Outlook for U.S. Natural Gas Market

TXOGA

Scott Potter

February 11, 2026


'DRILL,
BABY,
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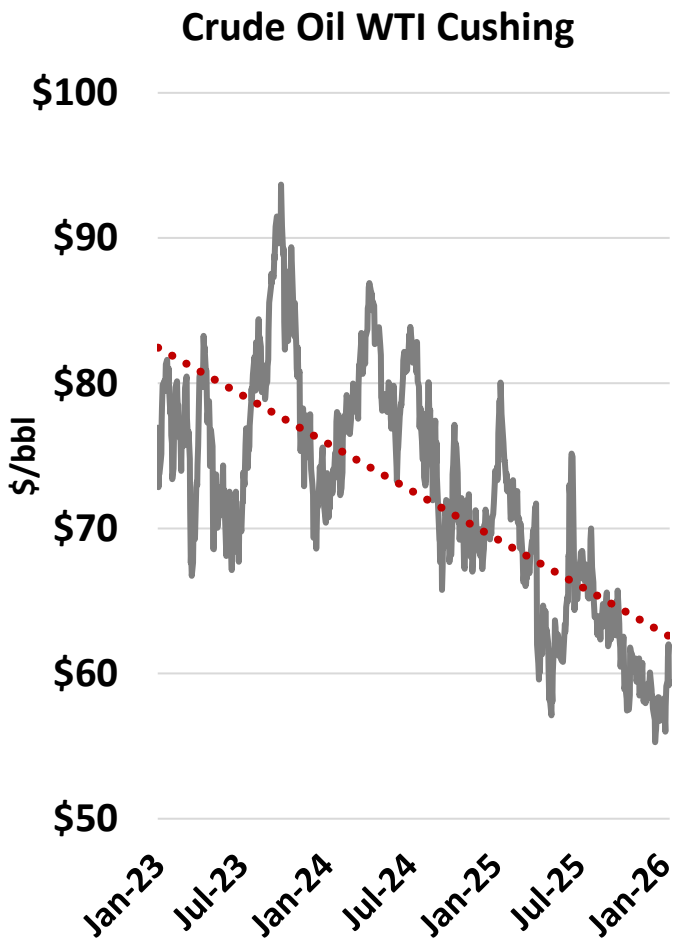
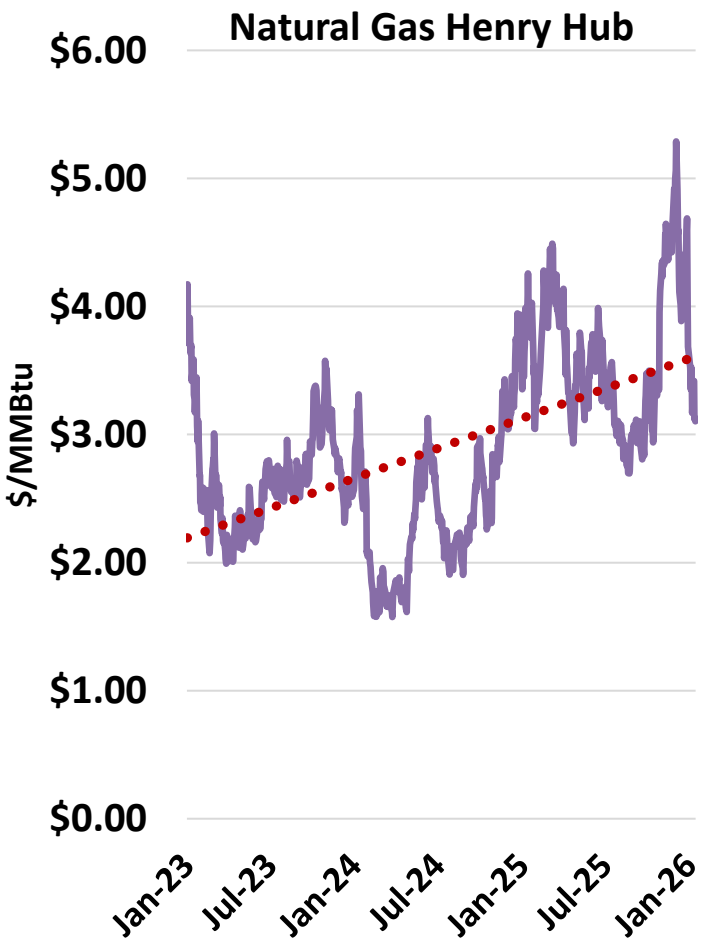
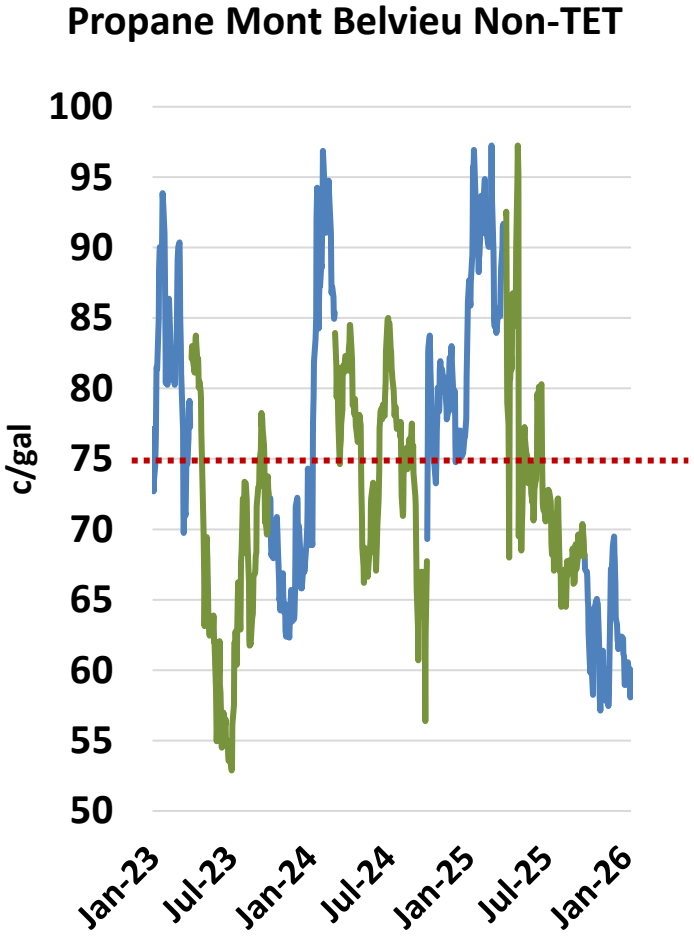
RBN Energy LLC

Crude Oil, Natural Gas and Propane Prices







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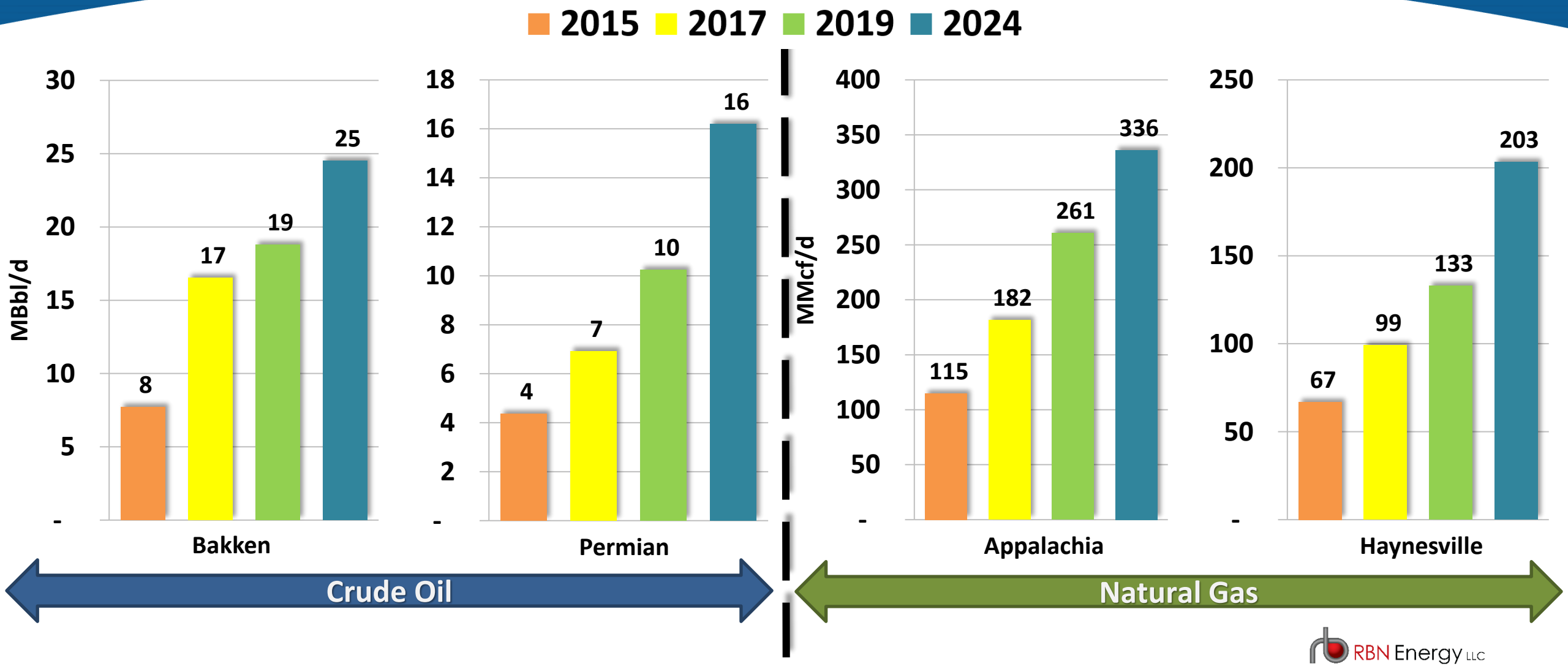
Source: CME/OPIS

