Natural Gas Supply Association

WINTER OUTLOOK 2025-2026

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THE U.S. NATURAL GAS MARKET THIS WINTER WILL BE DRIVEN BY RECORD PRODUCTION AND INCREASING DEMAND.

WHAT TO EXPECT: FLAT MARKET PRESSURE

Record Production: U.S. natural gas production expected at 108.5 BCFD, supporting both domestic needs and LNG exports.

Exports Driving Growth: LNG exports remain the largest driver of incremental demand, with an anticipated addition of 3.8 Bcf/d linking U.S. markets to global energy trends.

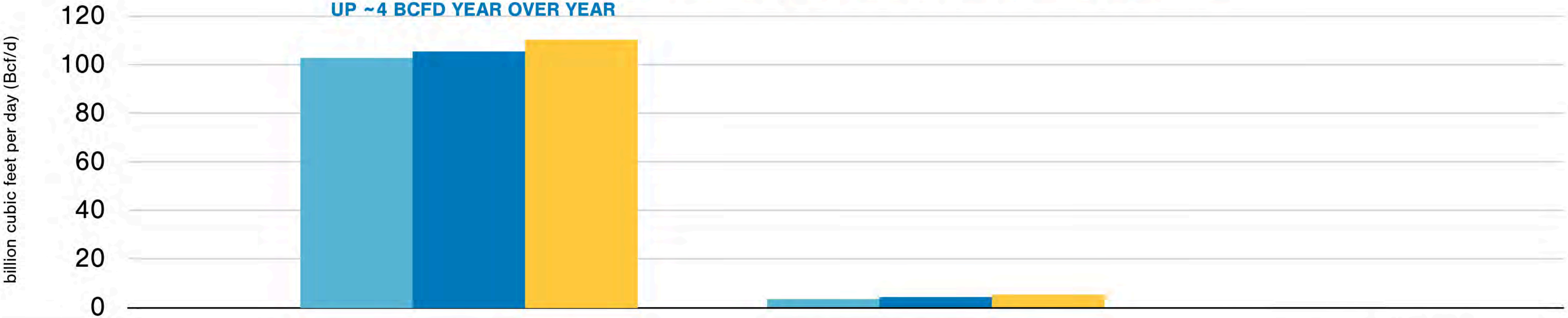
Industrial Demand Stable: Flat industrial consumption, though energy-intensive sectors could strengthen demand later in the season.

Storage Buffers Supply: Starting stocks within the five year average provide resilience against cold snaps and tight market periods, compared to the winter of 2024-2025 when the average Henry Hub price of natural gas was $3.76 per MMBtu.

Market Wild Cards: Unexpected weather or global LNG disruptions could quickly tighten balances and influence prices.

WINTER SUPPLY FORECAST – SURGING PRODUCTION

Total Winter 2025–2026 Supply Forecast: 115.5 Bcf/d



	TOTAL PRODUCTION		NET CANADIAN IMPORTS		LNG IMPORTS
3yr avg	103		5.8		0.2
2024-2025 actual	104.7		6.5		0.2
2025-2026 projected	**108.5**		**6.9**		**0.1**

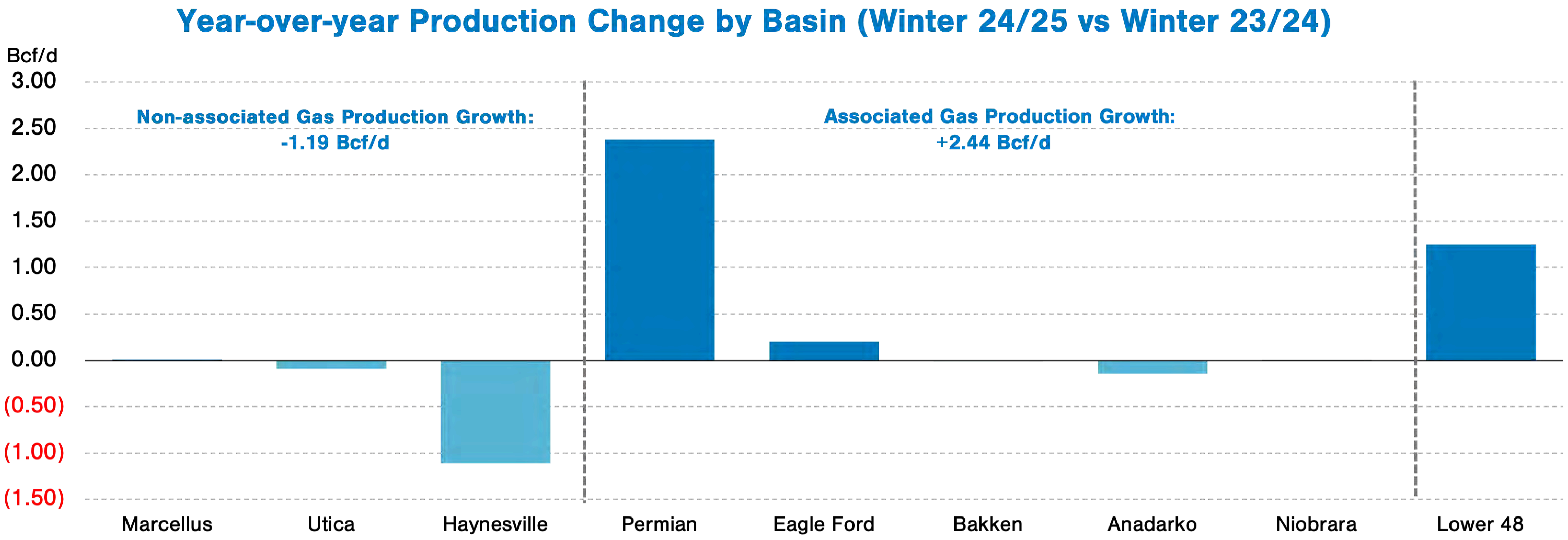
Source: Energy Ventures Analysis

Downward Market Pressure

This winter, U.S. natural gas production is set to reach record highs, supporting both domestic needs and rising LNG exports.

