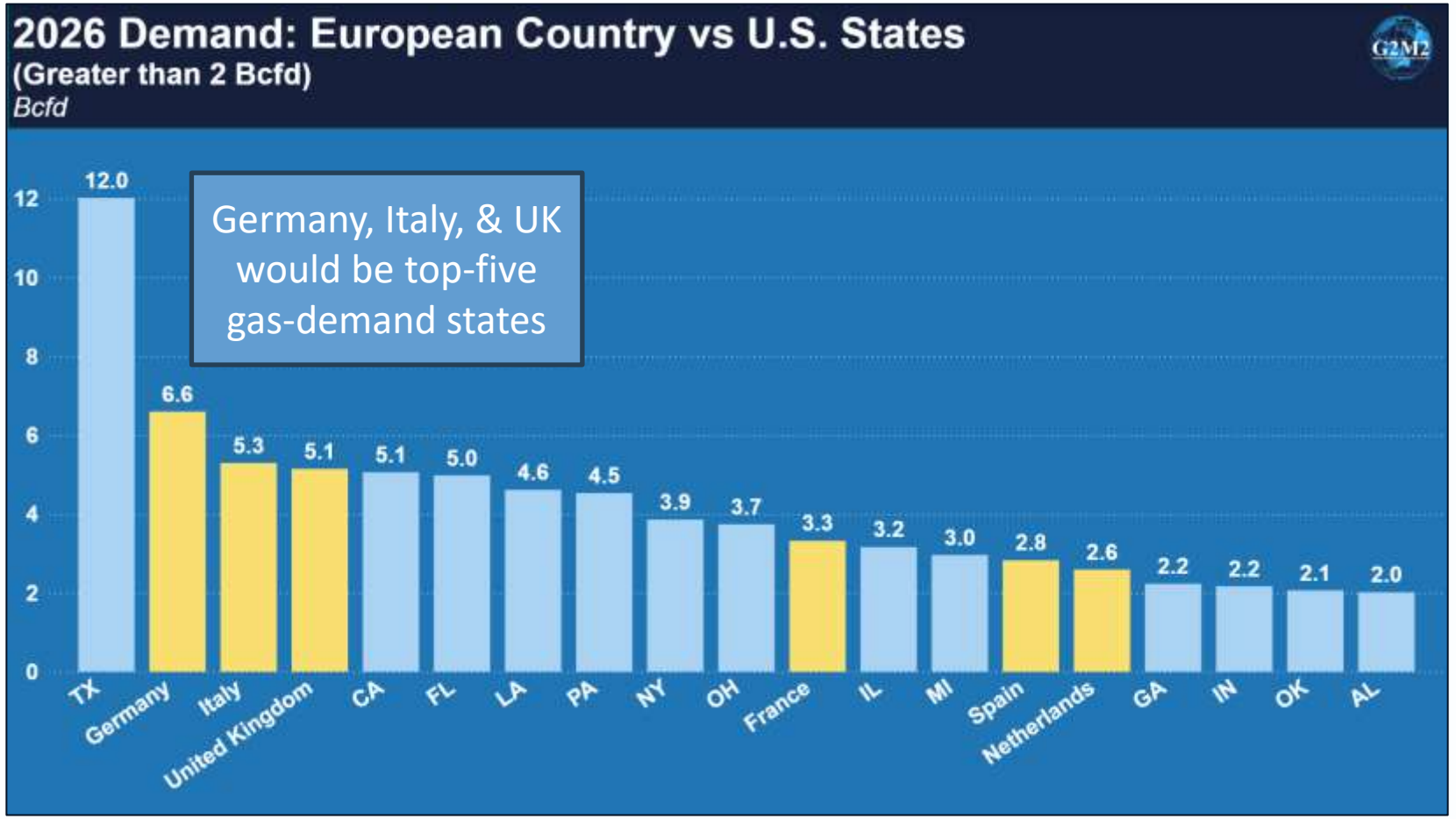


2026 Total Global Demand: 390 Bcfd

Market Size: European Countries vs. U.S. States

Europe's largest gas markets are similar in scale to major U.S. states (excluding TX)