Oil and Gas Production Added Per Rig Per Year



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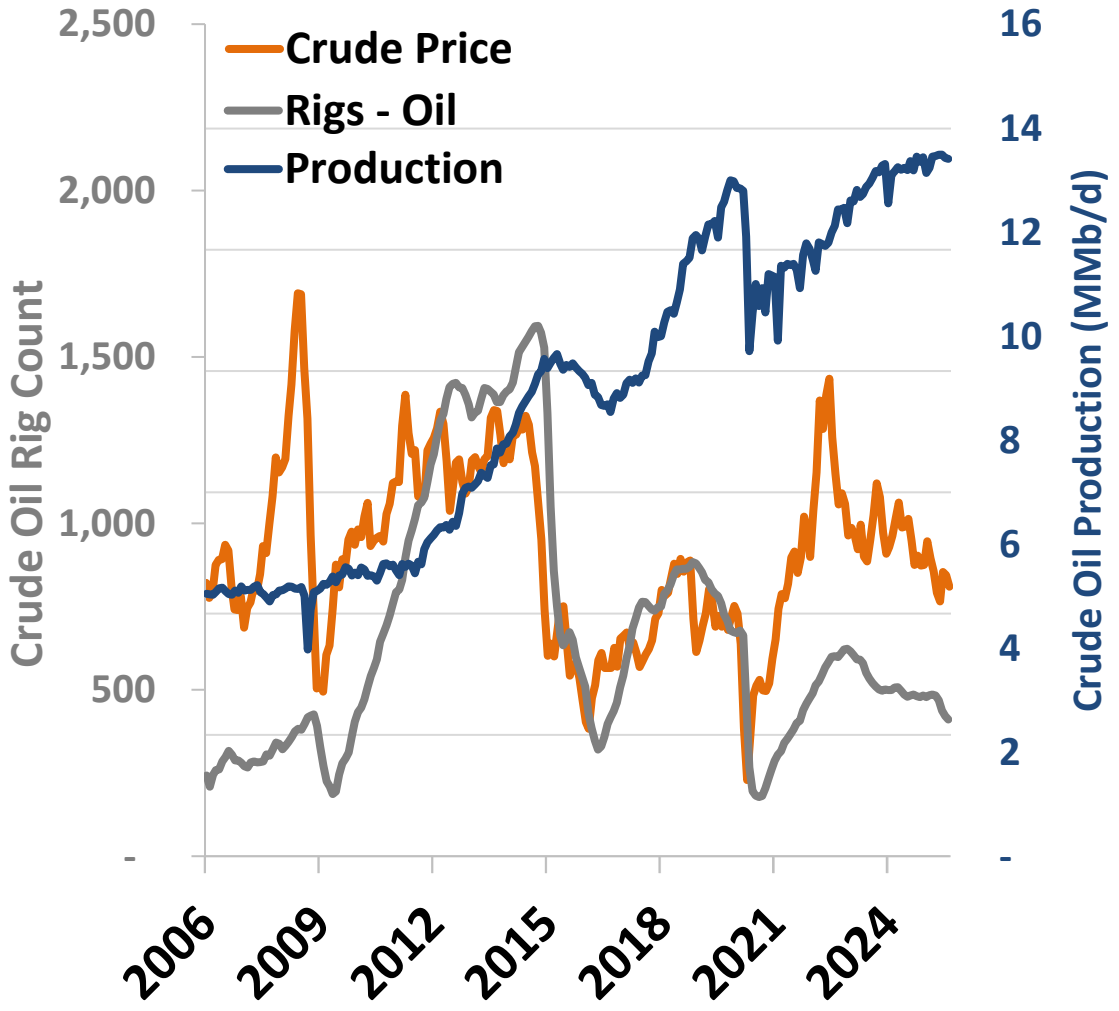
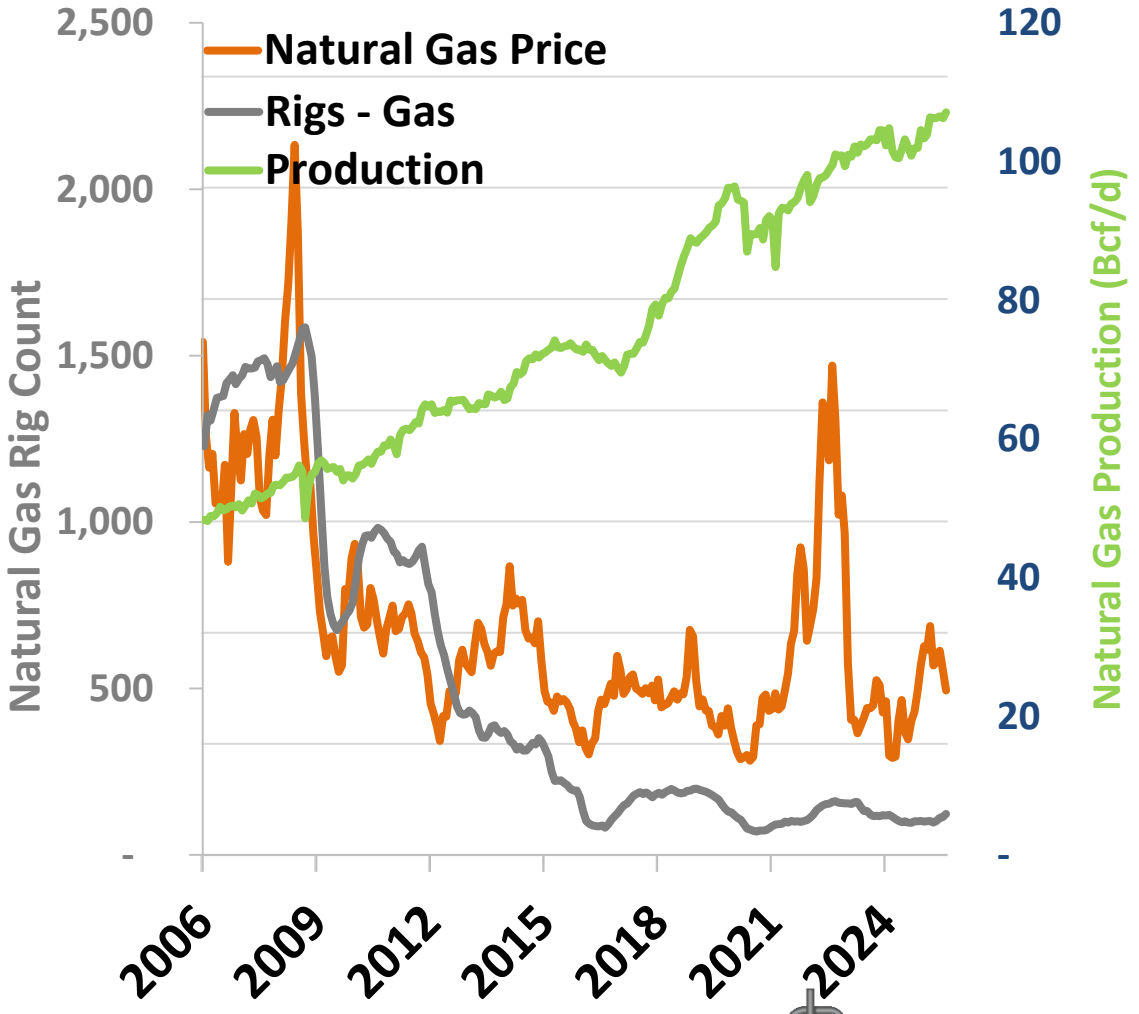
Source: EIA DPR

U.S. Production Remains Resilient - Despite Lower Rig Counts





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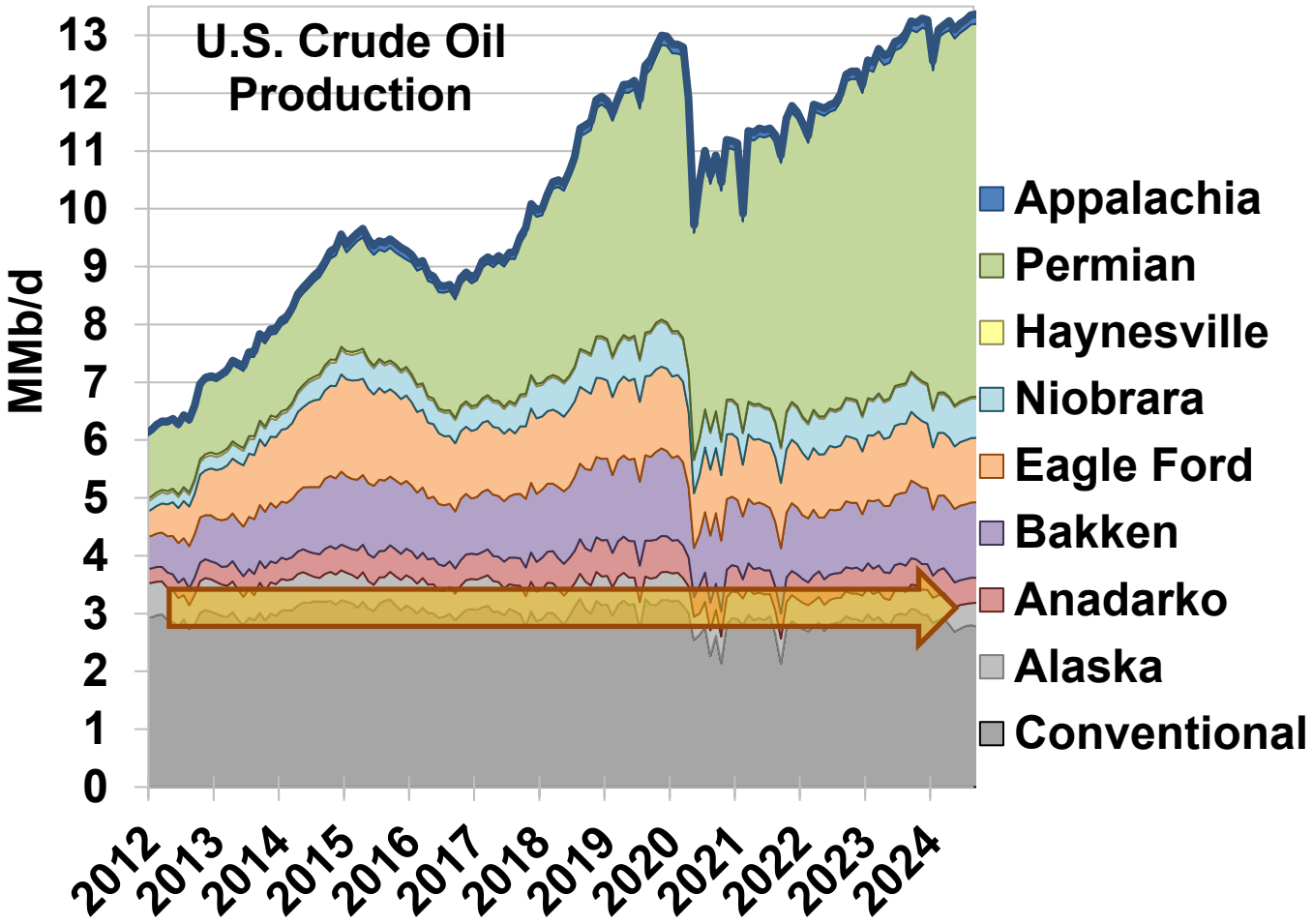
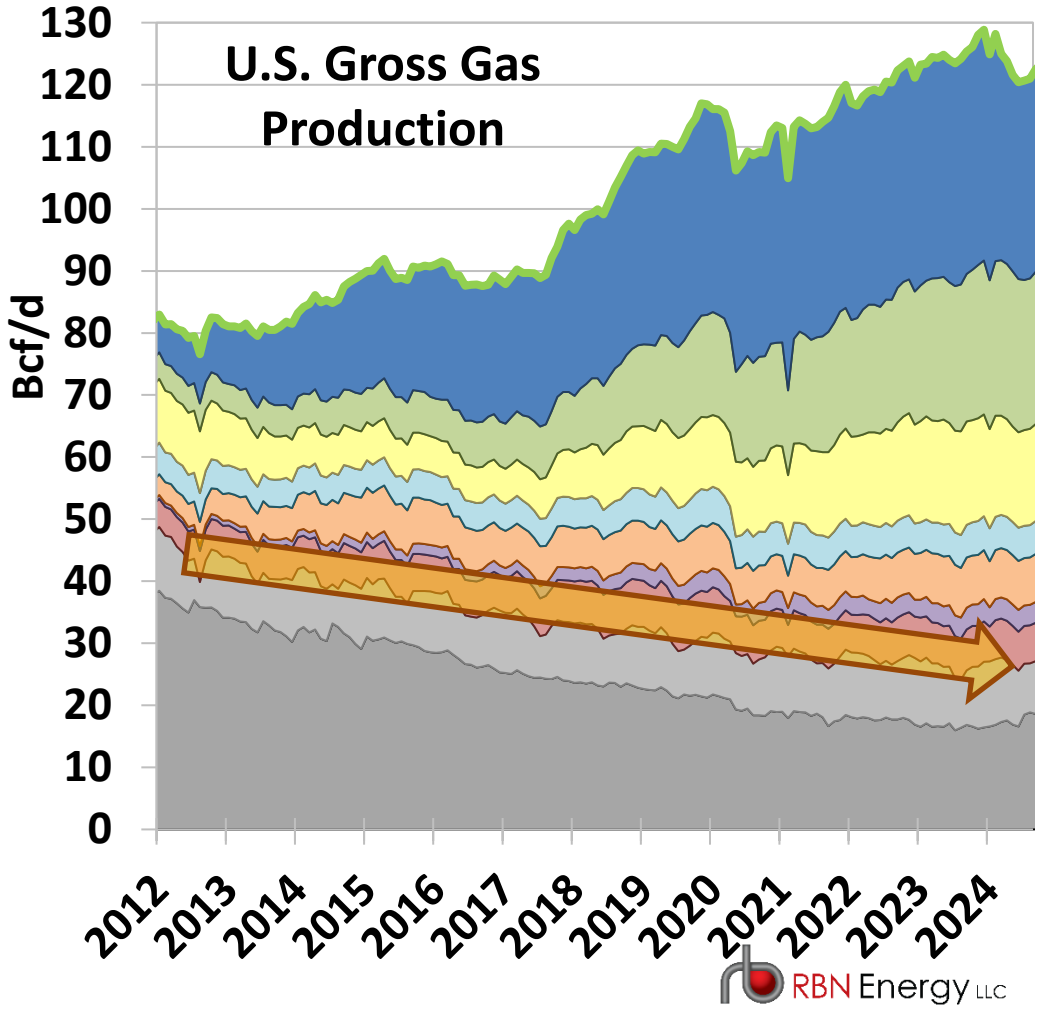
Sources: Rig Count Baker Hughes; Price: NYMEX; Production: RBN Billboard