This stability means winter price spikes are less likely, reassuring markets and consumers.

PRODUCTION GROWTH BY BASIN: COMPARISON OF TWO RECENT WINTERS



Source: Energy Ventures Analysis

Understanding these basin-level shifts helps explain why supply is stable but sensitive to changes in oil-linked production.

Gains: Concentrated in Associated Gas, with the Permian as the primary driver of growth.
Modest Declines: Traditional Dry Gas Basins
Overall Production Growth: Tied to Oil Activity

DEMAND: WINTER HEATING SEASON WEATHER

Last Winter (2024-2025 actual)

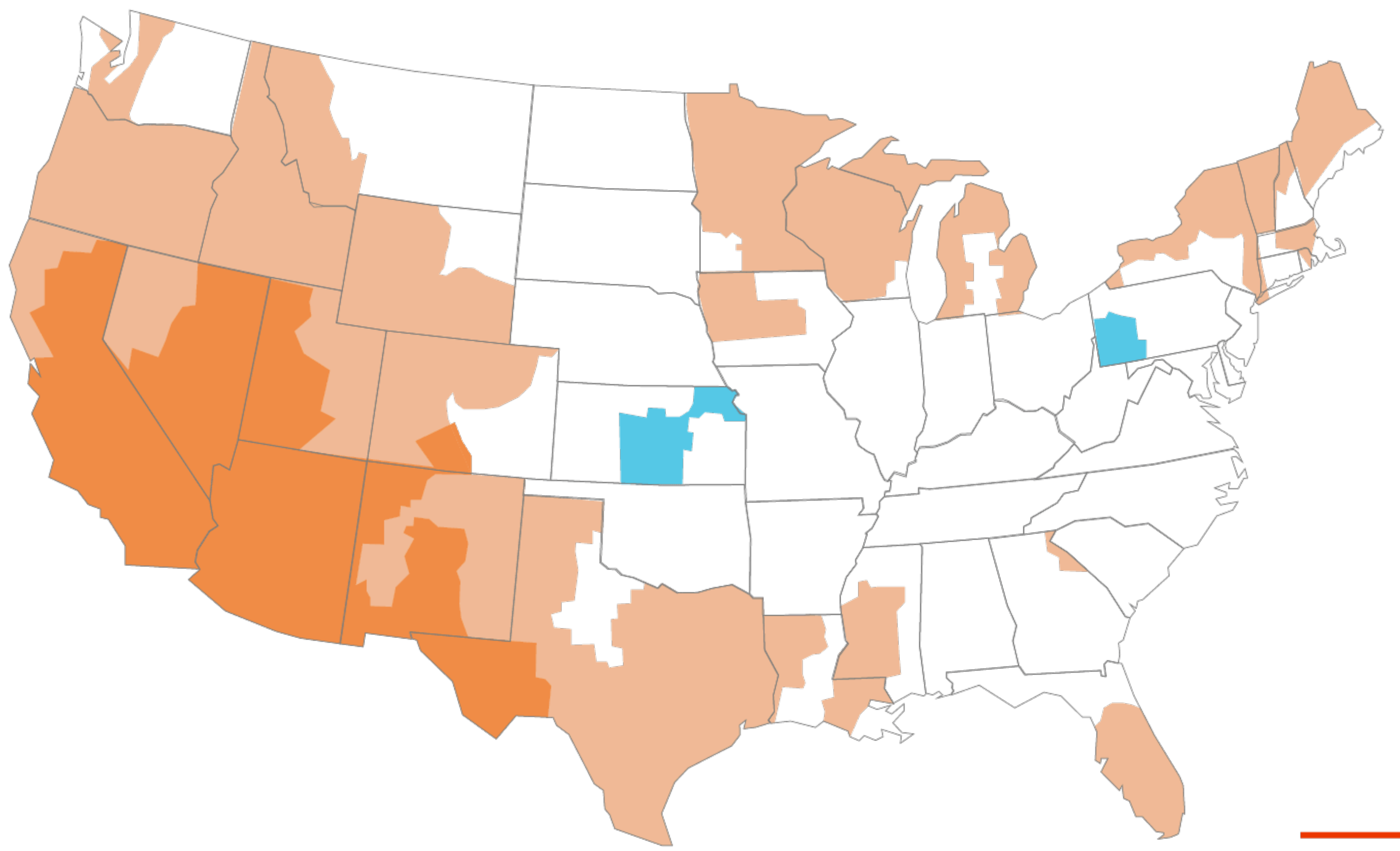
ACTUAL: 3,408 HEATING DEGREE DAYS

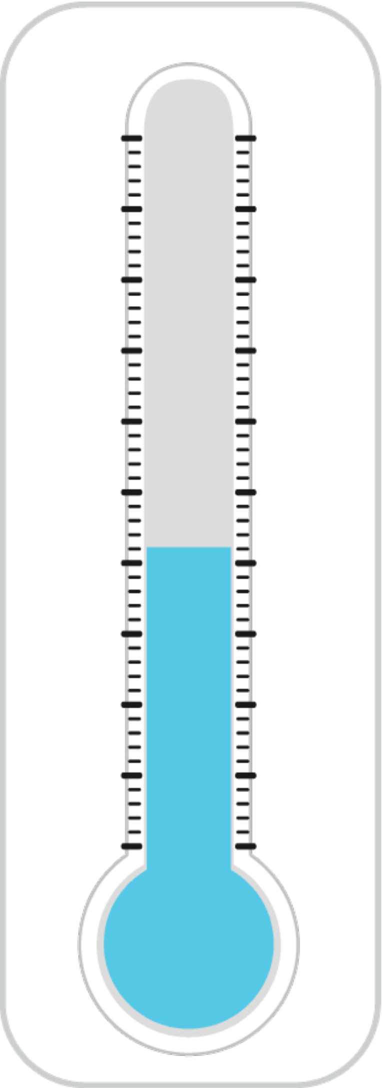
This Winter (2025-2026 forecast)

