Gas Strategies

December 2025

LNG Outlook 2026

Strategies for survival in the coming LNG flood

Preparing for a world of excess LNG capacity, uncertain demand, and emerging AI

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Strategies for survival in the coming LNG flood

The global LNG business is on the cusp of its most significant pivot point in decades. Numerous factors are combining to drive a metamorphosis over the coming years. These include a flood of new LNG capacity, highly uncertain demand growth, the recent influx of myriad new players and introduction of AI across the value chain – all amid the prospect of plummeting prices. Conventional wisdom will be challenged, and some market players could face existential crises. How should producers, sellers and buyers be preparing themselves?

"We increasingly view this as the crux of the most significant pivot point for the global LNG business since its birth over six decades ago."

Between 2025 and 2031, global LNG export capacity is scheduled to grow by around half – as new projects from the US, Qatar and others enter commercial operations. This astonishing rate of growth will bring both challenges and opportunities for many in the market.

This surge of supply comes just as the prospects for commensurately strong LNG demand growth, especially from the emerging markets of Asia, are in Gas Strategies' view looking much less encouraging than they previously have.

There is now the strong possibility of a period of oversupply that could last for years. This now appears to be widely accepted, with the remaining uncertainty being over its extent, duration and impact. On that, outlooks and opinions are divided.

But at Gas Strategies, we increasingly view this as the crux of the most significant pivot point for the global LNG business since its birth over six decades ago.

In an industry with a deep-seated belief that LNG markets always have, and therefore always will, absorb all available supply – except briefly during the Covid-19 pandemic, when offtakers from US export projects cancelled cargoes – this is an outturn that people should now be preparing for.

Where are we now?

As of the beginning of December 2025, LNG export capacity under construction globally totals around 224 mtpa. With all of this expected in the market by 2031, by that year Gas Strategies anticipates effective global LNG supply capacity reaching about 655 mtpa – an increase of 60% over the 2024 market size.

Meanwhile, in the Reference Scenario of Gas Strategies' proprietary *Global Energy Model*, we project LNG demand growing more slowly, only catching up to new capacity additions in 2033.

Naturally, this creates a clear imbalance, with the coming supply glut potentially driving the market into oversupply between 2027 and 2033, with a prospect of reaching a depth of 75 mt in 2029.

US LNG capacity still climbing

Despite impending oversupply, for now there remains strong appetite for long-term LNG supply contracts (particularly with US producers) – something underpinning a wave of new LNG export projects. This has made 2025 a record year for the sanctioning of new US liquefaction capacity (see box to right). As of the beginning of December, US projects with capacity totalling 58 mtpa had reached final investment decision (FID).

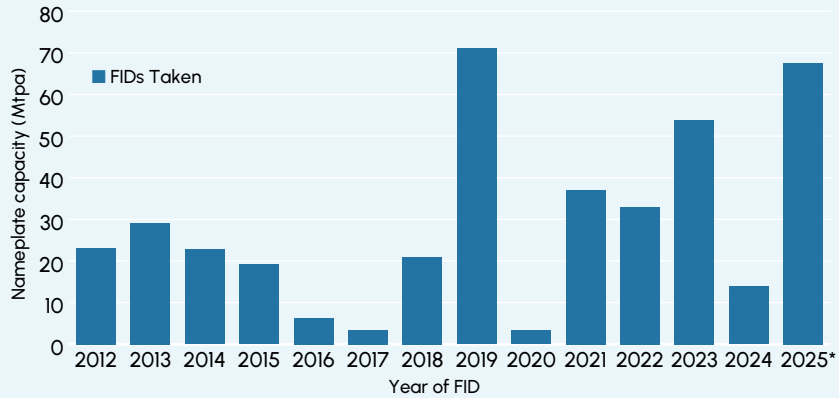
2025 – a bumper year for new LNG export projects

Figure 1 shows how FIDs on LNG export projects progressed between 2012 and 2025, with 2019, 2023 and 2025 being the stand-out years. This is despite the rise of renewables, especially solar and wind power, which are exhibiting spectacular growth, not least in key LNG-consuming nations like China and India.

As of the beginning of December, FIDs had been reached by the sponsors of Woodside Louisiana LNG (formerly Driftwood LNG), the first phase of Venture Global's CP2 LNG, the second phase of Sempra's Port Arthur LNG, trains 4 and 5 at NextDecade's Rio Grande LNG, and trains 8 and 9 at Cheniere's Corpus Christi LNG.

Add to these the FIDs reached in Mozambique for Coral North FLNG and in Argentina for Southern Energy FLNG, and the cumulative production capacity sanctioned globally in 2025 comes to 68 mtpa – second only to record-breaking 2019, when 71 mtpa of capacity reached FID.

