

2025 “NEW” U.S. NATURAL GAS CONSUMPTION RECORD ...2026 GAS REFILL SEASON STARTS

SIPIPES NATIONAL ENERGY UPDATE, April 1, 2026

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The U.S. consumed 33,515 BCF of natural gas in 2025 representing a 1.67% increase over 2024. Daily 2025 average consumption was 91.823 BCF. The U.S. is one of only two countries having annual dual demand peak periods. Heating season generates the largest consumption of natural gas from November 1 to February 28. The smaller peak demand period is “cooling/AC season” from July 1 to August 31, (refer to figure 1). Japan is the second country having similar consumption peaks.

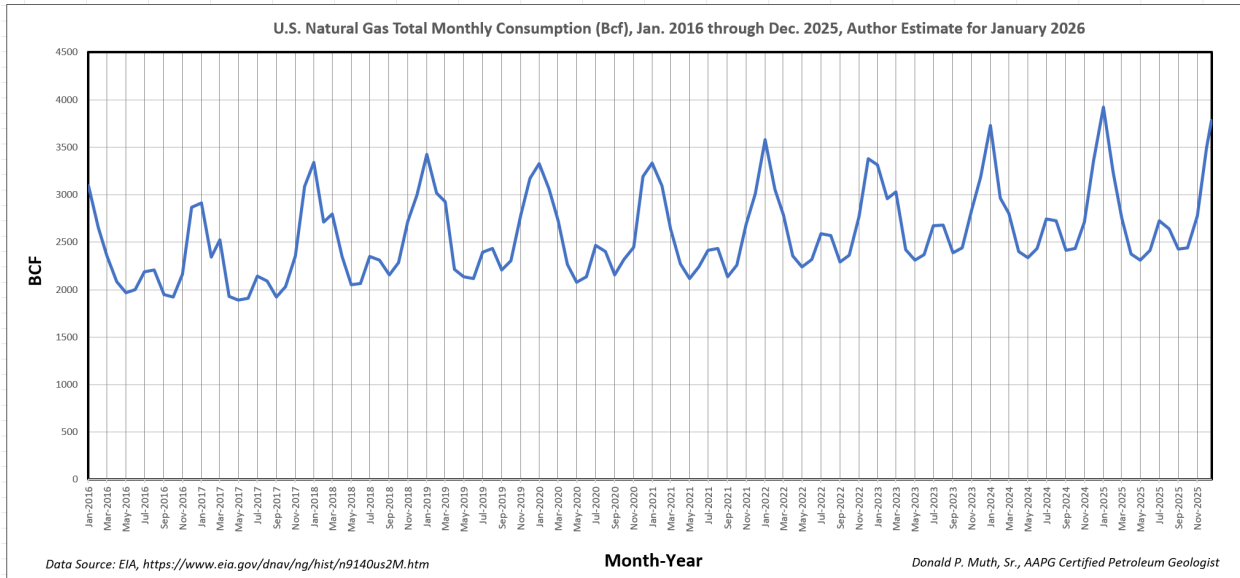


Figure 1. Historical U.S. natural gas consumption by month showing heating and cooling season peaks.

January 2025 set a monthly consumption record at 3921.57 BCF or 126.50 BCFPD. The January 2026 peak consumption was 3778.28 BCF or 121.88 BCFPD. Upward natural gas price volatility is strongest when regional freeze temperatures emerge most notably in January of each year. Downward price volatility/weakness is noted when LNG terminals go off line or shut down with a potential U.S. hurricane strike.

GOLDEN PASS LNG TERMINAL OPENS

The ninth U.S. LNG terminal, Golden Pass, is now operational in Sabine Pass, TX. The jointly owned terminal of Qatar Energy (70%) and ExxonMobil (30%) is expecting its first export shipment within days as natural gas liquification is underway. Qatar Energy plans to invest \$20 billion in the U.S. energy sector. Golden Pass is the largest investment to date by Qatar Energy; first announced in February 2019 at \$10 billion dollars. The facility has capacity to liquify 2.6 BCFGPD into LNG at peak.

Upstream integration is forthcoming. LNG terminals will need to “lock-up” long-term natural gas reserves and development for 20+ year contracts. Midstream expansion is key to moving natural gas from producers to markets. Most notably, West Texas “Waha” gas is making its way to Henry Hub LNG terminals



WORLD LNG SUPPLY, DELIVERABILITY AND OTHER

Natural gas is the feedstock for LNG liquification at export terminals. World LNG demand is strong. The U.S. now has nine LNG vessel export terminals with the **recent opening of Golden Pass**. U.S. LNG growth in 2025 was 25% above

2024. Daily LNG exports averaged 15.017 BCF in 2025. Year over year, 25% export growth in 2026 will require an average of 18.77 BCFGPD to be delivered, close to U.S. current capacity. U.S. LNG is currently operating at near capacity - the addition of Golden Pass LNG will help. LNG capacity expansion is underway. Q2 of each year is typically a low period for LNG exports, (refer to figure 2). However, 2026 may be different with the Iran war.