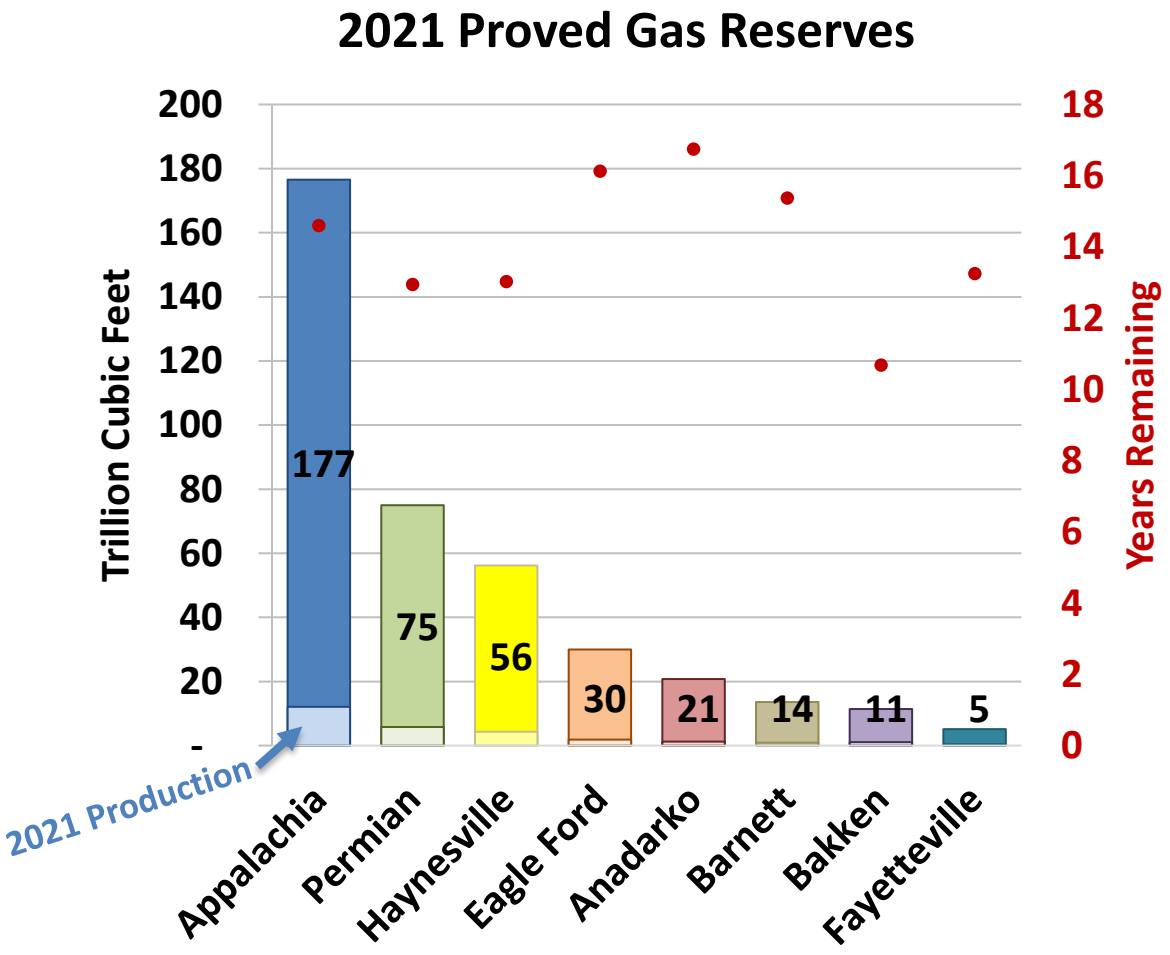
Crude Oil and Natural Gas by Basin

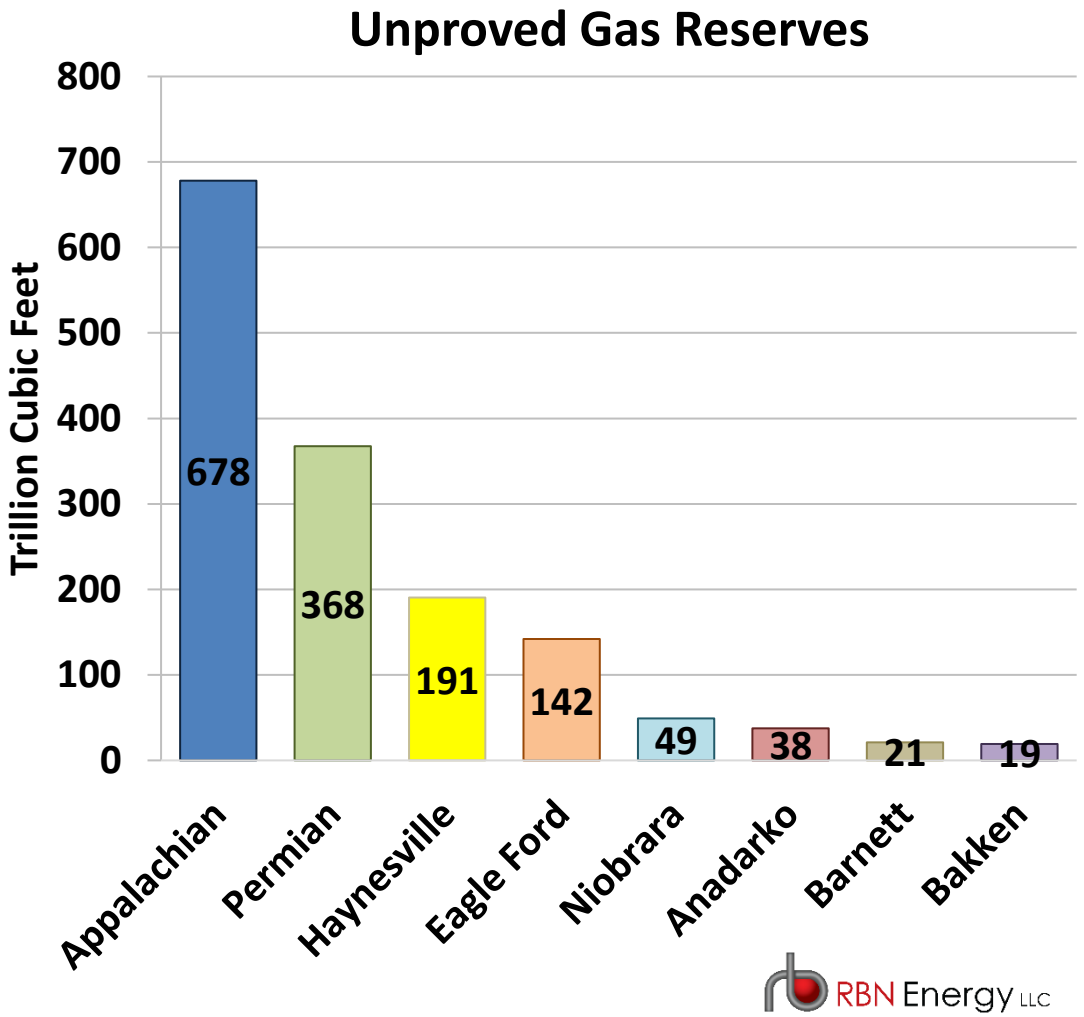




Sources: EIA; DPR, WPSR, Monthly Statistics

Proved and Unproved Natural Gas Reserves





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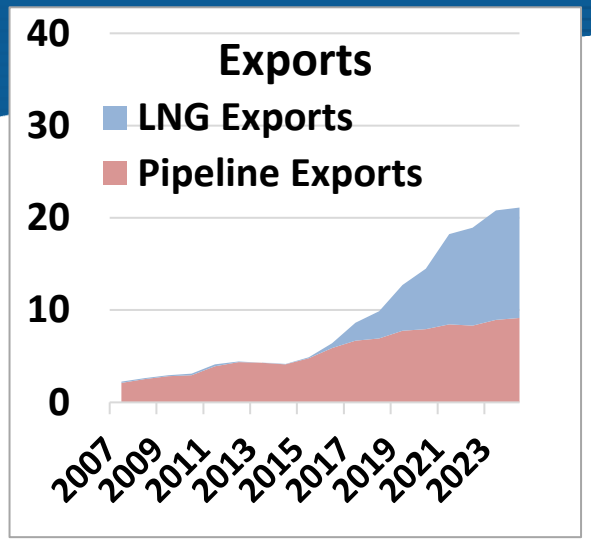
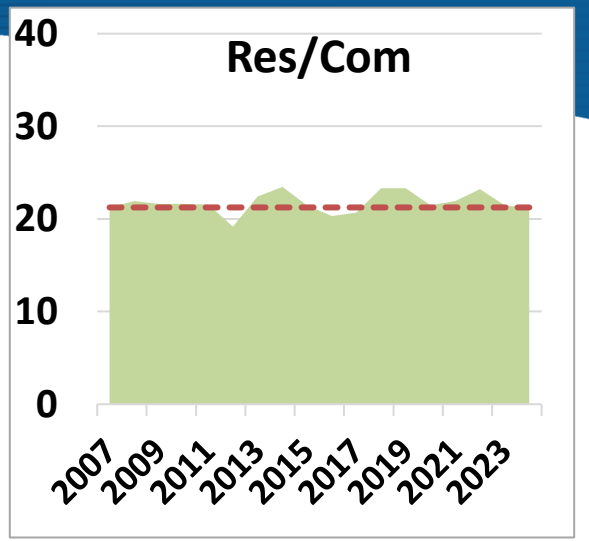
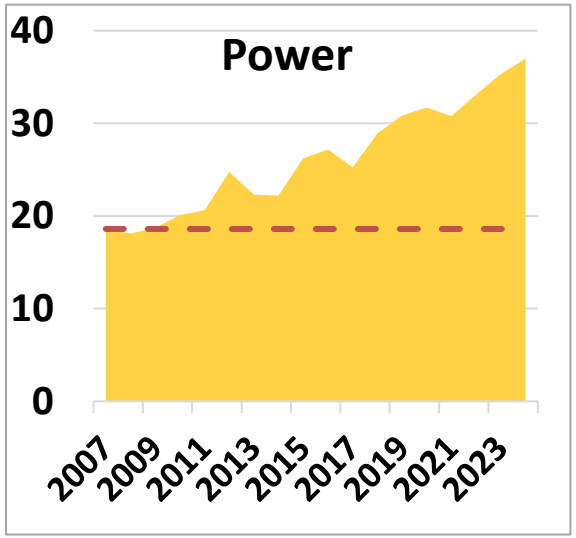
Source: EIA

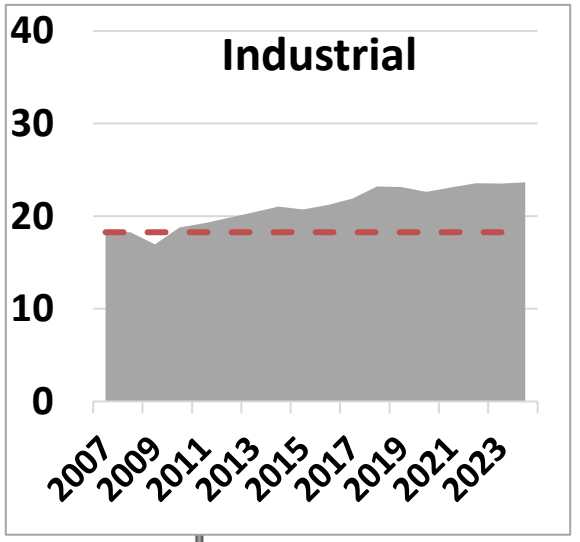
Domestic Natgas Demand and Exports (Bcf/d)



- Res/Com LDC demand is flat over the long term, although year to year varies with weather.
- Industrial sector use has grown more than 5 Bcf/d over the past 15 years with U.S. feedstock cost advantage.
- LNG has been and will be the big growth engine going forward.
- Gas demand in the power sector has seen tremendous growth over the past 15 years. A lot of growth in gas fired power has been due to retiring coal fired generation.