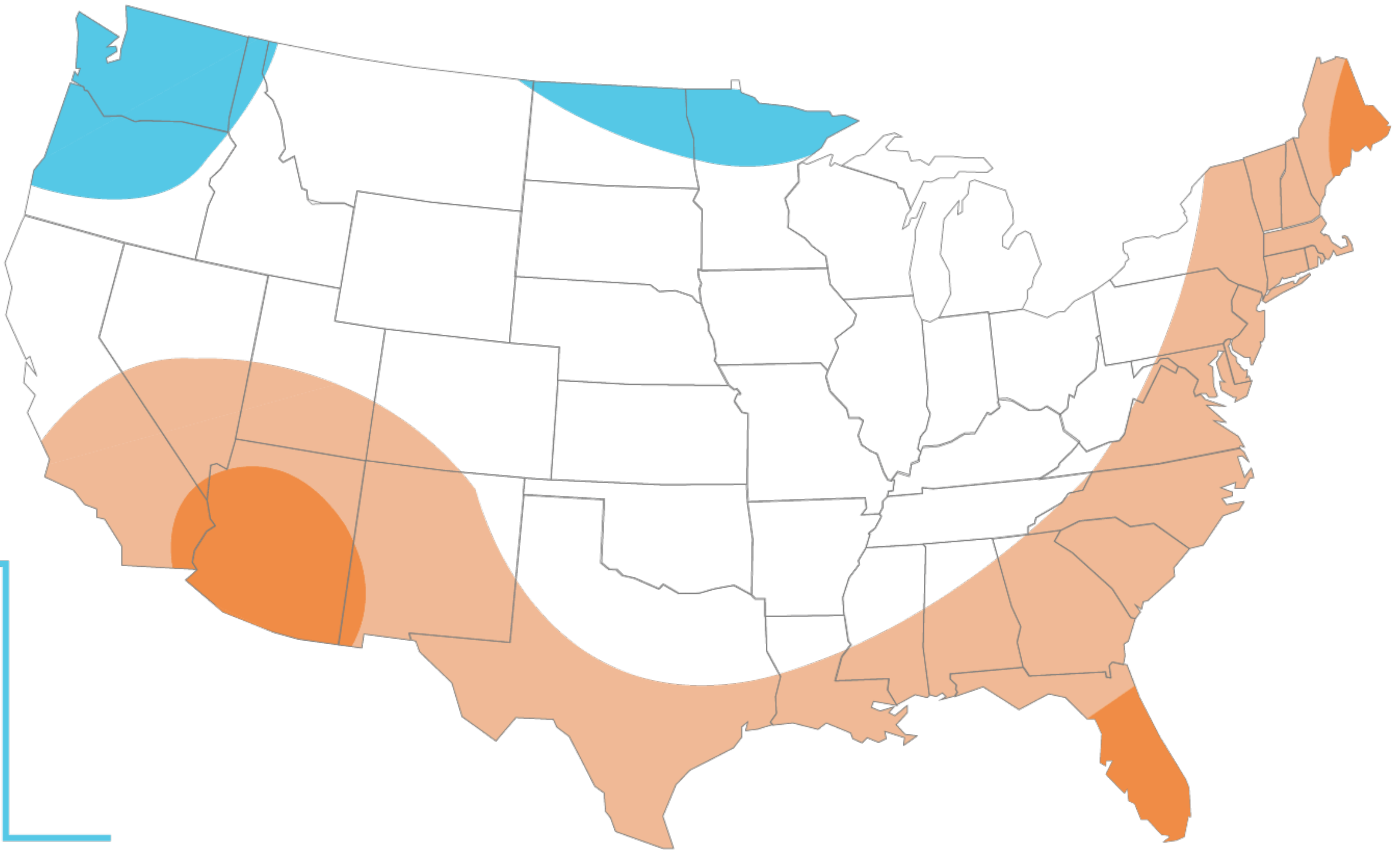
3,475 HEATING DEGREE DAYS

2% cooler than last winter | 4% cooler than last three winters

BELOW AVERAGE | AVERAGE | ABOVE AVERAGE | MUCH ABOVE AVERAGE | NEAR-RECORD WARMTH







3,408 HDDs
Actual Winter
2024-2025

3,475 HDDs
Forecast Winter
2025-2026

Source: Energy Ventures Analysis, NOAA

Flat Market Pressure

Winter weather will be a key factor in market balance.

- Mild winter weather is expected across much of the Lower 48
- Assuming some new demand and normal weather, heating demand for homes and business will climb moderately.

DEMAND: ECONOMY

Winter Season Period-to-period change	**Last Winter** 2024-2025 actual	**This Winter** 2025-2026 forecast
GDP Growth	**2.8%**	**3.3%**
Manufacturing Industrial Utilization	**77.9%**	**77.5%**
Unemployment Rate	**4.1%**	**4.5%**
CPI	**2.9%**	**3.1%**
Consumer Confidence	**97.4%**	**97.4%**