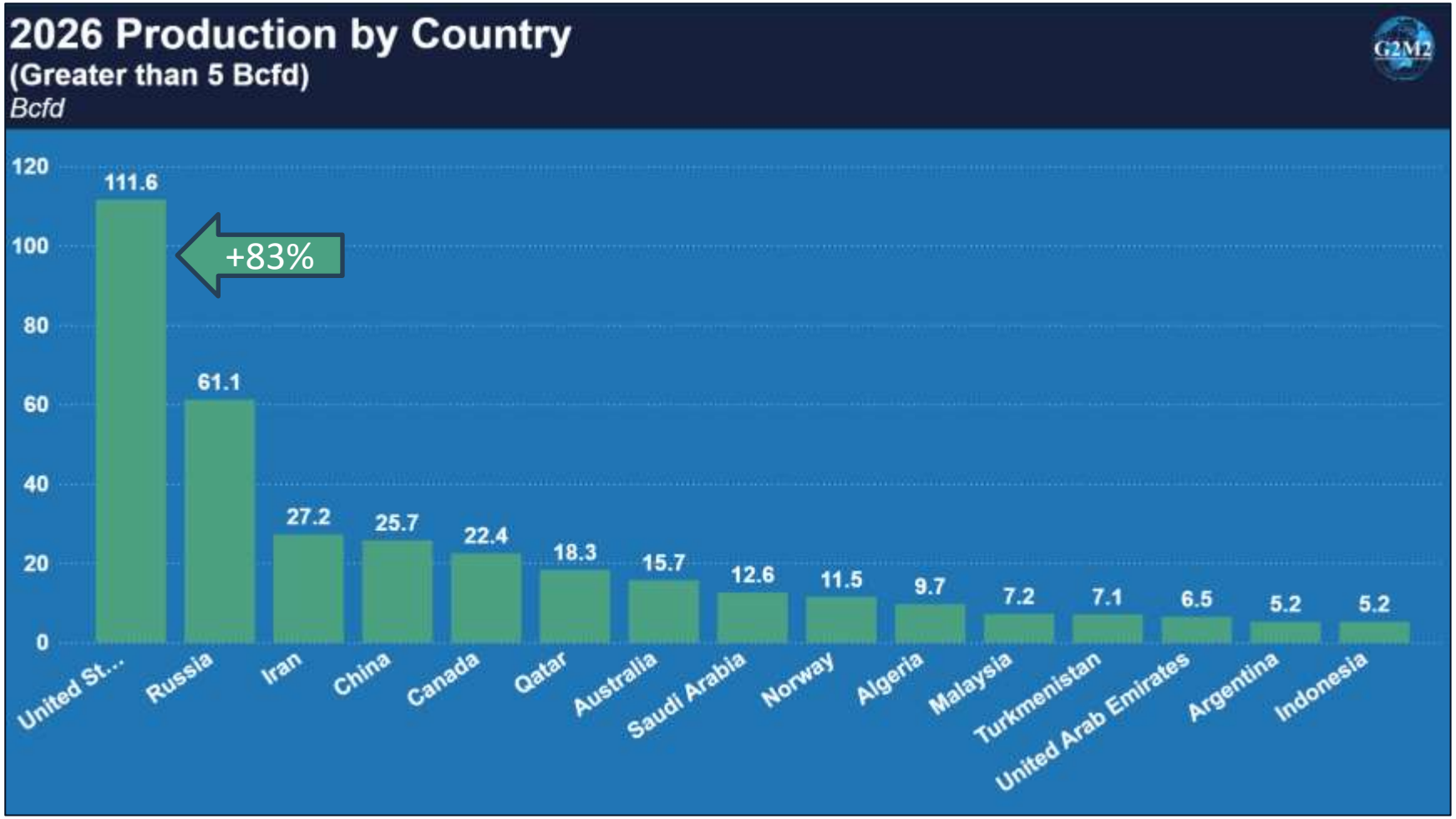
- **Texas** at **12 Bcfd**, exceeds any European country by a wide margin.
- **Germany (6.6 Bcfd)** is the largest European consumer—**roughly half of Texas**
- **Italy (5.3 Bcfd)** and the **United Kingdom (5.1 Bcfd)** fall in the same range as **CA, FL, and LA**.
- Mid-sized European economies such as **France (3.3 Bcfd)** and **Spain (3.0 Bcfd)** align with states like **Ohio, Illinois, and Michigan**.



Global Gas Production Leaders

The U.S. is expected to produce 112 Bcfd in 2026, far exceeding all other countries.

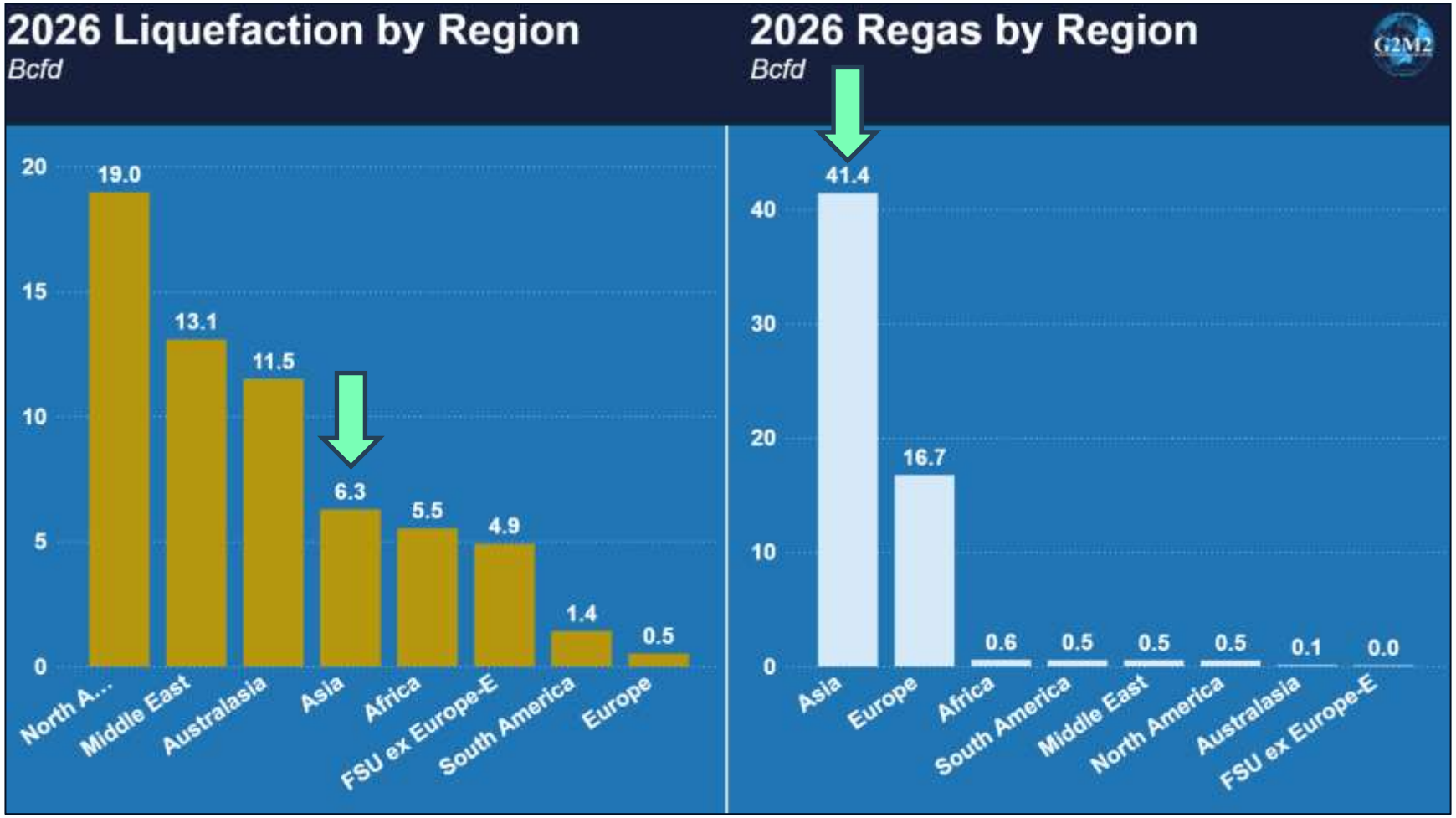
- **Russia is the clear second**, at **~61 Bcfd**, roughly half of U.S. output.
- **Iran, China, and Canada** form the next tier, each producing **22–27 Bcfd**.
- **Qatar and Australia** contribute **15–18 Bcfd**, reflecting strong LNG-linked production.
- **Saudi Arabia, Norway, and Algeria** each produce **10–13 Bcfd**, supporting regional demand and export flows.



