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Energy

Price and Economic Impacts of an Accelerating Export Industry

US LNG Impact Study – Phase 4

Report by S&P Global Energy

July 16th, 2026

S&P Global Energy Study Acknowledgements

This report represents the independent analysis and views of S&P Global Energy. The study was supported by the US Chamber of Commerce, as a follow-up study to our December 2024 report ***"Major New US Industry at a Crossroads: A US LNG Impact Study"***. S&P Global Energy is exclusively responsible for all the analyses, content and conclusions of the study. The study makes no policy recommendations.

This study offers an independent and objective assessment of the economic, market and global impact of the US LNG Industry built from a detailed bottoms-up approach, at the asset and market level, technology by technology. It represents the collaboration of S&P Global CERA Consulting and S&P Global Market Intelligence, supported by the world's largest expert team of over 1,400 energy and economic research analysts and consultants continuously monitoring, modelling and evaluating markets and assets. Explanation of the detailed study methodology is included in the Appendix. The analysis and metrics developed during the course of this study represent the independent analysis and views of S&P Global Energy.

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LNG is poised to be the 2nd largest US net export industry – accelerated growth has a negligible impact to US household gas costs, among the most affordable globally

US LNG exports are expected to make a trillion-dollar contribution to the economy with a negligible impact on household costs, but this economic gain is at risk if progress is derailed

- The US LNG industry, almost triple US movie and TV exports in 2025, is rising to 30% of the global market
- $1.4 Trillion contribution to GDP, 555,000 average annual jobs and $200 Billion in tax revenue to 2040 is at risk
- The estimated impact of new LNG investment is a negligible 1.6% rise to affordable US household gas costs

US shale unlocked cheap supply, but regional policies and pipeline bottlenecks create price differentials, particularly in Northeastern markets

- The shale revolution unlocking supply has enabled the gas industry to grow 70% while also reducing prices
- Access to a highly interconnected pipeline network and continued buildout is critical to improve affordability
- Pipeline debottlenecking could materially ease peak winter prices by over 20% in Northeast markets by 2031

US gas is critical to meet global energy needs – the major beneficiaries of constraints on US LNG would be Russian gas and LNG and suppliers of other fossil fuels, including coal

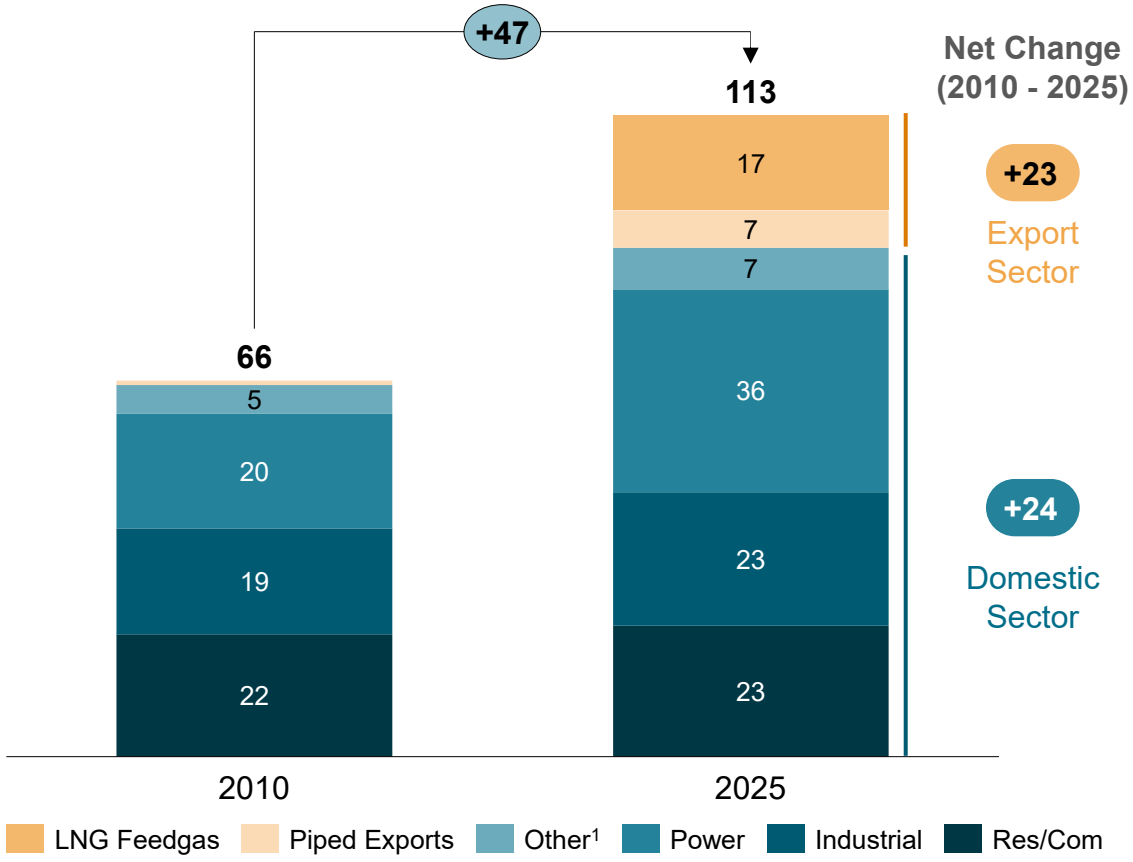
- The US domestic gas market is resilient to global shocks; at the onset of the Iran war, US gas prices *dropped*
- Without US LNG, it would be challenging for the EU to implement its ban on Russian gas & LNG imports
- Up to $76 Billion could be transferred in 2031 to non-US suppliers of LNG and other fossil fuels, including coal

Contents

The US gas market has experienced 15 years of unprecedented growth, enabling energy independence, an industrial revival, cleaner power and a new US LNG export sector

US Gas Demand by Sector

bcf/d



1. Other demand includes pipeline (consumption on pipeline operation), lease, plant and vehicle fuel.
Source: S&P Global Energy

Enabled US energy independence – The US became a net natural gas exporter for the first time in 60 years, with US LNG creating $515 Billion contribution to GDP to date

Facilitated 'fast' decarbonization – Gas displaced enough coal capacity over the past 2 decades to reduce power sector emissions by ~40%

US industrial resurgence – Over 30% increase in industrial gas demand since 2005, with facilities concentrated near low-cost supply and creating jobs

Key support for US allies and trading partners – US LNG exports replaced half of Europe's Russian pre-war gas imports, while piped exports to Mexico meet >70% of its domestic needs

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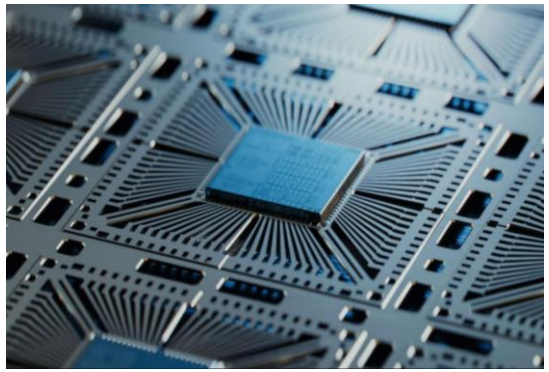
Over the past decade, the US LNG industry has solidified itself as a key net exporter, generating over $44 Billion in export revenue in 2025

Crops

Double and triple the value of US corn and soybean exports ($19 & $16 Billion)

Movies & TV

Triple the exports value of US movie and TV related revenues ($16 Billion)



Semiconductors

Approximately 70% of total US semiconductor exports ($70 Billion)

Passenger Vehicles

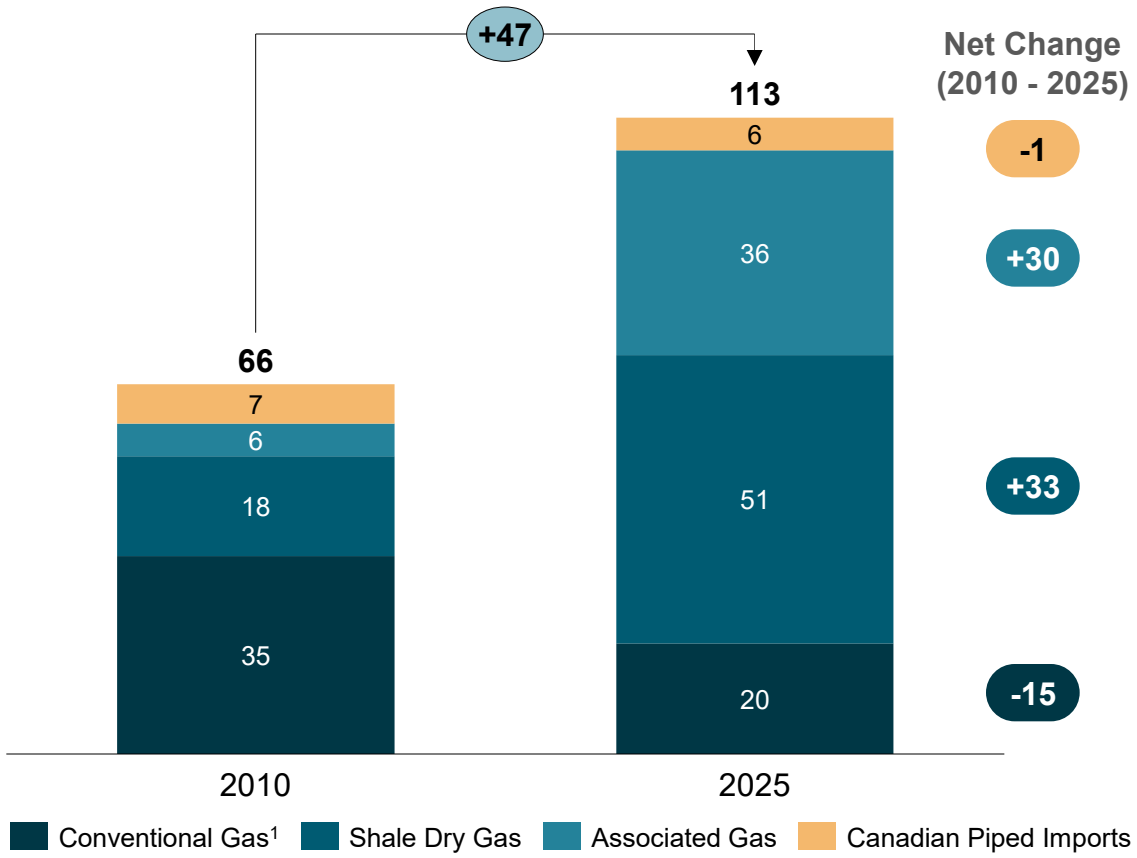
80% of the total passenger vehicles value exported by the US in 2025 ($54 Billion)

Source: S&P Global Energy

This growth has been driven by two highly competitive supply engines: associated gas from the Permian and low-cost dry gas from Appalachia and the Haynesville

US Gas Supply by Type

bcf/d



1. Conventional gas includes legacy non-shale production, supplemental fuels (e.g., Renewable Natural Gas), and LNG send-out.
Source: S&P Global Energy

The Shale Revolution – New basins, such as Appalachia and the Haynesville, have reshaped the market through dedicated dry shale gas drilling, acting as the primary engines for US supply growth

Low-Cost Associated Gas – Additional growth is dominated by the Permian and other oil-prone basins (gas as a byproduct of oil drilling), effectively acting as a low or even zero-cost gas supply source

Supply Resilience – The combination of abundant low-cost resources, short-cycle shale development plus extensive transport infrastructure supports market balancing and price responsiveness

Decline of Traditional Fields – Structural depletion in aging mature basins and slowing offshore production drove steep declines as industry pivoted away from high-cost conventional assets

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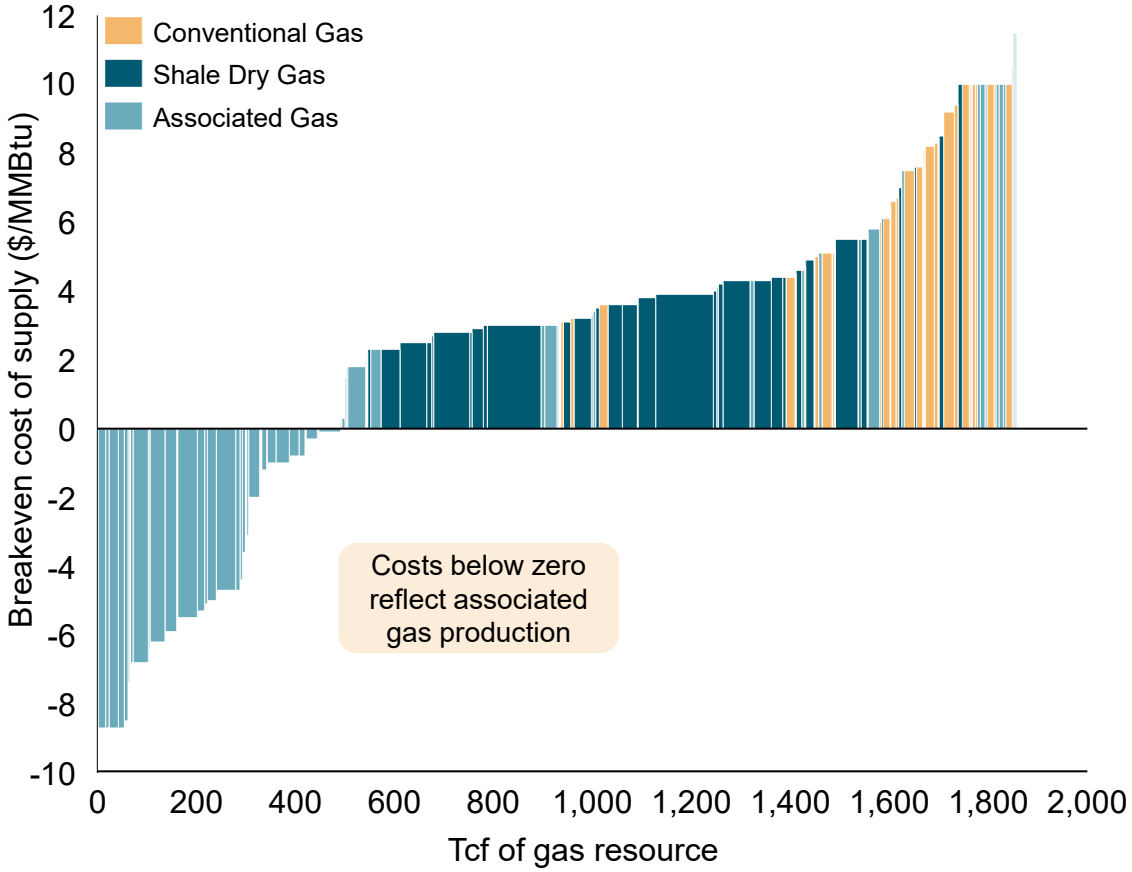
Together, these basins comprise one of the world's largest and most economic gas resource bases, with 45 years of identified commercial gas resources at current demand levels

Lower 48 US Onshore Commercial Gas Resources by Type[1]

$/MMBtu, Tcf of gas resource



The current US gas resource base is enough to …

Serve all **US domestic demand plus exports** (at current levels) for more than 40 years

Generate enough electricity to **meet Europe's power demand** for half a century

Produce **enough fertilizer to meet global demand** (at current levels) for over 200 years

Satisfy **global heating requirements across the entire globe** for over a decade

1 PDP (proved developing and producing); $2/MMBtu breakeven for PDP is assumed, not modeled; Breakeven cost of oil supply includes a 10% rate of return.
Source: S&P Global Energy

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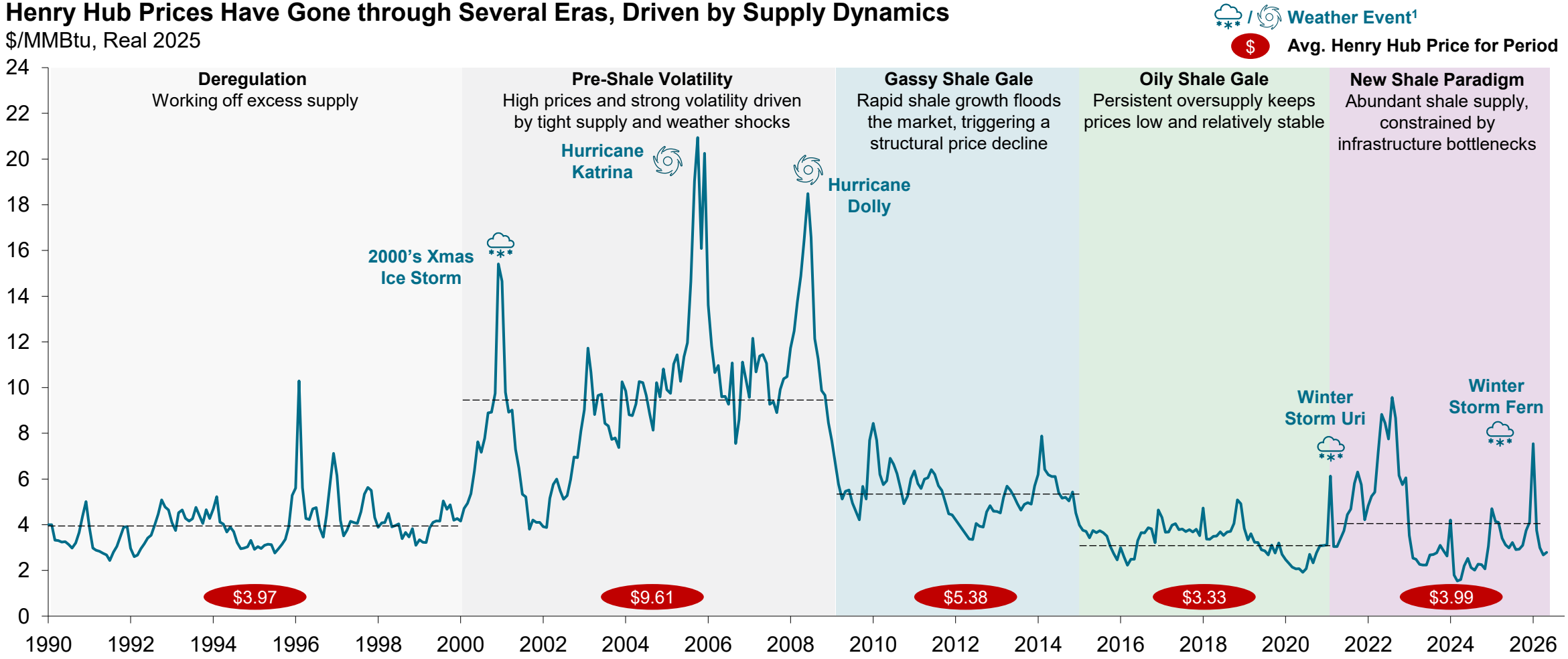
This resource base has driven a shift away from structural scarcity to the new paradigm marked by lower prices, with volatility resulting mainly from infrastructure constraints