Flat Market Pressure

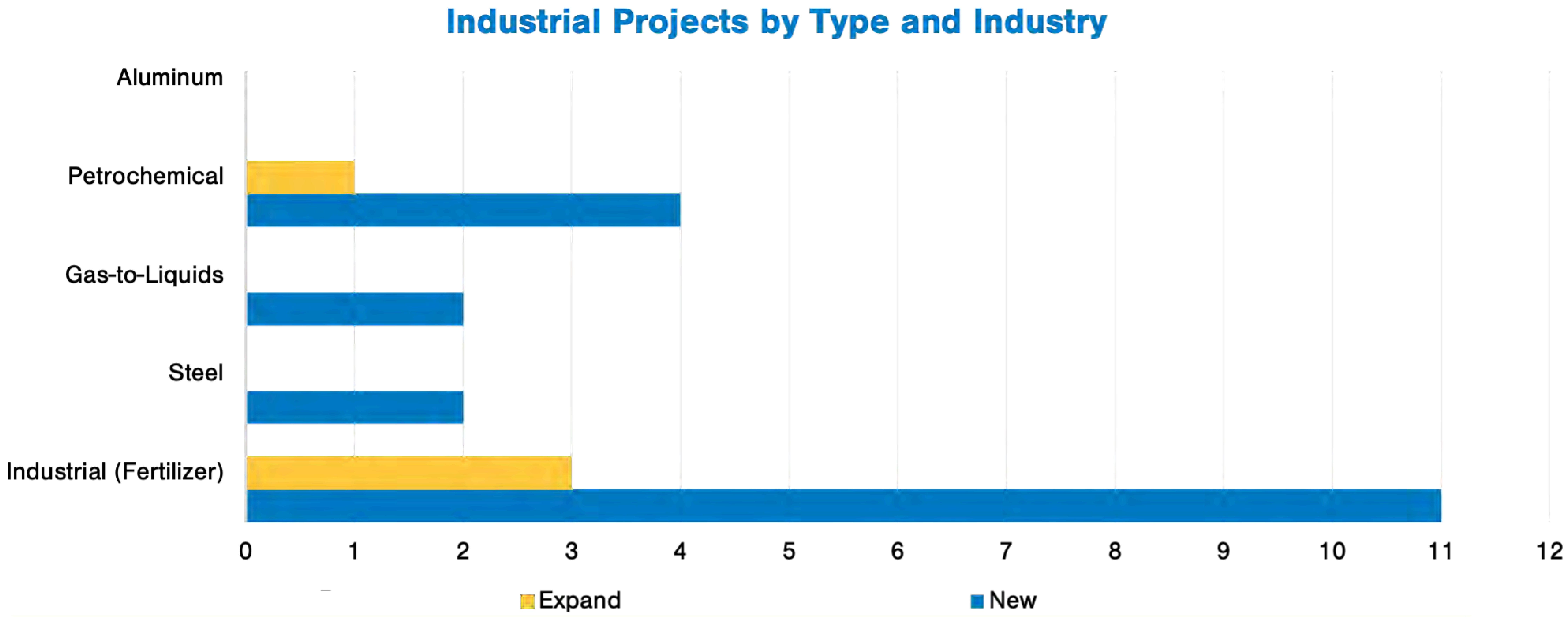
Data Sources: Moody's Analytics, Bureau of Labor Statistics, Bureau of Economic Analysis, University of Michigan, Energy Ventures Analysis

Economic fundamentals present a mixed picture for industrial demand.

- GDP growth is forecast at 3.3%
- Industrial utilization is slightly lower
- Unemployment has edged higher

Industrial demand is expected to remain flat this winter, but a rebound in energy-intensive sectors could add upward pressure.

INDUSTRIAL DEMAND: 23 NEW AND EXPANDED PROJECTS EXPECTED BY 2030



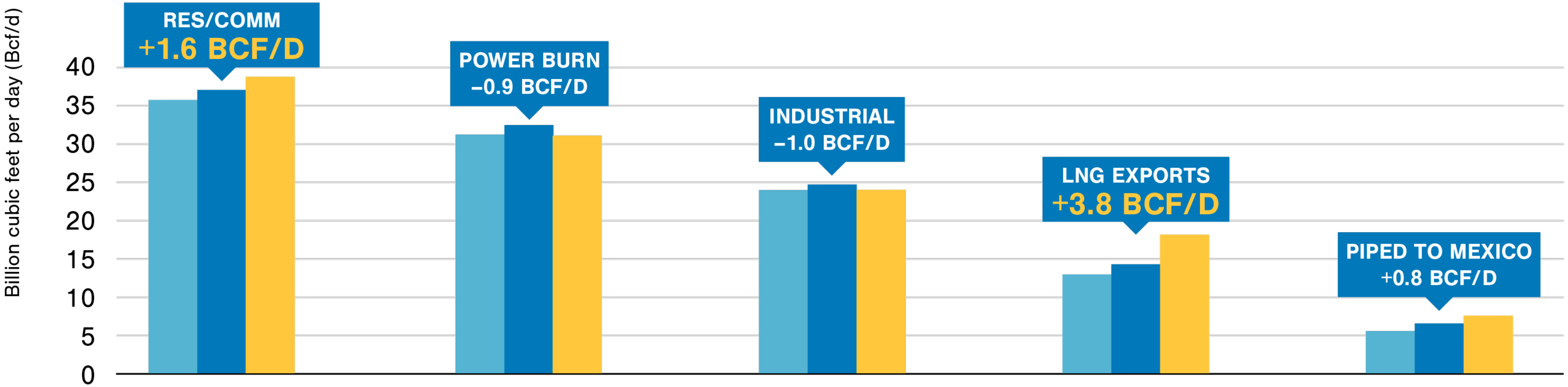
Efficiency gains, economic factors and tariffs are driving near-term demand changes, but continued investment in energy-intensive facilities reflects a structural shift for future natural gas demand in the sector.

- Industrial natural gas demand remains high, holding steady as the third highest demand sector – only lower than residential/commercial heating and power generation.
- Low-cost, abundant domestic natural gas continues to support strong industrial consumption, with over 83 million in investments announced for new and expanded energy-intensive projects between 2025 and 2030.

Strong domestic supply and competitive prices will continue to support growth in the industrial sector.