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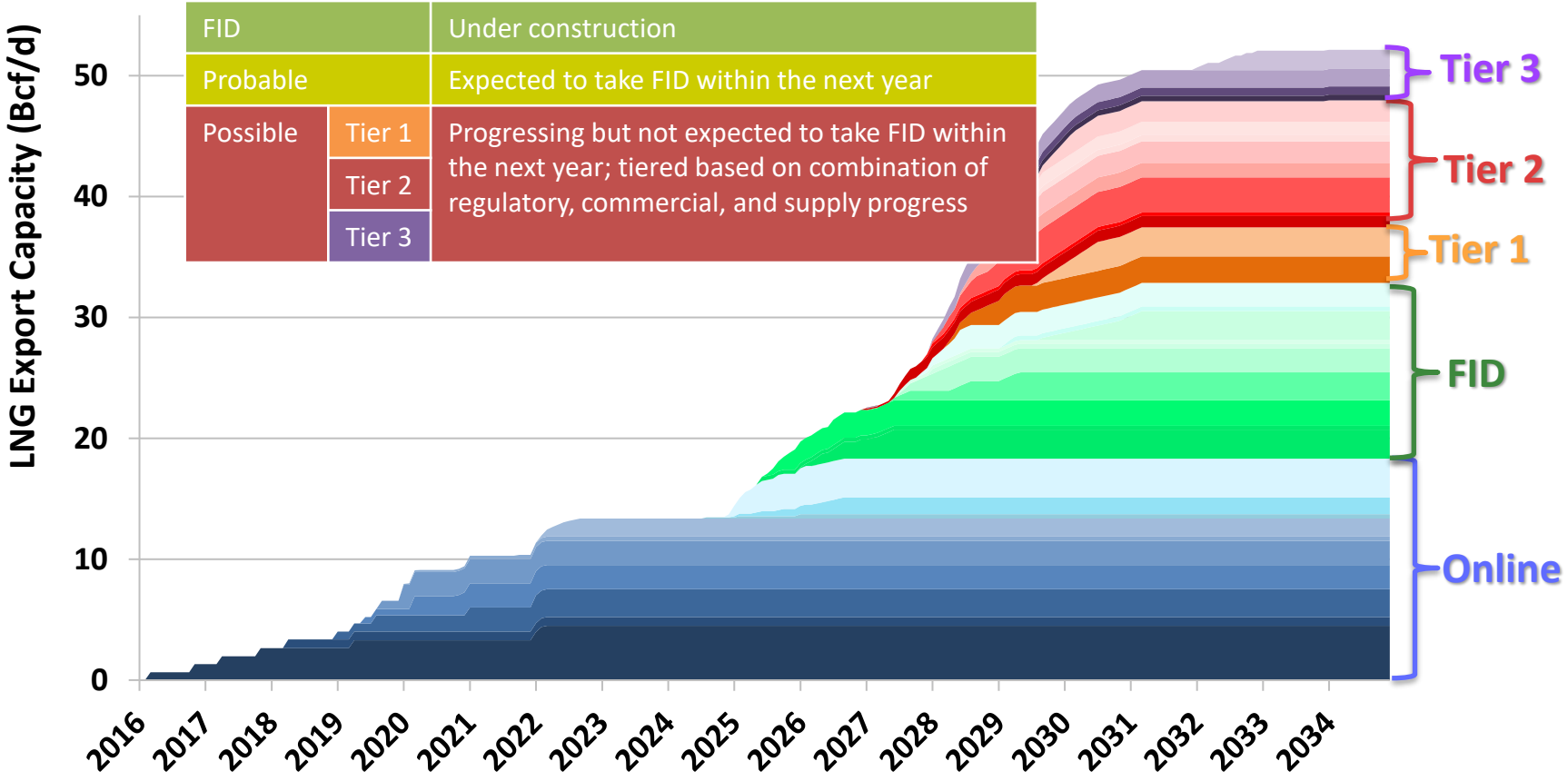
Source: EIA

North American LNG Export Projects

Status		Definition
Online		Already operational
FID		Under construction
Probable		Expected to take FID within the next year
Possible	Tier 1	Progressing but not expected to take FID within the next year; tiered based on combination of regulatory, commercial, and supply progress
	Tier 2	
	Tier 3	



ECA P2 2 (Sempra)
CP2 10-18 (Venture Global)
Freeport 4 (Freeport LNG)
Delfin 1 (Delfin Midstream)
Ksi Lisims (Rockies LNG)
Port Arthur 4-5 (Sempra)
Amigo 1-2 (Epcilon LNG)
Commonwealth 1-6 (TechnipFMC)
Texas LNG 1-2 (Texas LNG)
LNG Canada 3-4 (Shell)
Puerto Libertad 1-2 (Mexico Pacific Limited)
Sabine Pass 7-9 (Cheniere)
Vista Pacifico 1 (Sempra)
Cameron 4 (Sempra)
Lake Charles LNG 1-2 (Energy Transfer/Shell)
Rio Grande P2 4-5 (Next Decade)
CP2 1-18 (Venture Global)
Corpus Christi Stage III 8-9 (Cheniere)
Louisiana LNG 1-3 (Woodside)
Woodfibre (Pacific Oil and Gas)
Cedar 1 (Pembina)
Port Arthur 1-2 (Sempra)
Rio Grande LNG 1-3 (Next Decade)
LNG Canada 1-2 (Shell)
Energia Costa Azul 1 (Sempra)
Golden Pass 1-3 (Exxon / Qatar Petroleum)
Plaquemines 1-18 (Venture Global)
Corpus Christi Stage III 1-7 (Cheniere)
Altamira 1 (New Fortress Energy)
Calcasieu Pass 1-18 (Venture Global)
Elba Island 1-10 (Kinder Morgan)
Freeport 1-3 (Freeport LNG)
Cameron 1-3 (Sempra)
Corpus Christi 1-3 (Cheniere)
Cove Point 1 (Dominion)
Sabine Pass 1-6 (Cheniere)

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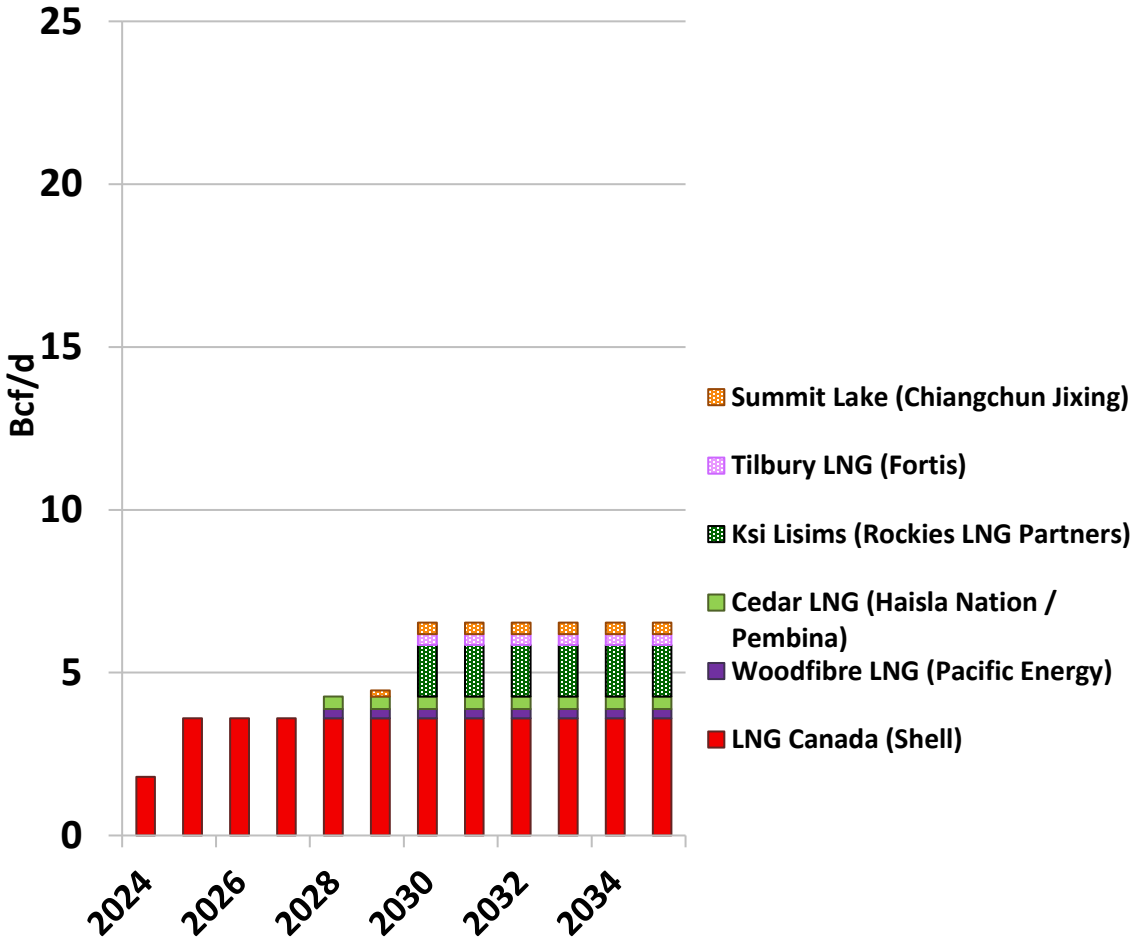
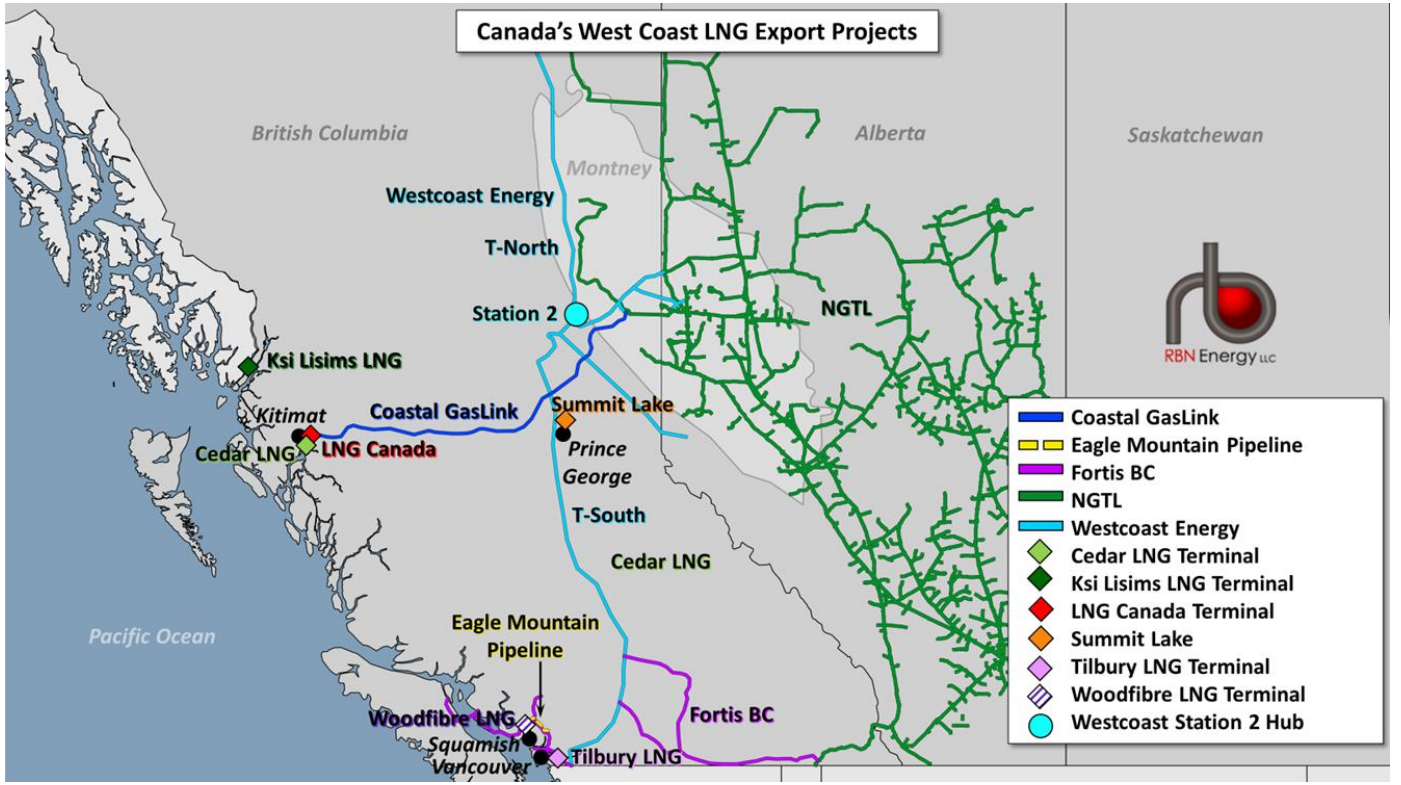
Canada LNG Capacity- FID & Announced