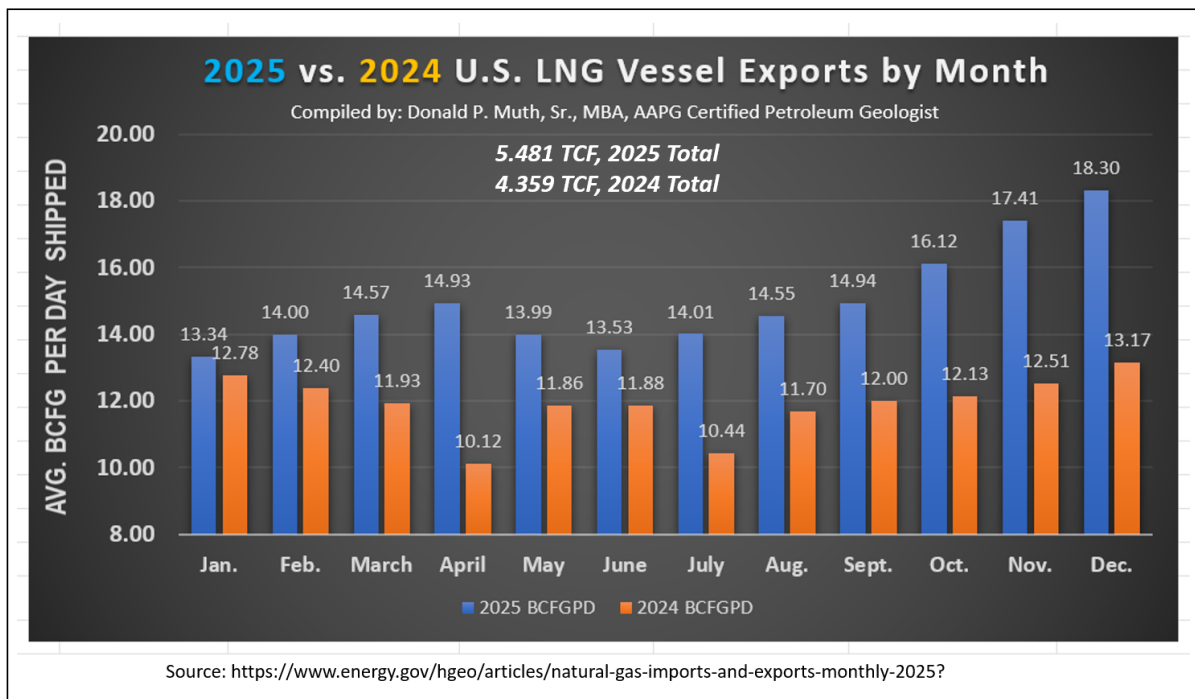
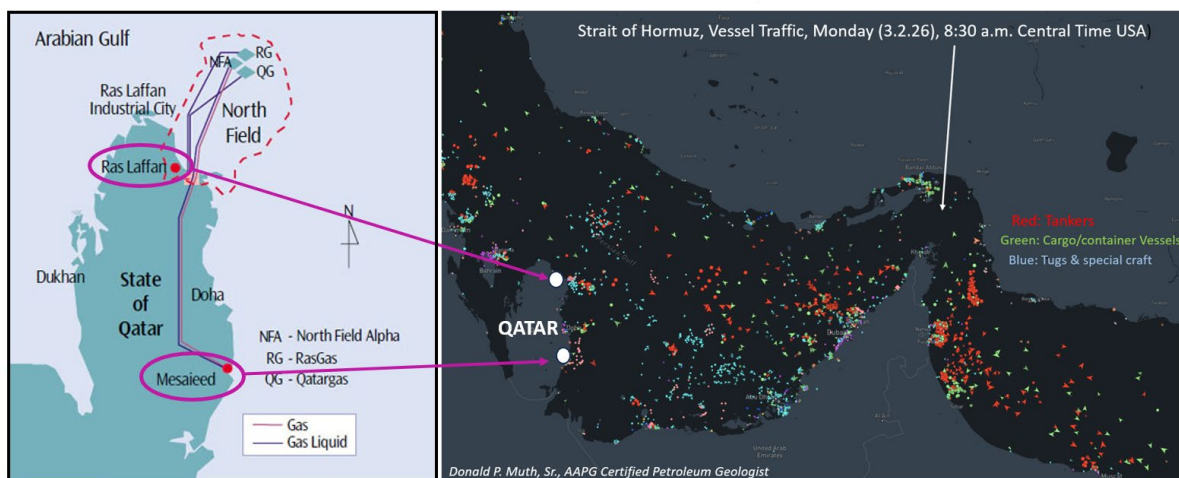


Figure 2. 2025 vs 2024 U.S. LNG Vessel Exports. Plaquemines LNG came on-line in late December 2024. Year 2025 had 8 U.S. terminals. Year 2024 had 7 terminals. Year 2026 has 9 terminals.