DEMAND: INCREASES FROM LNG EXPORTS AND HEATING

Winter 2025-2026 Forecast: 129.6 Bcf/d



	RES/COMM	POWER SECTOR	INDUSTRIAL	LNG EXPORTS	PIPED TO MEXICO
3yr avg	36.4	31.9	24.6	13.4	5.8
Winter 2024-2025 actual	37.3	32.5	25.7	14.5	6.2
Winter 2025-2026 forecast	**38.9**	**31.6**	**24.7**	**18.3**	**7.0**

Source: Energy Ventures Analysis

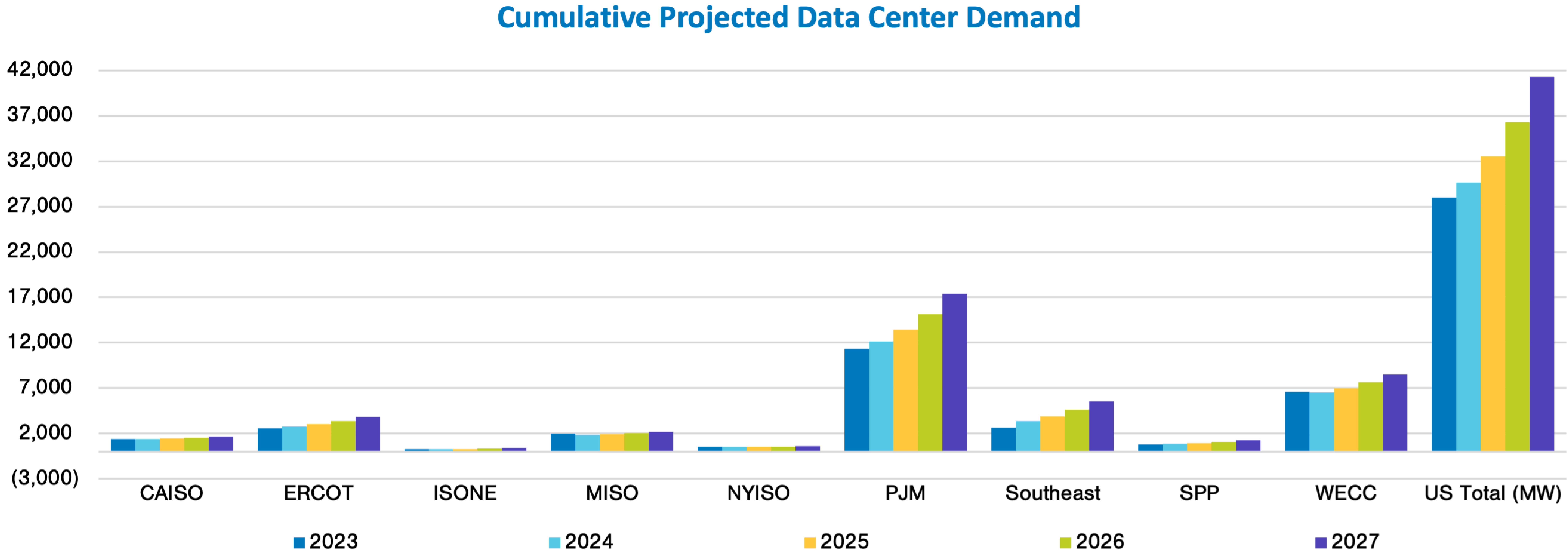
Upward Market Pressure

Total natural gas demand is projected to increase by 4.2 Bcf/d this winter.

- Residential and commercial heating will account for 1.6 Bcf/d of the increase.
- LNG exports will lead the growth, adding 3.8 Bcf/d as new liquefaction capacity comes online.
- Industrial and power sector demand may edge lower due to economic factors, efficiency gains and fuel switching.

Exports remain the dominant growth driver, underscoring the U.S.'s pivotal role in global energy markets.

