

US gas producers will struggle to meet LNG export growth – Expand CEO

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Commodity Insights

US upstream natural gas producers will struggle to supply a rapidly growing export market as new LNG projects come online and flood the market with additional demand, said Nick Dell'Osso, president and CEO of [Expand Energy Corp.](#)

"We don't think that you can see it in the numbers," Dell'Osso told an audience on Sept. 17 at the Marcellus Shale Coalition's Shale Insight conference in Erie, Pennsylvania. "These are projects that are underway. Capital is being spent, and they're approaching completion by 2027."

Expand Energy has estimated that US LNG export capacity could increase by an incremental 12.2 Bcf/d by 2027, a volume of growth that would push total US export capacity to 27 Bcf/d. This estimate represents an increase of roughly 12% to current US gas demand, Dell'Osso said.

"That's really significant, and it's going to be a challenge for our industry to respond to that effectively," he said.

Supply and demand

LNG feedgas demand, which was just shy of 15 Bcf/d at the end of 2024, has averaged about 16.1 Bcf/d over the last two months and has occasionally touched records at about 17 Bcf this year, according to S&P Global Commodity Insights data.

Next year, Commodity Insights forecasts annual average feedgas demand of nearly 20 Bcf/d, followed by nearly 22 Bcf/d in 2027.

LNG export projects expected to come online over the next few years include the [Exxon Mobil Corp.-QatarEnergy](#) joint venture [Golden Pass LNG](#), [NextDecade Corp.](#)'s [Rio Grande LNG](#) and [Sempra](#)'s Port Arthur LNG [project](#). [Venture Global Inc.](#) expects its CP2 [project](#) to start exporting LNG in 2027.

[Gas production](#) has grown to record levels in 2025, reaching as high as 107–108 Bcf/d, Commodity Insights data showed. Producers including Expand Energy have drawn down inventories of wells they stacked up in 2024.

Supply growth is expected to lag the rising demand for exports and push prices higher, analysts have said, based on gas producers' decisions to largely continue operating drilling programs at a maintenance level.

"Overall US activity is still well below our estimate of what the market needs to meet rising LNG demand in 2026," Morgan Stanley analysts said in a Sept. 9 note, which estimated Henry Hub prices north of \$5/MMBtu in 2026.

Expand's strategy

Expand Energy guided to third-quarter Appalachia production of 4.15 Bcfe/d. The company is maintaining flat production in the basin after having brought back supply that was sidelined in 2024 due to low prices. The company exited 2024 at around 6.4 Bcfe/d, including volumes from the Haynesville, and expects to produce 7.1 Bcfe/d on average in 2025.

"We can take that production that we took offline during 2024, bring it back rapidly and respond to market conditions very quickly," Dell'Osso said. Expand plans to retain that flexibility as demand increases and the market becomes more volatile.

"That demand grows in some pretty chunky ways — the LNG export capacity comes online in big batches," Dell'Osso said. "And if it goes offline for periods of time, it will go offline in big batches. We really expect volatility to go up, not down."

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