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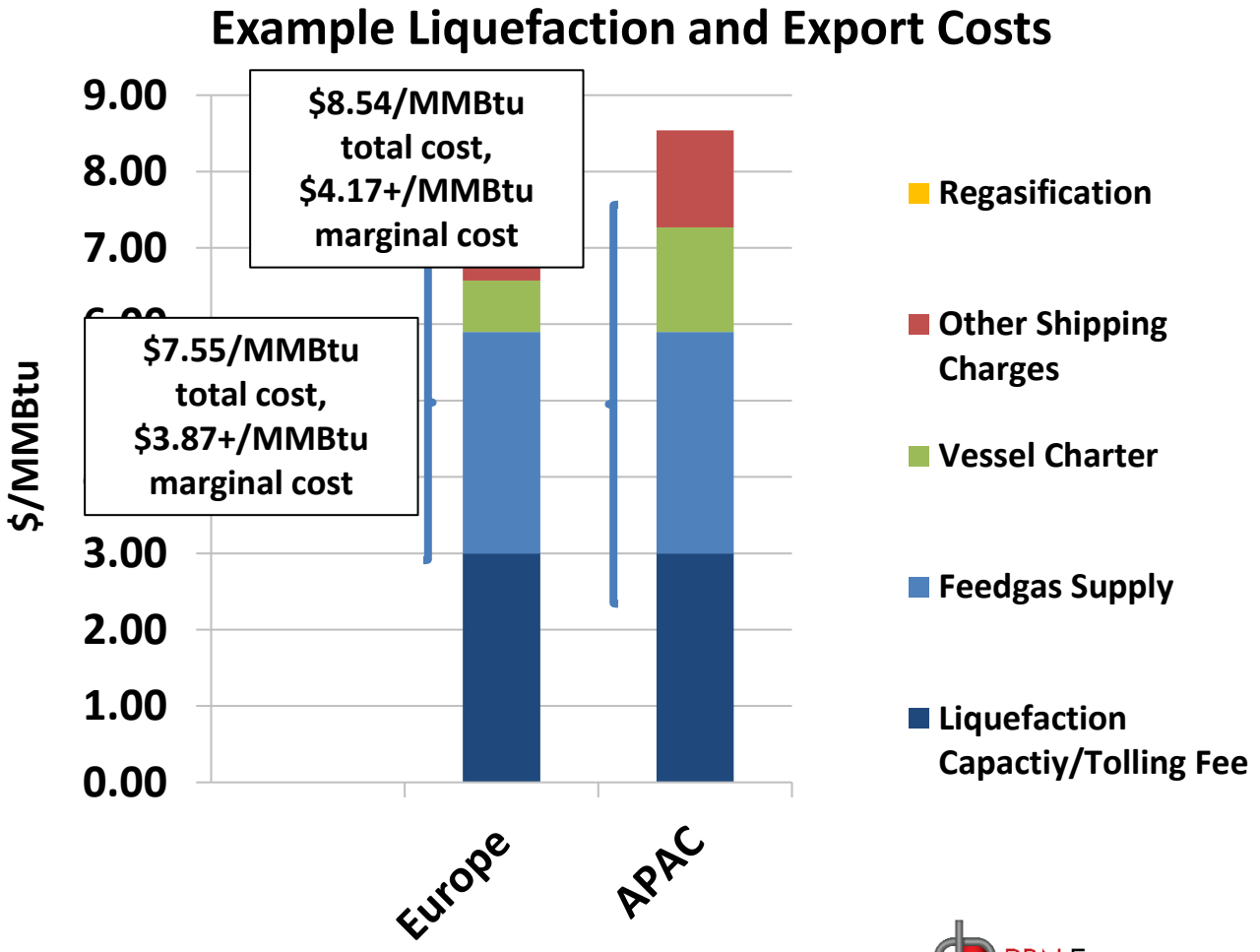
Liquefaction and Export Costs

Fixed and Variable Delivered Costs of LNG Exports		
Cost/Fee	**Cost Type**	**Rationale**
Liquefaction Capacity/Tolling Fee	Sunk	take or pay
Feedgas Supply	Variable	can be re-sold
Shipping		
		sunk if take or pay
Vessel Charter	Either	variable if spot vessel
Bunker Fuel	Variable	on water
Boil-Off Gas	Variable	on water
Canal Tolls (Asia Only)	Variable	on water
Port Fees	Variable	at delivery
Regasification	Either	depends on Europe vs Asia



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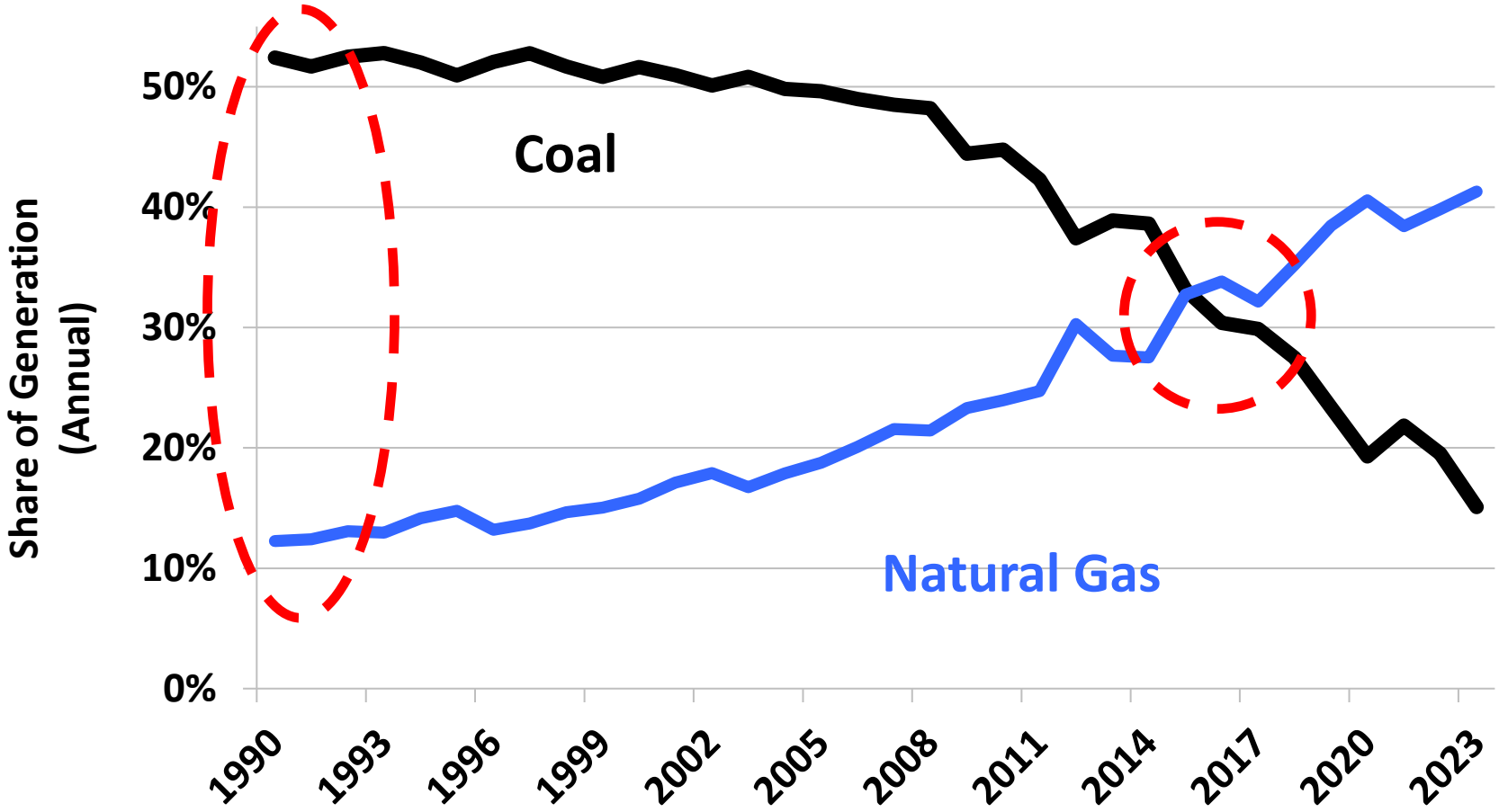
Market Share For Power Generation



The share of power generation served by natural gas first surpassed coal in 2015 – and has continued growing