Figure 1 – LNG export capacity sanctioned by year, 2012-2025



*As of date of publication

Source: GIIGNL, Gas Strategies

This year's rush to take FID on new projects followed President Donald Trump's decision in January – as part of his wide-ranging "American energy dominance agenda" – to lift the pause on LNG export licences imposed by the previous Biden administration.

The combination of rocketing liquefaction capacity at a time of insufficient demand growth (see page 15) is likely to put strong downward

pressure on spot prices, to the extent that offtakers from US export projects may elect to exercise their right to not lift cargoes. Extended shut-ins at US export projects could leave offtakers with having to pay hundreds of millions of dollars in fixed liquefaction fees with no LNG revenue against which to offset them.

This raises the question of why so many offtakers are still making the decision to contract long-term at a time when security of supply will not necessarily depend on such contracts, as spot market purchases could be a cheaper way of fulfilling demand.

Already in early December 2025 we have seen Henry Hub jump above USD 5/MMBtu, reaching the level at which US LNG is widely acknowledged as becoming unprofitable, particularly in the prevailing world of low oil prices.

Some take the view that the LNG market is being shaped as much by politics as by economics, with rational decision-making giving way to political signalling, protectionism and new energy alliances. Are some new projects going ahead primarily because companies and governments want to be seen to be investing in the US?

Tumultuous geopolitics

All this comes as the LNG market landscape is being reshaped by tumultuous geopolitics. After almost a year of the second Trump administration in the US, the energy industry is having to contend with unusual degrees of volatility and uncertainty.

Trade disputes with key LNG-consuming nations, especially China, and the continued fallout from Russia's invasion of Ukraine have led to market stratification. Going forward, it appears likely that some nations will take gas from the US but not from Russia and vice versa. The European Union has just confirmed that it is to cease all imports of Russian LNG by the end of 2026 and pipeline gas by September 2027, whilst China (which has taken several cargoes from the sanctioned Arctic LNG 2 project in Russia) has not taken any US LNG cargoes since early in 2025.

Global LNG trade also faces disruption from the European Union's decision to impose a methane emissions regulation on imports, which has angered two of the world's biggest LNG-producing countries, the US and Qatar; they are also jointly objecting to the EU's Corporate Sustainability Due Diligence Directive. This too poses the potential for further stratification, where some buyers will pay a premium for 'cleaner' LNG, whilst others will pay less for 'dirtier' LNG.

Yet another source of disruption, but also potential competitive advantage, is the advancement of new technologies, especially the startling rise over the past two years in the capabilities and popularity of artificial intelligence (AI).

An example of AI disruption on value chains is the impact that the rush to build gas-fired power plants to support data centres is having on the lead times for gas turbines, which could otherwise be deployed in Asian nations looking to switch power generation from coal to gas – an obstacle to LNG demand growth. On the flip side, AI could help to optimise LNG value chains, improving efficiency and reducing cost – a timely imperative. Increasingly, LNG is becoming a data business – with larger portfolios benefitting from more knowledge of markets and contracts – and AI could leverage this data to create competitive advantage.

Against the backdrop of all these factors, this Outlook explores three key questions:

- What does the LNG pivot point mean for industry players?
- What are the key uncertainties that market participants face between now and the early 2030s?
- How should market participants be responding to ensure they are prepared for the new business environment?

What does the LNG pivot point mean for industry players?

Arguably the biggest challenge for industry players between now and the early 2030s will be navigating the diverse range of possible outcomes in the interplay between supply, demand and prices (as we explore in more detail in the next section). Much will depend on policy shifts that are difficult if not impossible to foresee – as has been the case over the course of 2025 with US President Donald Trump.

While, like other commodities, the LNG business is no stranger to swings from a buyers' market to a sellers' market and back again, the surge in liquefaction capacity over the coming six years is unprecedented in volume and duration, leading to many uncertainties.

This will bring conventional wisdom into question as market participants venture deeper into unknown territory. The past will not be a reliable guide to the future. One potential pitfall is that some businesses may choose between the various outlooks that are available and do their planning on the outturn they regard as most desirable, rather than developing sufficiently robust portfolio and risk management strategies to hedge against the range of outcomes.

How will the global market balance?

A conventional wisdom that is highly likely to be challenged is that LNG demand will always increase to accommodate available supply.

Historically, this was generally true because traded markets in Europe acted as a balancing mechanism to enable the global LNG market to clear, with the region's substantial gas storage capacity playing a key role. This demand-side flexibility has mostly disappeared because of the structural and policy changes that followed Russia's full-scale invasion of Ukraine at the start of 2022.

Another conventional wisdom is that the fast-growing economies of South-East Asia will mop up spare LNG supply. This too is a view that should be questioned, with a multitude of factors combining to reduce the likelihood that these markets could absorb such a volume of LNG supply in such a short time period (see page 15).

Therefore if, as currently seems likely, the flood of new LNG overwhelms the ability of markets to absorb it, the most likely balancing mechanism will be on the supply side, as offtakers of US LNG exercise their flexibility to cancel cargoes that are out of the money.

