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BNEF Global Gas Outlook

CEC's 2025 IEPR workshop

Omolade Fasusi

June 6, 2025

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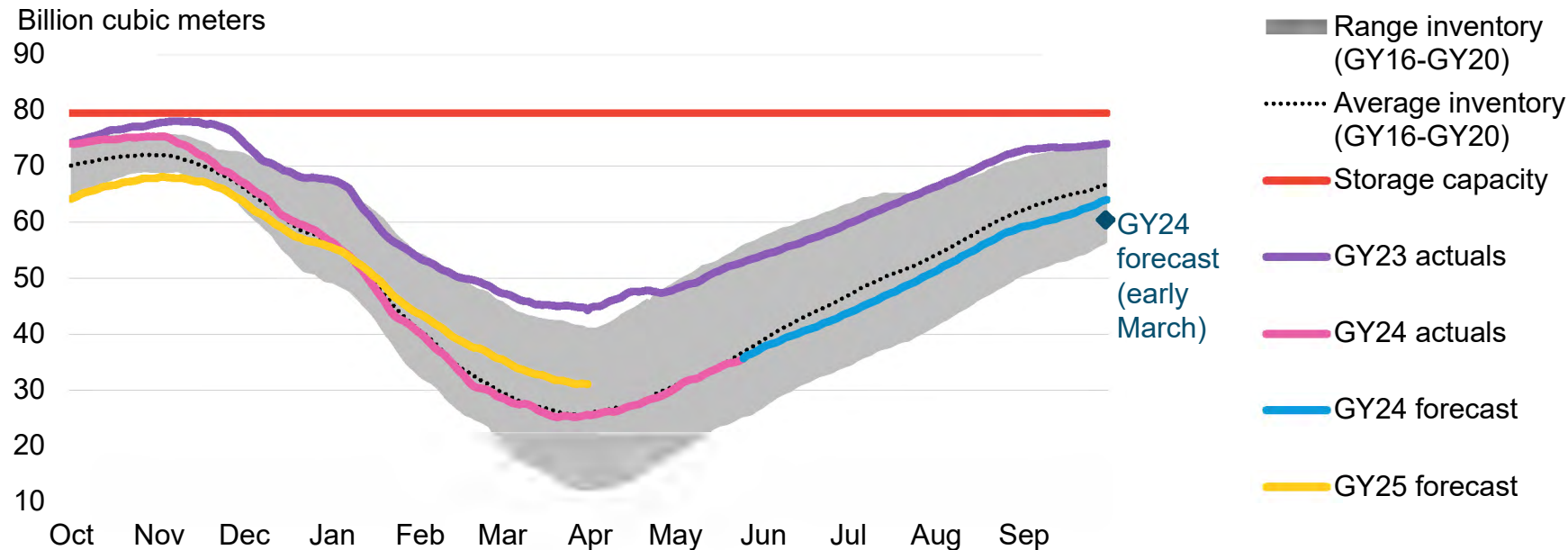
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Short-term European and Asian gas outlook

Sustained tariffs may push Europe's inventories close to 81% full by the end of summer

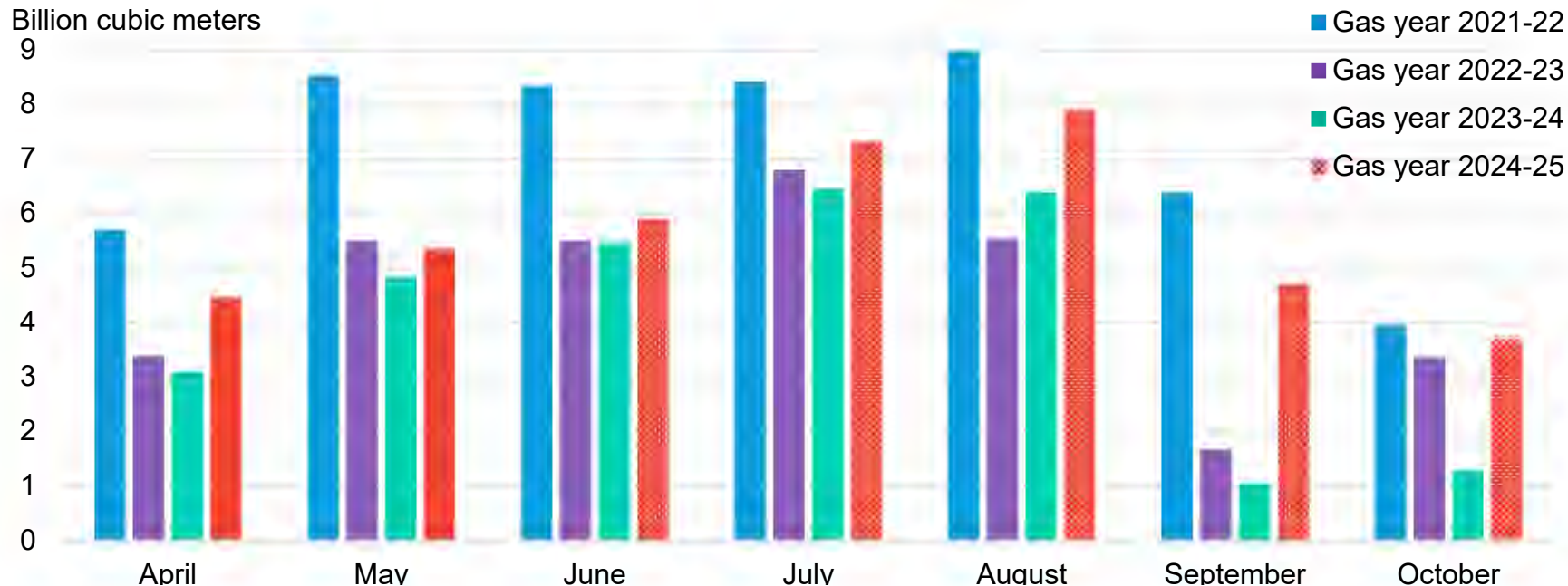
BNEF Europe Perimeter's gas storage inventories



Source: BloombergNEF. Note: BNEF's Europe Perimeter comprises Northwest Europe, Italy and Austria. 'GY' is gas year, a 12-month period starting from October 1. Actuals are until May 25, 2025. Given that UK is not part of the European Union, its 2024 storage levels are assumed for calculations of targets.