Henry Hub Prices Have Gone through Several Eras, Driven by Supply Dynamics

$/MMBtu, Real 2025

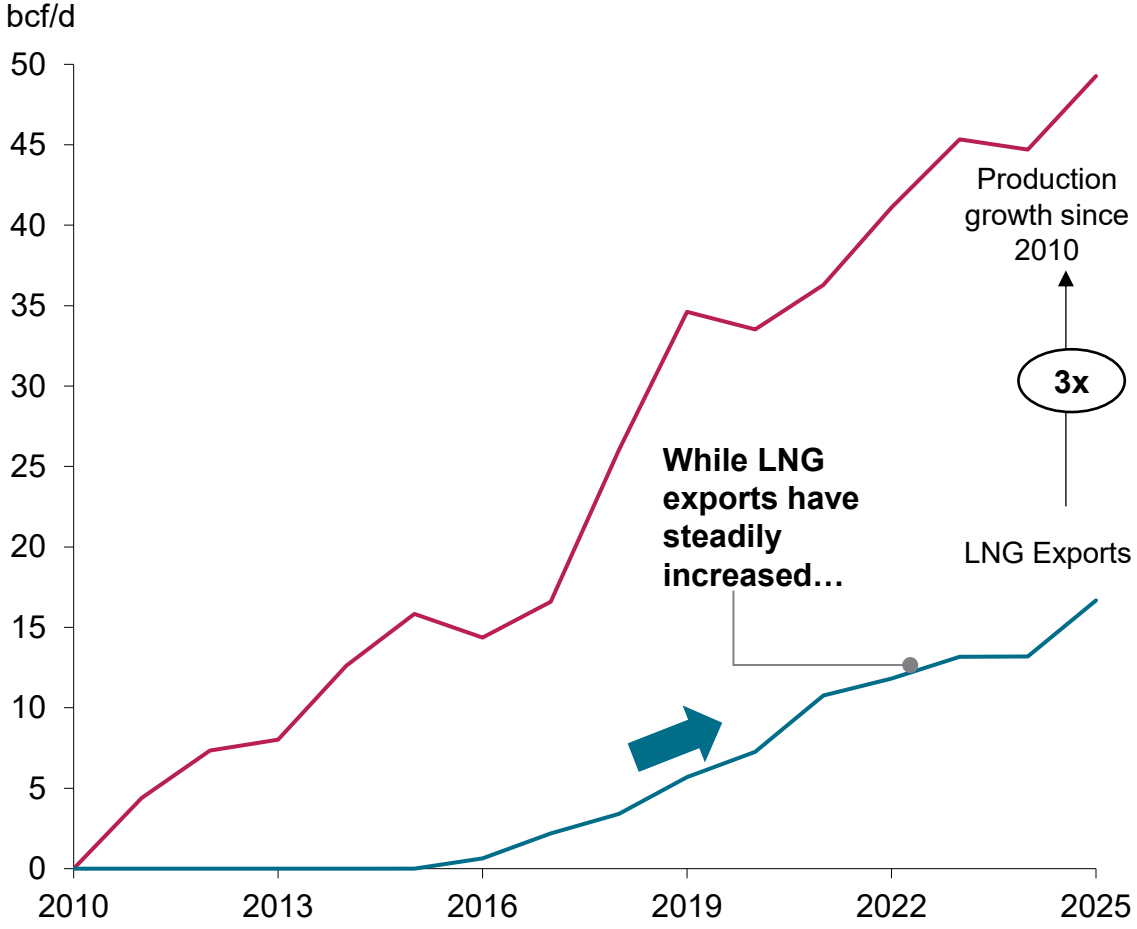


1. Weather events were selected based on their severity as systemic supply shocks (freeze-offs, hurricanes) rather than regional pipeline bottlenecks.

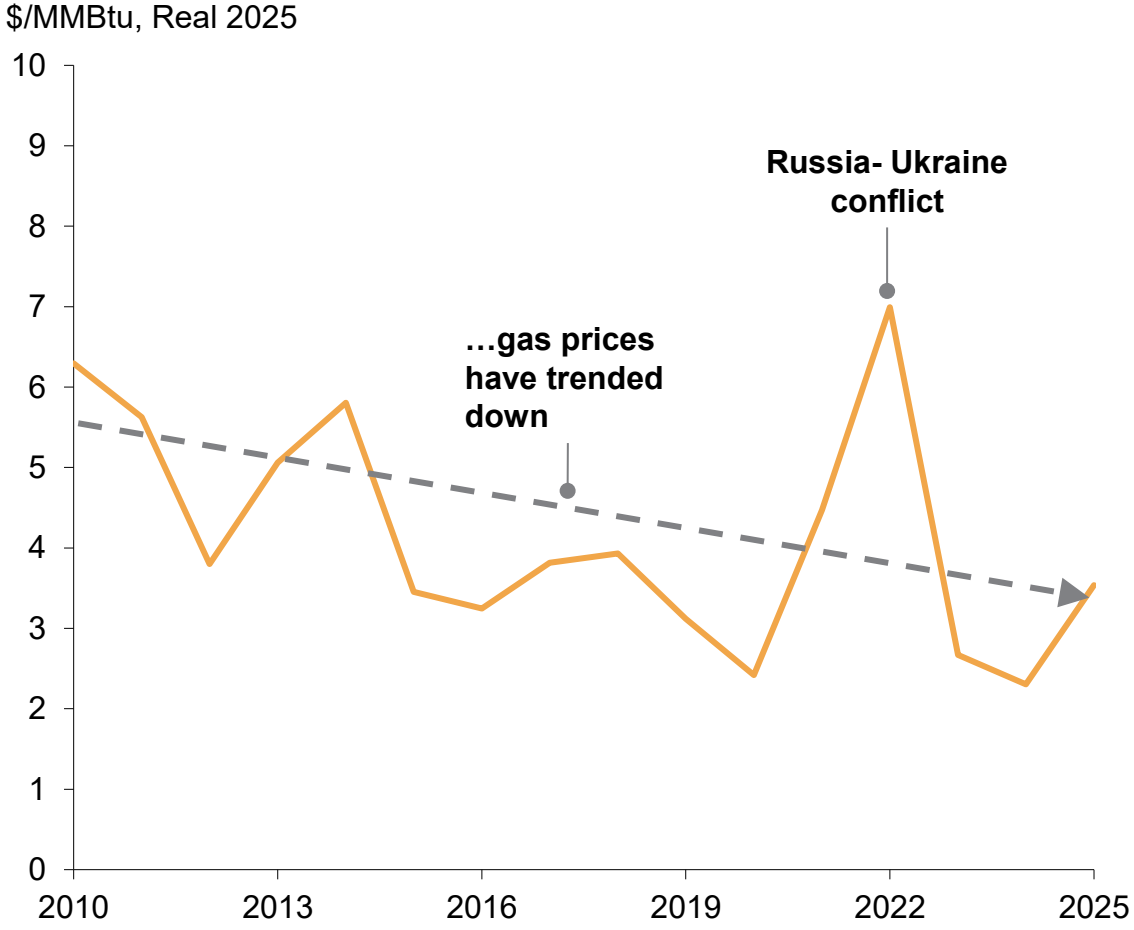
Source: S&P Global Energy

The surge in total US gas production, triple the size of US LNG growth to date, has enabled both exports and declining US natural gas prices

US Lower 48 Gas Production Growth vs LNG Export Feedgas



Henry Hub Gas Prices Trended Down in the Last 15 Years

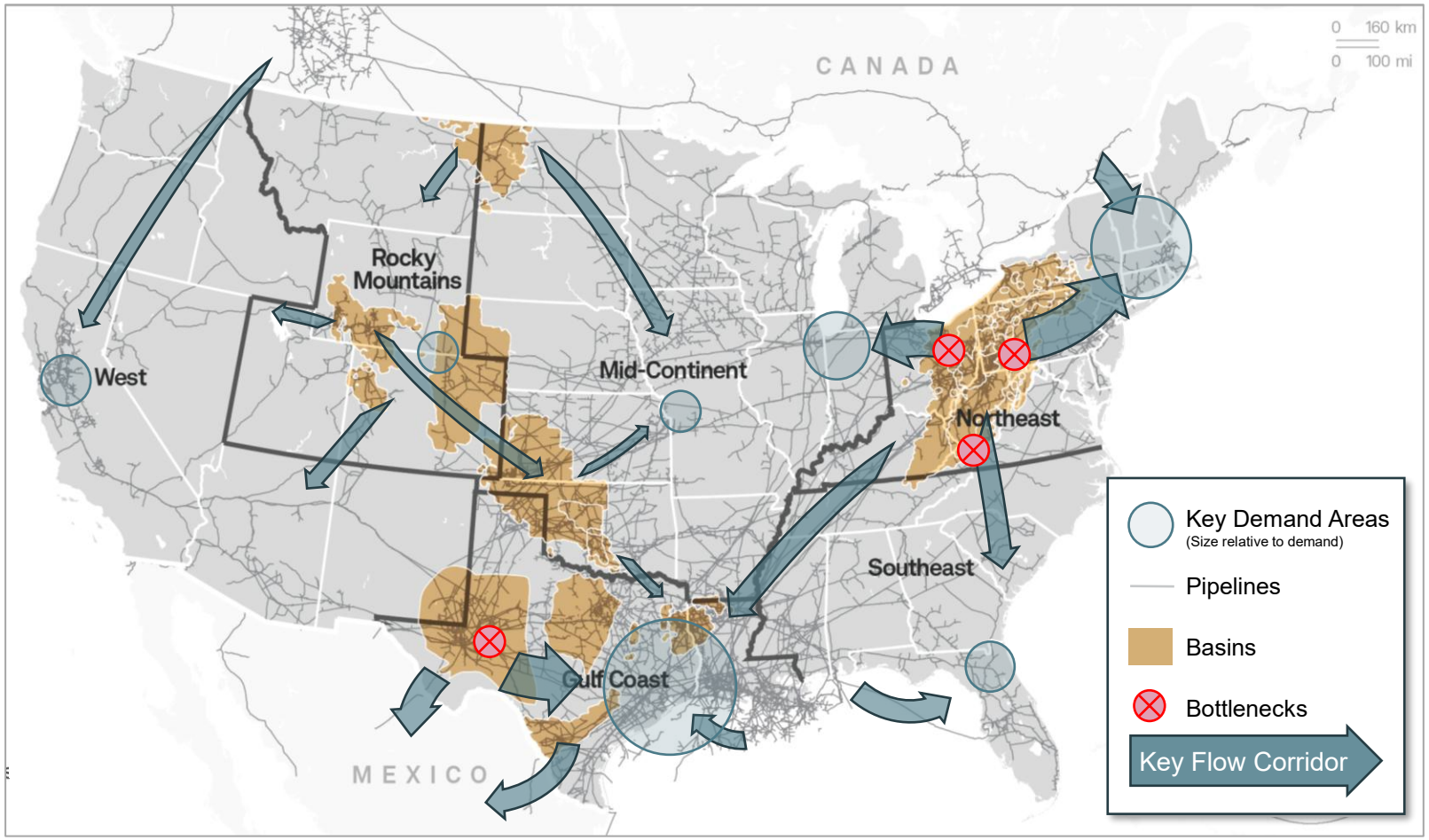


Source: S&P Global Energy

The scale and depth of the US resource base is supported by the world's largest and most interconnected gas infrastructure network… but regional bottlenecks exist

The US has >300,000 miles of natural gas transmission pipelines, more than **double the entire EU integrated system**

The annual volume of natural gas transported in the US pipeline grid **exceeds the combined consumption of 130 countries**



>$280 billion dollars has been spent expanding and improving the US gas pipeline network over the past 15 years

There are **>150 gas pipeline companies in the US**, twice as many as in the EU and Latin America combined

Source: ACER, EIA, UN, S&P Global Energy

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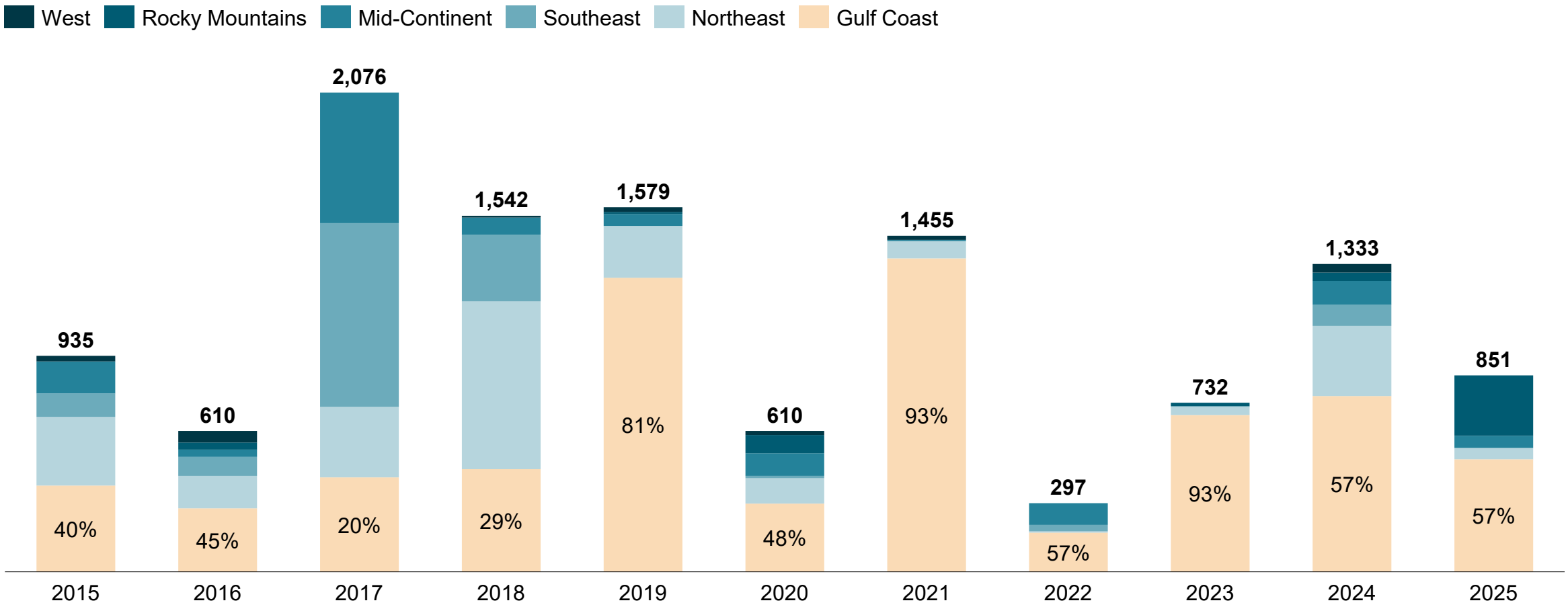
Nearly 1,100 miles of gas pipeline have been added annually since 2015, with more than half built in the Gulf Coast States as Permian volumes and LNG exports have ramped up