NEW AND GROWING DEMAND: DATA CENTERS



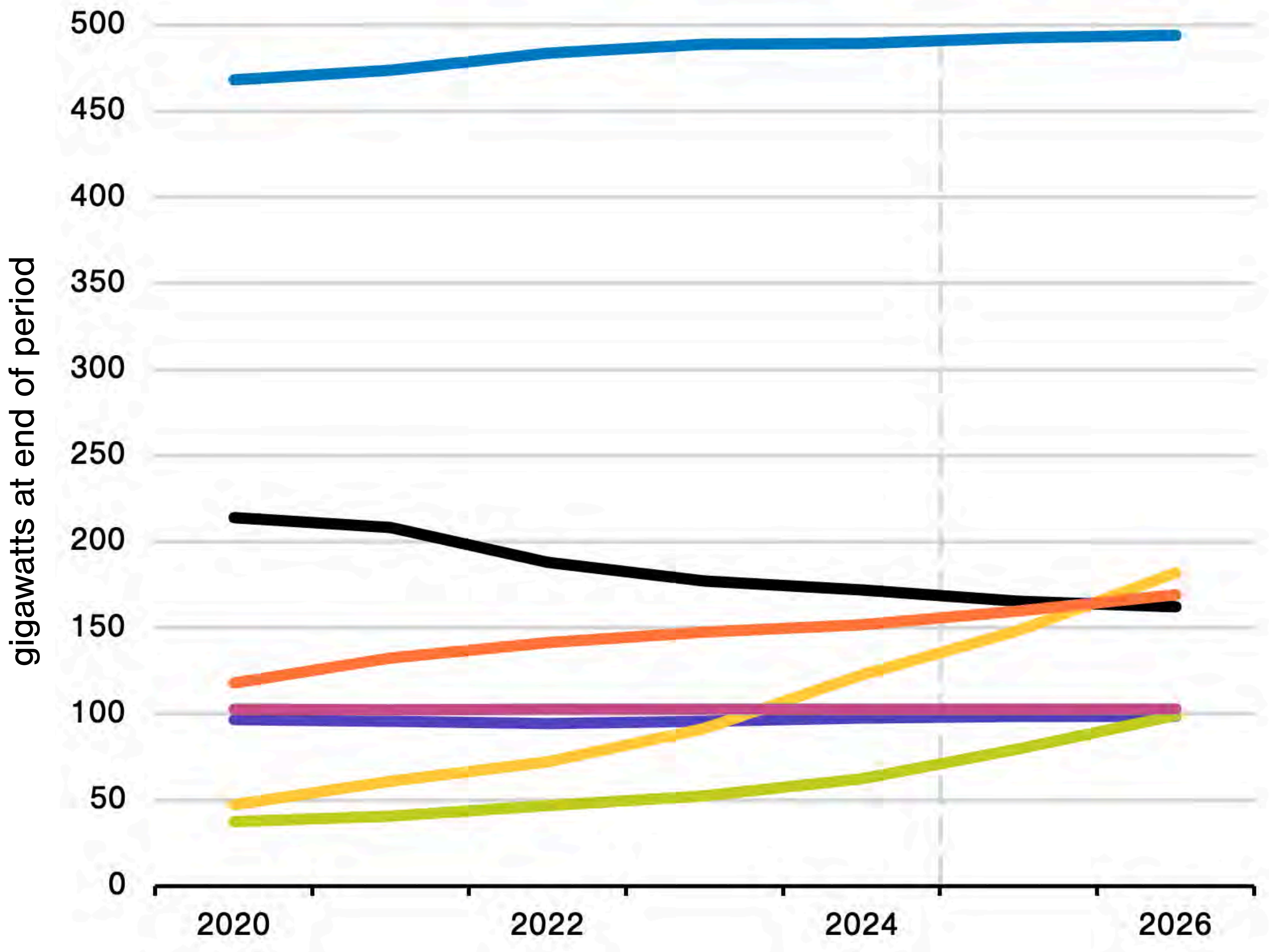
Source: Energy Venture Analysis

Energy demand for data centers is growing rapidly.

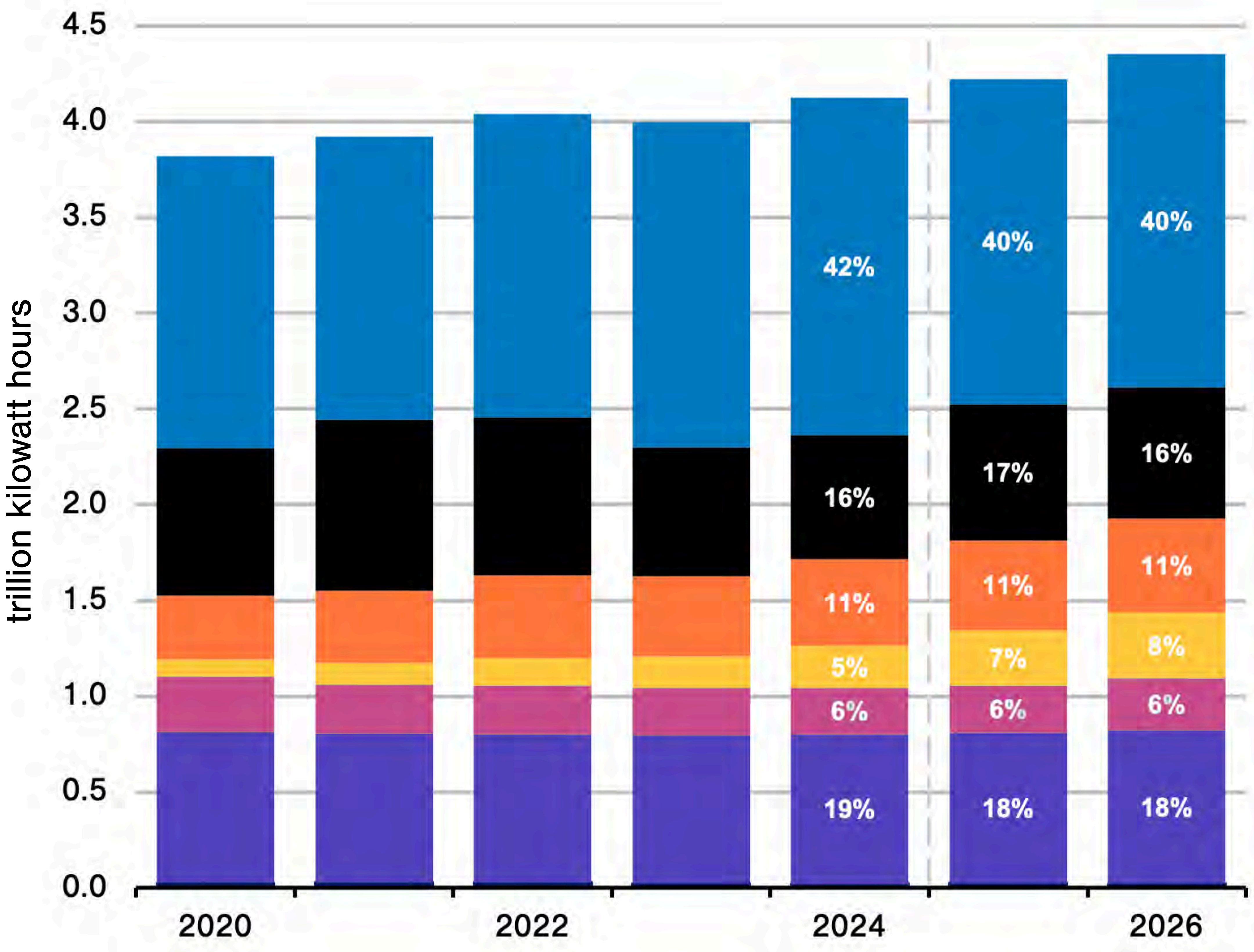
- Energy demand for data centers continues to soar, with demand projected to increase from 30GW in 2024 to over 41GW in 2027.
- Major developments, including Meta's $10B Louisiana campus and other hyperscale projects in Ohio and Pennsylvania, are relying heavily on natural gas for consistent power