High gas injection levels are required across Europe to meet ahead-of-winter storage targets

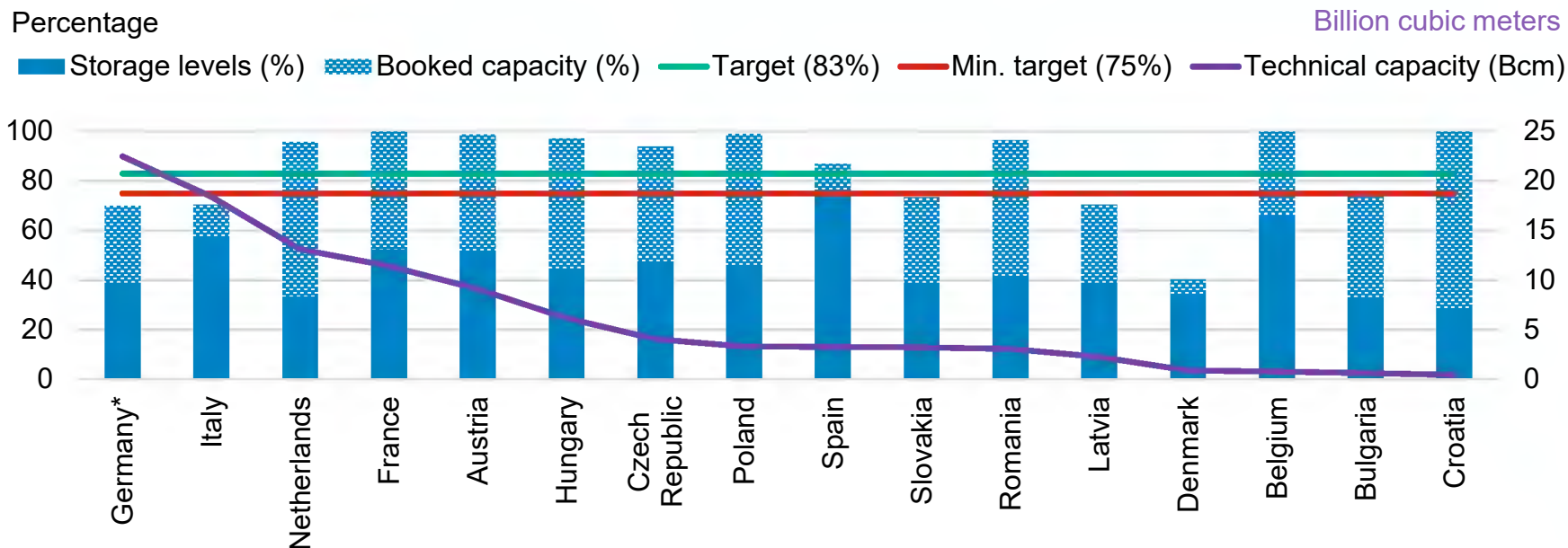
BNEF Europe Perimeter's gas net injections, by gas year



Source: BloombergNEF. Note: May gas net injections calculated between May 1 to May 25. Dotted bars show BNEF's forecast.

Germany lags on gas storage fill and capacity bookings while Italy nears 60% full

Storage levels across the EU countries versus capacity booked for gas year 2024-25, and provisional storage target



Source: BloombergNEF, Gas Infrastructure Europe. Note: Data as of May 25. *Germany's national storage targets varies across gas storage sites. Booked capacity represents commercial bookings data provided by GIE and does not include strategic reserves.

Russian gas return is possible but not soon; LNG has higher chances than pipeline

Russian pipeline gas and LNG supply scenario matrix

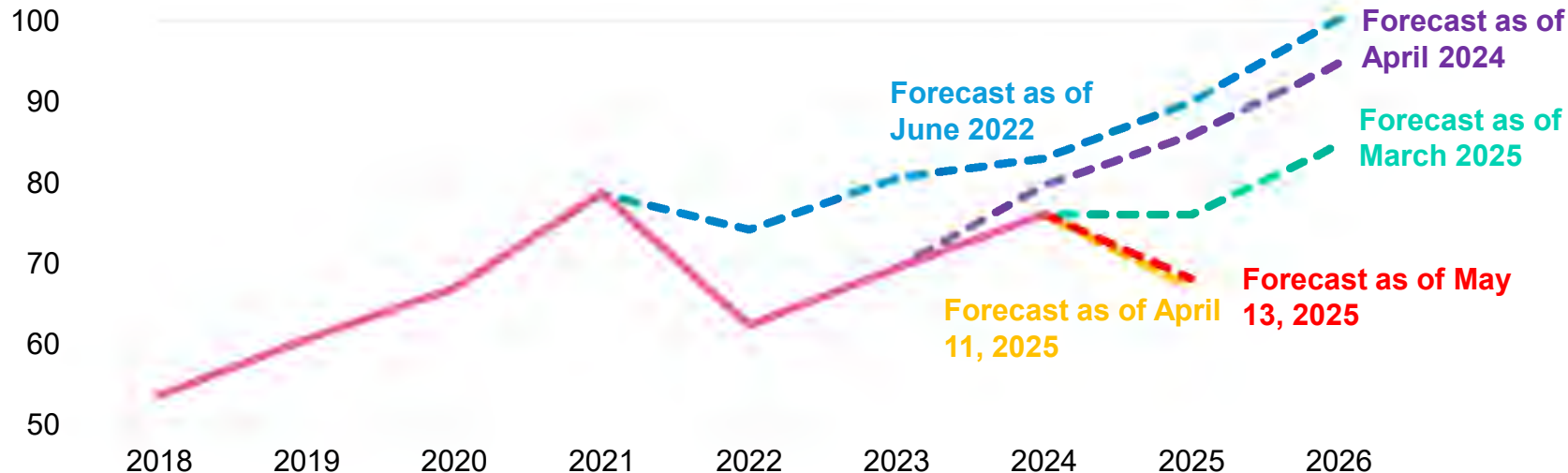
LNG/pipeline gas	No Russian gas pipeline resumption	Resumption of pipeline supplies via Ukraine	Nord Stream 2 pipeline supplies (one string)
No loadings from Arctic LNG 2, Vysotsk, Portovaya	BNEF's base case Volume 0Bcm (pipeline gas) 0Bcm (LNG) Comment: tight market as Europe needs gas to refill storage	Volume 2-3Bcm (pipeline gas) 0Bcm (LNG) Comment: still tight market due to limited volumes	Volume ~21Bcm (pipeline gas) 0Bcm (LNG) Comment: market will loosen as more gas supply becomes available though scenario probability is low
Arctic LNG 2, Vysotsk, Portovaya resume loadings	Volume 0Bcm (pipeline gas) 4-8Bcm (LNG) Comment: scenario is highly dependent on sanctions removal on ice-class carriers and transshipment facilities	Volume 2-3Bcm (pipeline gas) 4-8Bcm (LNG) Comment: big win for Russian LNG but Russian pipeline gas recovery remains limited	Volume ~21Bcm (pipeline gas) 4-8Bcm (LNG) Comment: large volumes of gas supply is added to the market, but probability is the lowest among all scenarios. Hurts US LNG prospects the most

Source: BloombergNEF. Note: Bcm is billion cubic meters. Estimated volume is for the next nine months (from July 2025 to March 2026). In the LNG loadings scenario, BNEF estimates 4Bcm assuming Arctic LNG 2, Vysotsk, Portovaya resume loadings from 4Q 2025 or 8Bcm if resumption happens sooner – in mid-2025. In the pipeline resumption scenarios, BNEF takes a simplified assumption with flows resumption from end 2Q 2025. For more, see [link](#).