2026 Total Global Production: 422 Bcfd

LNG Flow Balance: Exporting vs. Importing Regions

- **Liquefaction volumes are led by North America (~19 Bcfd)**, but the supply side remains **geographically diverse**, with meaningful contributions from the Middle East, Australasia, Asia, and Africa.
- **Regas volumes are far more concentrated**, **dominated by Asia (~41 Bcfd)** and **Europe (~17 Bcfd)**—together accounting for the vast majority of global LNG demand.
- **Asia is the only region appearing on both sides with substantial volumes**, highlighting its dual role as both a modest producer and the world's largest consumer of LNG.



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25Q3 Base Case: Three Notable Trends for 2025–2035

Recent market data and policy changes highlight three key dynamics shaping our natural gas outlook for 2025–2035.

- **Europe enters winter tighter than expected** — regasification rose sharply in 2025, yet EU storage still missed the 90% target, reinforcing a near-term supply risk.
- **Policy shock reshaping global gas flows** — the EU's phased ban on Russian LNG (2027) and pipeline gas (2028) is now fully incorporated into the 25Q3 Base Case.
- **A potential global LNG surplus looms** — new liquefaction coming online from 2028–2030 drives a temporary glut before demand growth in Asia/Middle East gradually absorbs excess supply.

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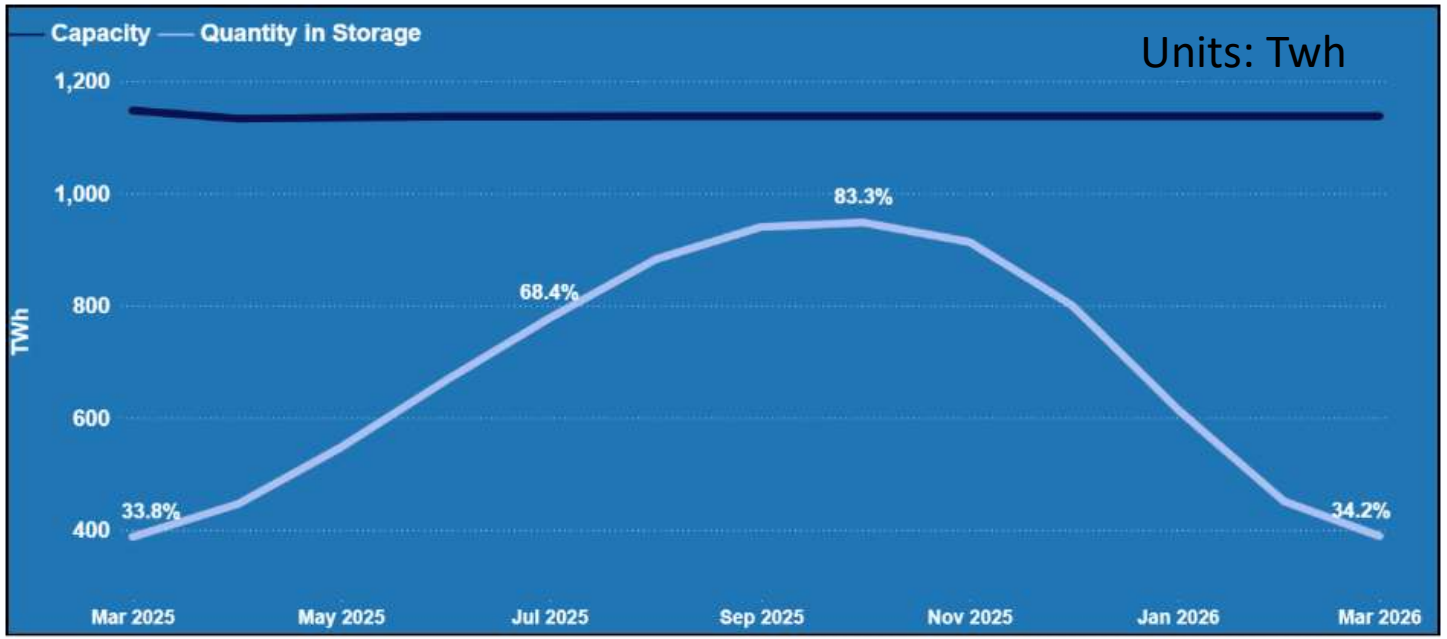
Higher European Regas, Storage Target Missed

Regas volumes in Europe hit recent highs, increasing by ~27% since YTD 2024

Country	Jan-Sep 2024	Jan-Sep 2025	Delta
FR	18.0	23.2	28.8%
NL	13.5	16.7	23.5%
ES	12.8	14.8	15.8%
IT	10.2	14.3	39.7%
BE	5.9	9.4	59.8%
UK	5.6	7.8	39.3%
PL	4.5	5.9	30.7%
DE	4.8	5.8	20.1%
PT	3.2	3.1	-3.3%
GR	1.1	2.1	89.7%
LT	1.5	2.0	32.7%
HR	1.9	1.7	-10.6%
FI	1.5	0.6	-60.5%
Total	84.4	107.2	26.9%