If cancellations go beyond minimum operating levels, liquefaction trains will be forced to shut-in production entirely, potentially denying cargoes to buyers who still want them and creating a knock-on layer of disruption.

Dispute resolution

As evidenced during both the Covid-19 and Ukraine invasion periods, in the LNG market the scope for disputes is substantial during periods of market stress and unprecedented circumstances, raising the question of how such disputes are best resolved.

The ongoing disputes between Venture Global and the offtakers from its first US project, Calcasieu Pass, have shone a spotlight on the debate about whether it is better to resort to arbitration or litigation. Arbitration can be cheaper and quicker, and settlements can remain confidential – but outcomes can seem arbitrary.

Calcasieu Pass started up in 2022, when spot market prices were at unprecedented highs, and Venture Global chose to sell cargoes spot rather than supplying them to the offtakers who had signed long-term contracts. It argued that its contracts allowed it to do so

because the plant was technically still in its commissioning phase; the core issue being the definition of the Commercial Operation Date (COD). The value at stake ran into billions of dollars.

Offtakers objected and earlier this year Shell lost its case at the International Court of Arbitration and was ordered to pay Venture Global's legal fees. BP, on the other hand, later won its arbitration case, causing Venture Global's share price to tank. Shell is challenging the arbitration decision and cases with other offtakers continue.

"People are questioning the reliability of arbitration because it's like going to the casino," says a Gas Strategies dispute resolution advisor. "Take the example of Venture Global, Shell and BP. Is there any reason to believe the two contracts were different?"

An emerging subject for dispute involving US LNG exports – currently attracting the attention of lawyers – centres around the impact of natural gas quality on liquefaction plants and LNG carriers. The dispute involves unacceptably high levels of nitrogen and heavy hydrocarbons in feedgas supplied from the Permian Basin. The point? As the business continues to evolve, new opportunities for conflict will continue to arise.

Short-term trading versus long-term contracts

Another conventional wisdom that will be challenged as the LNG pivot point progresses will be the notion that security of supply necessarily requires the signing of long-term sales and purchase agreements (SPAs).

In recent months, the list of buyers signing long-term SPAs (or precursor Heads of Agreement (HoAs)) with US LNG export projects has included Atlantic-See LNG, ConocoPhillips, EQT Corporation, IRH Global Trading, JERA, Mitsui, Naturgy, Petronas LNG and Tokyo Gas. Generally, these SPAs are priced with a link to Henry Hub plus the usual fixed liquefaction fee. At current Henry Hub prices, this puts them firmly on the right-hand side of the supply cost curve.

Gas Strategies' view is that in a world of oversupply, greater involvement in short-term trading could lead to higher value and less risk, for those players that have the capacity, the tools and the people to do this effectively. Smaller players that lack large and experienced trading and optimisation teams may look to AI-enabled portfolio tools to help level the playing field, at least partially, as they compete with larger, more established organisations.

Winners and losers

In a scenario of prolonged oversupply, severe enough to cause offtakers from US export projects to cancel cargoes on a significant scale for an extended duration, who would be the winners and who would be the losers?

The obvious winners would be LNG consumers, especially those in the price-sensitive markets of Asia: China; markets in South Asia, such as India, Pakistan and Bangladesh; and LNG importers in the nations of South-East Asia. Some utility buyers of US LNG might find cheaper cargoes on the spot market than cargoes already contracted from the US.

Cheaper LNG could help to spur the development of new import and downstream consumption projects in some markets, or even new markets, though developers would need to judge how long low prices might sustain and whether the economics of their proposed projects stack up on a lifetime basis. If prices rise sharply when oversupply eases, costly projects could end up underutilised because LNG becomes unaffordable in price-sensitive markets.

US export project owners would be largely insulated from the turmoil because they would continue to receive billions of dollars of liquefaction fees, regardless of whether offtakers choose to lift LNG. The main danger they face, although unlikely, is that some buyers could end up defaulting on these payments if shut-ins are prolonged, stretching the US LNG commercial model to breaking point.

The conventional wisdom is that large, established portfolio players – the likes of Shell, TotalEnergies and BP – would be resilient because of the many flexibility advantages of portfolio trading and because they have deep pockets and strong balance sheets. Access to shipping means they can move cargoes from distressed markets to more attractive markets. They have the people and tools needed to optimise portfolios. And they may also have direct access to regasification facilities and downstream markets.

But this is yet another conventional wisdom that could be challenged if LNG oversupply lasts for years. Volumetrically, the large portfolio players are the most exposed, and while they may be best placed to handle this, CEOs and CFOs will not feel comfortable informing shareholders and the market that they have lost USD 150 million for every million tonnes of cancelled cargoes. While cargo cancellations are an accepted part of the US model, extended, multi-year shut-ins are very unlikely to have been part of any board-approved investment thesis.