The US Gulf Coast Has Been a Focal Point for Natural Gas Pipeline Additions

Total Miles



Source: S&P Global Energy

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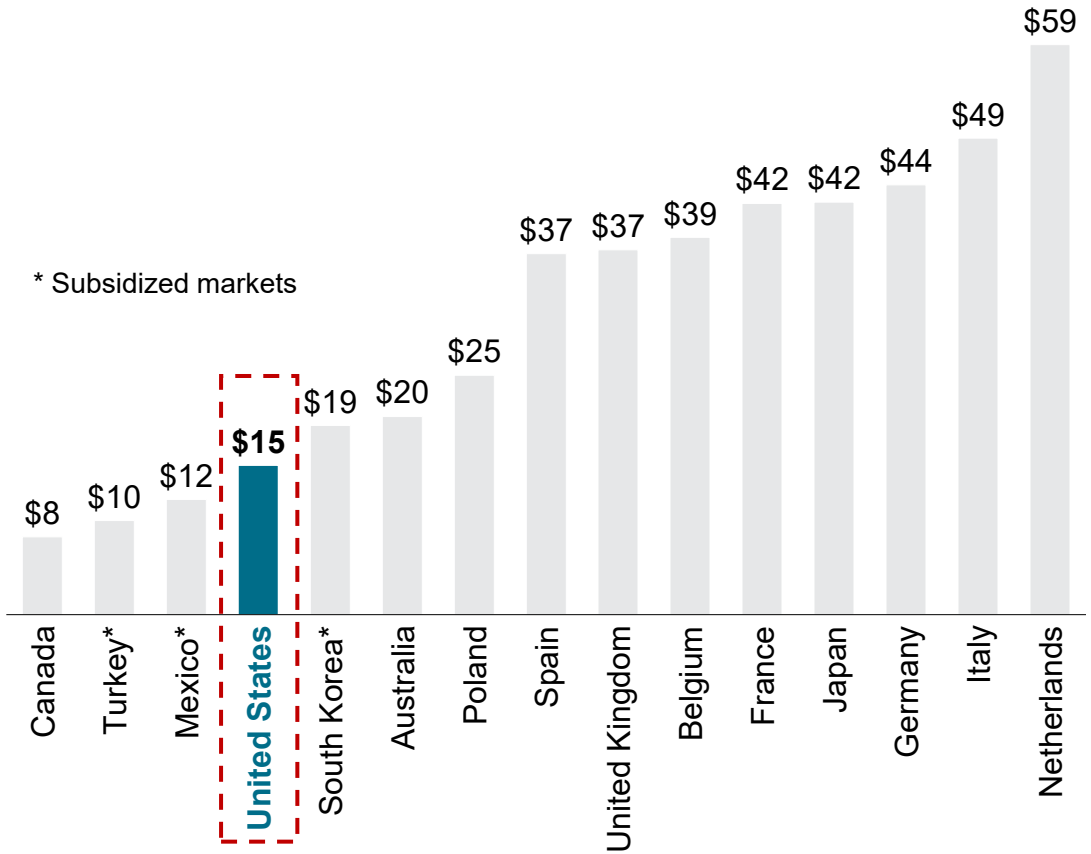
The combination of abundant, low-cost resource and the largest gas network in the world results in some of the most affordable end-user natural gas prices globally

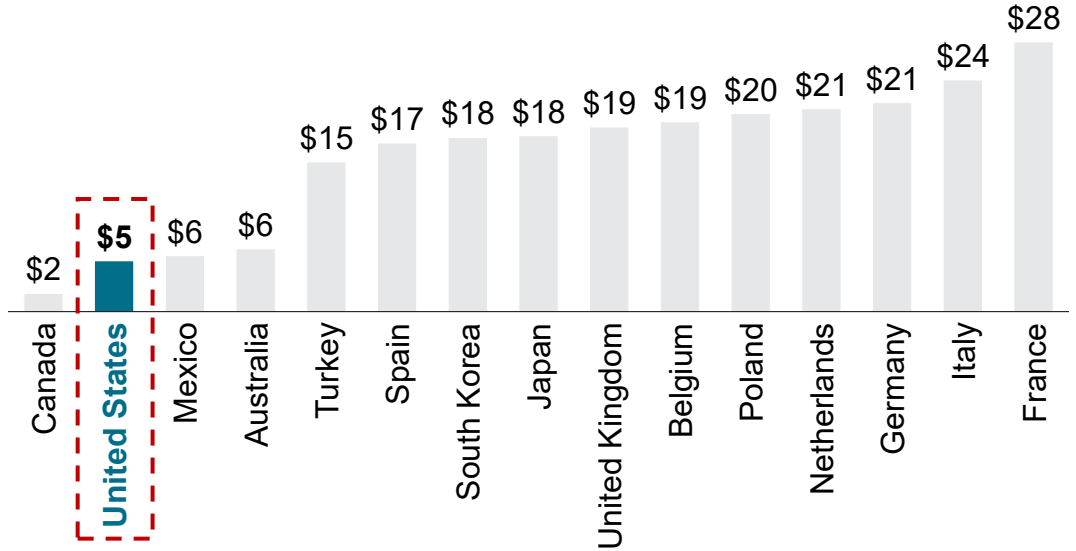
US Has Low Residential Natural Gas Prices[1]

$/MMBtu, Real 2025 (2025 Average)



US Ranks Among Lowest Industrial Natural Gas Prices

$/MMBtu, Real 2025 (2025 Average)



*These markets maintain structural retail gas pricing frameworks, including regulated tariffs and administered pricing mechanisms, that limit full market pass-through to residential consumers.
1. Top 15 OECD Countries by population with publicly available data
Source: EIA, S&P Global Energy

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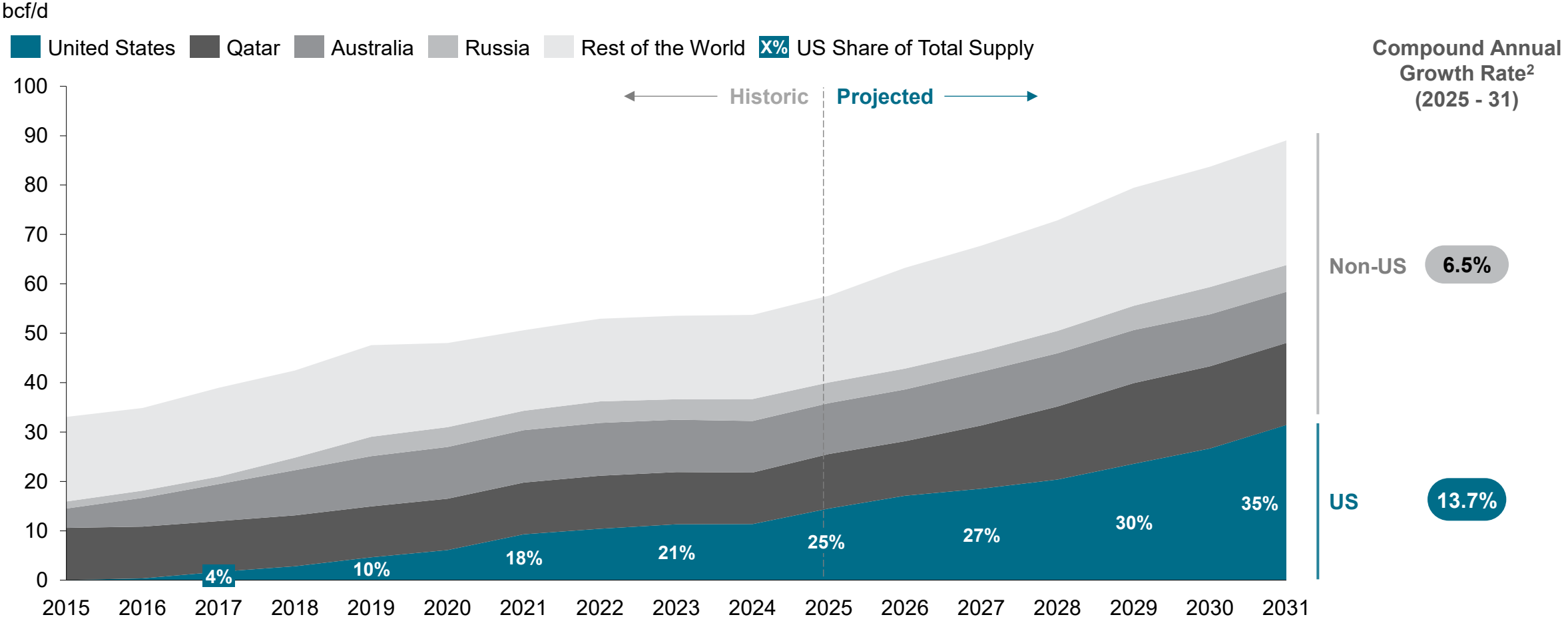
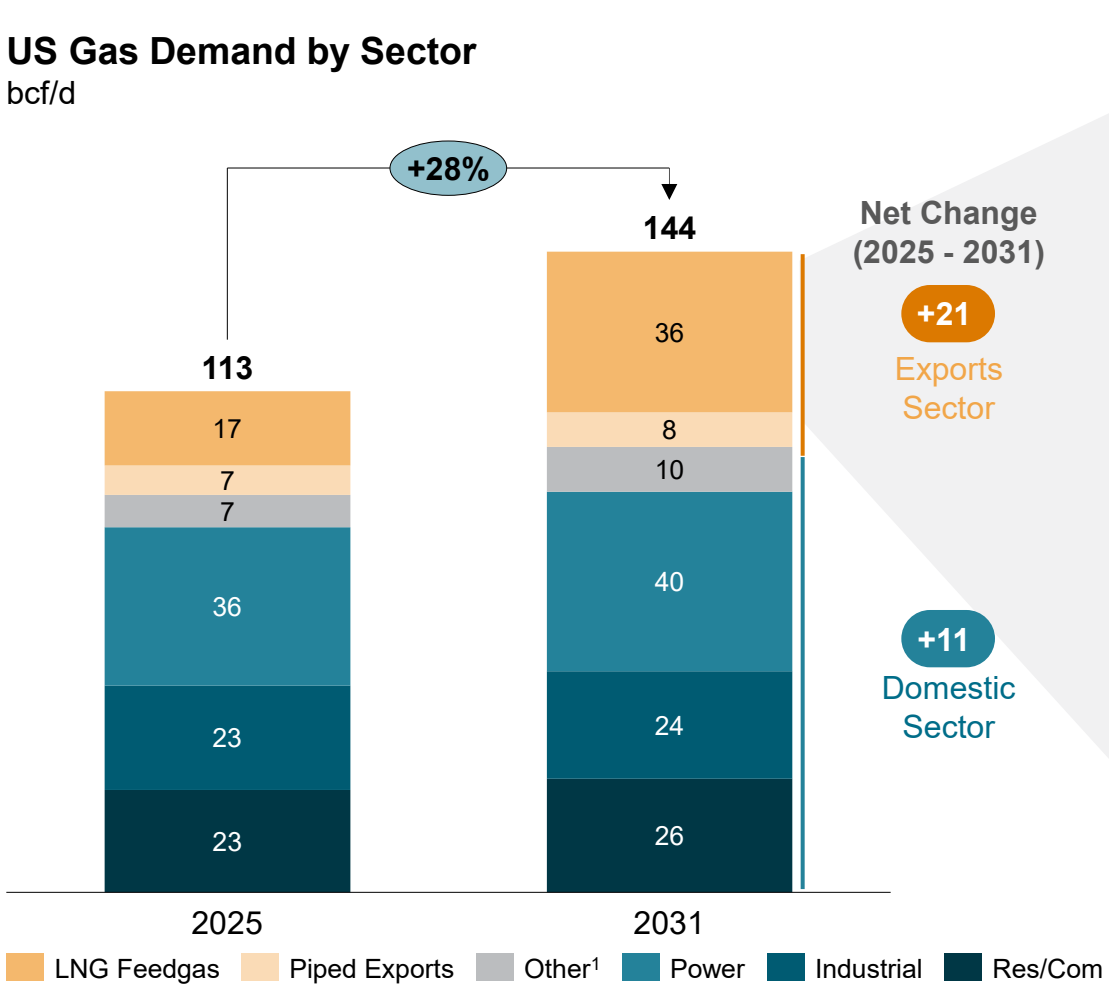
The US has become the world's leading LNG supplier and is expected to expand its market share in the coming 5 years, surpassing a third of global LNG supply by 2031

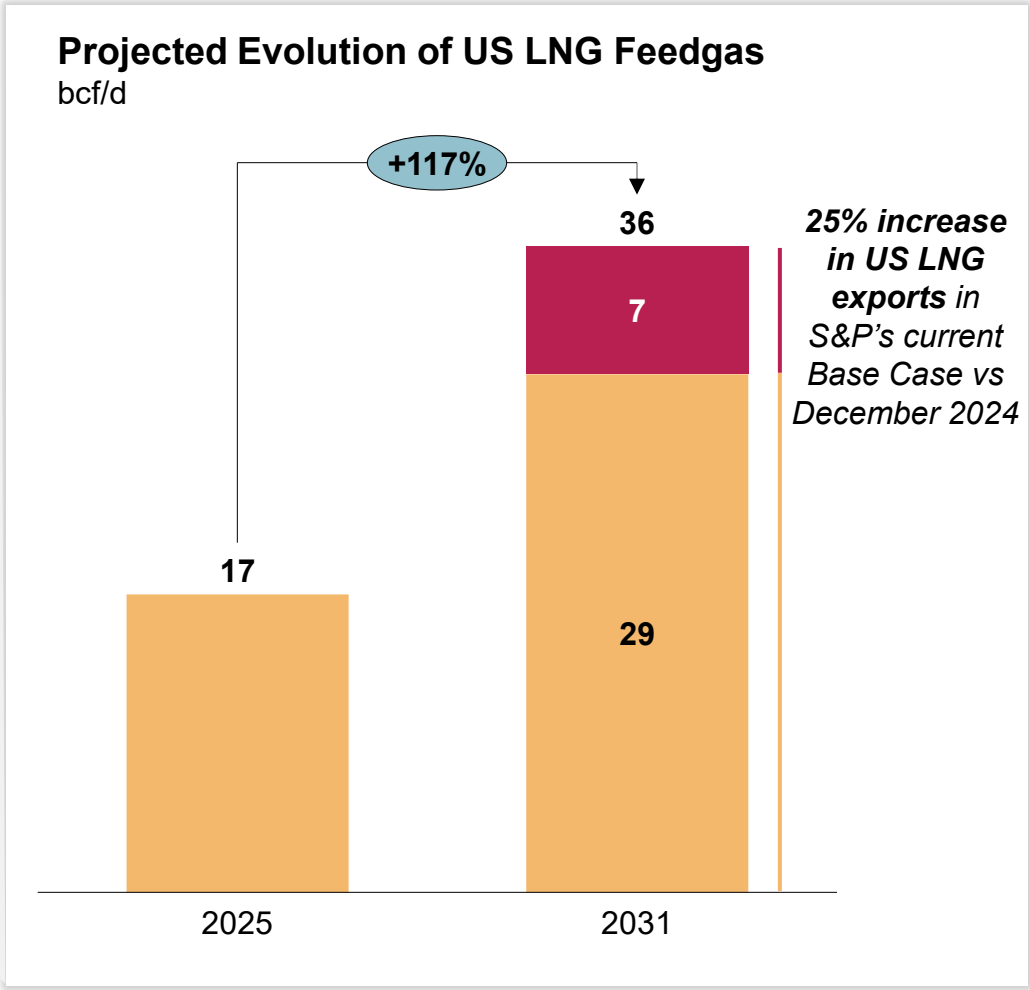
LNG Supply by Major Exporting Country[1]



1. LNG delivered supply assumes losses and does not necessarily match feedgas requirements noted in the US gas demand figures. 2. Compound Annual Growth Rate shows the average annual increase over the period, including the effect of compounding.
Source: S&P Global Energy

LNG exports are accelerating and driving natural gas demand growth over the next five years – our Base Case US LNG export view has increased 25% in only 18 months





1. Other demand includes pipeline (consumption on pipeline operation), lease, plant and vehicle fuel.
Source: S&P Global Energy

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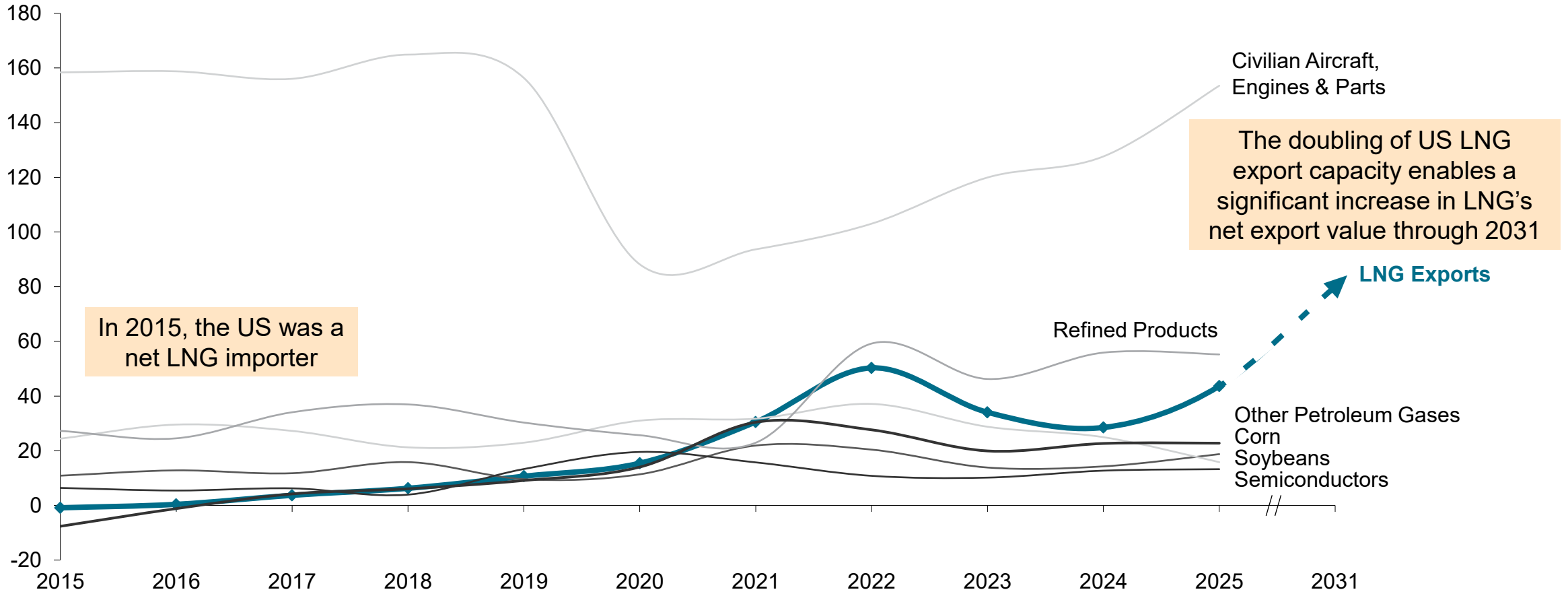
US LNG exports, $44 Billion in 2025, are poised to become the second largest net export industry in the US, with LNG export capacity more than doubling in the next 5 years