Damage to world LNG markets has occurred from Iran’s attack on neighboring Arab nation Qatar during March 2026. Qatar Energy LNG facilities at Ras Laffan were hit with reports stating 17% of Qatar export capacity may be lost for up to five years. Qatar is a major LNG world exporter, second only to the U.S.

Qatar Energy declared Force Majeure (March 4, 2026) on LNG production and delivery. Contracts are suspended and product delivery ceased until hostilities end. Reuters reports 80% of Qatar LNG exports are to Asia. U.S. shipments to Europe are currently being redirected to Asian buyers who are paying more for delivery.

QATAR LNG SHUT-DOWN, 3.2.2026



SE ASIA CYCLONE, SHIPPING DISRUPTION AND DIESEL SHORTAGE

Cyclone Narelle struck Western Australia’s LNG ports/facilities on Thursday, March 26, removing measurable Australian LNG supply from world markets at a critical time. A diesel supply shortage is hurting shipping. Shipping is utilizing combined bunkering of LNG and diesel to power vessels. However, a shortage of such dual-fuel vessels is present. A deliverability shock is present in the world energy supply chain. Higher costs are accelerating recession fears in world economics.

2026 OUTLOOK, Q2

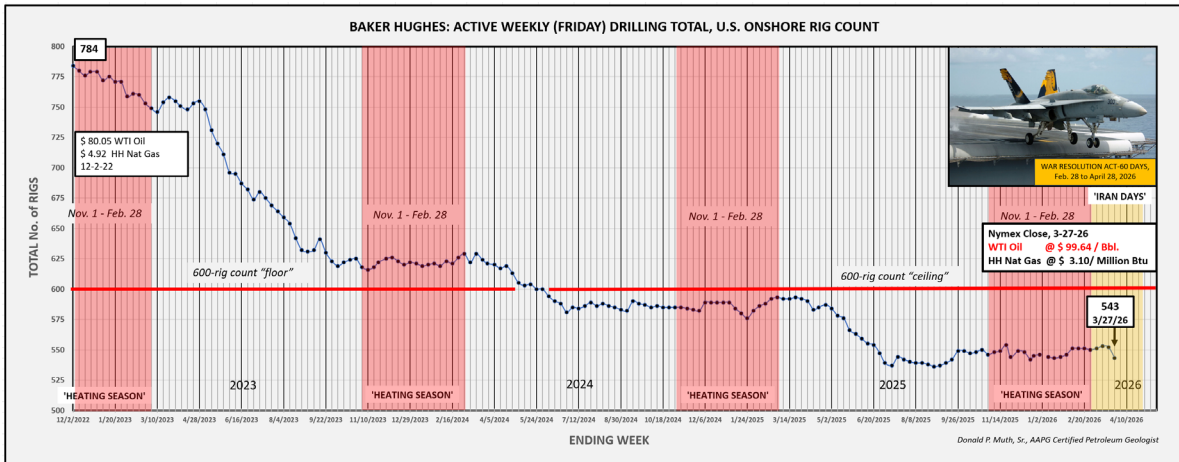
U.S. natural gas consumption will increase again in 2026 with LNG exports leading the way. Emergence of natural-gas fired electric plants to power data/AI centers is becoming a major market for natural gas. Such power plant build-out time lines are delayed by gas-turbine manufacturing order backlogs reaching up to five years.

The Iran war entered week number five on Sunday March 29. World crude oil/LNG traders are watching for renewed, safe ship movement through the Strait of Hormuz. Talks are underway between the U.S. and Iran to resolve hostilities. Iran is economically isolated and militarily incapable of protecting its borders/infrastructure. Iran still threatens marine shipping through the Strait of Hormuz, creating shipping paralysis in and out of the Persian Gulf. The U.S. DOE authorized (March 11, 2026) release of 172 million crude oil barrels from the SPR to restrain crude oil price increases. Equity markets, investors and economic growth are tepid to fearful of future events.

How large will U.S. LNG exports increase to fill export demand gaps? The answer lies with LNG shipping vessel availability, hurricane season disruption in the Gulf of America and U.S. LNG liquification capacity. Amazingly, U.S. natural gas prices have remained around \$3.00/ Million Btu.

U.S. TOTAL RIG COUNT

Friday's (3.27.26) weekly U.S. total onshore drilling rig count dropped to 543 (refer to figure 2). WTI crude oil prices closed at \$99.64/Bbl. with natural gas (HH) at \$3.10/Million Btu.



GAS REFILL SEASON

Annual natural gas storage refill season starts today, April 1 through October 31.

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