Most at risk are smaller players more recently attracted to LNG trading by the big profits announced by the more established portfolio players and traders in recent years, and who have taken a long position in US LNG. They may find it hard to place volumes at anything other than "bargain basement" prices, and may not have formed the relationships required to access other, more premium markets.

Also at risk are aspiring portfolio players who have signed contracts to hit volume targets, assuming that the future marketing of these volumes will be straightforward, without sufficient consideration of the value and resilience of their nascent portfolios. Some national oil and gas companies (NOGCs) might find themselves in this category.

There will be buying opportunities in a distressed market. Anyone buying cents on the dollar by taking over distressed players with huge legacy commitments could be sitting pretty when prices start to recover.

What are the key uncertainties between now and the early 2030s?

Gas Strategies has recently updated its *Global Energy Model*, which looks at how the LNG business could evolve between now and 2050, given a set of reasonable assumptions. What are the key messages that emerge from our Reference Scenario? And what are the uncertainties that could affect this outcome? Sensitivities are significant – even small changes to assumptions can lead to large shifts in outturn.

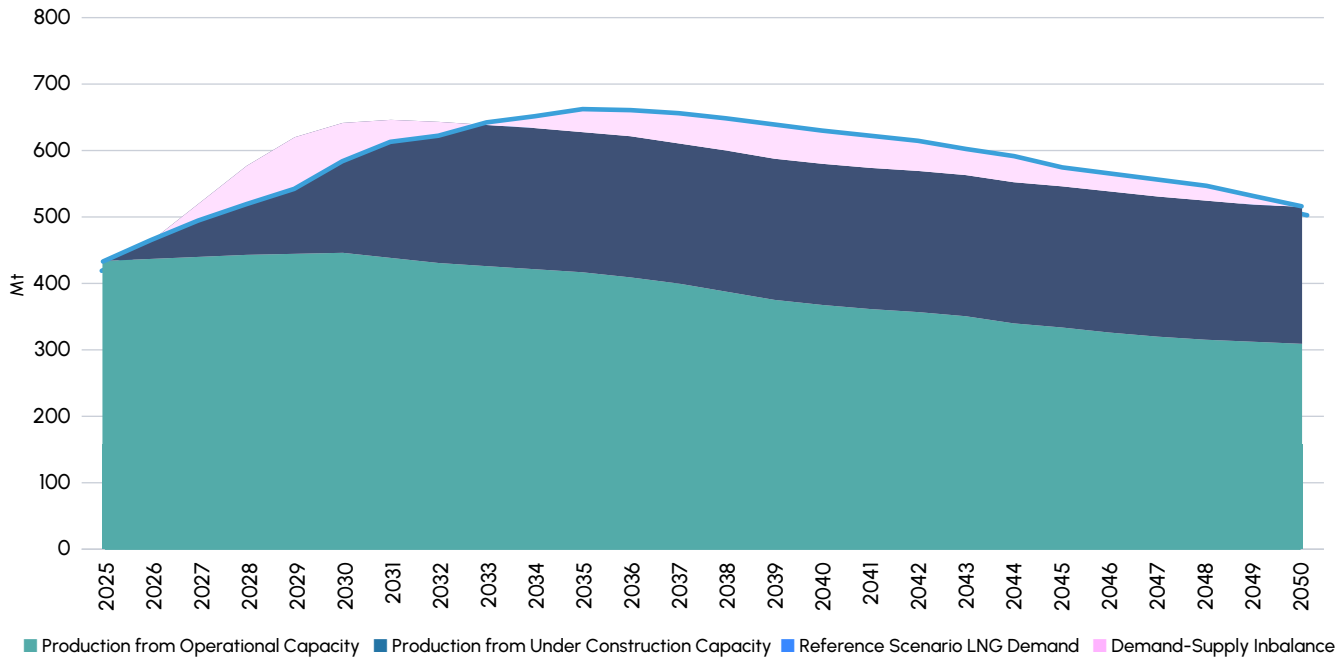
Market imbalance

The chart below shows the potential scale of the coming market imbalance. In the absence of US shut-ins, or some other kind of flexibility response, capacity at existing and post-FID plants exceeds demand from 2027 until around 2033.

Given the continuing appetite of buyers to sign up to long-term SPAs especially from US projects, we could see more FIDs over the coming months, which would lead to a worsening of oversupply at the beginning of the next decade and an extension of the glut period.

Our Reference Scenario now posits peak LNG demand of around 670 mt in 2035. This compares with last year's outlook of around 690 mt in 2038. Demand also falls away more

Figure 2 – LNG supply-demand balance, 2025-2050



Source: Gas Strategies

steeply after the 2035 peak, to reach some 510 mt in 2050, down from more than 630 mt in last year's projection.