China LNG import outlook evolution: Forecasts in freefall; tariff cuts unlikely to reverse the 2025 decline

Evolution of BNEF's China LNG import outlook

Million metric tons
110



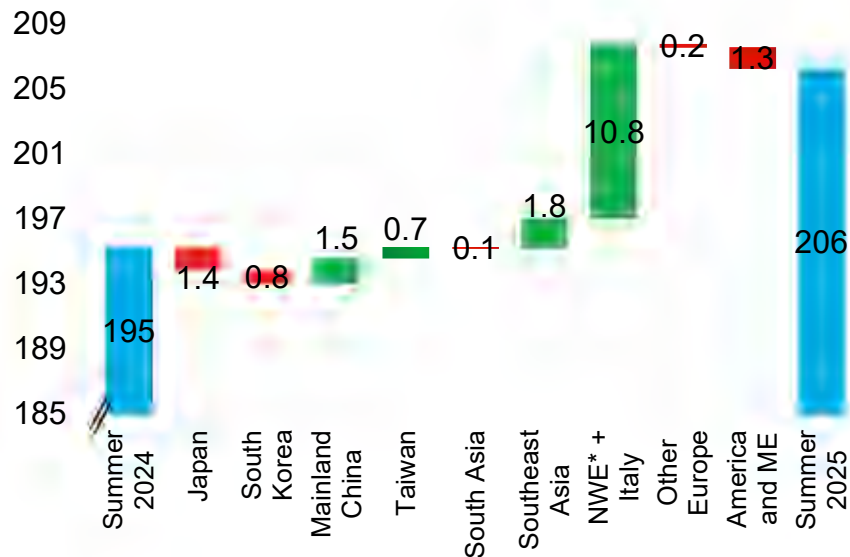
Source: BloombergNEF.

Lower Asian demand from tariffs to support higher imports to Europe

Summer-on-summer global LNG demand change

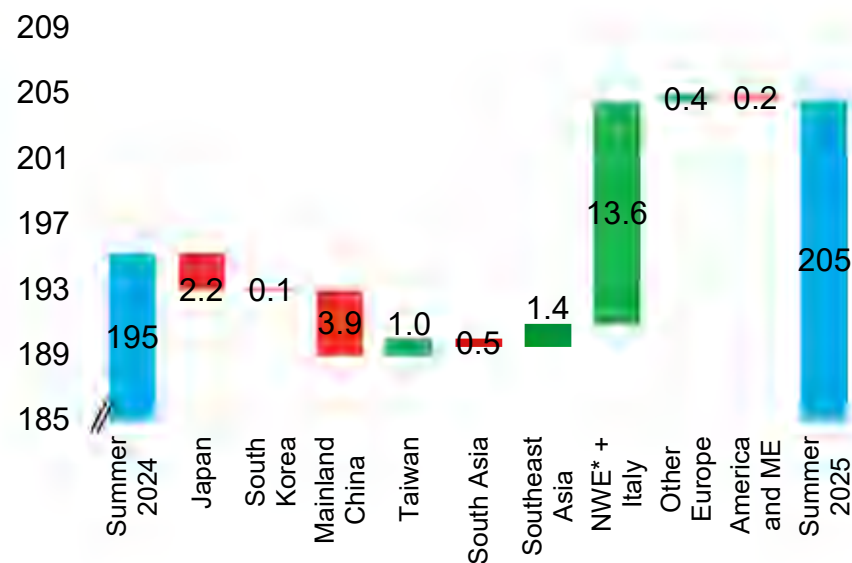
As of March 15, 2025

Million metric tons



As of May 13, 2025

Million metric tons



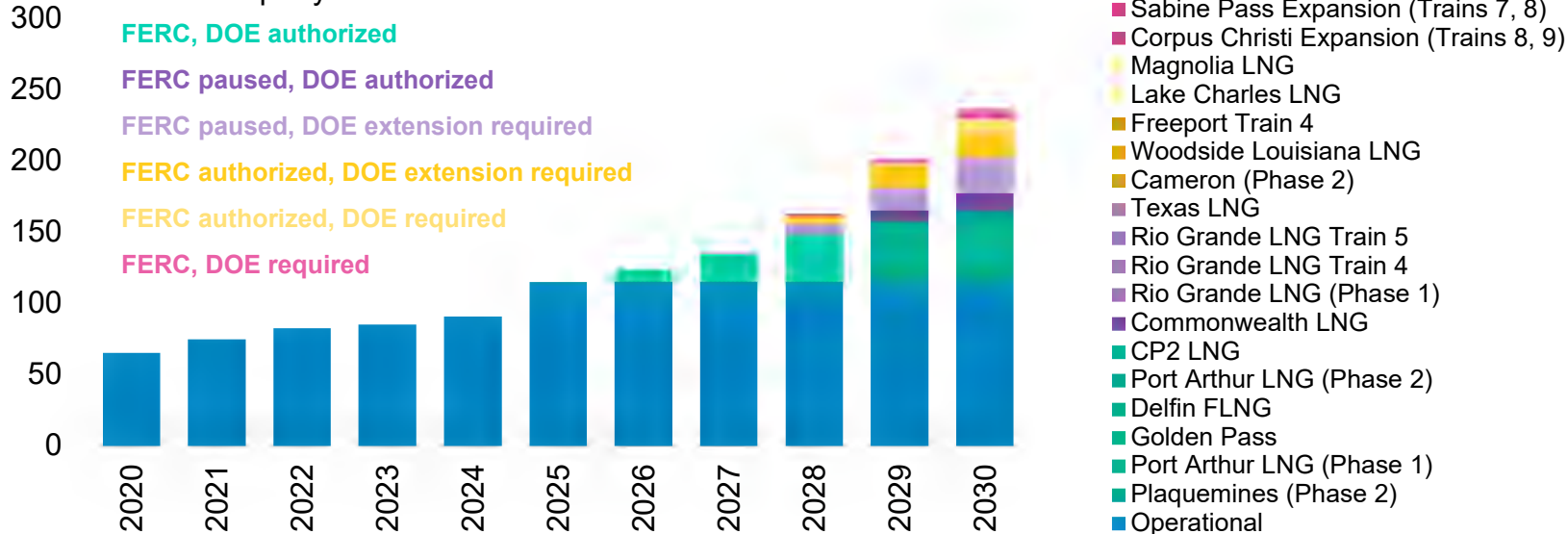
Source: BloombergNEF, Bloomberg Terminal's AHOY JOURNEY <GO>. Note: *NWE is Northwest Europe. 'America and ME' includes Americas, the Middle East and other smaller markets. These forecasts are continuously evolving due to the fluid tariff landscape. Please refer to BNEF's LNG Monthly for the latest updates.

LNG supply

Trump's presidency provides tailwinds to US LNG projects' approvals

US export capacity by regulatory approvals (as of June 3, 2025)