YTD European Regas by Country (Unit: BCM)
Source: ENTSOG, ALSI & RBAC

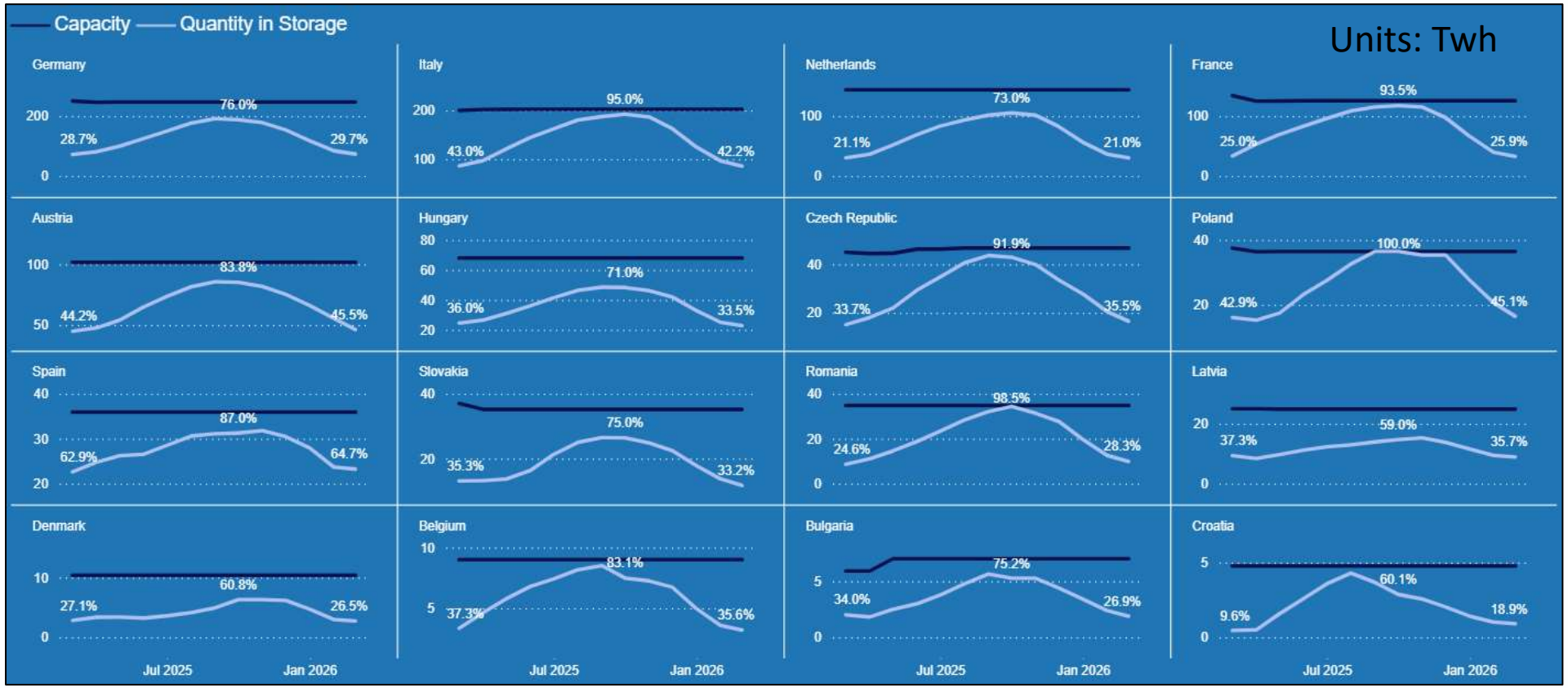
EU storage did not reach the 90% target, raising the risk of higher winter prices in a colder-than-average season.



Storage Capacity for EU Countries with Forecasted Storage Levels and Percentage of Fill for Mar-2025, Jul-2025, Oct-2025 and Mar-2026 (Unit: TWh)

EU Storage Fill Level by Country

- Individually, some EU Member States met or exceeded the storage-fill target, while others fell well short.
- Overall, the lower aggregate storage levels are expected to keep the EU gas market tight through the 2025/26 winter heating season.



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EU Ban on Russian Gas

WHAT

- EU's 19th sanctions package (adopted Oct 23 2025) bans Russian LNG imports.
- *Pipeline gas ban* is **proposed** but **not yet finalized**.