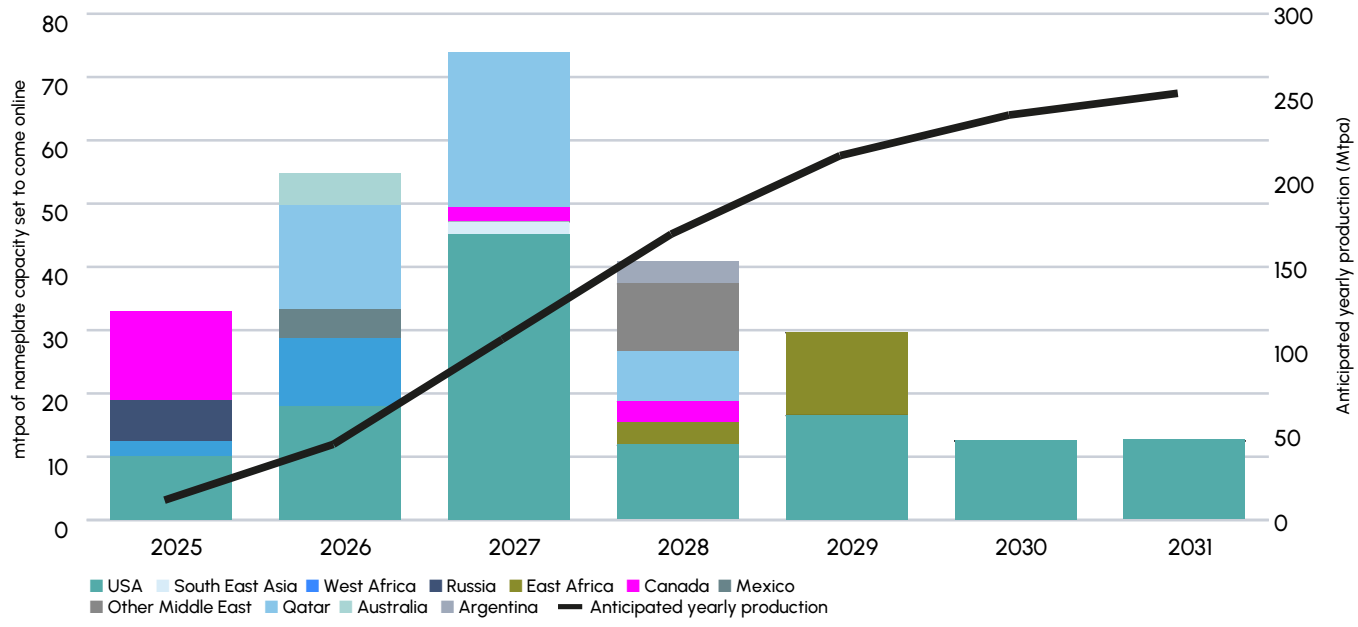
This makes the opportunity for new LNG investment lower, partly because of the FIDs reached during 2025 – which have substantially narrowed the gap between projected supply and demand between 2033 and 2050 – but also because demand projections to 2050 are lower.

Moreover, to come onstream in time to meet the market when it moves back into undersupply, new export projects would need to take FID during the height of the glut, when prices are likely to be at their weakest. Floating LNG (FLNG) technologies, which have been maturing and falling in cost over the past decade, could play a significant role here in making projects more bankable than large, costly onshore developments.

Supply uncertainties

The trajectory of liquefaction capacity is less fraught with uncertainty than demand or prices. If history is any guide, liquefaction projects that reach FID almost always go on to complete construction and enter operation, though delays are not uncommon, given the scale and complexity of these undertakings. This, however, could be seen as another conventional wisdom that should be questioned, given

Figure 3 – The coming wave of new LNG supply, 2025-2031



Source: Gas Strategies

"The phenomenal rise of AI has created strong global demand for gas turbines."

the extent of the pivot point the industry is going through.

The expected growth of LNG capacity between 2025 and 2031 is shown in Figure 3. The build-up peaks in 2027 but continues into 2031. Over the period from 2025 to 2031, cumulative production capacity (net) rises by c. 255 mtpa. To put this in context, global LNG trade amounted to 406 mt in 2024.

Less certain is how utilisation, especially of US projects, will pan out as the market strives to balance. Much will depend on the trajectories of demand and prices and how these affect the decisions of offtakers to cancel cargoes from US projects. It is also possible that large portfolio players involved in liquefaction projects outside the US may slow down development timelines (or even scale back their involvement) to ease any further oversupply. However, the conflicting interests of EPC contractors will be a counterweight.

A major area of uncertainty is the fate of the huge, low-cost gas resources in Russia, as the European Union brings pipeline gas and LNG imports to an end.

One possibility is that up to 50 Bcm/year of Russian gas could go to China through the proposed Power of Siberia 2 pipeline, displacing large volumes of LNG from the Chinese market. China and Russia recently reached a political deal for the project. That said, at best the pipeline is unlikely to begin flowing gas this side of 2035, and volumes would take time to ramp up.