US Top Net Exports by Major Product

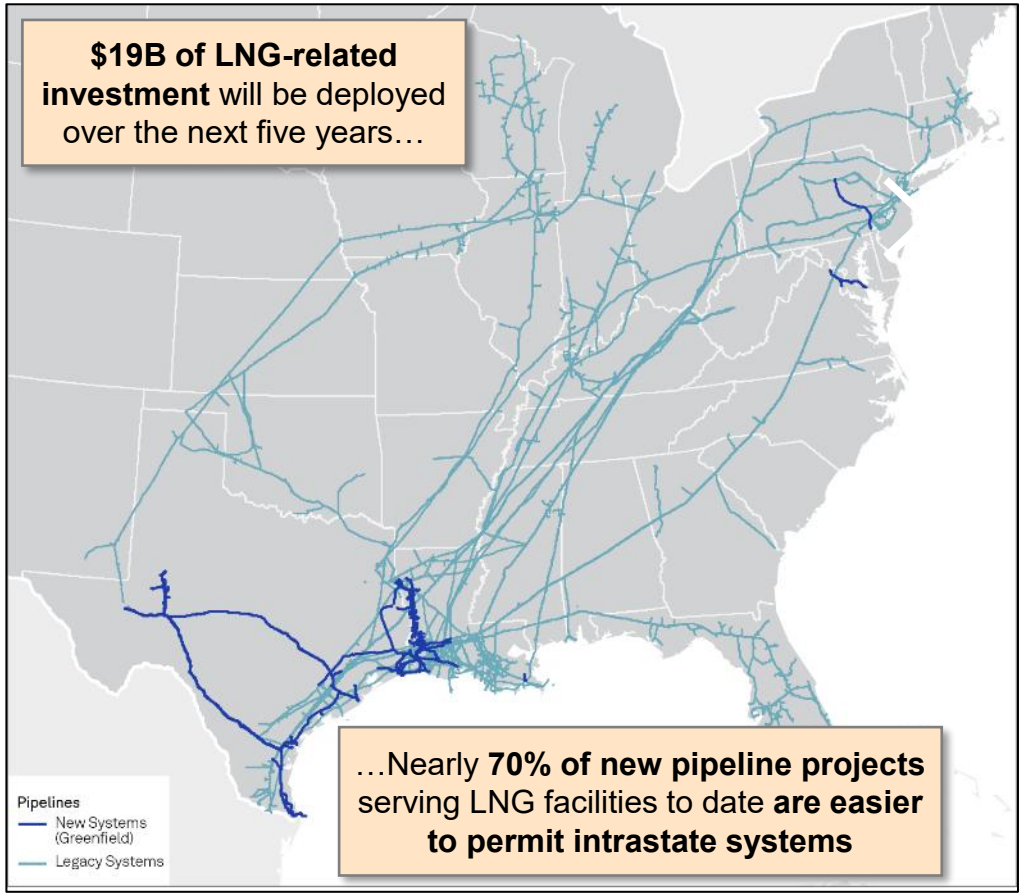
$ Billions, Real 2025



Source: US ITC, S&P Global Energy

This sector's growth will require tens of billions of infrastructure investment in a challenging environment for building pipelines, particularly across state borders

US LNG-Related Pipeline Additions (2016 – 2031)[1]



Equivalent to:

5,700 miles
Total Length

- Three times the length of the Mississippi River
- A round-trip drive between Boston and San Francisco
- More than the full length of the main sections of the Great Wall of China

$43 billion
Total CAPEX[2]

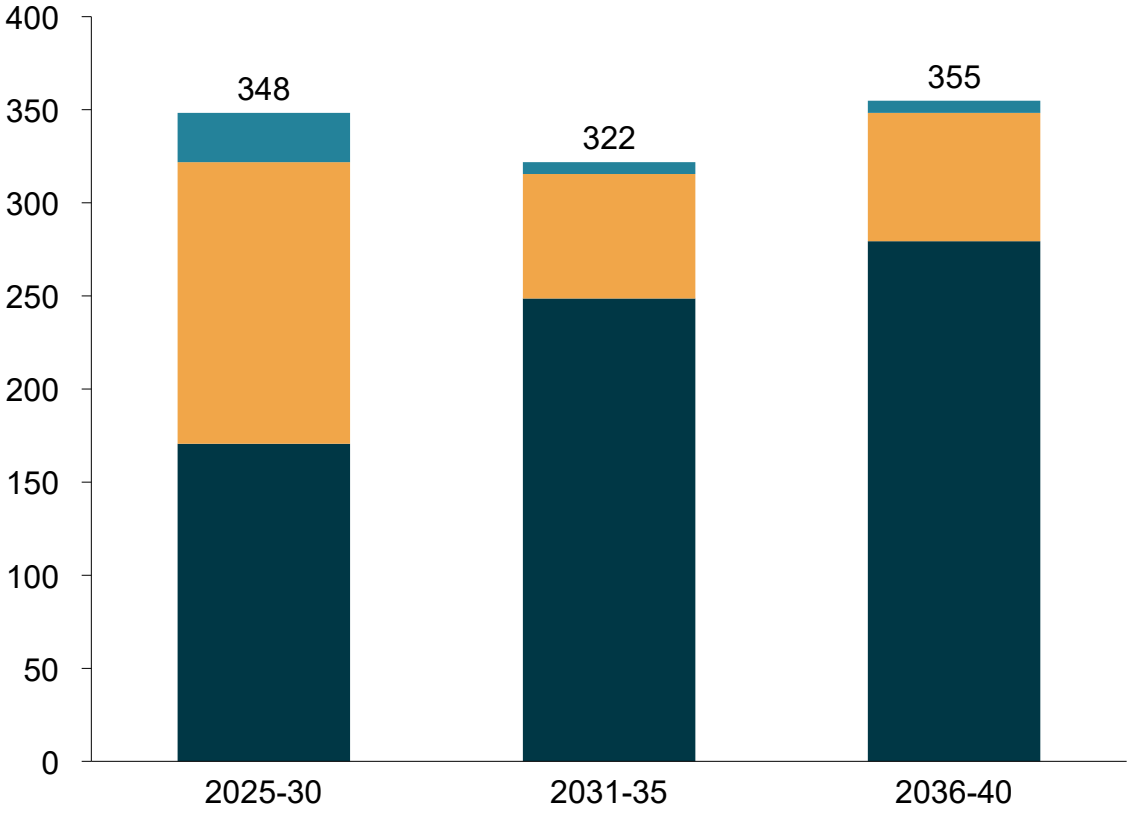
- The projected 2026 GDP of Iceland
- The entire market cap of Heineken, a Fortune Global 500 company
- The construction of 14 NFL domed stadiums

1. Legacy systems include enhancements in existing pipelines to serve LNG facilities while New Systems were primarily designed to serve them. 2 – Includes all US LNG related pipeline additions from 2016-31.
Source: S&P Global Energy

Investment supporting the US LNG value chain is expected to exceed $1 Trillion dollars through 2040

Total US LNG Value Chain Direct Expenditure

$ Billions, Real 2025

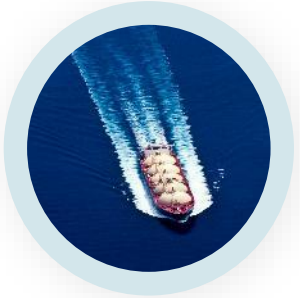


1. Upstream includes Drilling, Completion, Facilities and Gathering & Processing cost
Source: S&P Global Energy

Pipeline & Storage

$39 B direct expenditure as:

- **$20 B** Capex on 35 new build and pipeline expansions & **$2 B** on 29 new build and storage facility expansions
- **$16 B** Opex for 88 active and planned pipeline projects & **$1 B** for 45 active and planned storage facilities



LNG Export Facilities

$287 B direct expenditure as:

- **$117 B** Capex on 12 under construction and planned facilities
- **$170 B** Opex for operations of 16 active and future facilities

Upstream

$700 B direct expenditure across 10 plays:

- **$365 B** Capex for drilling, completion and wellsite facilities
- **$335 B** Opex for lease operating expenses, wellsite gathering and separation

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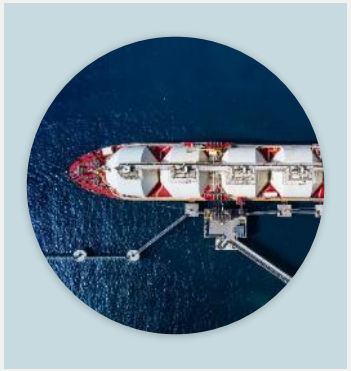
From 2025 to 2040 the US LNG industry is expected to contribute $1.4 Trillion to GDP and support an annual average of 555,000 jobs[1]

$1.4 T
Impact on US GDP

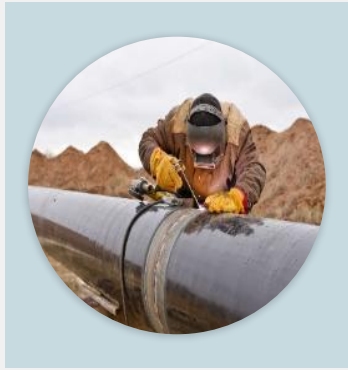


$1.0 T
Total direct expenditures[2] across the LNG value chain

555,000
Average annual direct, indirect and induced US jobs supported

$2.9 T
Total revenues for US businesses

$206 B
Total federal and state tax revenues



$630 B
Total labor income

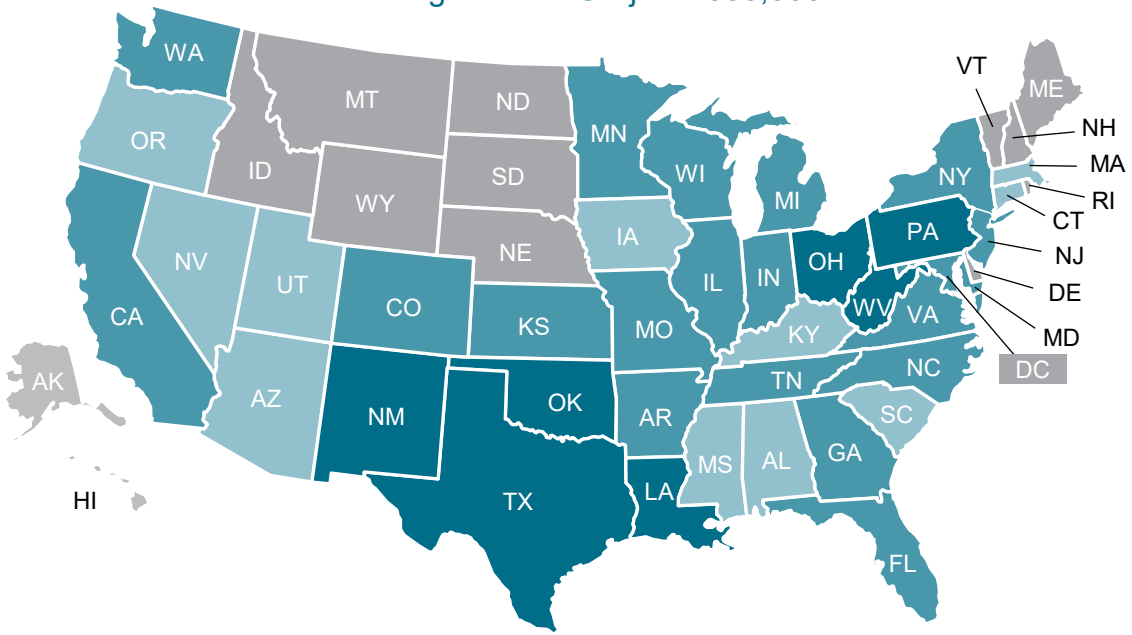
1. The sector's socio-economic impact stretches beyond core gas producing regions, as LNG's full associated value-chain extends across multiple states. 2. Considers Capital and Operational Expenditures. Note – Monetary figures are in Real 2026 dollars.
Source: S&P Global Energy

Economic impacts extend across the nation, with 42% of jobs and 33% of GDP contributions occurring in non gas-producing areas

State-Level Distribution of Jobs

Average Annual Jobs, 2025 - 2040

Average annual US jobs: 555,000



Producing states (7) Avg: 46,400

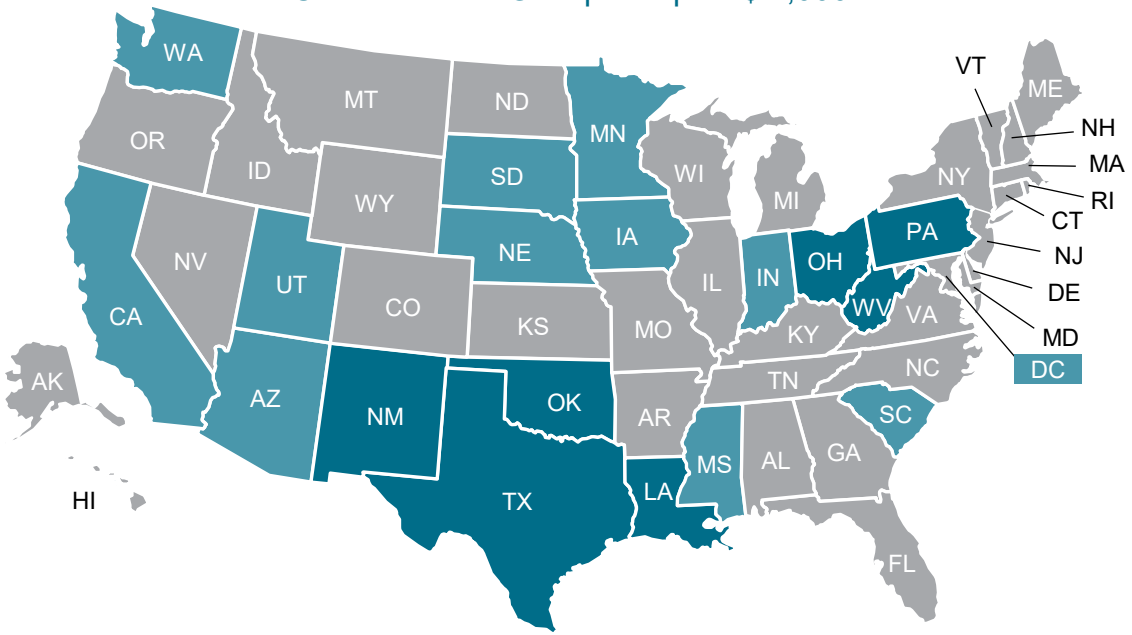
Non-producing states (43 + DC): Avg 5,300

<2,000 | 2,0000 – 5,000 | >5,000

State-Level Distribution of GDP per Capita

Cumulative dollars of GDP per capita, 2025 - 2040

US cumulative GDP per capita: $ 4,000



Producing states (7) Avg: $13,000

Non-producing states (43 + DC): Avg 1,700

<$1,700 | >$1,700

Core gas producing states: Louisiana, New Mexico, Oklahoma, Ohio, Pennsylvania, West Virginia and Texas. Other key economic metrics such show similar distributions to non-producing states: 31% of sales activity and 30% of contribution to GDP accrue to non-producing states.
Source: S&P Global Energy

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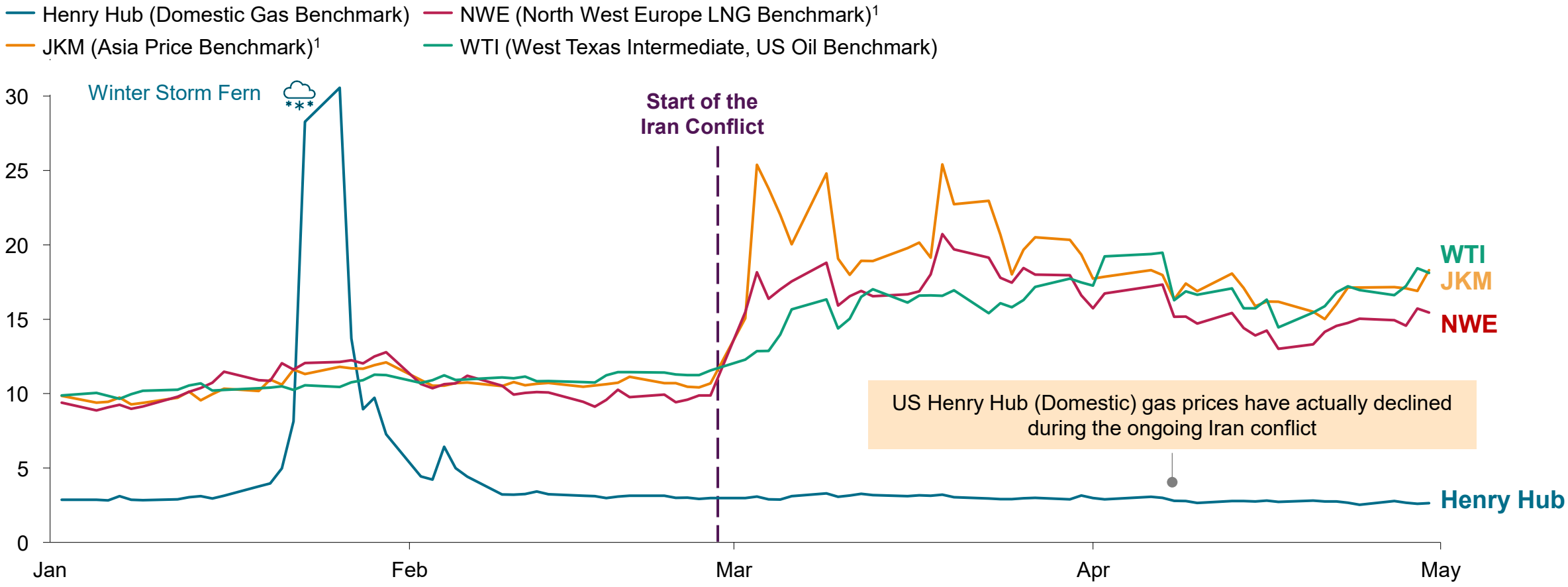
The US domestic gas market is resilient to external shocks compared to global gas and other commodities, as US gas prices declined during the Iran conflict