WHEN

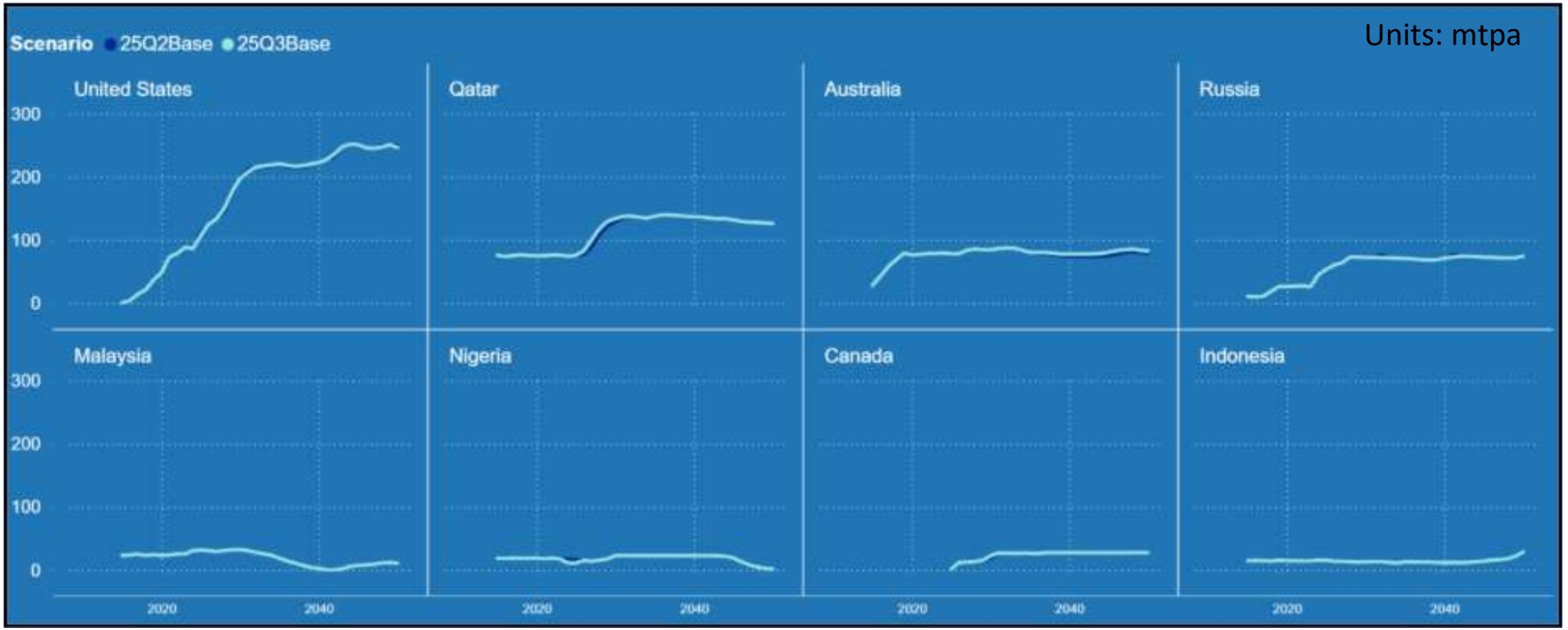
- **Short-term LNG**: banned within 6 months of adoption (by Apr 2026).
- **Long-term LNG**: banned from **Jan 1 2027**.
- **Pipeline gas**: proposal targets **Jan 1 2028**, pending final EU approval.

IMPACT (25Q3 Base Case)

- Set Russia to Europe LNG Destination Share values to zero in Jan-2027
- TurkStream (Russia → Bulgaria) set to **zero from 2028**, removing final Russian entry point.

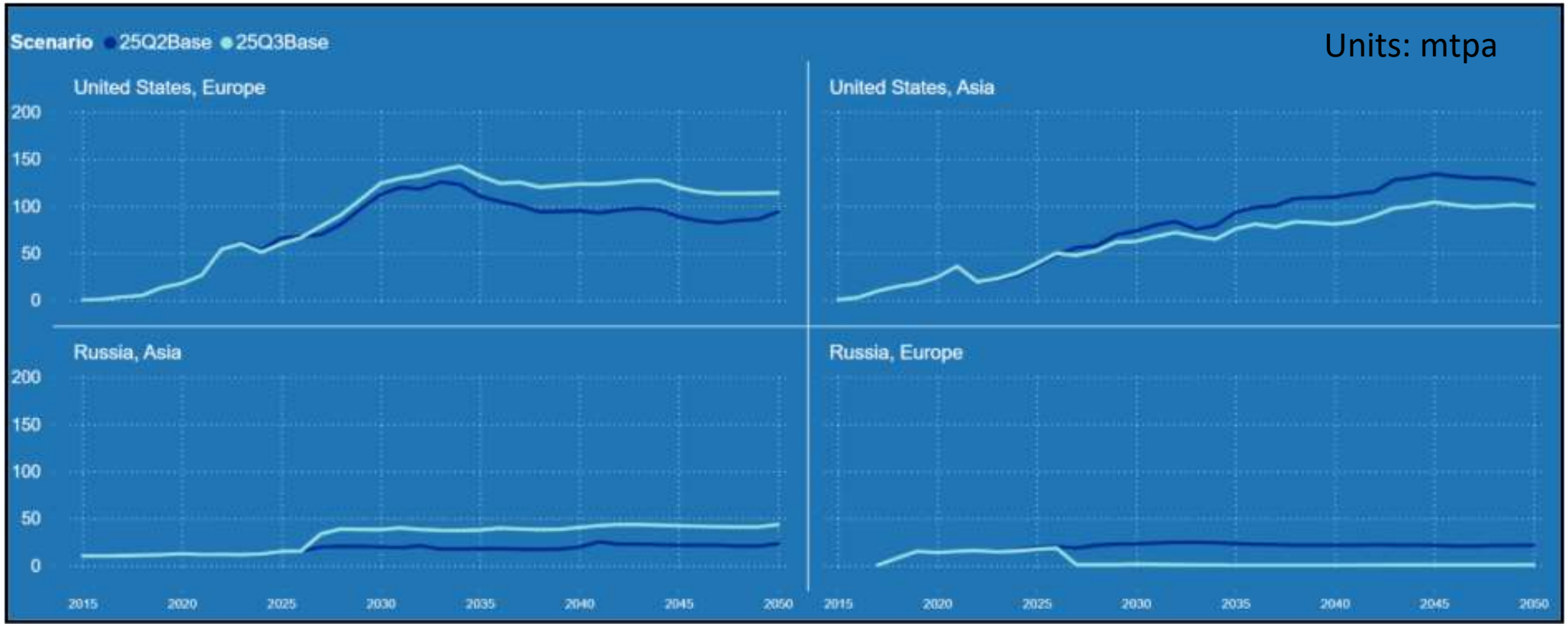
Minimal Impact on Global LNG Production

Global LNG supply remains largely unchanged — even with the EU, global LNG production outlooks for major exporters (U.S., Qatar, Australia, Russia, etc.) show **only small adjustments**, not structural shifts.