Another possibility is that following a peace settlement between Russia and Ukraine, some European countries could begin to call for a resumption of pipeline imports, displacing LNG from Europe. This may sound far-fetched today, given the current state of talks around the war, but cannot be entirely ruled out.

Demand uncertainties multiply

The outlook for regional LNG demand in our Reference Scenario is shown in the chart below – but this is also subject to multiple uncertainties.

Demand in this scenario grows strongly over the coming decade, peaking at around 670 mt in 2035 before then entering long-term decline to 2050. However, the peak is lower and comes sooner than in our modelling last year. This is primarily because the outlooks for key regions have been downgraded. Details for the regions most affected are set out on page 15.

There is considerable uncertainty around the outlooks for some regions – notably for the emerging markets of South-East Asia, which face infrastructure constraints likely to prevent them taking full advantage of lower prices.

The growth outlook in our Reference Scenario for this region assumes several further LNG import projects do go ahead over the second half of the 2020s. But bringing such projects to fruition in these countries has historically proved to be notoriously difficult.

A further complication has recently emerged. The phenomenal rise of AI over the past two years has created strong global demand for the large gas turbines needed for power plants to service data centres, which require dependable, around-the-clock supply.

Lead times for new turbines are now three years or more. So, unless equipment for a proposed gas-fired power plant is already on order, the plant is unlikely to start up much before the end of the decade, by which point the period of oversupply and low prices may be approaching its end.

Demand outlooks are also highly sensitive to policy shifts – for example, decisions to accelerate the pace of renewables deployment

"The price debate now is around where prices are likely to bottom out."

to leapfrog gas-fired power or to invest in new coal-fired power plants on the grounds of cost.

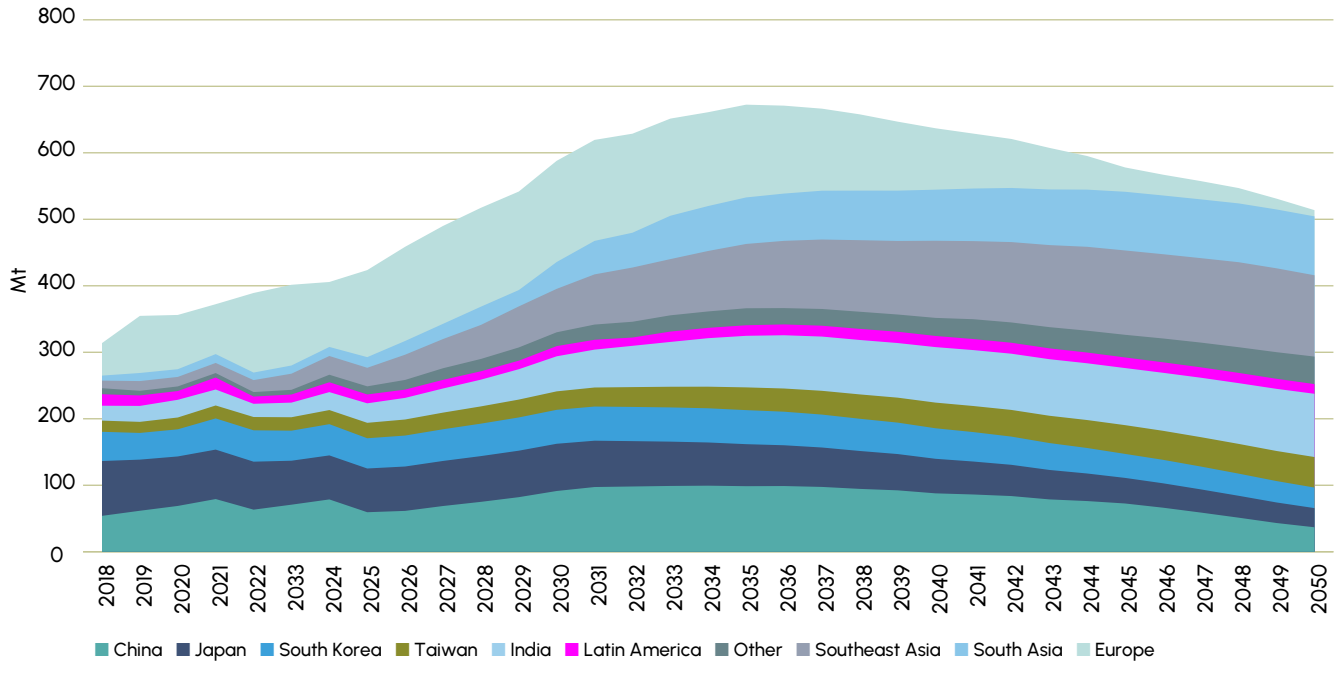
An uncertainty which could provide upside to LNG demand over the long term has been the weakening of ambition for climate action over the course of 2025 – manifested in November by the low attendance of world leaders at the COP 30 UN climate talks in Brazil.