US Natural Gas Prices Remain Resilient to Global Shocks

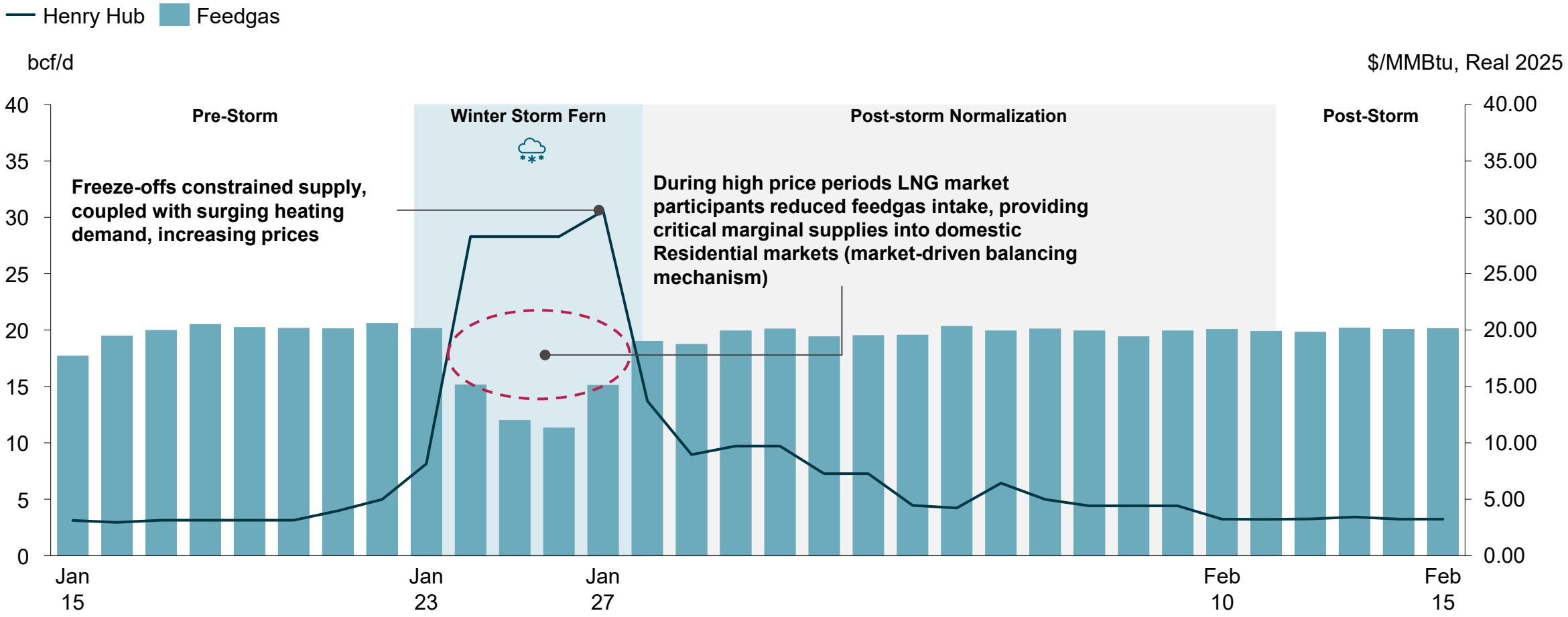
$/MMBtu, Nominal 2026



1. Price of spot LNG cargoes delivered into Northwest Europe and Japan/Korea (accordingly), including shipping and delivery costs.
Source: S&P Global Energy

Flexible US LNG has turned export capacity into a domestic gas price shock absorber, redirecting up to 9 bcf/d of feedgas to the US market during Winter Storm Fern

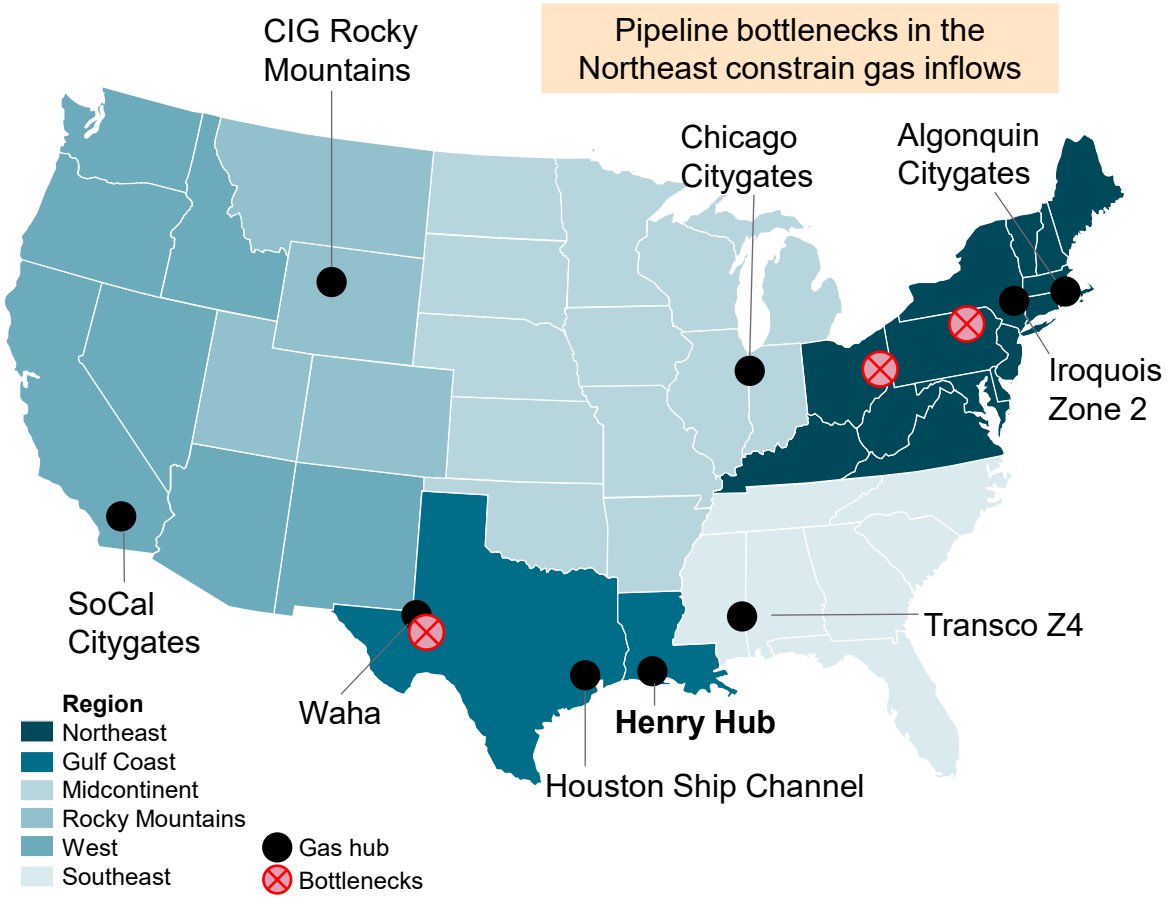
US LNG Feedgas Demand and Henry Hub Spot Price (January 2026 – February 2026)



Source: S&P Global Energy

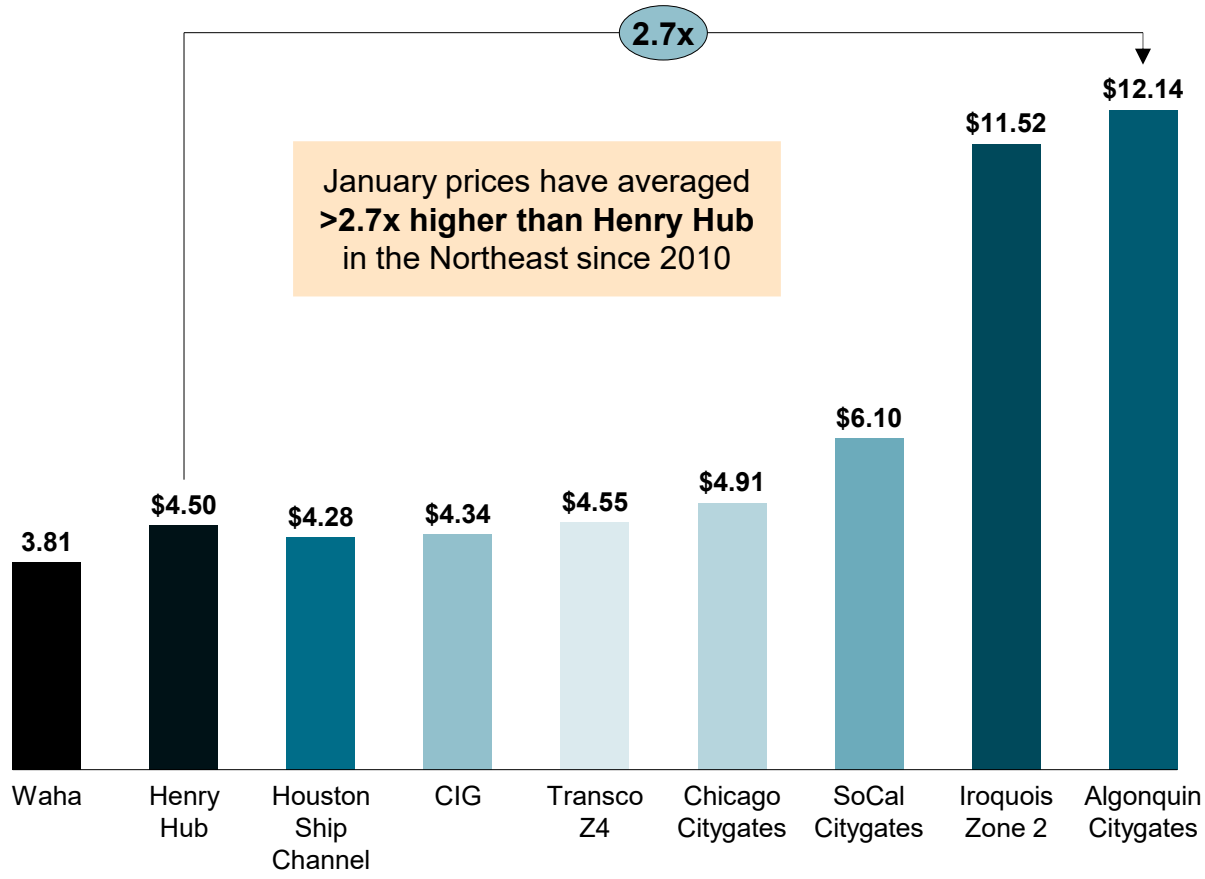
Each region in the US gas market has its own dynamics and price drivers – regional policies, weather and pipeline bottlenecks in key corridors create price differentials

There Are Numerous Gas Pricing Hubs in the US[1]



Natural Gas Prices at Select Hubs (January Average 2010-2025)

$/MMBtu, Real 2025



1. The selection criteria for the hubs highlighted in the map is based on the traded volumes from each region and primary market center.
Source: S&P Global Energy

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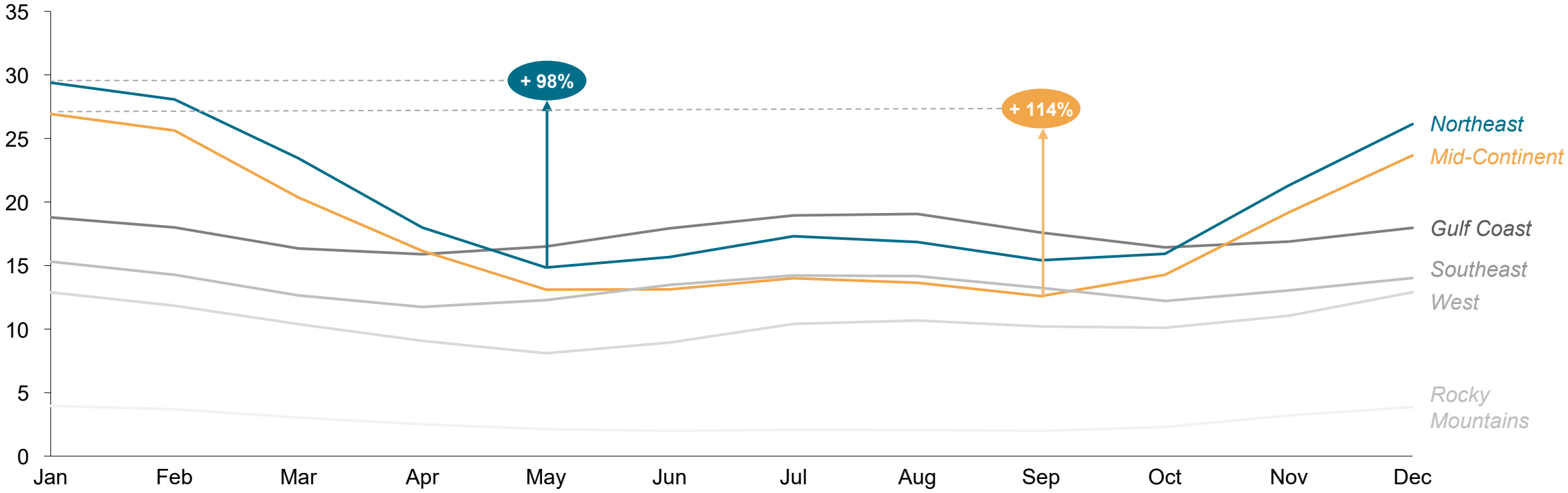
Regions like the Northeast and Mid-Continent have highly seasonal demand profiles driven by winter heating and growing winter power loads, not LNG exports

Natural Gas Demand Can Vary Drastically Across Winter and Summer Months

bcf/d, 2015 – 2025 average



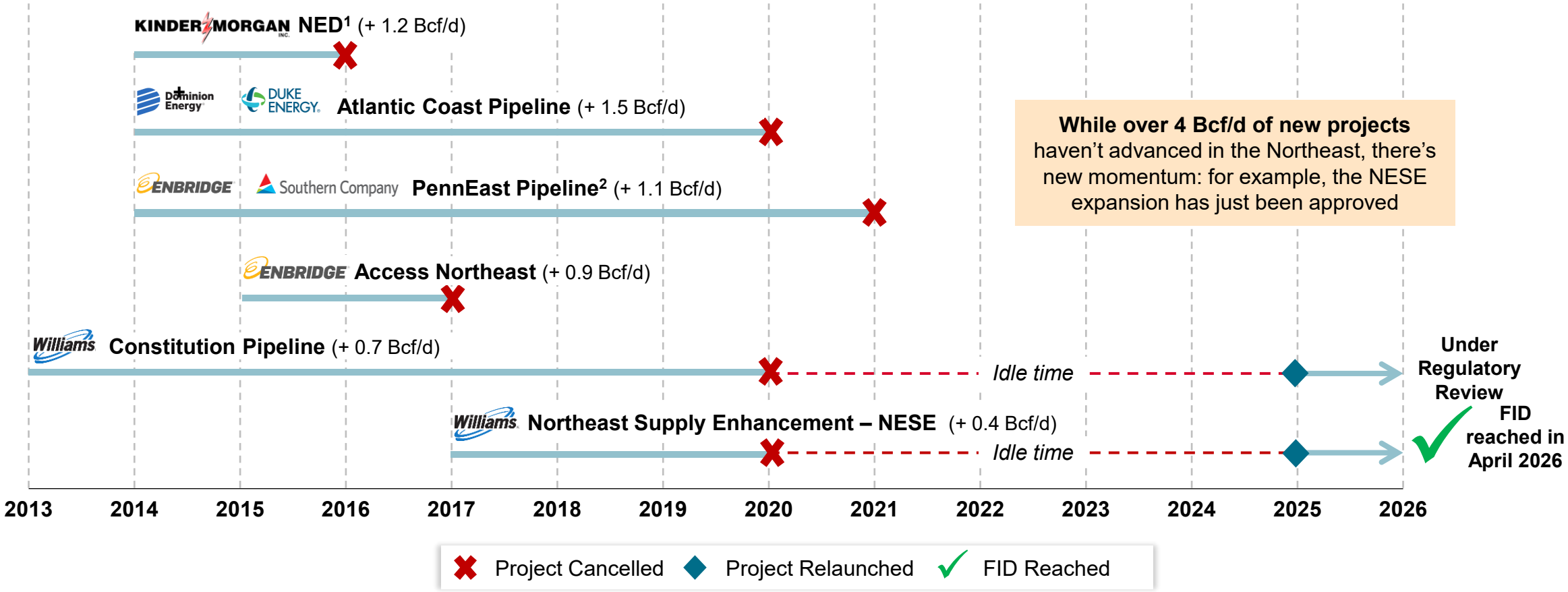
Seasonality in the Northeast and Mid-Continent stand out as their **January demand peaks are double the lowest demand months, on average,** highlighting how significantly demand requirements can shift over the course of a year

Source: S&P Global Energy

Northeast constraints have been exacerbated as pipeline projects haven't advanced for as much as 10 years due to regulatory opposition, but the environment may be shifting

Northeast Gas Pipelines Projects Timeline (2015 – 2026)