Million metric tons per year

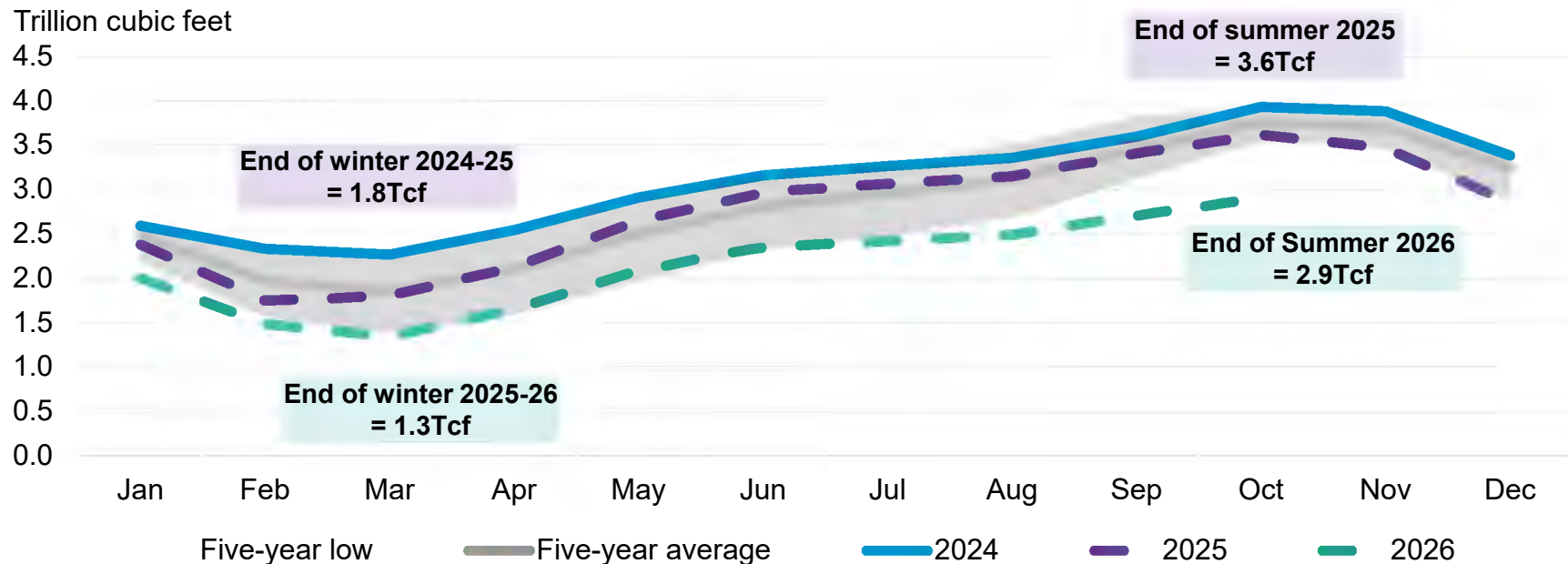


Source: BloombergNEF, US Federal Energy Regulatory Commission (FERC), US Department of Energy (DOE). Note: Project start years are derived based on a combination of BNEF assumptions and company targets. Note: Some projects expected or proposed to start post-2030 are not shown in the chart area but listed in the legend for showcasing the regulatory status.

Short-term US gas outlook

Balance: End-of-summer 2025 gas storage falls below the five-year average

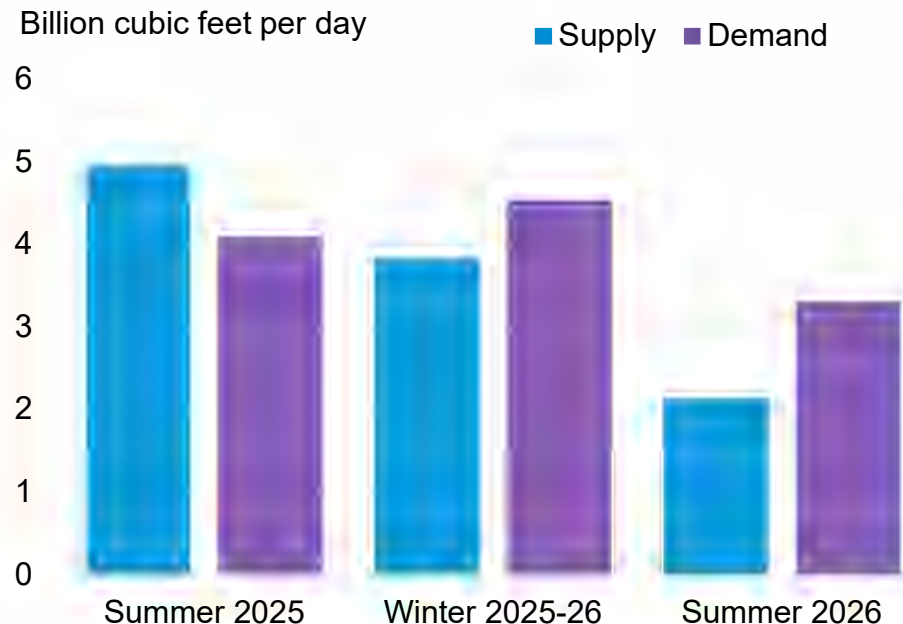
Natural gas inventory forecast, 2024-26



Source: BloombergNEF. Note: Based on forecasts as of May 5, 2025.

Demand growth will considerably outpace production by summer 2026

Year-on-year change in US gas supply and demand, by season



Sector	Summer 2025 (Bcf/d)	Winter 2025-26 (Bcf/d)	Summer 2026 (Bcf/d)
Production	4.7	3.7	2.1
Power burns	-1.0	-0.9	-0.2
ResCom	0.5	0.4	0.2
Industrial	-0.3	-0.6	0.0
LNG	4.2	4.5	2.3

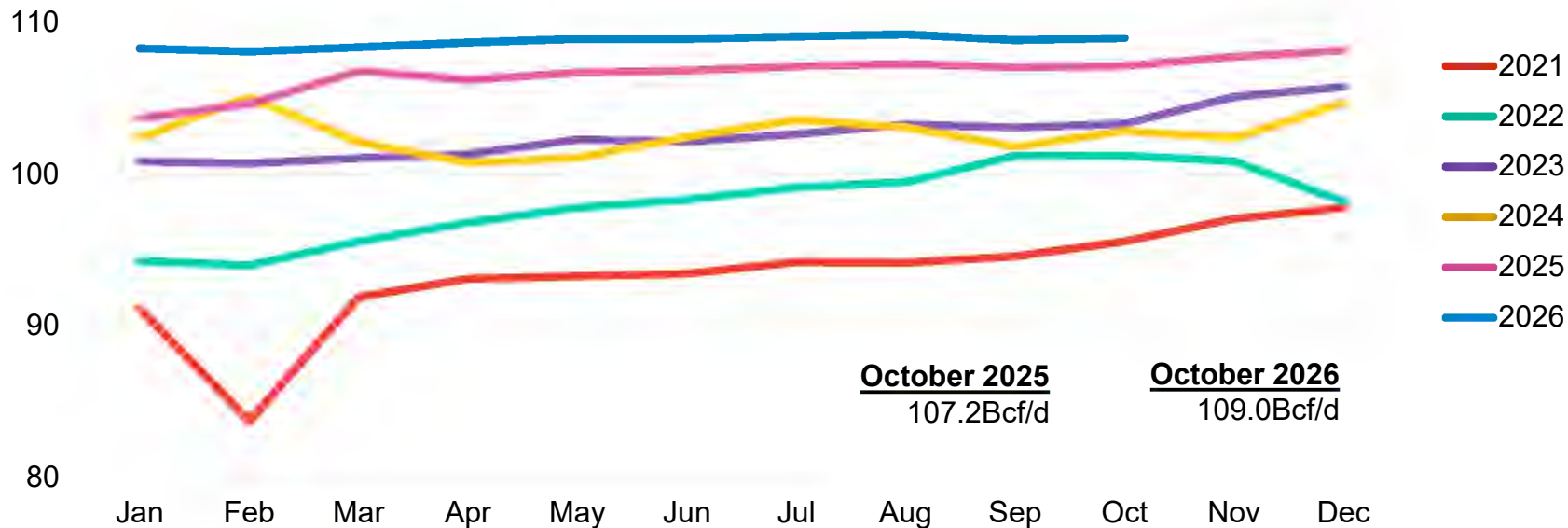
Source: BloombergNEF. Note: Based on forecasts as of May 5, 2025. Bcf/d is billion cubic feet per day.