The trend was acknowledged last month by the International Energy Agency (IEA) as it launched its annual World Energy Outlook (WEO), which now contains a Current Policies Scenario projecting that oil and natural gas consumption could continue rising until 2050. For now, it is too early to say whether this will be a short-lived phenomenon, but it is something to watch closely.

Price uncertainties

Demand uncertainties inevitably lead to price uncertainties, but there is a growing consensus that natural gas prices, already on a declining trend, will begin to fall more steeply from 2026 as oversupply makes itself felt in the market. The debate now is around where prices are likely to bottom out.

Figure 4 – LNG demand by region, 2018-2050



Source: Gas Strategies

Demand outlooks downgraded

CHINA

LNG imports into China have grown sharply over the past decade but future growth will depend on how successful domestic gas producers are in responding to strong government pressure to ramp up output.

LNG growth will also depend on growth in pipeline imports from Russia through the Power of Siberia pipeline, which is due to ramp up throughput from 30 Bcm/year in 2024 to 44 Bcm/year by 2030. The Far East Pipeline, due to start up in 2027, could add another 10-12 Bcm by 2030. The proposed 50 Bcm/year Power of Siberia 2 pipeline is unlikely to start up much before 2035.

Before Donald Trump returned as US president, Chinese companies were keen buyers of US LNG, but ongoing trade disputes have been making this difficult. Imports of US LNG into China ceased in February.

Following a meeting of Trump with Chinese leader Xi Jinping in South Korea in October, the US president signalled that sufficient progress had been made to open the door to China resuming imports of US energy – rating the meeting a "12 on a scale of 1 to 10". Trump is now scheduled to visit Beijing next April but much could happen between now and then, not least over the issue of China's stance on Taiwan.

Whatever the outcome, China could still buy US LNG indirectly from portfolio players, through cargo swaps, imports and re-exports, and other source-masking strategies. Meanwhile, it has been ramping up imports of LNG from Russia.

Our Reference Scenario shows Chinese LNG demand growing from 79 mt in 2024 to around 100 mt in 2035.

INDIA

Unlike some Asian markets, India has plenty of spare LNG import capacity and a fleet of underutilised gas-fired power stations. It is also a price-sensitive market and so can be expected to respond enthusiastically to a prolonged period of low LNG prices. A possible constraint is that some import terminals are hobbled by insufficient downstream pipeline infrastructure.

That said, our Reference Scenario shows Indian LNG demand tripling from 27 mt in 2024 to some 80 mt in 2035. Growth is shallower post-2035.

SOUTH-EAST ASIA

The previous high level of expectation around demand growth in South-East Asia has been ebbing because investment in import capacity and downstream gas consumption infrastructure has not reached anticipated levels.

While some may argue that low LNG prices should encourage the building of new import infrastructure, price-sensitive markets are unlikely to make long-term and costly commitments to gas infrastructure based on low prices lasting for only a few years.

Moreover, where import terminals have been built, they have taken a long time to come to fruition – for example, in the Philippines and Vietnam.

Nevertheless, our Reference Scenario projects a regional rise in demand from 28 mt in 2024 to around 100 mt in 2035.

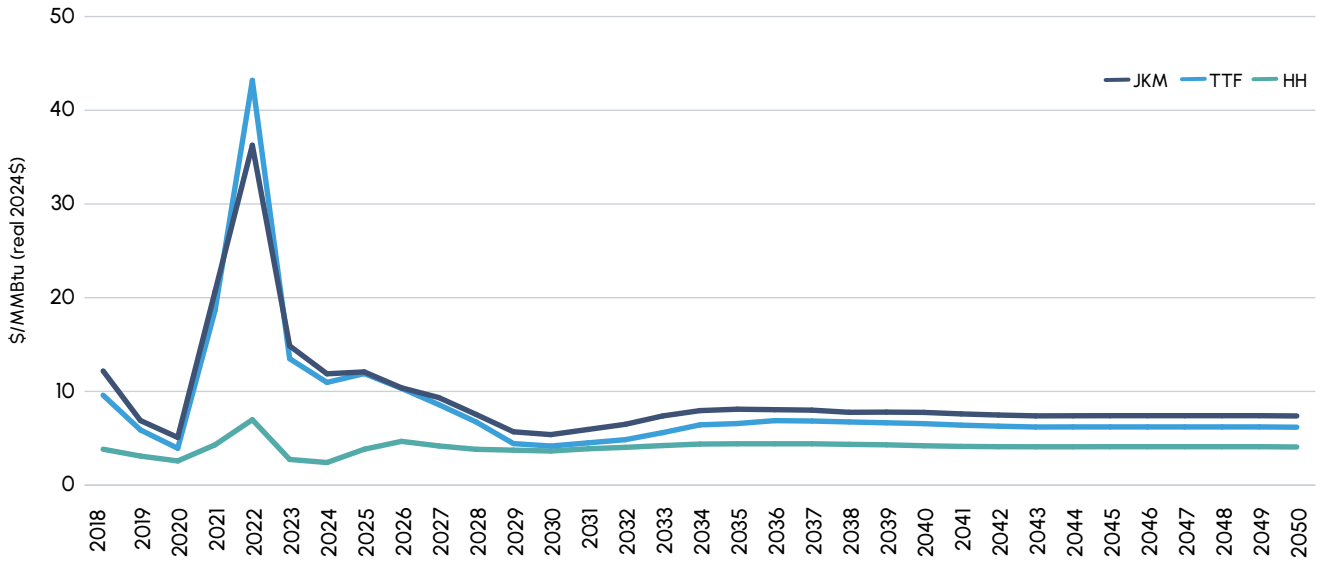
During the recent launch of its WEO, the International Energy Agency talked about LNG prices in Asia possibly falling to as low as USD 5/MMBtu between now and the end of the decade. This, it added, would lead to large-scale, short-term coal-to-gas switching – "mainly in China's power sector" – which would help to mop up much, if not all, of the oversupply. Gas Strategies does not share this optimism that all oversupply can be so easily mopped up, for reasons described earlier.

