

# US gas output to ramp up in Q4, continue growth and limit prices in 2025: Macquarie

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- **Total production could reach 115 Bcf/d in 2025**
- **Permian gas output 'most bearish variable' through 2030**
- **LNG exports to more than double by 2030**

The US' gas production is expected to ramp up in the fourth quarter following a decline to start the year, and will continue to grow in 2025, particularly in the Permian Basin, which could lead to a third consecutive year of depressed gas prices, an official with Macquarie Energy said June 11.

Speaking at the 29th annual LDC Gas Forum Northeast in Boston, Macquarie Energy Managing Director Kevin Little said "it's been a tough few months for the gas market given the significant oversupply, due to a really, really mild winter which pushed prices to near historic lows."

"In line with these really weak prices, we've had a significant -- and a much more surprising than I anticipated -- producer response. We've seen production come off from a variety of areas," Little said. "When you total up the curtailments and maintenance, there's about 3.6 Bcf/d of production that's offline that can be brought back online very, very quickly. But it's not just curtailments and maintenance, we've also seen a major amount of production that's been deferred."

These deferred wells are waiting for higher priced markets in November and December, and Little sees the potential for a "very significant ramp-up in production at the end of the year" due to the "even more extreme than normal" production deferrals.

After rising from about 100 Bcf/d in 2023 to around 105 Bcf/d today, Little said US gas production could grow to nearly 110 Bcf/d by the end of the year before climbing another 5.9 Bcf/d to 115 Bcf/d in 2025.

## Permian Basin 'most bearish variable'

Little said production in the Permian Basin continues to see about 2-3 Bcf/d of annual production growth and could double by the end of 2030 from about 17 Bcf/d today to anywhere from 34-40 Bcf/d, but noted that the increase is "completely inelastic to gas prices, so it's coming regardless of where gas prices are because it's all oil-focused development."

"What that means for our market is it lowers the ceiling for gas prices when you continue to have significant supply source of gas that is completely inelastic to prices, so you just don't need as much dry gas production growth to meet the call on LNG exports," Little said.

"The Permian really is just the absolute most bearish variable for the gas markets over the next six-plus years," Little said. "This is a big problem for our market, and this is a growing problem for our market because the amount of gas that's coming off these wells is increasing, even though it's just a byproduct because these producers are not going out for gas."

Little said an additional problem in the Permian Basin is the lack of takeaway capacity, and the market will need a new gas pipeline project every year to support this growth and bring gas from West Texas to the Gulf Coast.

"The Permian represents two problems: a lot of production growth that's effectively at a \$0 price and a lot of infrastructure that will need to be built to support that gas."

## Export approval pause

The actual impact from the Biden administration's pause on new non-Free Trade Agreement export approvals for LNG is relatively limited as long as the ban is lifted by the end of this year, Little said.

"The LNG export story is very supportive for the gas market and is a significant structural shift in gas markets, as exports are expected to rise to over 30 Bcf/d by the end of 2030, compared with 13 Bcf today," Little said. "Regardless of any LNG export pause, this growth is coming," Little added.

"Given that the LNG export growth story continues to get delayed until the end of the year, we're fairly bearish for 2025 in what could represent a third consecutive year of pretty depressed gas prices.