GROWTH OF NATURAL GAS IN THE FUEL MIX

U.S. electric power sector generating capacity



U.S. electricity generation by source



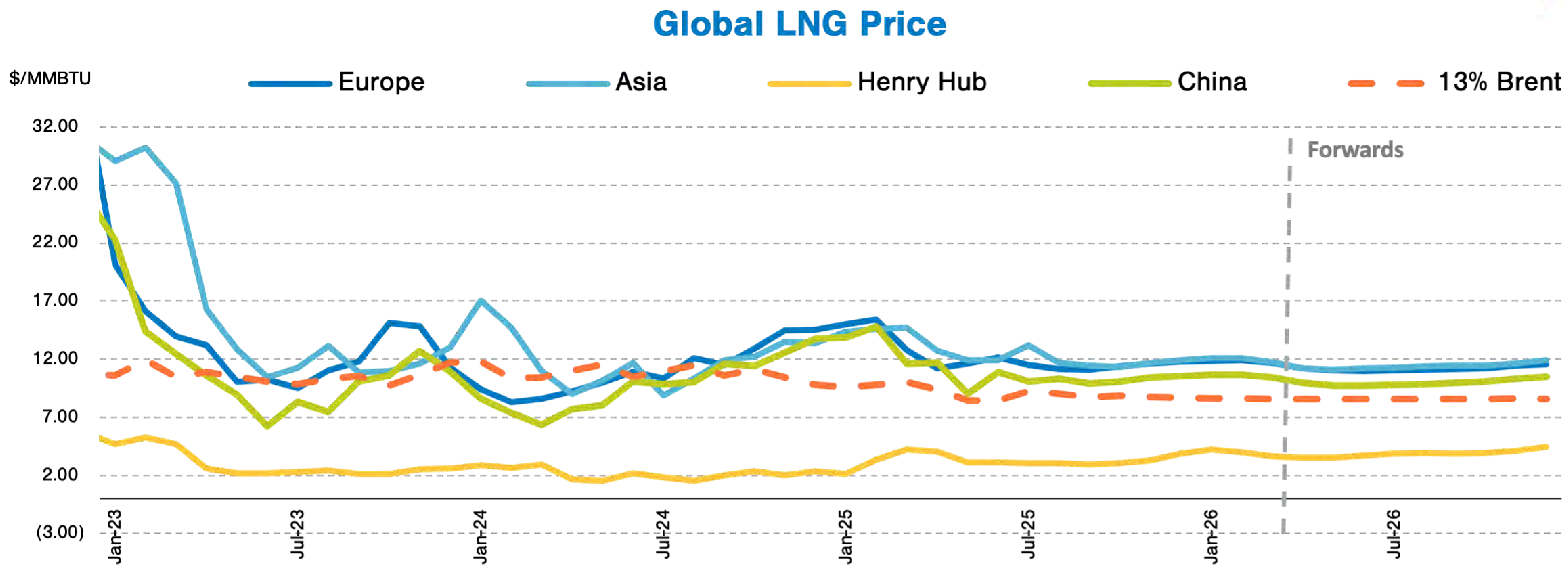
Natural Gas Coal Wind Solar Hydropower Nuclear Other sources

Natural gas continues to be the backbone of reliable electricity generation.

- Net gas capacity grew by roughly 6 GW in 2024, with another 5 GW expected in 2025
- Renewables continue to expand, but gas-fired generation ensures reliability
- Gas generation is especially critical during peak heating periods when weather drives residential demand

Gas-fired power remains essential to meeting seasonal electricity needs.

U.S. NATURAL GAS PRICES



Source: ICE. Future curves are based on Sep 2025 settlements

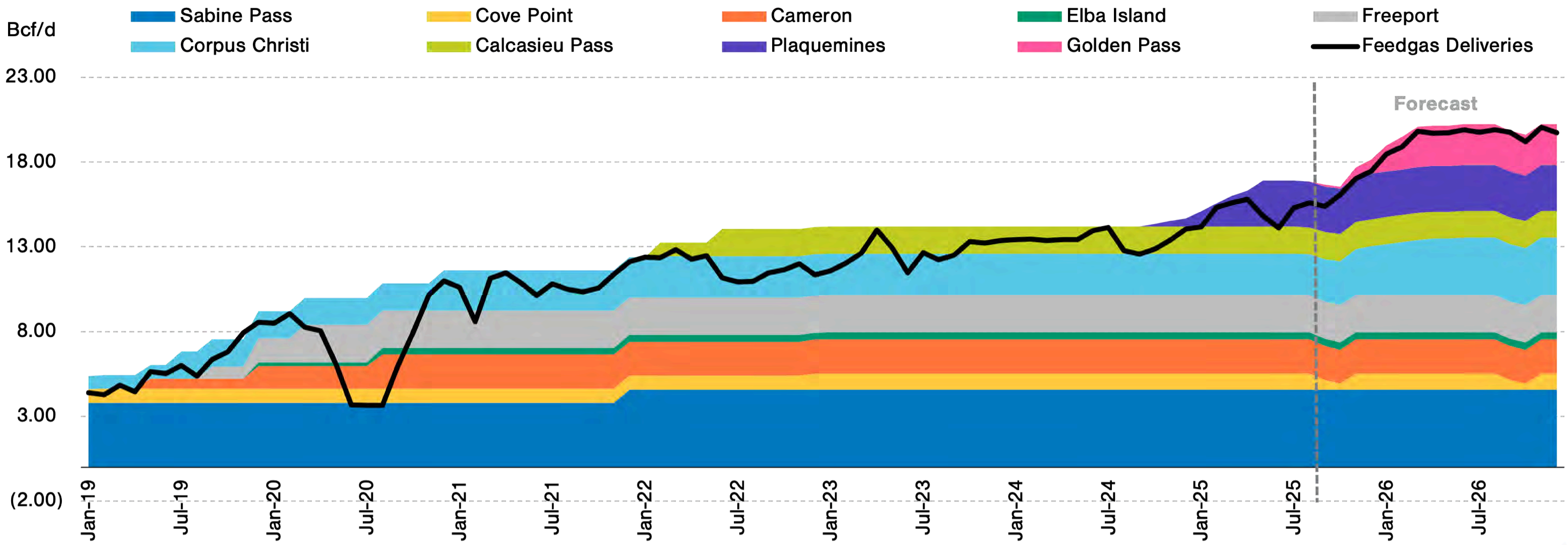
U.S. natural gas remains cost-competitive.