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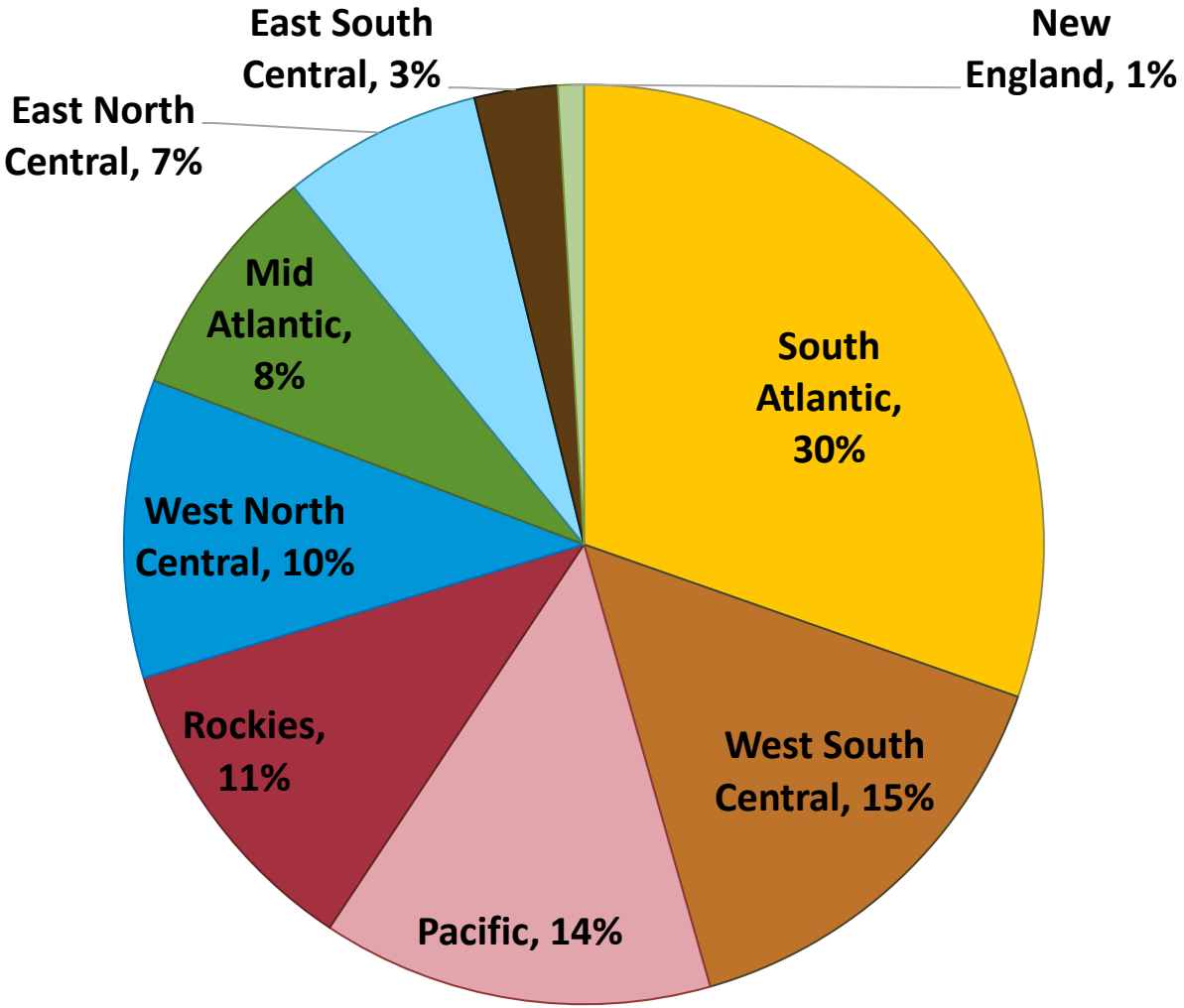
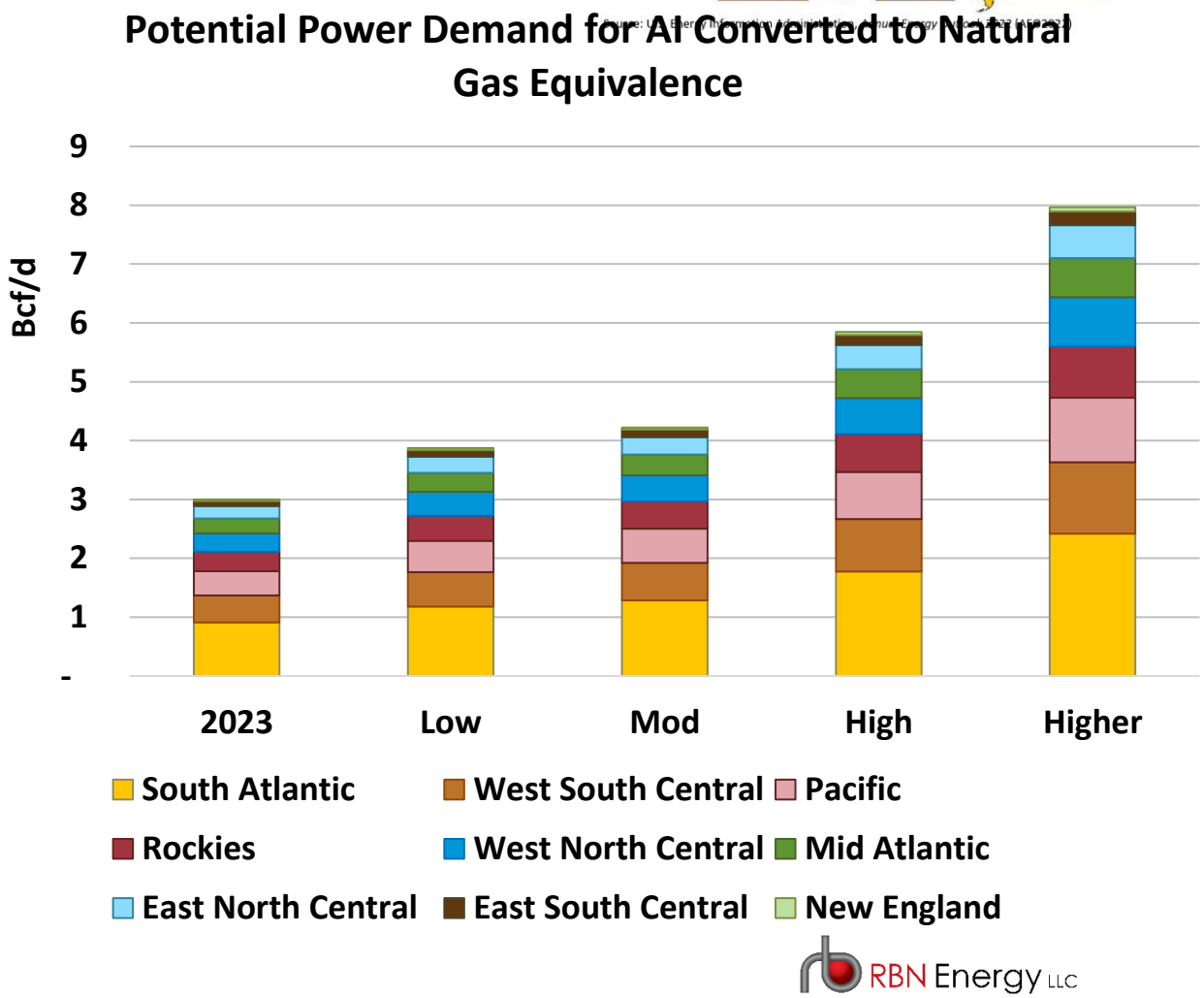
Source: EIA

Data Center Demand Outlooks





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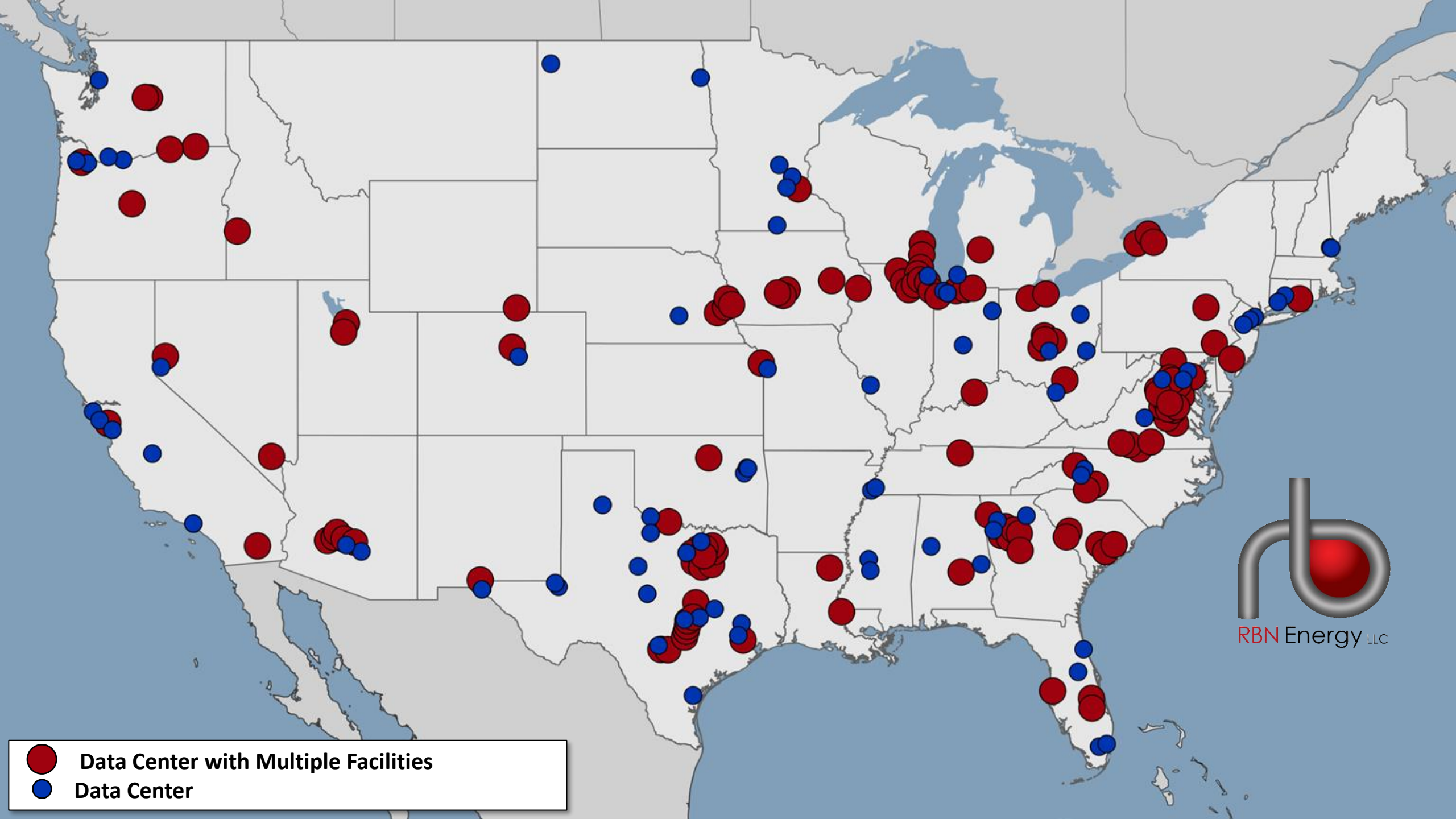
Source: Electric Power Research Institute