Shifting LNG Trade Patterns After the EU Russia Ban

- **U.S. LNG shifts toward Europe** — volumes that previously flowed to Asia are redirected to Europe to backfill the loss of Russian supply.
- **Russian LNG pivots to Asia** — cargoes displaced from the EU market find new buyers in Asian markets, reshaping long-standing trade routes.



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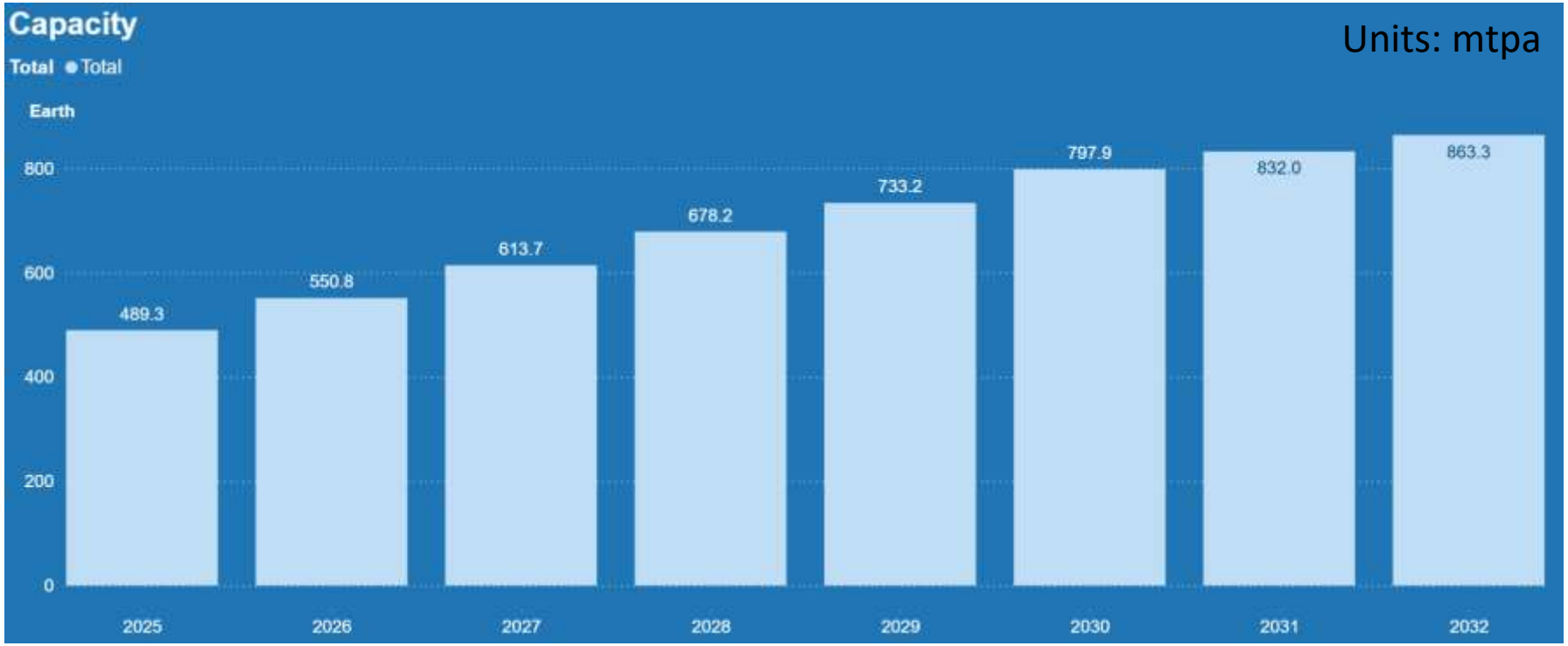
The Coming LNG Supply Wave (2028–2035)

- **A global LNG surplus is now expected to emerge around 2028**, as a major wave of new liquefaction projects comes online across North America, Middle East and Africa—temporarily outpacing global demand growth.
- **This oversupply period is projected to place sustained downward pressure on global gas prices** through the early 2030s, with TTF and Asian spot prices easing as additional cargoes enter the market.
- **The surplus is not expected to last indefinitely**—continued consumption growth in Asia and the Middle East gradually absorbs excess supply, supporting a price recovery by the mid-2030s.

Global LNG Export Capacity

- **Massive capacity surge:** Global LNG capacity jumps from **~490 MTPA** in 2025 to **~800 MTPA** by 2030 (+300 MTPA or **+63%**), well ahead of demand growth.
- **Supply wave continues:** Capacity pushes past ~860 MTPA by 2032, adding another ~65 MTPA even as demand slows.
- **Glut driven by timing mismatch:** New LNG trains come before demand can absorb the volumes.