- Prices at Henry Hub have stayed well below European and Asian LNG prices, giving domestic manufacturers and U.S. LNG exporters an advantage.
- Even though global prices have declined recently, U.S. natural gas continues to offer a stable, affordable source of energy.

This strengthens both industrial competitiveness and export opportunities.

LNG EXPORT CAPACITY

U.S. LNG Export Capacity vs Feedgas Deliveries



Source: Energy Ventures Analysis, EIA

U.S. LNG remains a cornerstone of international energy security, meeting global demand with reliable volumes.

- European and Asian buyers are expected to remain the primary drivers of U.S. LNG demand through Winter 2025/26.
- Winter LNG demand is projected to average roughly 18.3 BCFD during Winter 2025/26, nearly 3.8 BCFD higher year-over-year, as new Gulf Coast liquefaction capacity comes online.

Rising LNG exports continue to support both global energy security and domestic natural gas markets.

SUPPLY: WINTER STORAGE

Winter Season Period-to-period change	**Last Winter** 2024-2025 actual	**This Winter** 2025-2026 forecast
Start-of-winter inventory	**3,873 tcf**	**3,818 tcf**
Compared to 5-year average	**4.6% Higher**	**3.2% Higher**
Average daily withdrawal from storage	**11.77**	**11.70**
Working gas design capacity	**+3 Bcf (0.1%)**	**No incremental change**

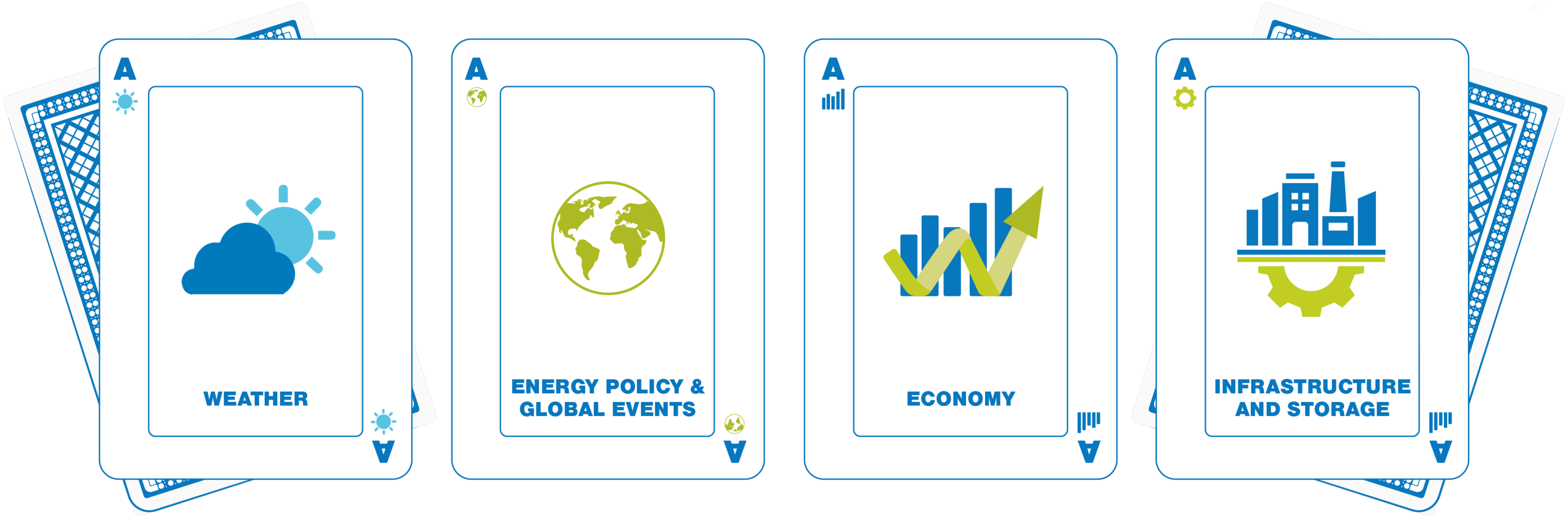
Flat Market Pressure

U.S. storage starts the season near 3.9 TCF, slightly below last year.

- Strong demand for heating and electricity production, as well as rising LNG exports, will tighten balances.
- This elevated storage level reflects strong production through 2025 and relatively moderate summer injections.

Despite strong supply, winter withdrawals are expected to total 2.1 TCF. This would keep stocks near the five-year average and historical norms, underscoring resilient supply.

WINTER OUTLOOK WILD CARDS



Unexpected weather swings, economic surprises, or global LNG disruptions could all impact supply-demand balances and pricing. Staying alert to exports, winter forecasts, and industrial activity will be critical to navigating the season successfully.

OVERALL: FLAT MARKET PRESSURE ON NATURAL GAS PRICES COMPARED TO LAST YEAR.

This winter, the U.S. natural gas market faces a balancing act: surging supply vs. rising demand. While production and storage are strong, price pressure could arise from wildcards.

Structural growth for U.S. natural gas continues, driven by LNG exports, residential heating, and data center expansion, but it should give the greater energy industry pause that we're entering a relatively "normal" winter heating season with tight supply-demand dynamics.

To ensure a resilient and reliable energy future, projected future demand from data centers, AI and LNG exports must be met with increased natural gas storage capacity and additional natural gas infrastructure.

WHO WE ARE

- **NGSA represents major producers and suppliers of domestic natural gas. Founded in 1965, it includes 12 integrated and independent member companies.**
- **We are the only national natural gas association representing producers and suppliers with a dedicated focus on downstream issues.**
- **We promote benefits of competitive natural gas markets, resulting in reliable and efficient transportation and delivery, increased supply and demand.**
- **NGSA includes the Center for LNG.**

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