US supply outlook

Production will rise to 109Bcf/d by the end of 2026

US natural gas production outlook

Billion cubic feet per day

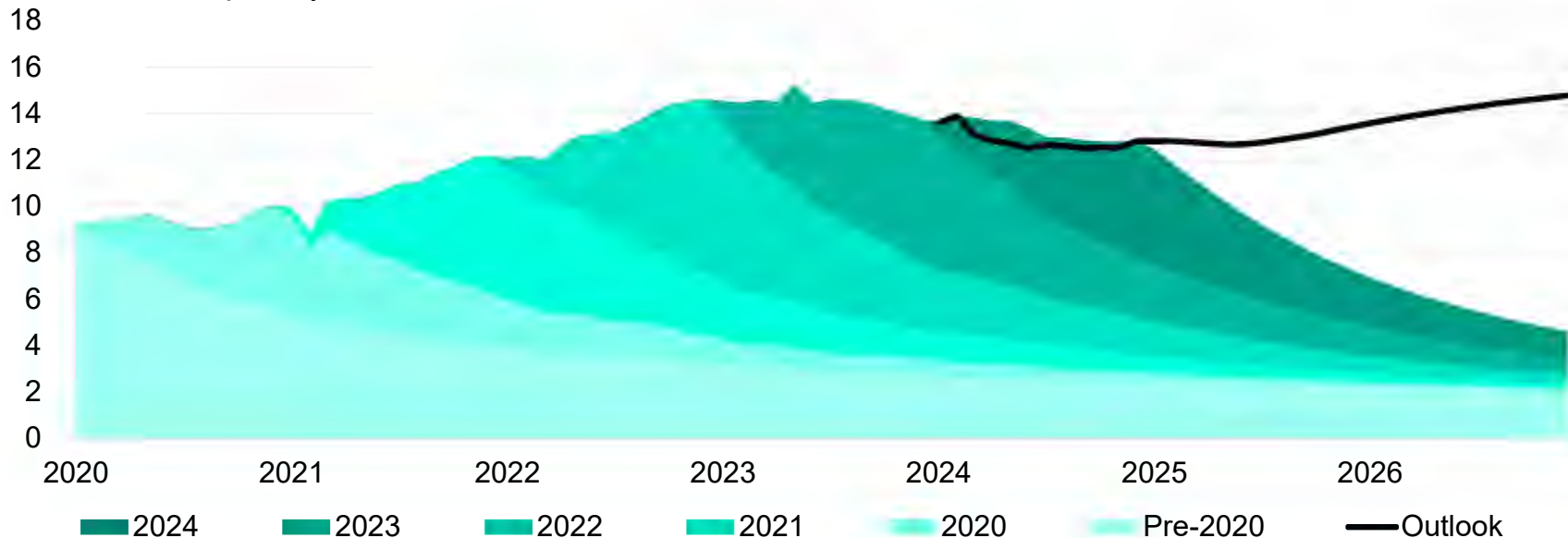


Source: BloombergNEF. Note: Forecast as of May 5, 2025. Bcf/d is billion cubic feet per day

Haynesville production will not see significant growth until 2H 2025

Haynesville gas production, by vintage year and outlook

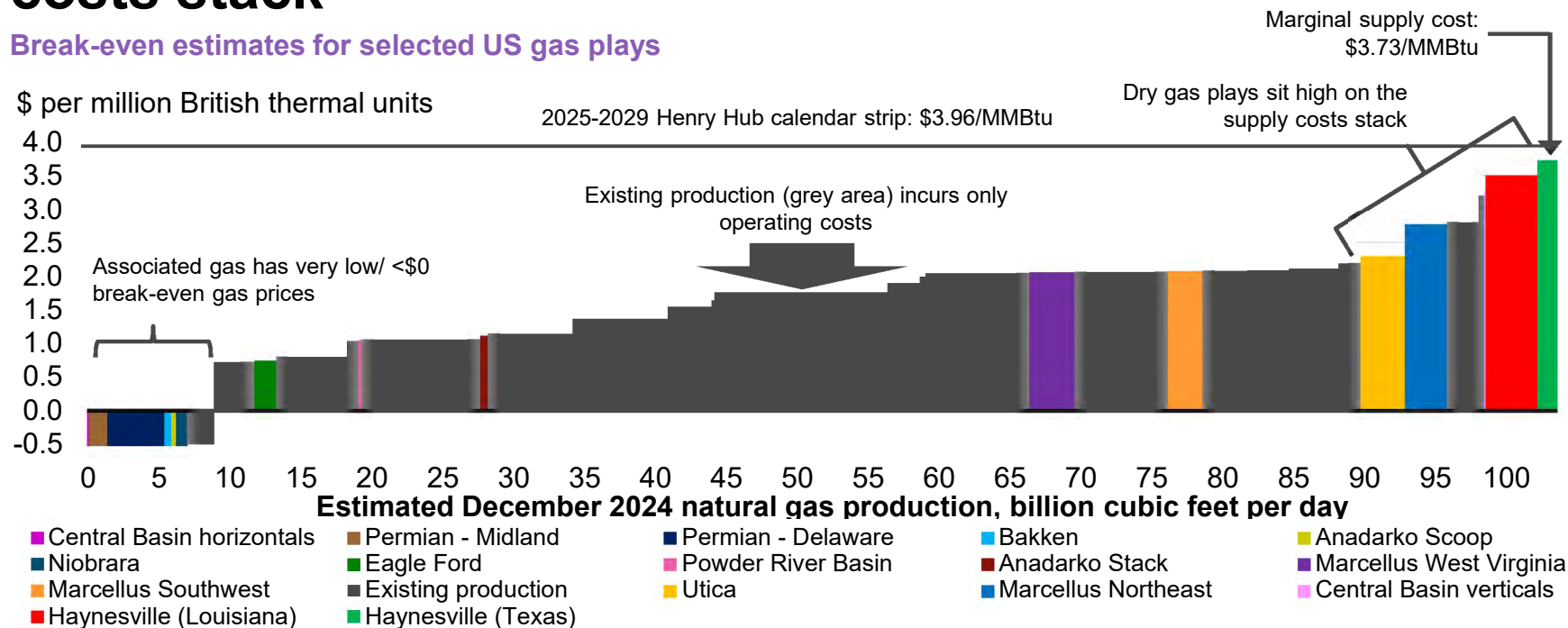
Billion cubic feet per day



Source: BloombergNEF estimates, Enverus, Energy Information Administration. Note: Outlook (black line) represents base-case forecast including curtailments.

Dry gas plays sit high on the supply costs stack

Break-even estimates for selected US gas plays

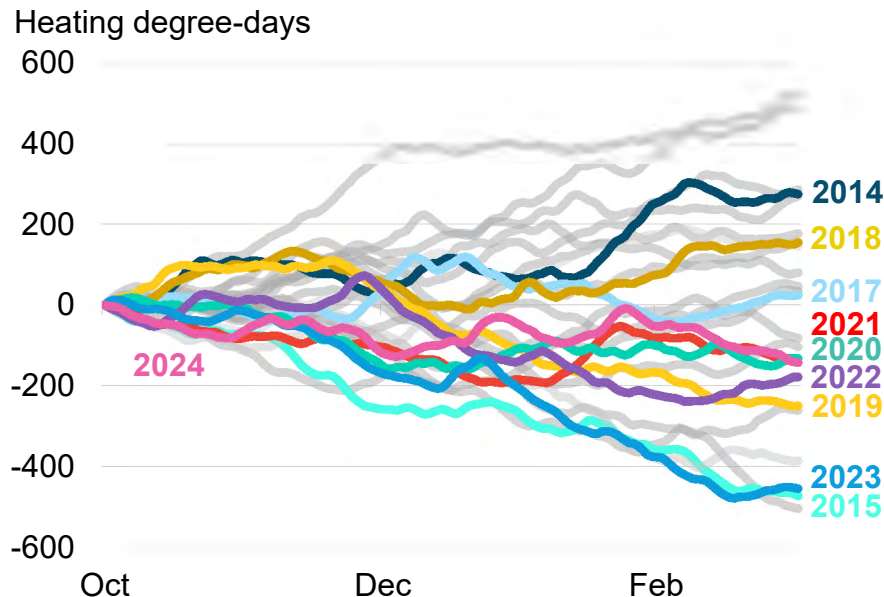


Source: BloombergNEF estimates, Enverus, company data. Note: MMBtu is million British thermal units. Assumes a 15% after-tax internal rate of return. Includes well costs, lease operating expense, transportation, gathering and processing costs, general and administration expense and basis. Scoop = South Central Oklahoma oil patch. Stack = Sooner Trend, Anadarko Basin, Canadian and Kingfisher counties. 2025-2029 Henry Hub calendar strip as of May 27, 2025.