Data Center with Multiple Facilities
Data Center
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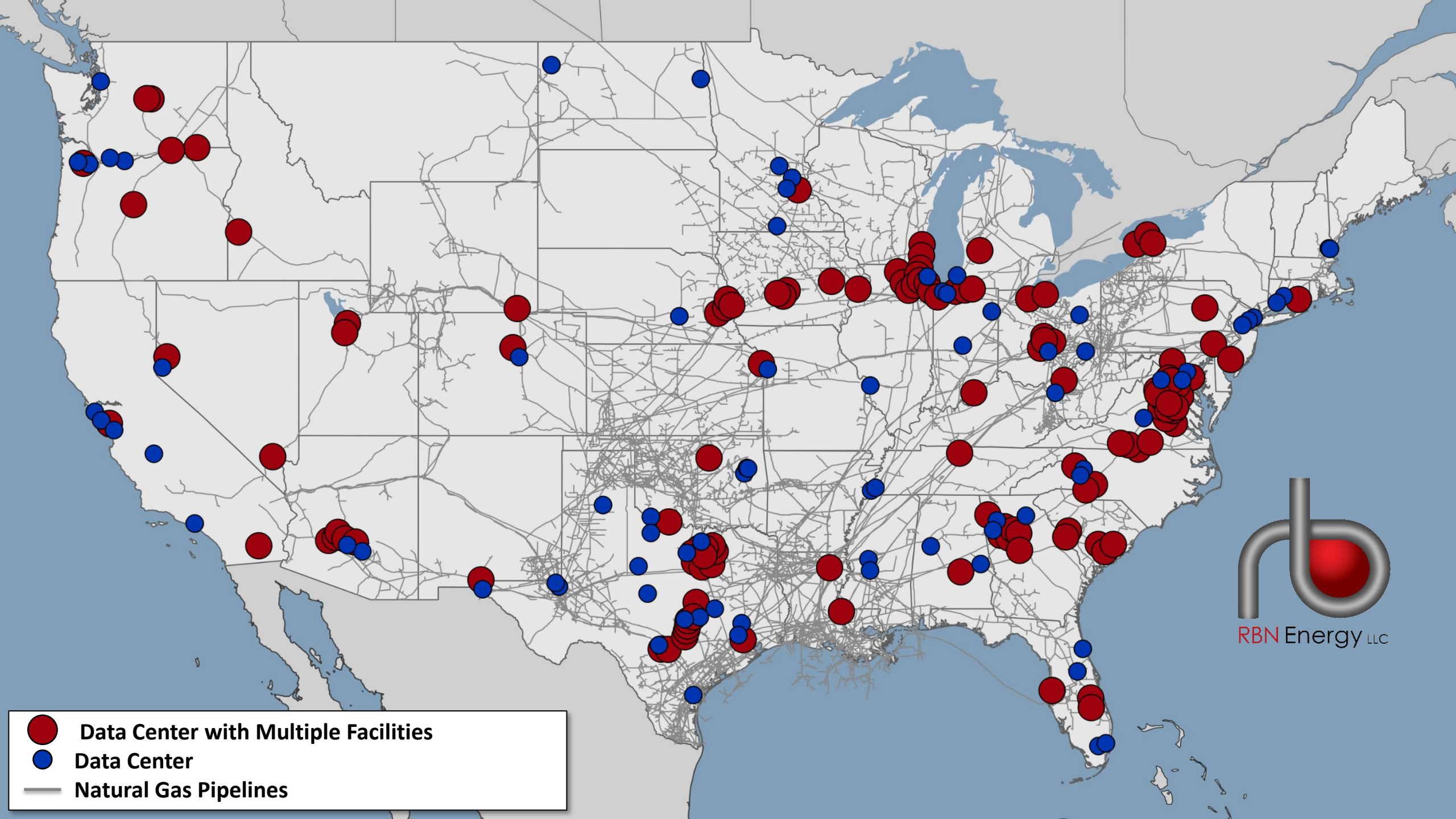
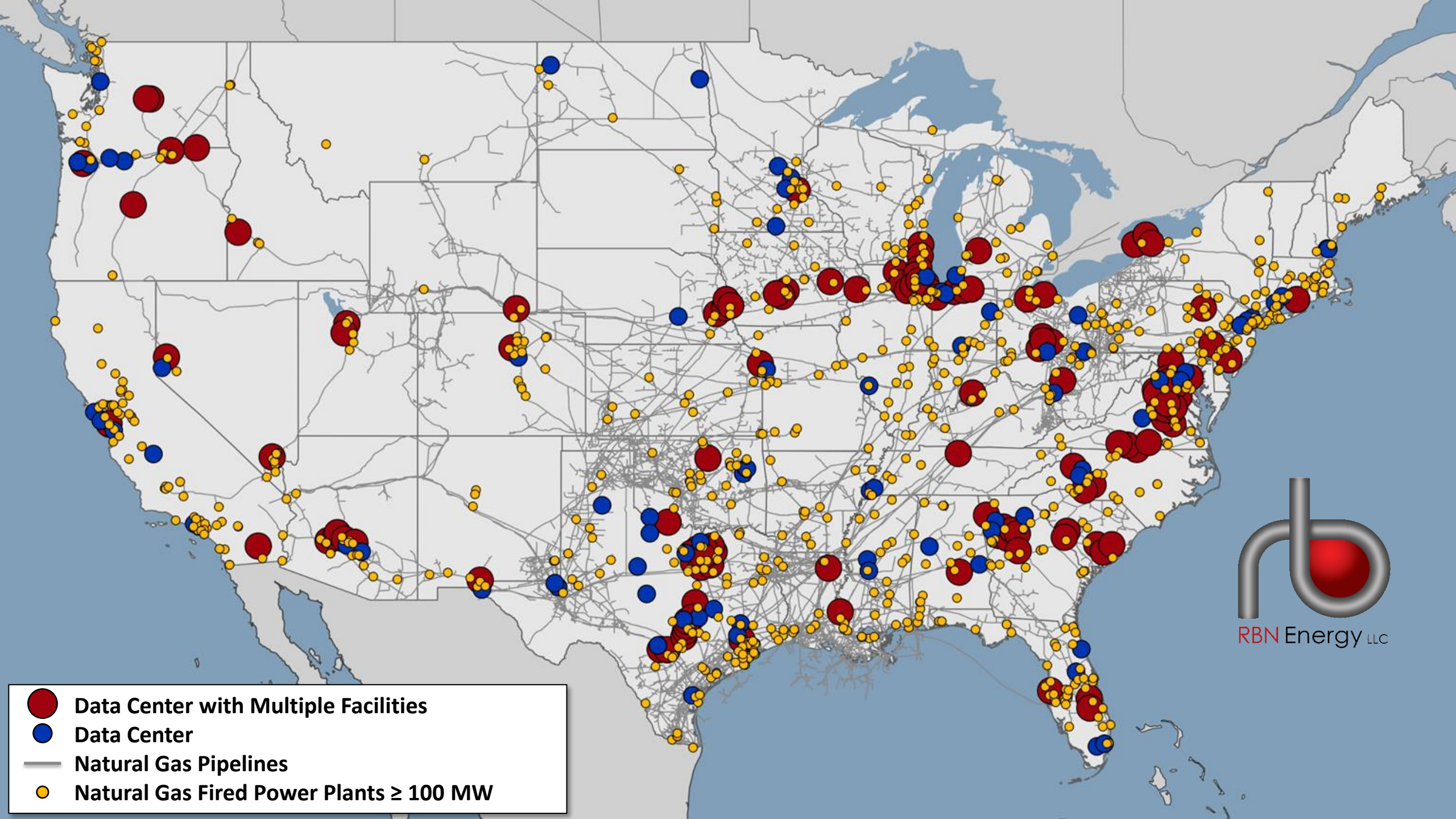

Data Center with Multiple Facilities
Data Center
Natural Gas Pipelines
RBN Energy LLC


Data Center with Multiple Facilities
Data Center
Natural Gas Pipelines
Natural Gas Fired Power Plants ≥ 100 MW
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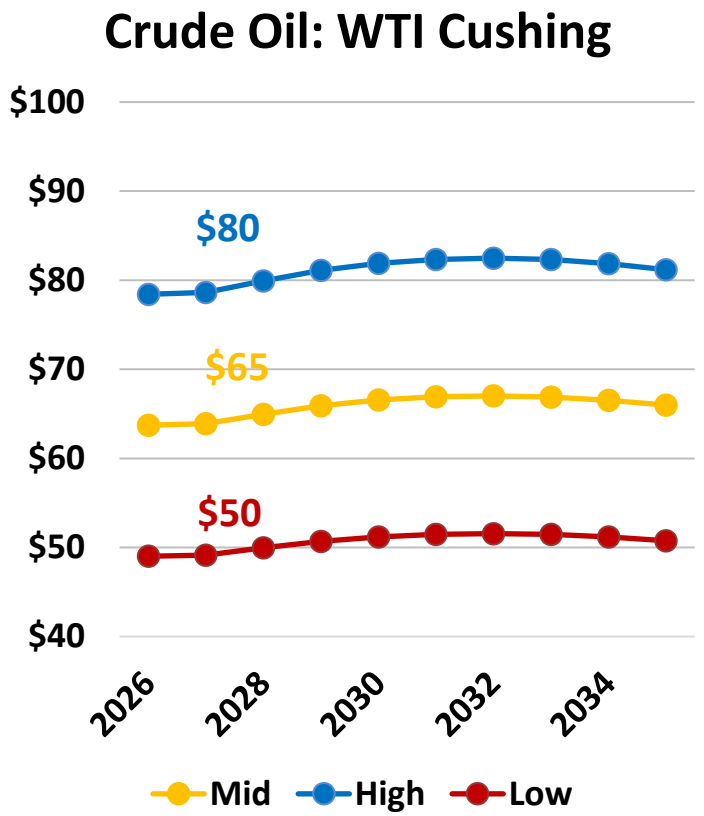
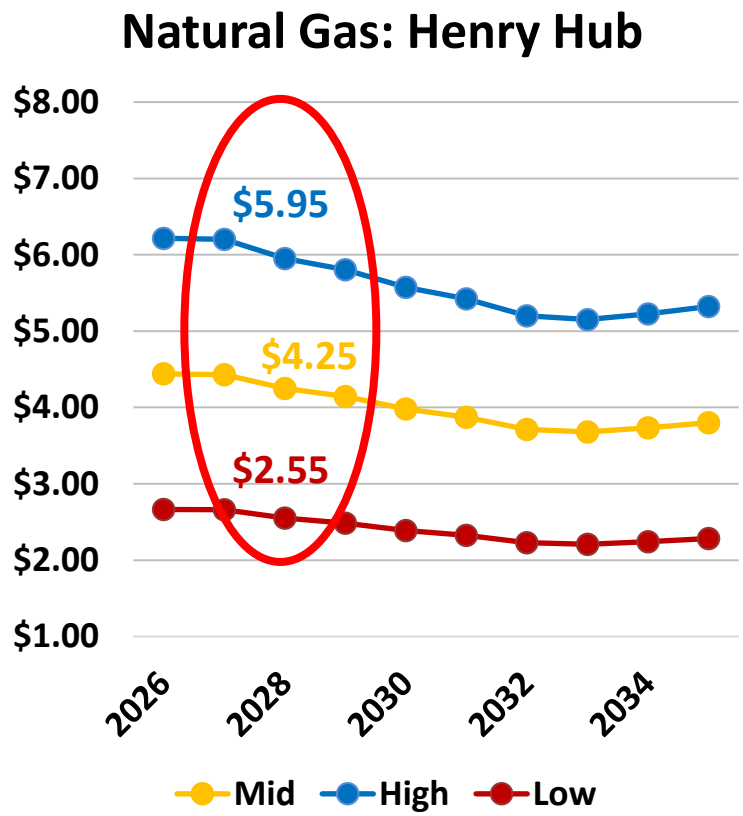
Crude Oil and Natural Gas Price Scenarios

- RBN producer economics and production forecasts are based on these three price Scenarios: Low, Mid, and High.
- These are not forecasts, nor are they likely market highs or lows.
- They are possible scenarios used to understand market responses.
- Numbers on the graph indicate the 5-year average price.