NOT EXHAUSTIVE

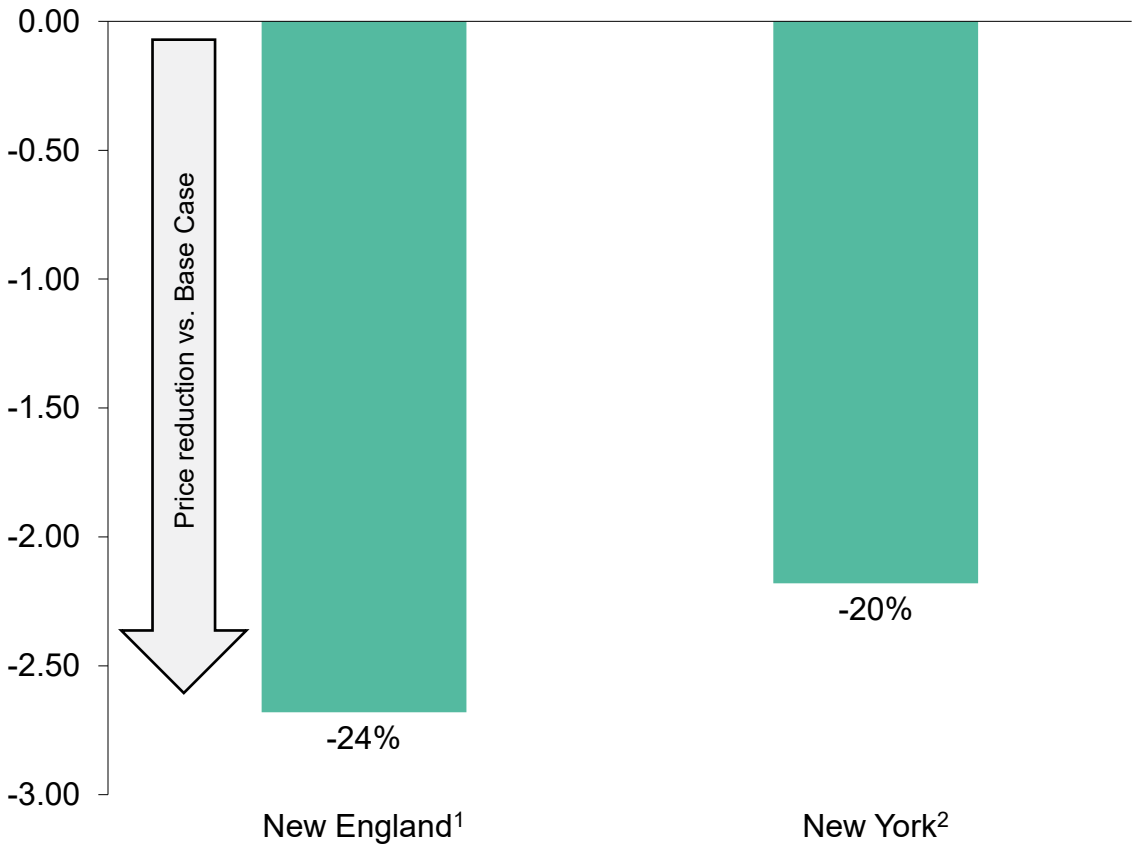


While over 4 Bcf/d of new projects haven't advanced in the Northeast, there's new momentum: for example, the NESE expansion has just been approved

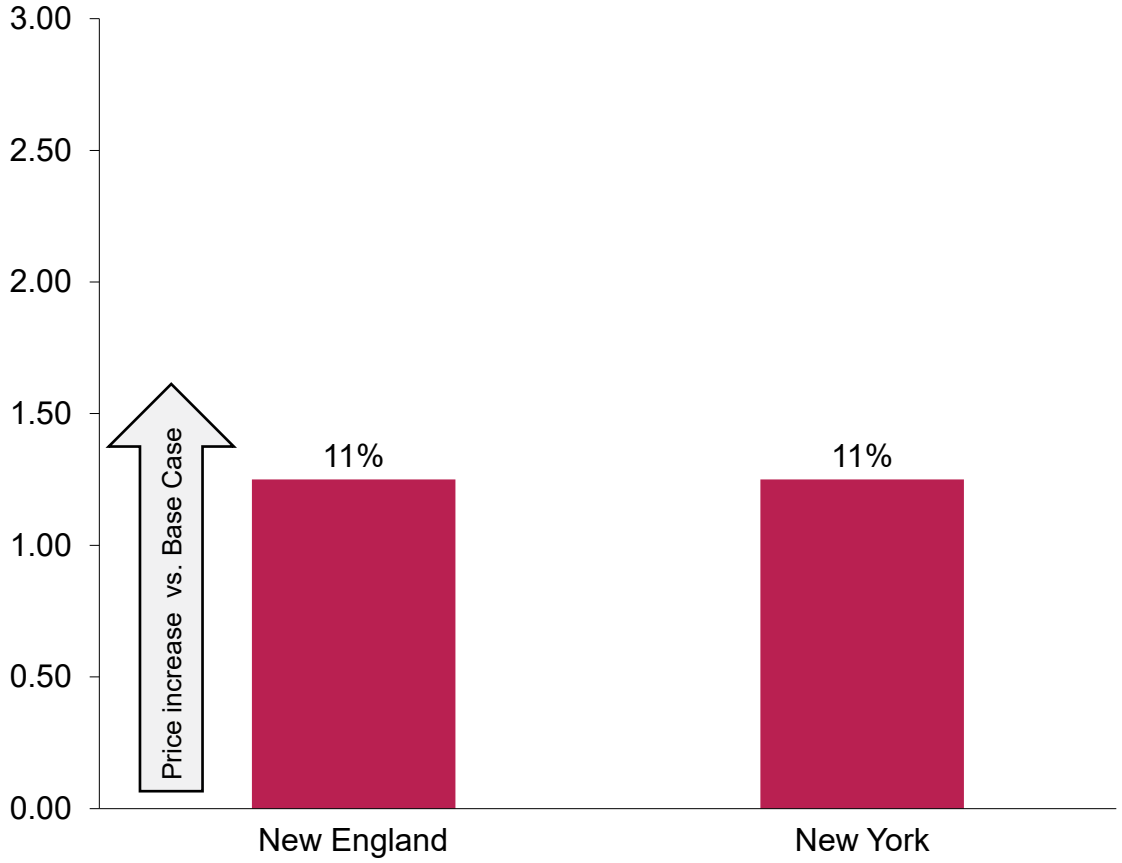
1. "NED" = Northeast Energy Direct; 2. Consortium includes Enbridge, South Jersey Industries Inc, New Jersey Resources Corp, Southern Co. and UGI Corp.
Source: EIA, FERC, S&P Global Energy

Expanding Northeast infrastructure would improve affordability by lowering regional prices by more than 20% during peak months – additional constraints would accentuate peaks

More infrastructure could ease peak pricing in the Northeast…
$/MMBtu, Real 2025



…while additional constraints would worsen affordability
$/MMBtu, Real 2025

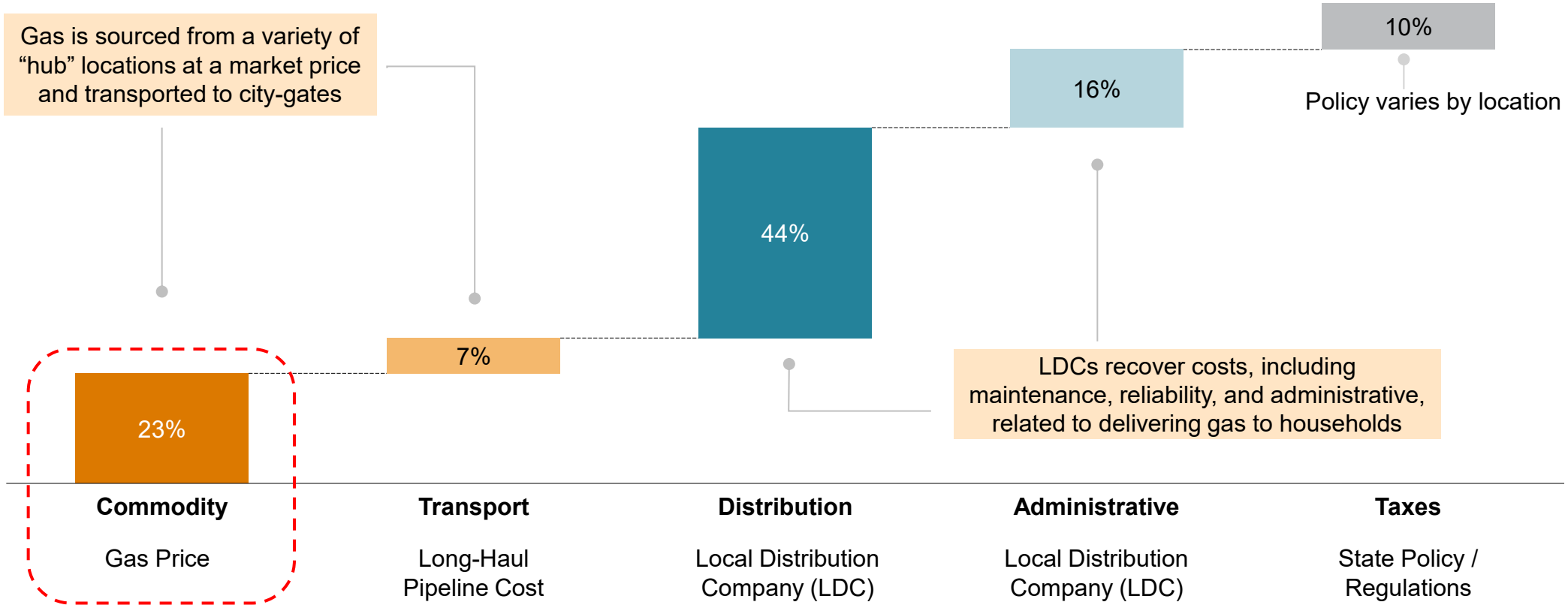


1. New England: Algonquin Citygates gas price hub; 2. New York: Iroquois Z2 gas price hub; 3. Impacts reflect January 2030 assuming normalized weather
Source: S&P Global Energy

Natural gas commodity costs generally account for less than a quarter of residential end-user prices, with local distribution accounting for the bulk of residential prices

Residential End Users Pay a Variety of Fees On Top of Commodity Costs

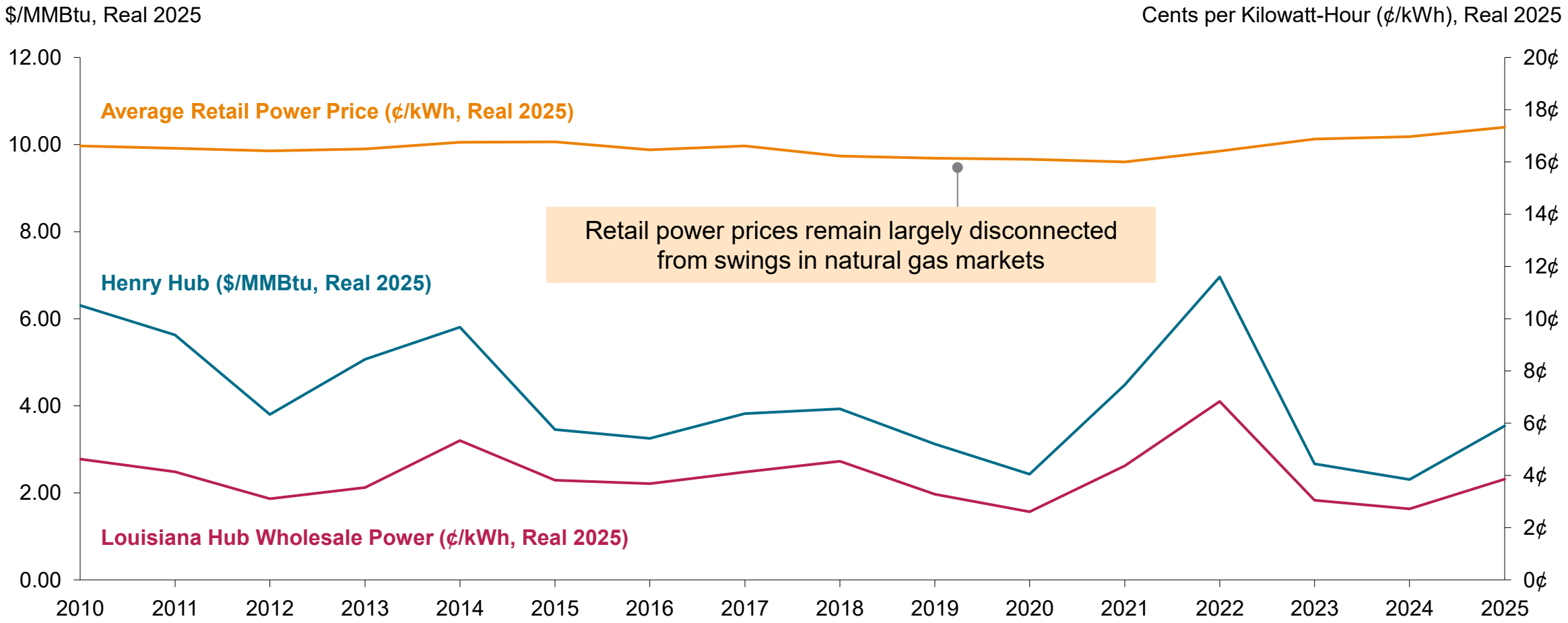
2025 Estimated Average Cost Breakdown[1]



1. The residential cost composition is based on 2025 EIA national average delivered prices to residential consumers
Source: EIA, S&P Global Energy

Retail power prices are also influenced by many factors and are not well-correlated to wholesale natural gas and power prices

Average Retail Power Prices Are Largely Decoupled From Natural Gas Prices



Source: EIA, S&P Global Energy

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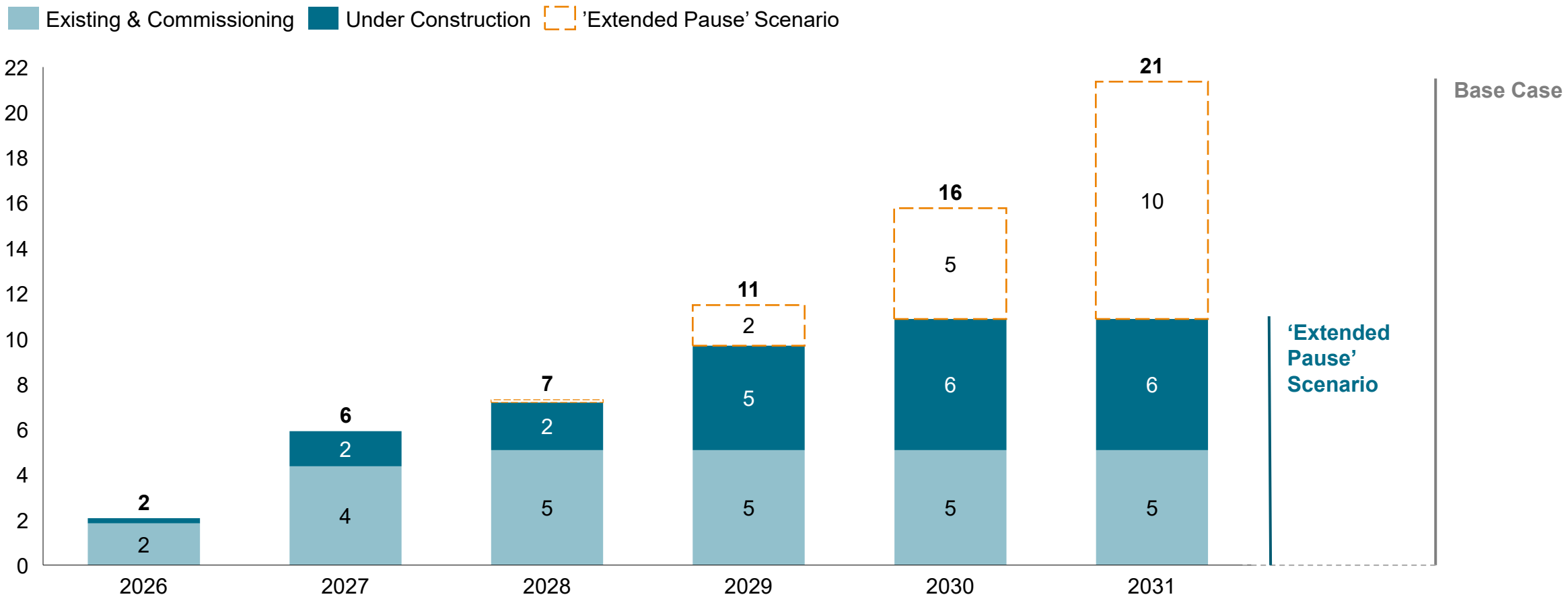
S&P's latest Base Case includes 10 bcf/d of new US LNG capacity investment, growth of almost 50% in incremental capacity since the lifting of the 'pause' in January 2025