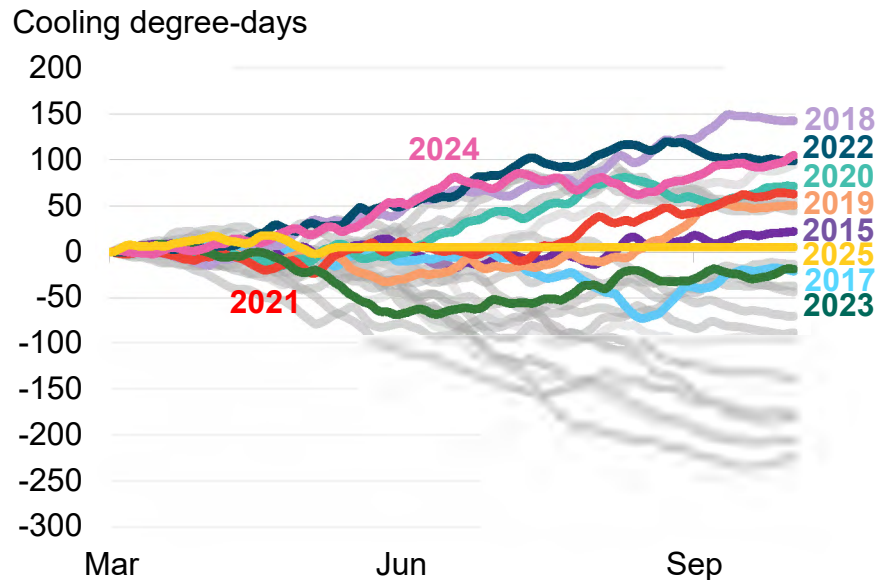
US demand outlook

Weather has a net-negative impact on US gas demand

Cumulative departure from 10-year weather normal for winter



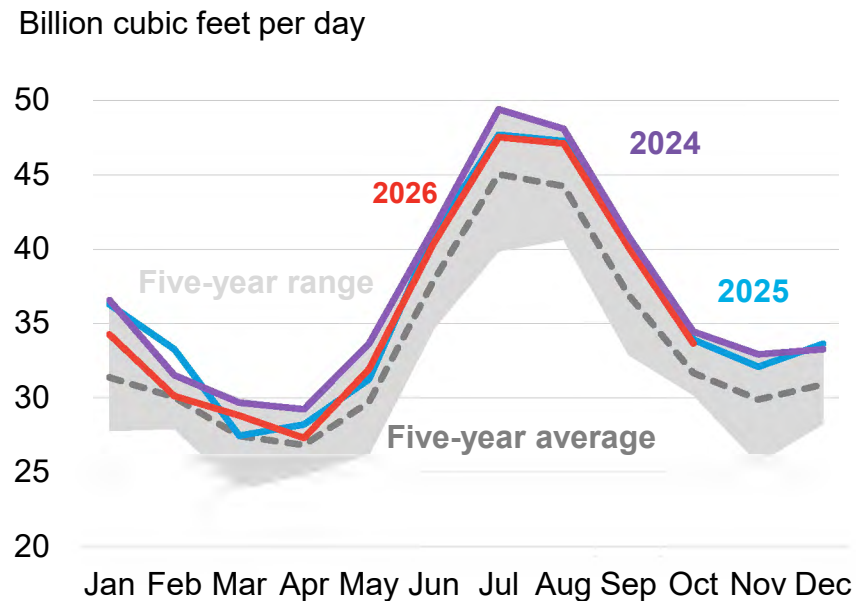
Cumulative departure from 10-year weather normal for summer



Source: WSI, BloombergNEF. Note: Uses 10-year normal weather from 2010-2019. Forecast as of May 2025.

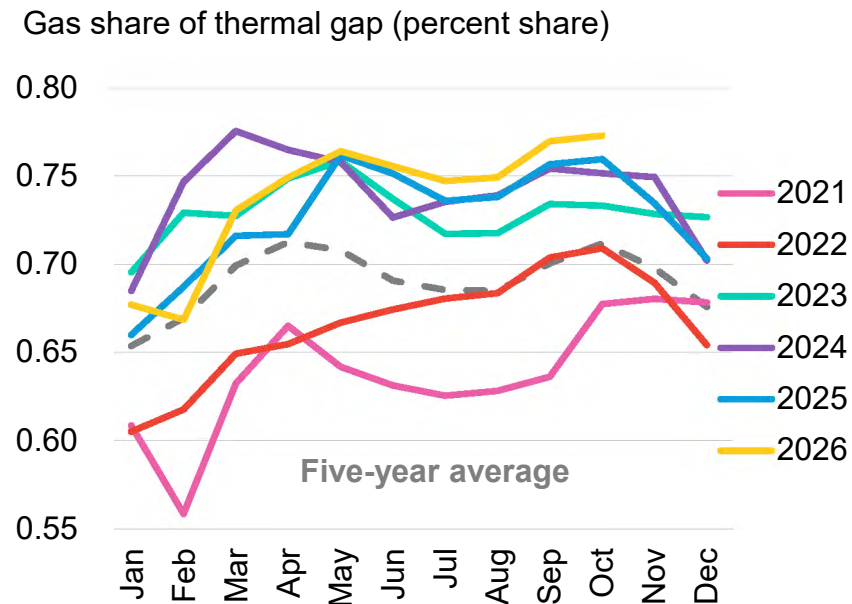
Record-high gas share of the thermal gap on the horizon for summer 2026

Seasonal power sector gas consumption



Source: BloombergNEF. Note: Forecast as of May 5, 2025.