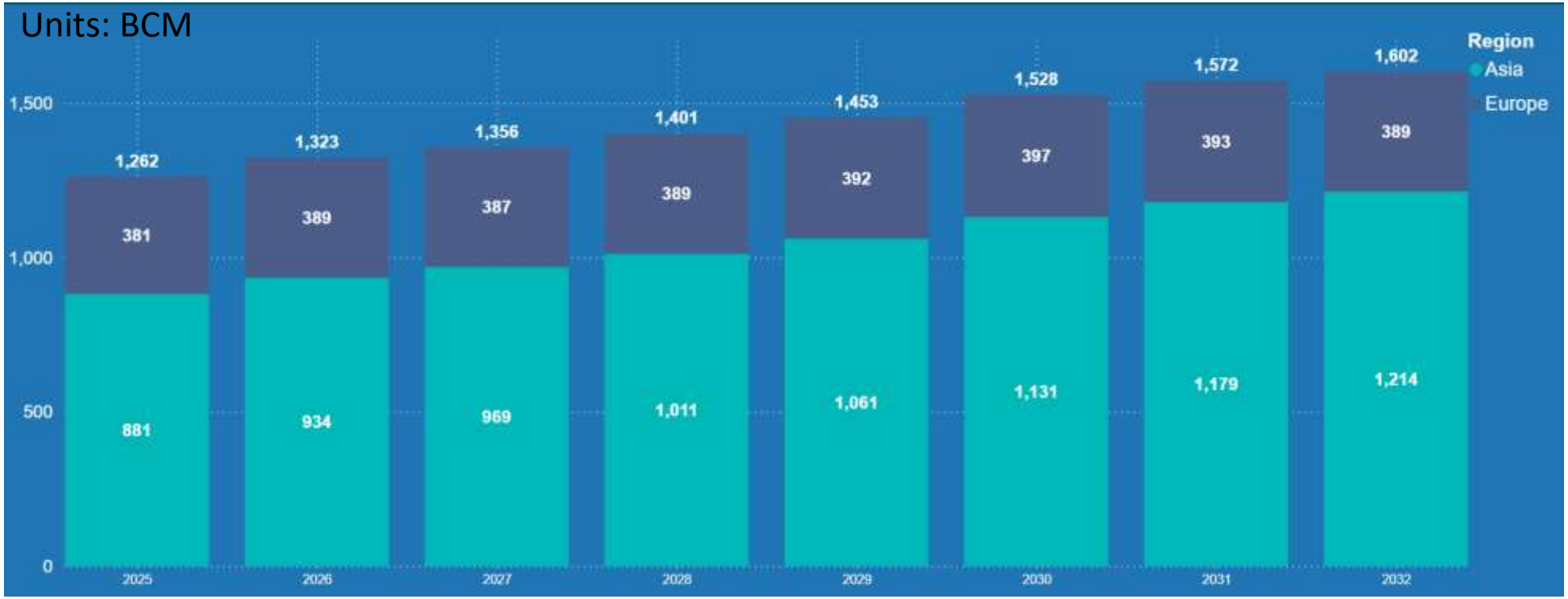


490 mtpa = ~ 65 Bcfd

860 mtpa = ~ 113 Bcfd

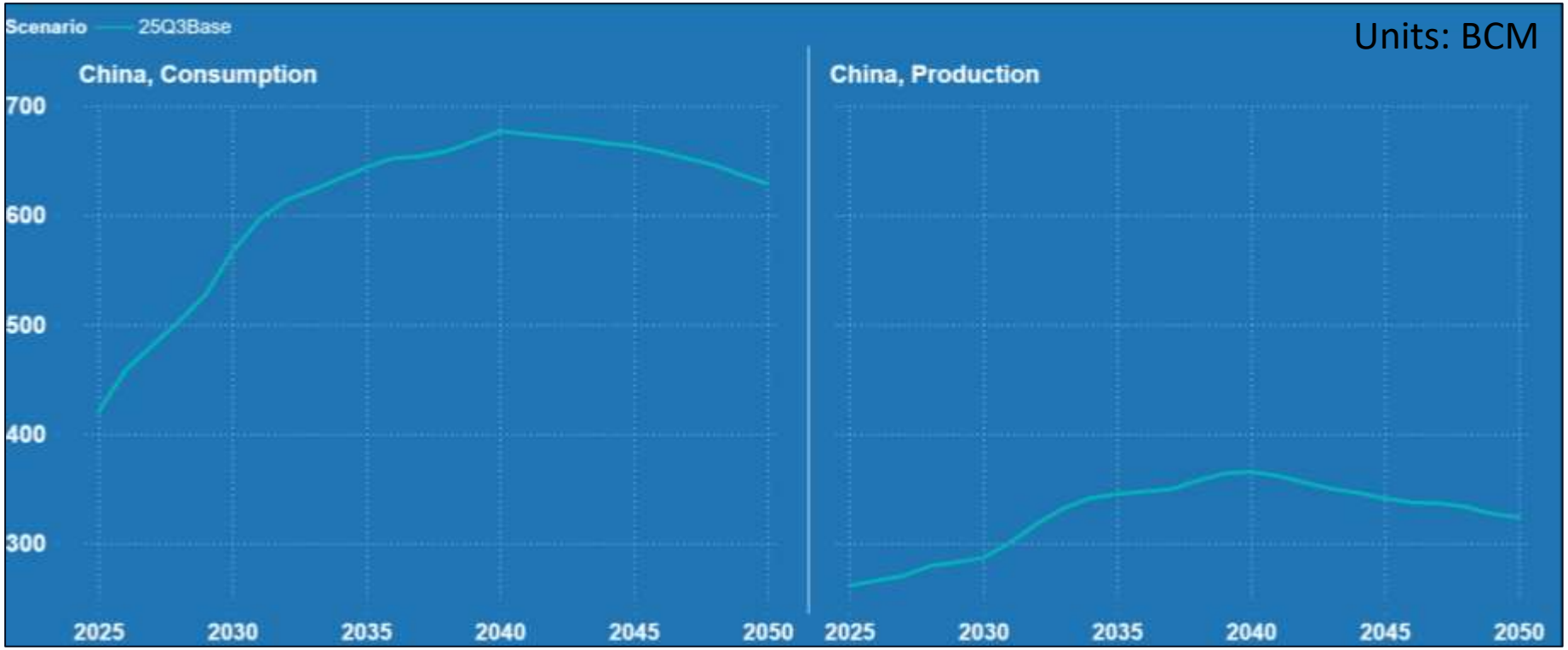
Growth in Largest Regas Markets

- **Europe shows limited growth**, with regas demand holding near **~390 BCM** through 2032.
- **Asia expands steadily**, adding roughly **+333 BCM** of regas demand (**≈ +240–245 MTPA or ~32 Bcfd**) over the same period.
- Combined, **demand growth in the two biggest markets lags far behind the 300+ MTPA global liquefaction buildout**, reinforcing the near-term glut risk.