US Project Incremental Build-Up Capacity Post-2025, by Status

bcf/d

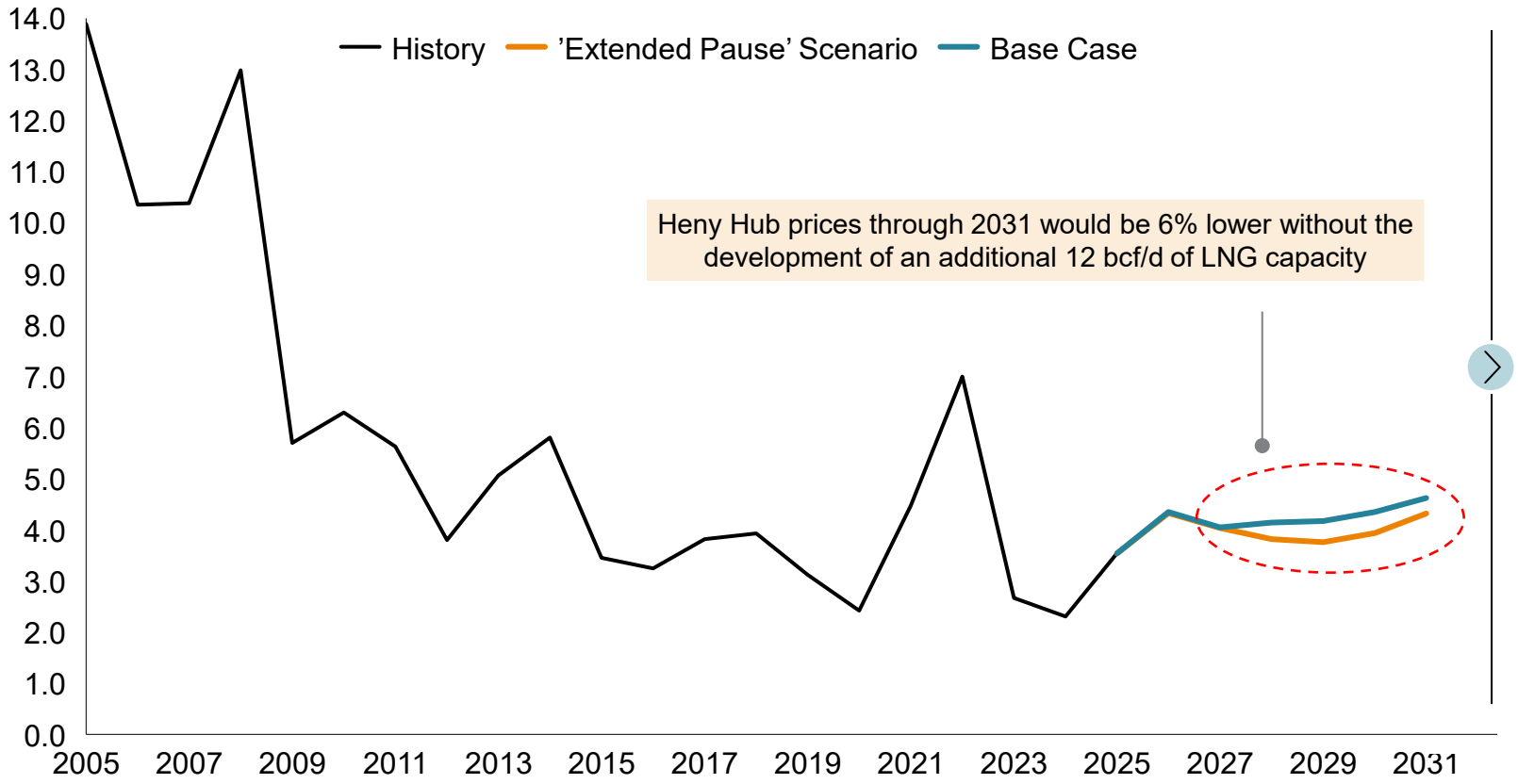


Source: S&P Global Energy

S&P Global Energy

The impact of new LNG investment on US gas prices is negligible, likely overwhelmed by other factors such as short-term dynamics (e.g. weather, storage) and pipe constraints

Henry Hub Prices in 'Extended Pause' Scenario
$/MMBtu, Real 2025



Residential per Household Impact

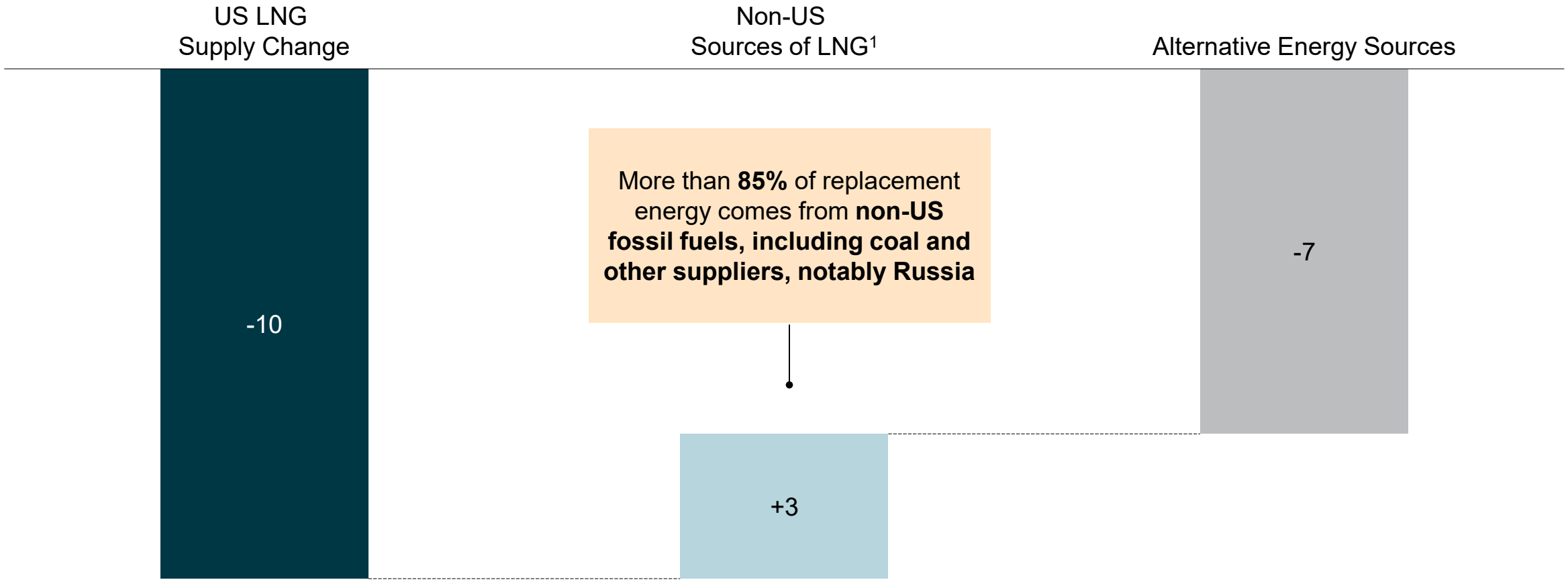
+1.6%

As commodity costs are just a fraction of residential gas prices, the Henry Hub impact from the 'Extended Pause' Scenario translates to a negligible 1.6% impact in residential gas prices

1. Analysis starts in 2027 since it is the first year in which there is a differential in domestic gas prices. We used EIA for average household consumption per residential consumer.
Source: EIA, S&P Global Energy

An ‘Extended Pause’ would increase the global market’s reliance on non-US LNG projects, most notably in Russia, and other fossil fuels including coal

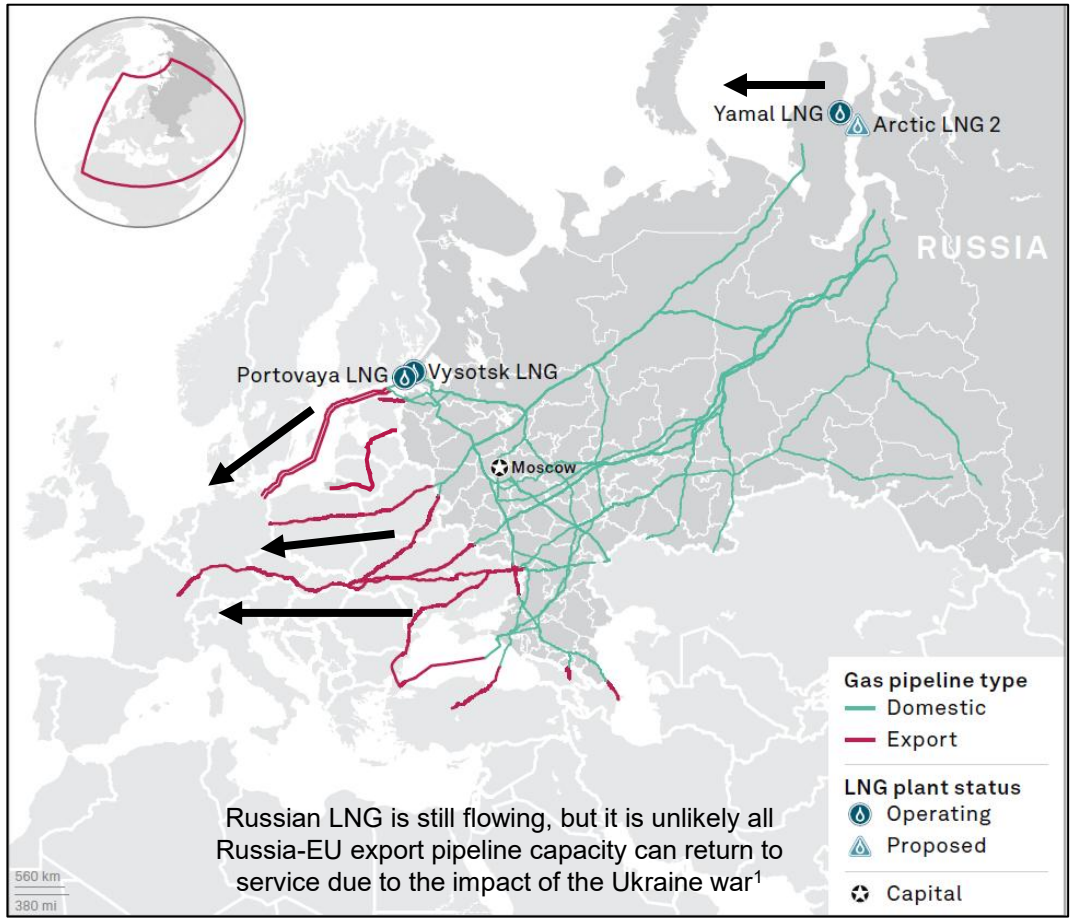
2031 ‘Extended Pause’ Scenario LNG Supply & Demand Response
bcf/d, Data for 2031



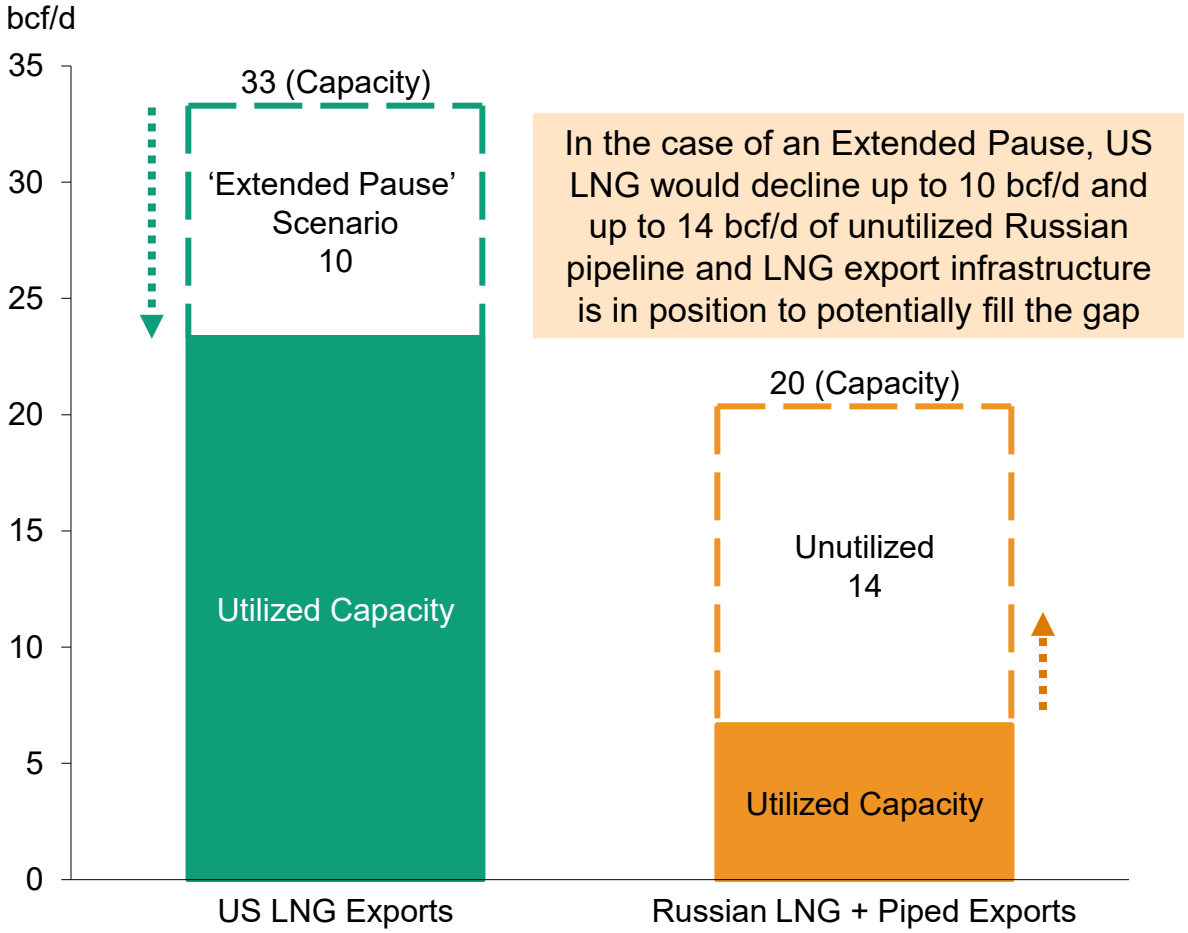
1. LNG projects in Canada and Mozambique are accelerated, while new capacity from Argentina, Indonesia, and notably Russia is brought online as a long-term response.
Source: S&P Global Energy

Without US LNG, implementing the EU ban on Russian gas & LNG starting in 2027 would be difficult owing to underutilized Russian capacity and loss of confidence in US reliability

Russia Gas & LNG Export Infrastructure to Europe



An 'Extended Pause' in US LNG Would Likely Benefit Russia



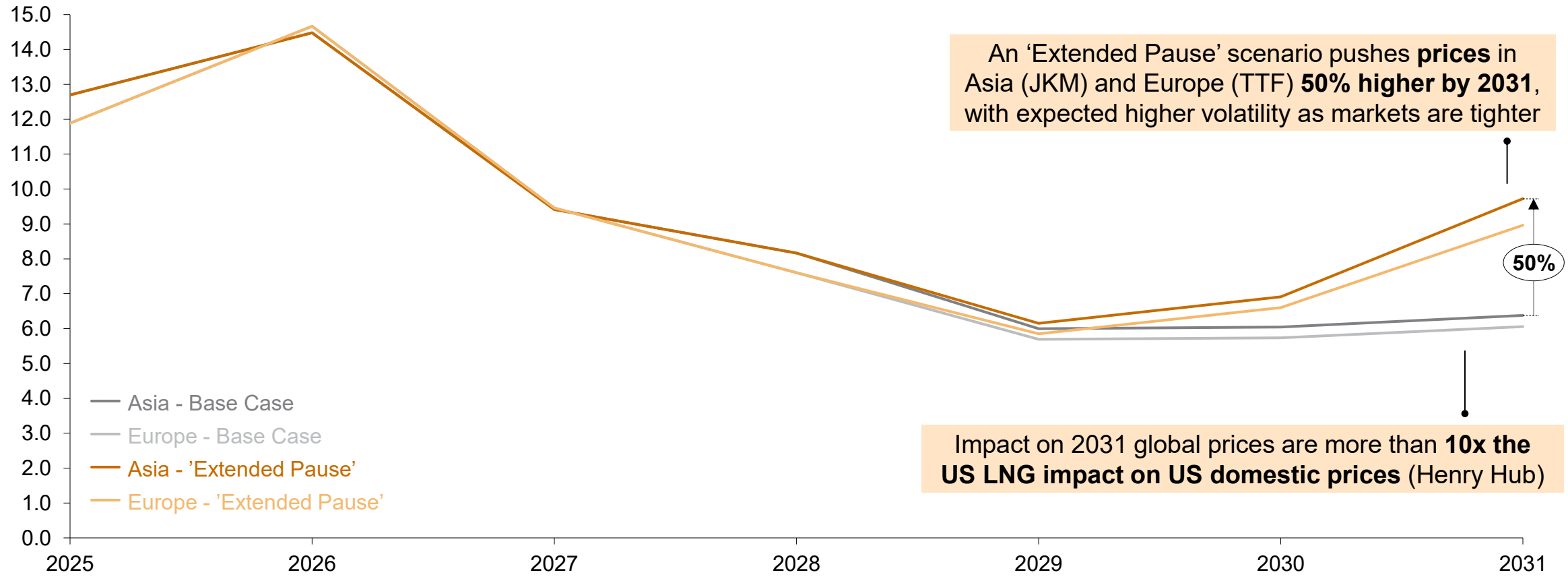
In the case of an Extended Pause, US LNG would decline up to 10 bcf/d and up to 14 bcf/d of unutilized Russian pipeline and LNG export infrastructure is in position to potentially fill the gap

1. We do not expect certain pipelines (e.g. Nordstream 1) to ever come back online, and there is high uncertainty regarding capacity through Ukraine being able to return to pre-war levels.
Source: S&P Global Energy

Absent incremental US LNG, global LNG markets tighten by 2031, pushing prices 50% higher ($3/MMBtu) for Asia and Europe

Europe and Asia Price Scenarios

$/MMBtu, Real 2025



1. In an extended pause scenario investment decisions for alternative capacity would impact the focus period to 2031; capacity would be developed on a longer term up to 2040