Gas's share of the US thermal gap

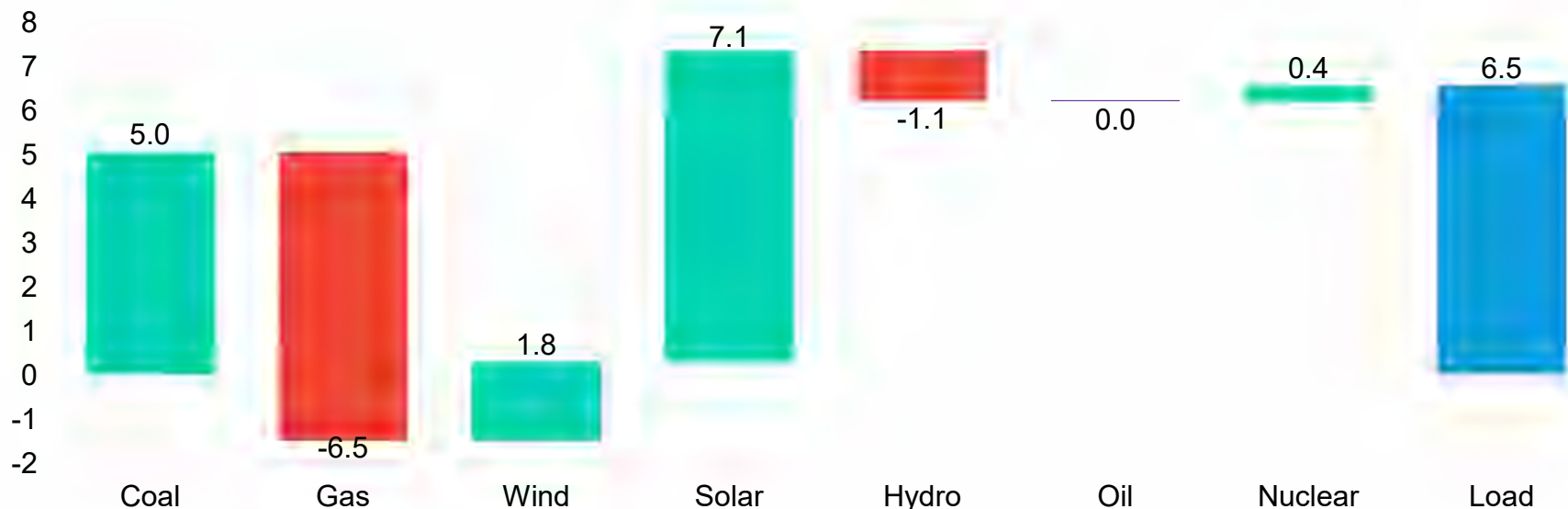


Source: BloombergNEF. Note: 'Thermal gap' is generation from gas plus coal. Forecast as of May 5, 2025.

Coal generation rebounds while gas crumbles due to high prices

Year-on-year average output by fuel (2025 vs. 2024)

Gigawatts



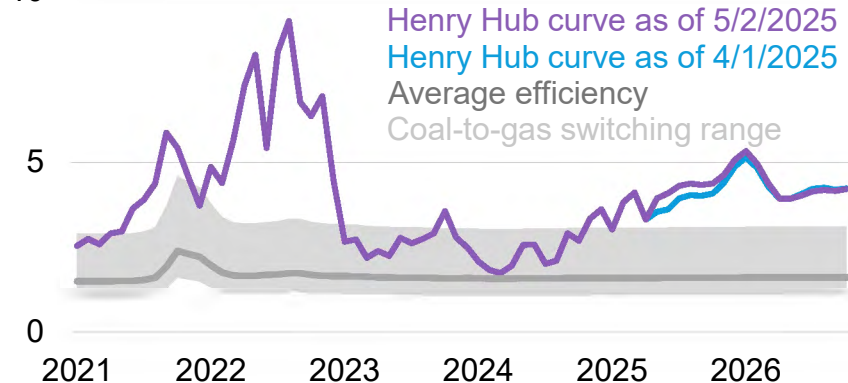
Source: BloombergNEF, US Energy Information Administration. Forecasts as of May 5, 2025

Gas forward curves show room for continued fuel switching in 2025-26

US Southeast coal-to-gas switching profitability

\$ per million British thermal units

10

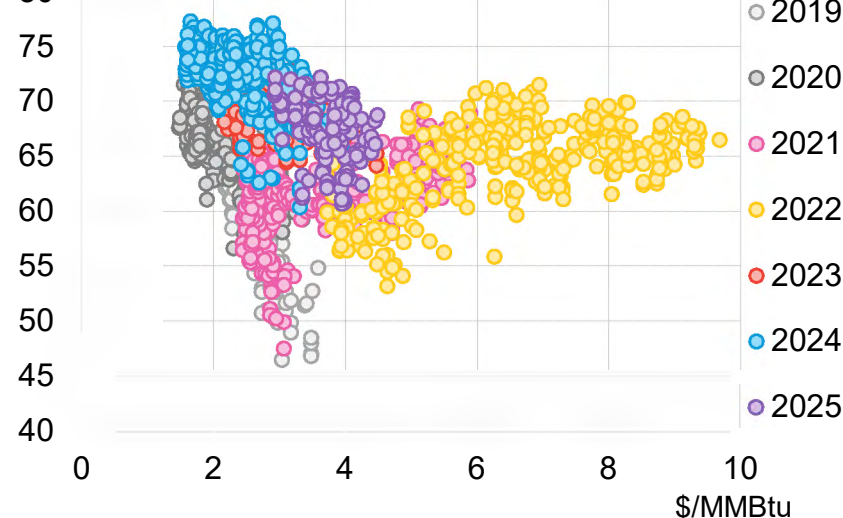


Source: Bloomberg, BloombergNEF, US Energy Information Administration, Evolution Markets Inc. Note: Fuel-switching range was calculated using a 10.5-heat rate coal plant, with a 7.5-heat rate gas plant setting the top of the range and a 21-heat rate gas plant setting the bottom. Coal price ticker for physical deliveries of Powder River Basin 8,800 British thermal units (Btu) per pound coal is {[UP88BOM EVON Index](#)}.