Our view is that offtakers from US export projects would start to cancel cargoes before that price level was reached, effectively setting a price floor. For a delivered cost of USD 5/MMBtu, stripping out variable operating expenses and the cost of shipping, Henry Hub would need to fall to USD 3-3.50/MMBtu.

That seems unlikely, given the projections for power demand from data centres and, indeed, the huge demand for natural gas that is building from the growth of US LNG exports themselves (though shut-ins would, of course, temper this). However, the JKM price could well fall below USD 6/MMBtu when the oversupply is at its worst, between 2029 and 2031, as the charts below show.

There is considerable uncertainty around any price outlook because there are so many variables to take into account, while impossible-to-predict events can upend any assumption. Nobody forecast the startling peaks in natural gas prices in 2021 and 2022.

Figure 5 – JKM, TTF, HH central case price outlooks to 2050



Source: Gas Strategies

How should players be preparing for the new business environment?

The uncertainties facing market participants in global LNG over the coming six years are of such a magnitude that a deterministic approach to business will not lead to optimal outcomes. Resilience will come from flexibility, optionality, capability and adaptability to the wide range of scenarios that could emerge.

Industry players should also recognise that the disruption which a long period of oversupply will bring will create opportunities as well as dangers.

- Offtakers of LNG from US LNG export projects will face heightened financial and contractual risks as oversupply takes hold. Why is it that so many buyers are still willing to take on fixed long-term risks in an increasingly uncertain market?

If the market's structure is changing, the value drivers inside your portfolio are changing with it. Companies should be asking themselves whether they really need to contract long term to achieve security of supply or whether there is more value to be found in short-term trading when so much LNG is likely to be available at low prices. If they do not have the people and tools that make up the capability to operate effectively in short-term markets, how can they acquire them? As the global LNG business expands between now and 2030, competition for people with the relevant skills will intensify.

- It is possible that several years of tight markets and large margins have bred complacency about the need for the disciplined risk management and portfolio management that will be essential in the much more challenging business environment now in prospect.

A structured approach to the assessment, planning and management of LNG portfolios is essential to maximising value. Yet there is anecdotal evidence that some companies are still relying on a multiplicity of spreadsheets to manage these complexities.

- A mix of different price indices in different contracts, broadening price exposure, can increase portfolio resilience.

Sellers will want to consider how best to price their product, especially with likely upward pressure on Henry Hub. Oil indexation to Brent is once again increasing in popularity while some sellers are considering flat pricing for certain markets and hybrid pricing, such as a mix of Brent and Henry Hub, for others.

- Companies aspiring to become portfolio players should be wary of corporate mandates to build a larger portfolio than is manageable.

There is a danger of focusing too much on volume and not enough on value. A shipping portfolio may well be needed to enable timely access to supply sources and demand markets. Some players may want to go further into downstream markets by acquiring regasification capacity.

- There will need to be new liquefaction projects to fill the gap that emerges between supply and demand from the early 2030s onwards.

Floating LNG (FLNG) technologies can play a key role in facilitating the creation of new value chains that are more manageable, more affordable and faster to implement than large onshore projects.

- Companies need to be aware that LNG is increasingly becoming a data business and that appropriate adoption of AI tools will bring competitive advantage – never more important than now.

In conclusion

The LNG business has come a long way since the era of bilateral contracts between sellers and buyers that characterised its early decades.

The increasing commercial sophistication embodied in the portfolio player model now faces its biggest ever test.

Ultimately, agility and discipline will be the key determinants of which players best survive the coming LNG flood. Those that do will be well placed to capitalise on the opportunities that emerge when it subsides.

Gas Strategies

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