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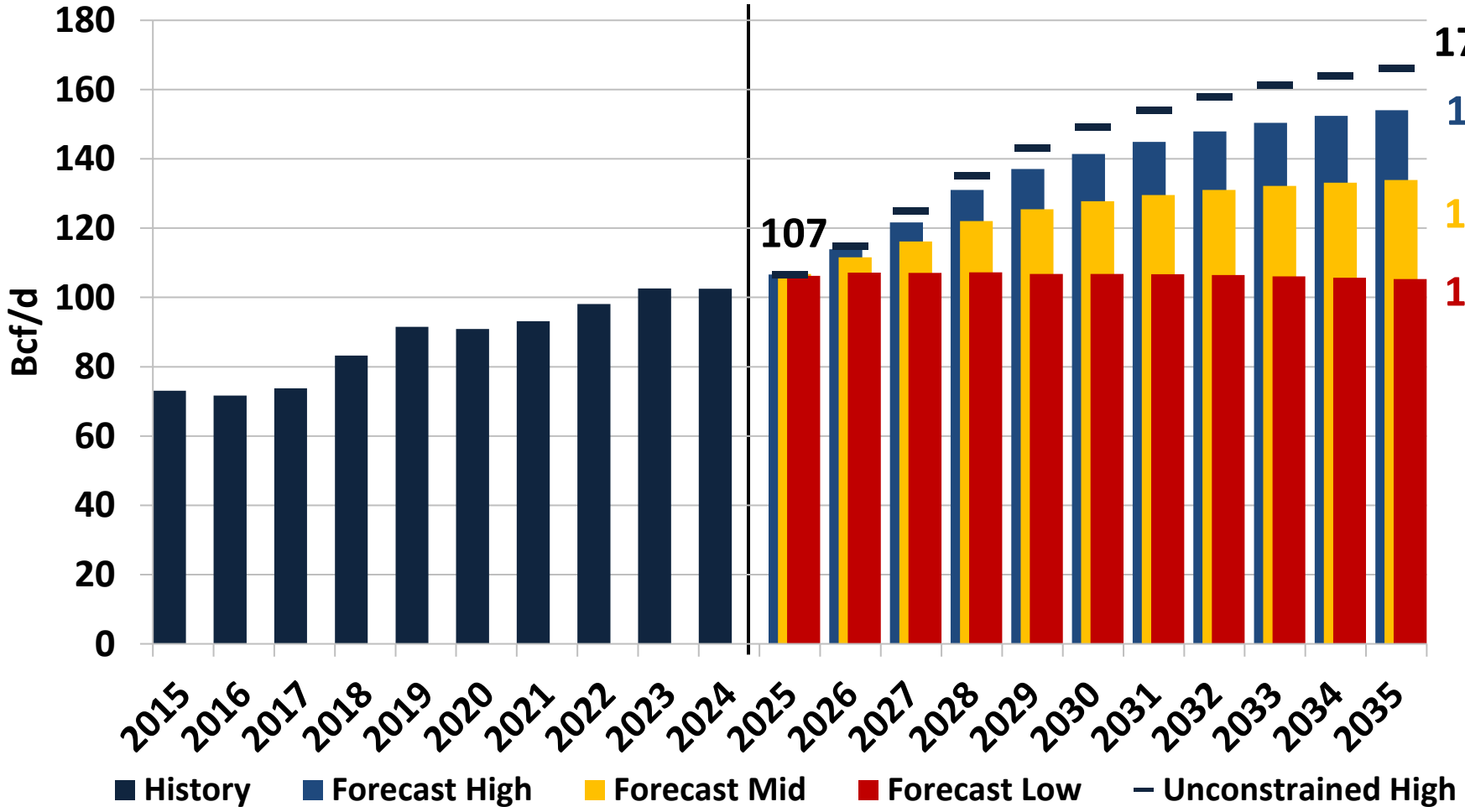
Lower 48 Dry Natural Gas Production Forecast Scenarios (Constrained)



- Lower-48 natural gas production increased from 73 Bcf/d in 2015 to 102 Bcf/d in 2024, a CAGR of 4%.
- Production growth remains strong in the near term and then will flatten.
  - Permian & Haynesville are responsible for essentially all growth.
  - Appalachia production will be relatively flat due to lack of additional takeaway pipeline capacity.

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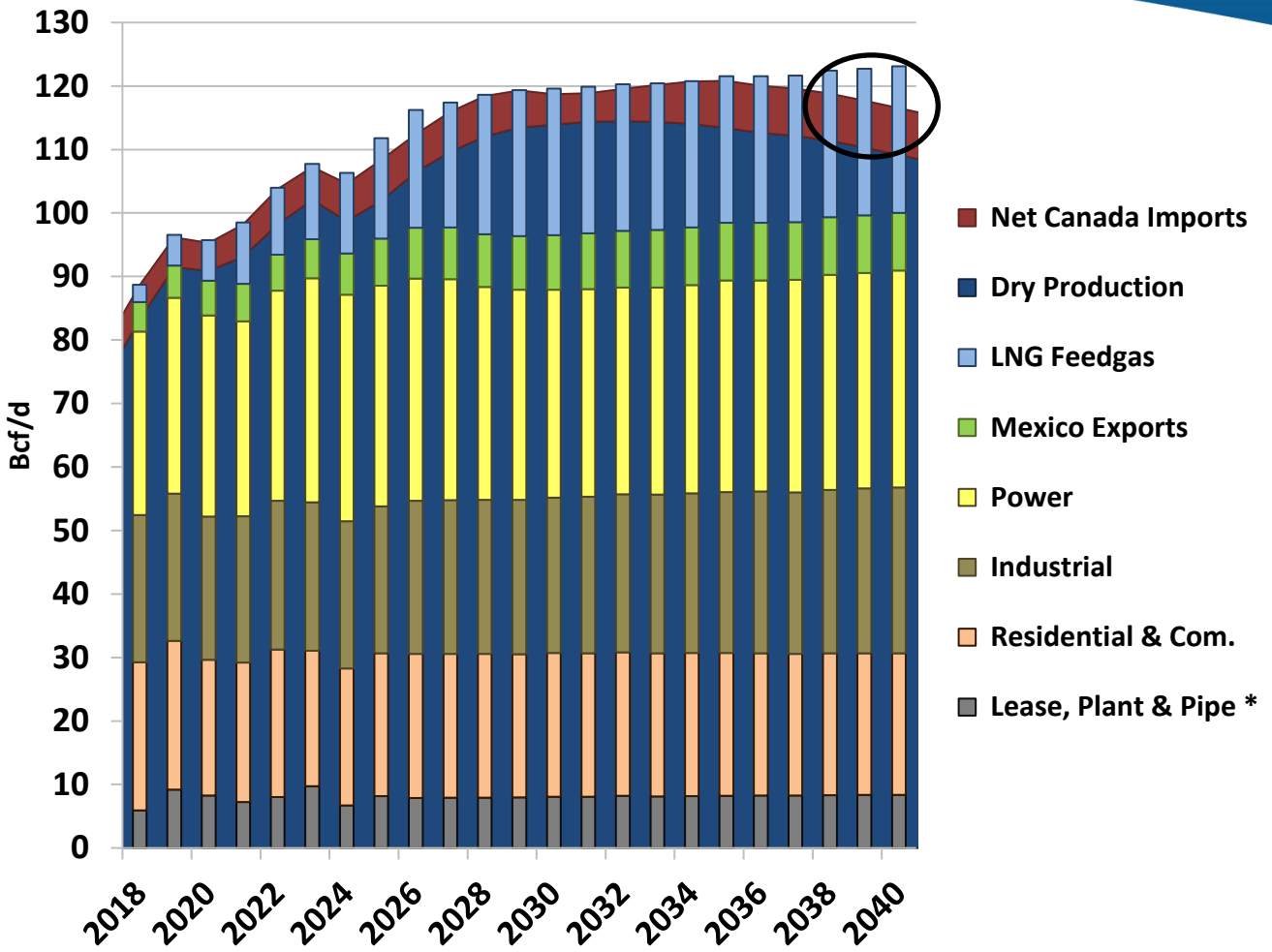
Source: RBN Forecast - Constrained

Lower 48 Natural Gas Supply/Demand Balance

- Graph shows supply in the background areas:
  - Lower 48 production (dark blue)
  - Net Canadian imports (dark red)
- Gas disposition is shown by the stacked bars:
  - Domestic demand: power (yellow), industrial (brown), res/com (pink), other (gray)
  - Exports: Mexico (green), LNG (light blue)
- LNG demand will be the main driver of demand growth.
- Moderate increases in industrial demand are expected.
- Power sector gas demand remains relatively consistent as shift to renewable generation is offset by growth in overall power demand.
- With the reduced production from lower prices, in the short term, demand is set to outstrip production over the next few years as LNG demand ramps up from the next wave of facilities.
- In our mid-price scenario, after North American production peaks in the mid-2030's, the U.S. would need higher prices to incentivize more supply.



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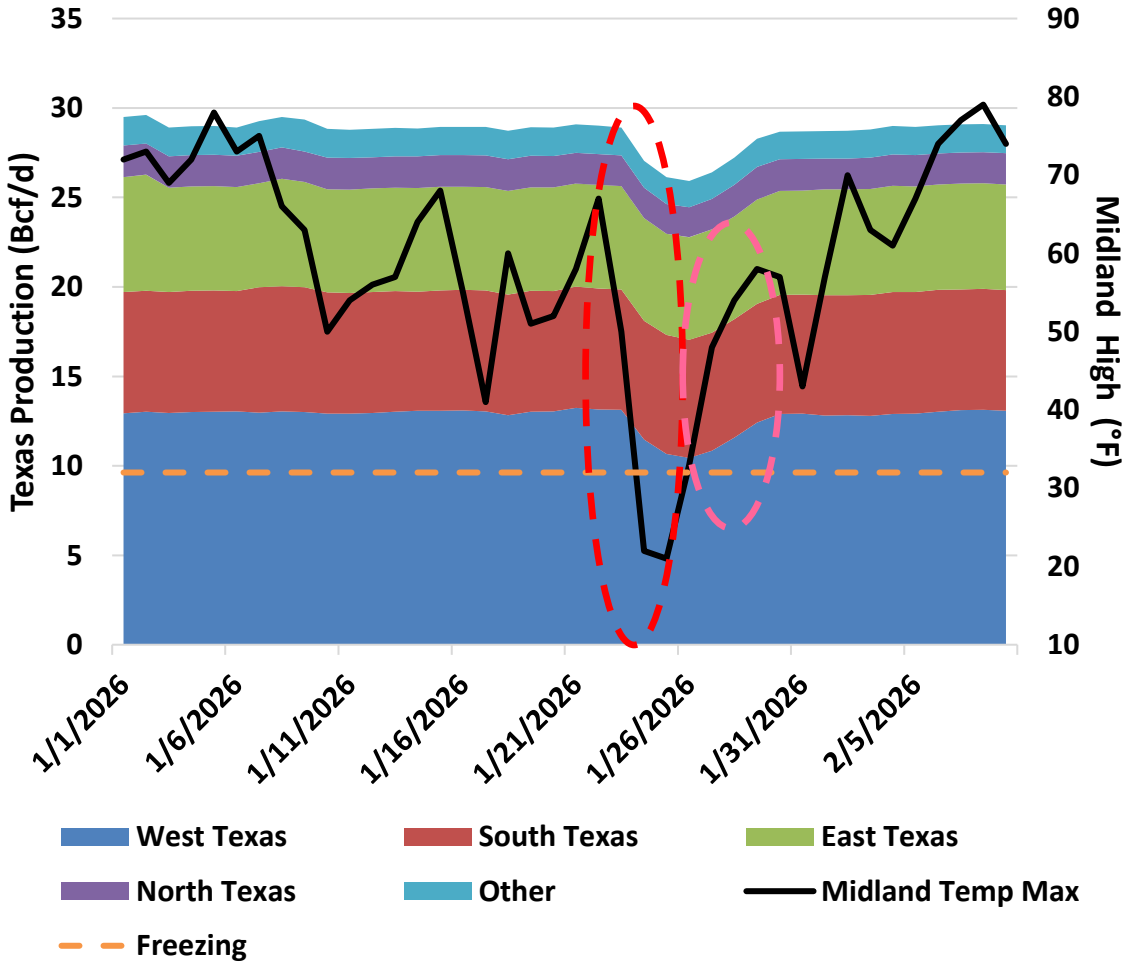
* Lease and Plant Fuel, Pipeline & Distribution Use, Change in Storage Balance, Balancing Item.

Winter Storm Fern's Production Impact

- January Texas production through January 23 averaged 29 Bcf/d.
- On January 24 and 25, the high temperature in Midland was below freezing. Wellhead freeze-offs caused Texas production to fall by 2.8 Bcf/d in 2 days. 90% of the Texas production drop in those 2 days came from West Texas.
- On January 26, Texas production bottoms out at 25.9 Bcf, but Midland temperature rises to highs just barely above freezing.
- Temperatures shoot upward on January 27. Over the next week, Texas slowly recovered to its 29 Bcf/d baseline.



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Source: RBN NATGAS Production Tracker, National Weather Service

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