Gas' share of thermal gap vs. Henry Hub front month prices

Percent share

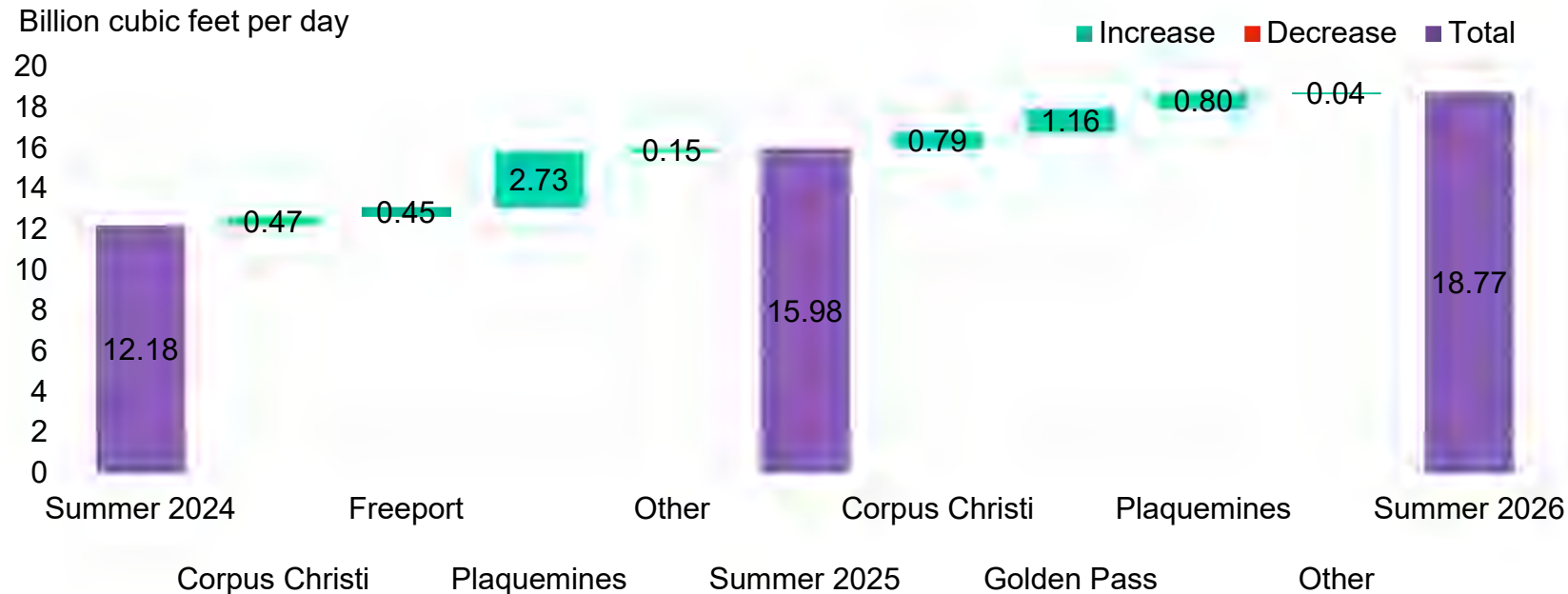
80



Source: BloombergNEF, US Energy Information Administration.

US feedgas demand is set to rise 31.2% summer-on-summer in 2025

Winter-on-winter change in US LNG feedgas demand

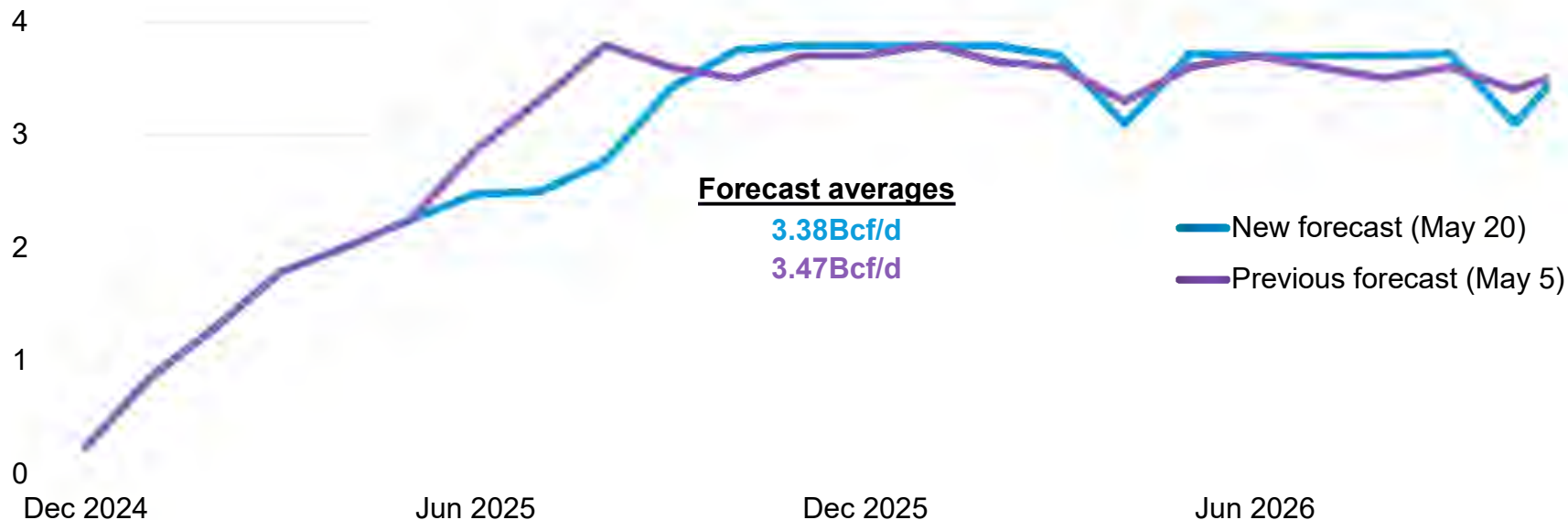


Source: BloombergNEF. Note: Forecast as of May 5, 2025.

Plaquemines power island completion pushes back Phase 2 ramp-up

Feedgas demand at Plaquemines LNG facility, under BNEF's forecasts from May 5 and May 20

Billion cubic feet per day

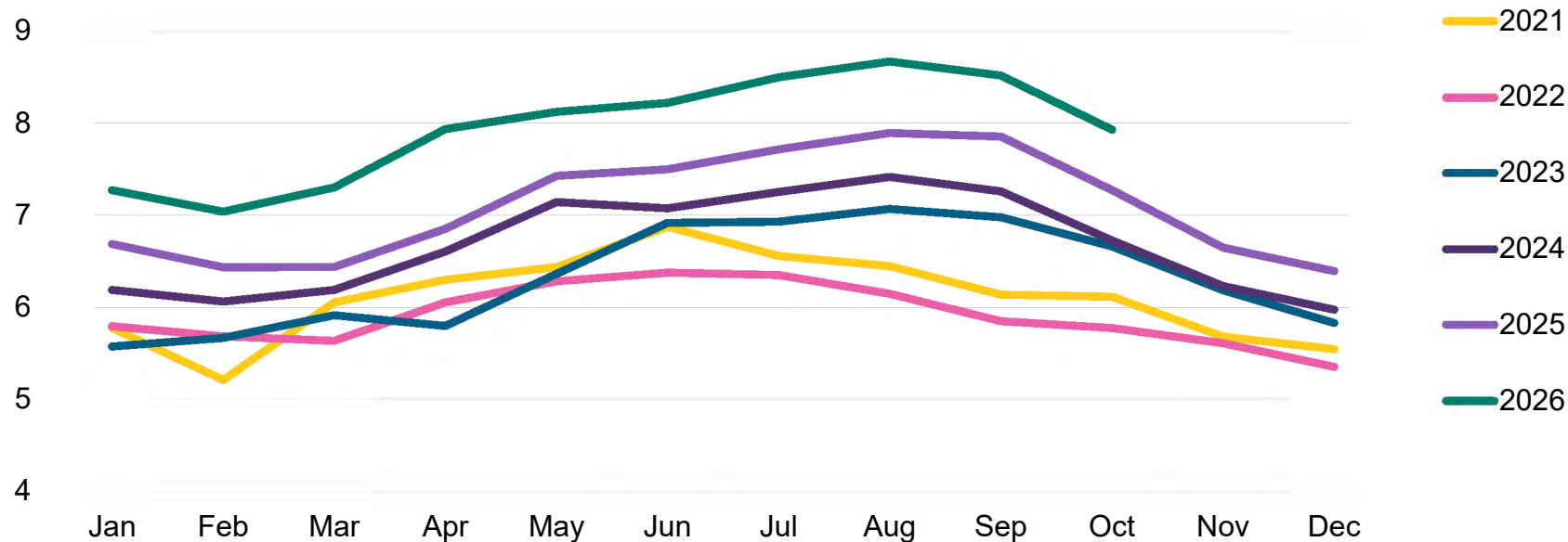


Source: BloombergNEF. Note: 'Forecast averages' represent the May 2025 to October 2026 average for each of BNEF's forecast data. Forecast as of May 5, 2025.

US gas exports to Mexico in 2026 to peak nearly at 9Bcf/d

Seasonal US gas exports to Mexico

Billion cubic feet per day



Source: BloombergNEF. Forecast as of May 5, 2025.

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