China’s Demand Growth Supported by Domestic Supply

- **China’s gas demand climbs from ~425 BCM in 2025 to a peak near ~670 BCM by the late 2030s** before easing slightly toward 2050.
- **Domestic production also rises—growing from ~265 BCM in 2025 to ~360 BCM by 2040—helping offset rising import needs**, though not enough to meet total demand growth.
- **Despite meaningful supply growth, China’s import gap widens by ~150–200 BCM**, reinforcing its role as a key driver of long-term LNG demand.



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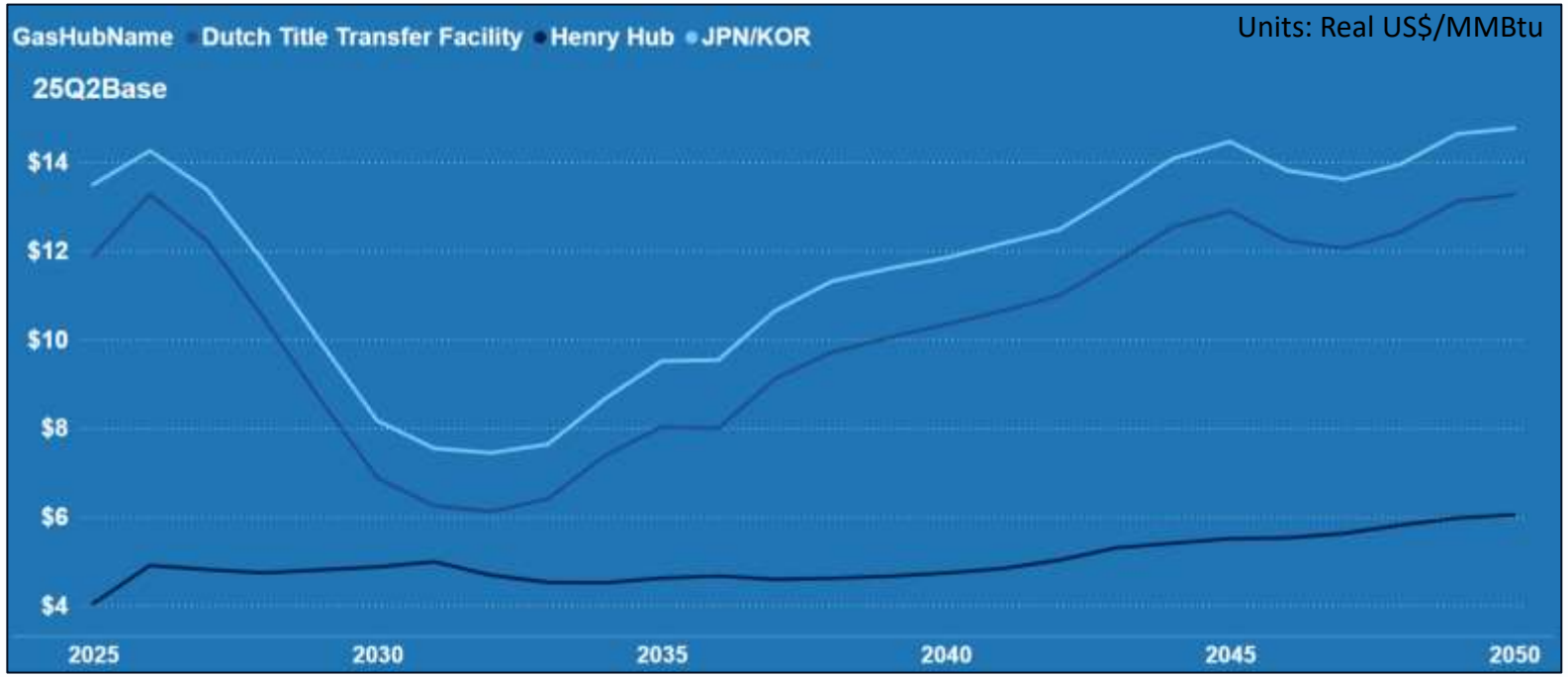
25Q3 Base Case Outlook

Global Gas Price Outlook (25Q3 Base)

- **Prices ease into the late 2020s** as new LNG capacity creates a temporary supply glut, pulling TTF and JKM down toward the high-$7s to low-$8s.
- **Mid-2030s recovery** emerges as Asian and Middle Eastern demand absorbs excess supply, pushing JKM back above ~$12 and TTF toward ~$11.
- **Henry Hub remains structurally lower**, rising gradually from ~$4 to ~$6 by 2050 as U.S. production expands alongside LNG exports.



In Summary

Key Takeaways

- **Europe tighter into winter**: higher **2025 regas**, but **storage below target**
- **EU bans Russian gas**: **minimal global production impact**, but **major LNG trade shifts**
- **Global LNG oversupply** emerging 2028-2035**: rapid** liquefaction **growth** outpaces **demand**, putting **sustained downward** pressure on **prices**
- **Afternoon presentation**: high-growth **Asian markets** + potential **Export-project slippage**

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Questions?

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We continuously enhance our market simulation systems with the latest software and computer technology while applying the best of mathematical economics to assist our clients achieve their goals. This is especially needed as we see fundamental shifts taking place in the energy industry to achieve energy transition goals and meet increasingly demanding requirements of ESG. We provide regularly scheduled updates of our simulation systems and databases to keep our clients up-to-date with the most current market information. We enhance the functionality of our systems to enable our customers to simulate the effect of new regulations or industry requirements.

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With RBAC's advanced simulation systems, licensees can create and run scenarios involving bio-methane (Renewable Natural Gas – RNG) mixed with natural gas and to assess the implications of carbon taxes and markets on supply, demand, and prices. Future enhancements will include the ability to simulate the advent of a future hydrogen market with both pure hydrogen pipelines as well as mixtures with methane. The Energy Analyst of today and the future needs these kinds of tools to conduct realistic assessments and help develop realistic strategies and plans to achieve the goals of the energy transition.

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