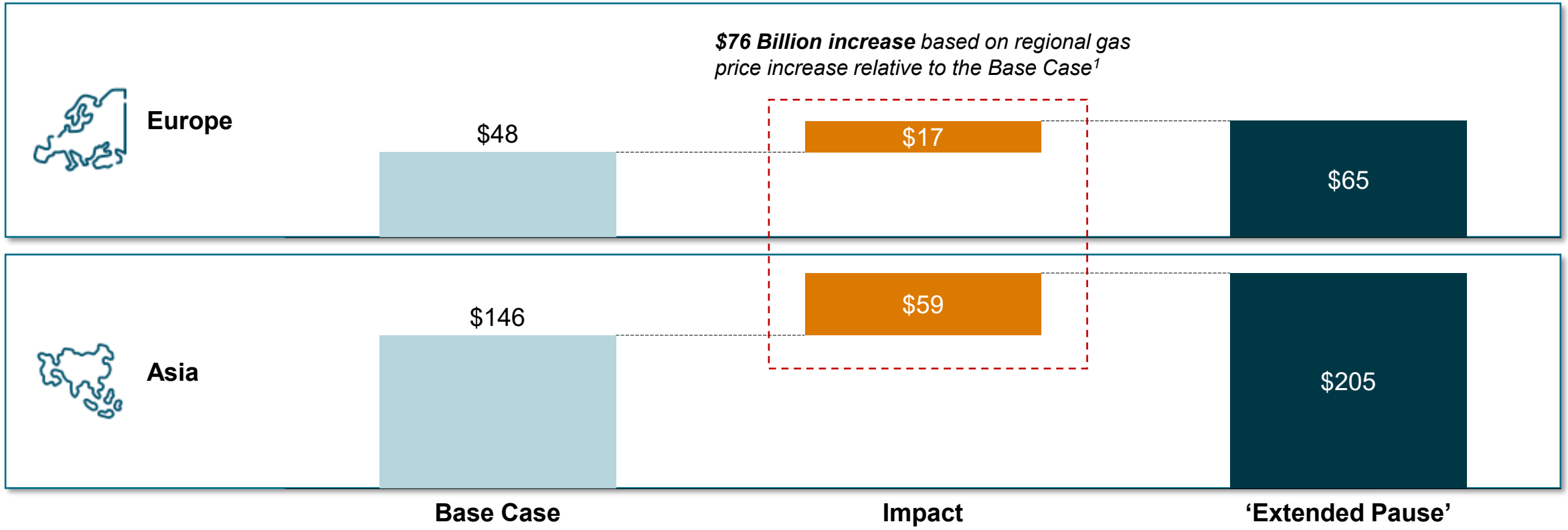
Source: S&P Global Energy

S&P Global Energy

Higher LNG prices materially increase import costs for Europe and Asia, up to $76 Billion in additional costs in 2031, largely captured by non-US LNG energy suppliers

Difference of LNG Import Cost in 2031 – Base Case vs 'Extended Pause'

$ Billions, Real 2025



Constraining US LNG disproportionately raises prices paid by importers and shifts value to other non-US energy suppliers, **including Russia**

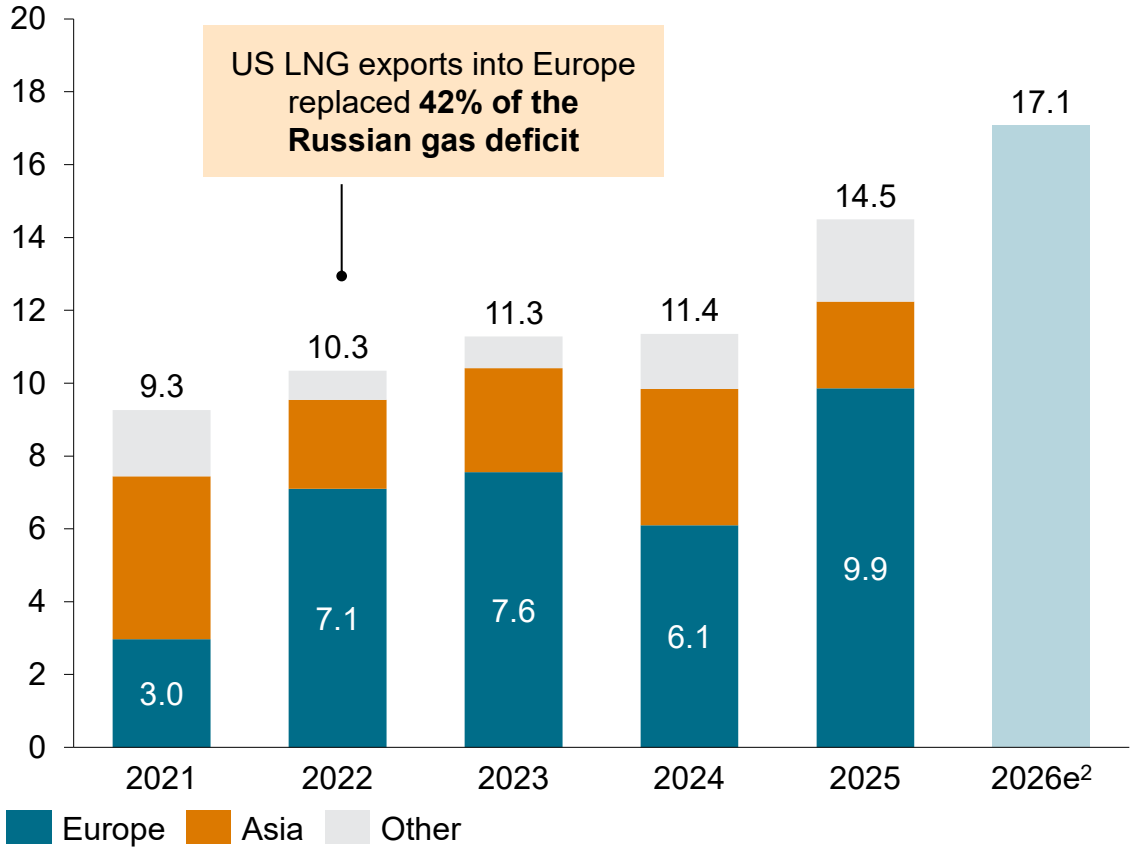
1. Incremental import cost estimates are calculated by applying the modelled price differential for JKM and TTF to projected LNG import volumes in both scenarios. This is a simplified estimation, as actual impacts will vary by buyer depending on portfolio composition, contract structures, pricing mechanisms, and hedging arrangements, which are not publicly available.

Source: S&P Global Energy

Additionally, US LNG is a key driver of energy security, improving resilience to price shocks during disruptions at home and abroad

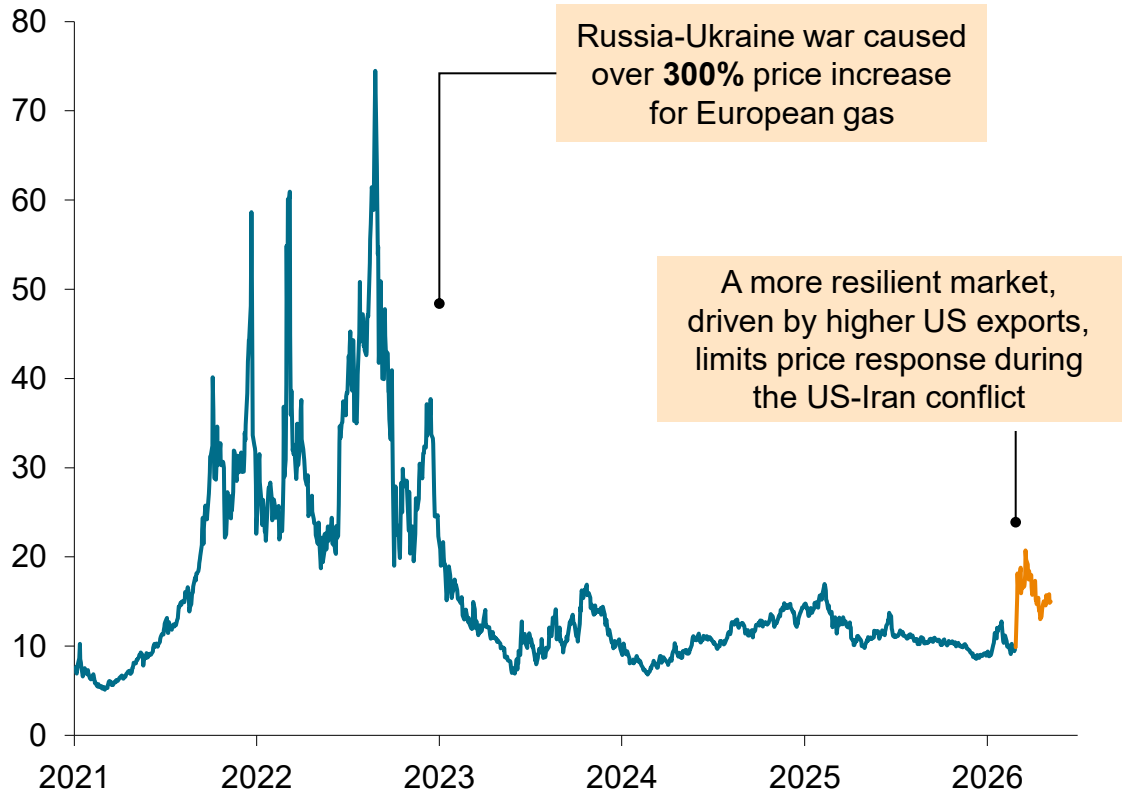
US LNG Export Growth Supports Supply Diversification[1]

US LNG Exports by Destination, bcf/d



US LNG Expands Energy Security And Resilience

North-West Europe LNG Spot Price, $/MMBtu, Real 2025



1. LNG delivered supply assumes losses and does not necessarily match feedgas requirements noted in the US gas demand figures. 2. 2026 estimated volume destination is yet to be confirmed.
Source: S&P Global Energy

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Key Study Takeaways

The US LNG export sector has rapidly emerged within the past decade to become a **$44 billion annual industry in 2025,** poised to become the #2 US net export industry over the next 5 years

Growth potential is at risk due to potential policy derailment – on current track US LNG supply doubles by 2031, adding **$1.4 trillion contribution to GDP,** supporting **555,000 jobs on average to 2040**

LNG export benefits come at **minimal costs to US consumers** (1.6% residential gas price increase through 2031), many times exceeded by the economic gains that flow throughout the US economy

The **US domestic gas market proven resilient to external market shocks, demonstrated** by the US domestic gas price unresponsiveness to the Iran conflict (that doubled LNG spot prices)

Commodity gas prices account for less than 25% of end user residential prices, with infrastructure bottlenecks driving regional price differentials and weather events causing price spikes

US LNG is the marginal supply source for global LNG buyers, and constraining growth would lead to **50% price increases** in Europe and Asia while benefiting other fossil fuel suppliers – notably Russia

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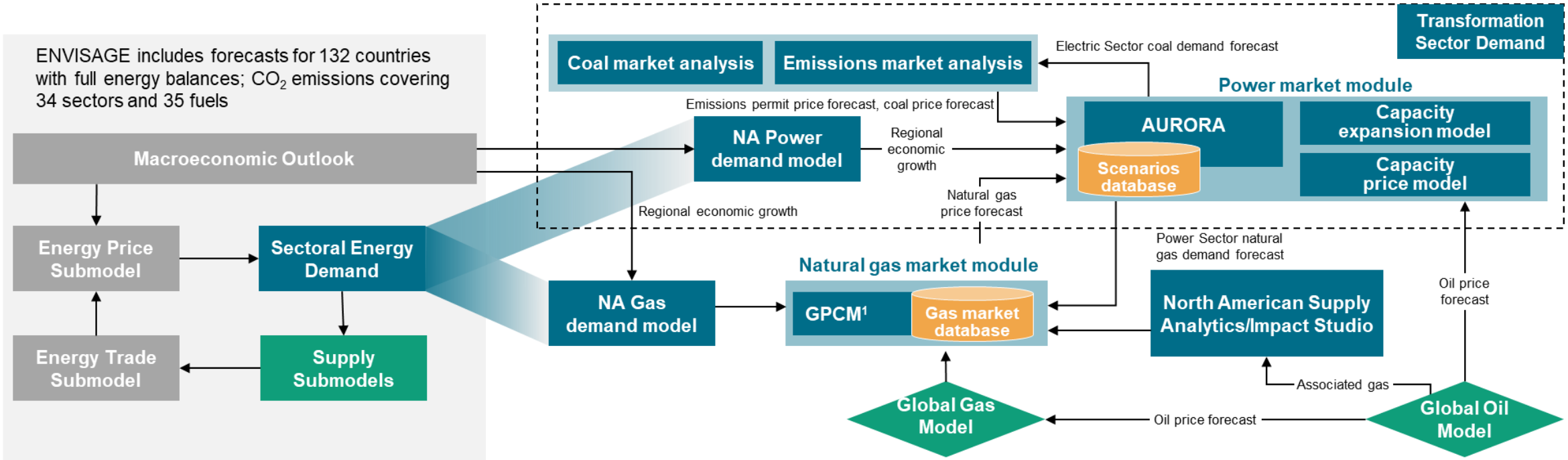
Our best-in-industry integrated energy market modelling process is connected to granular gas and power models for credible and detailed results



- Macroeconomic outlook feeds global commodity prices as input to sectoral models
- Sectoral Model iterates with the Power Model to validate call on supply
- Supply & Demand are fed to Trade Model to balance which updates price and iterates

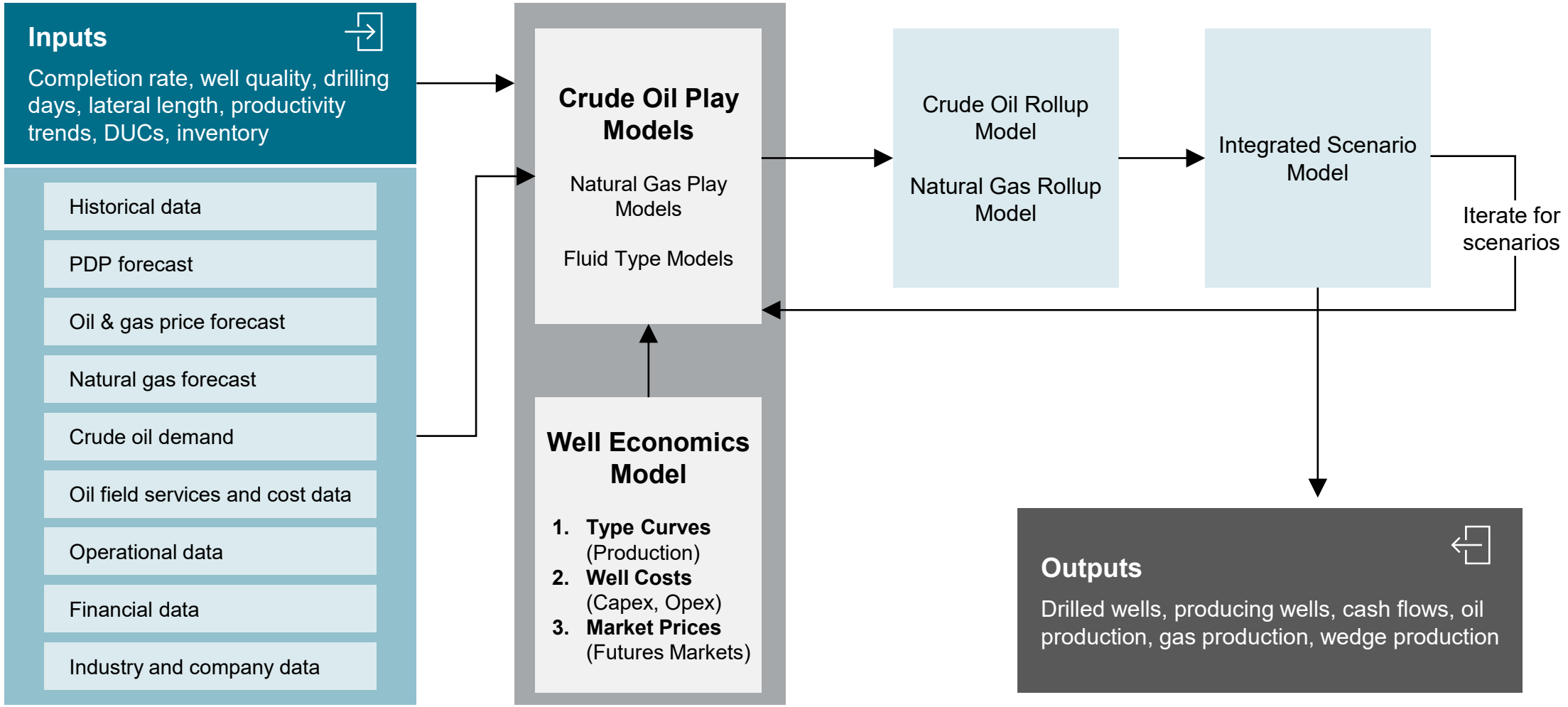
S&P Global customized GPCM database includes

+650	Pipelines & Storage	+1000	Pipeline Zones	+275	Producing plays	+4000	Nodes

S&P Global Energy has the world's largest team of over 1,400 energy and economic analysts continuously modelling markets

1. GPCM: Global Pipeline Competition Model.
Source: S&P Global Energy

Upstream leverages inputs and bespoke models to generate US market-based forecasts including required iterations for specific scenarios



Source: S&P Global Energy

S&P leveraged our economic and energy modelling framework to capture the impact of anticipated US LNG export growth on economic indicators

Global Link Model
Dynamic global macro model of 68 countries

Competitive aspects and implications for global markets including higher prices

US Macroeconomic Model
Comprehensive macro model of US economy

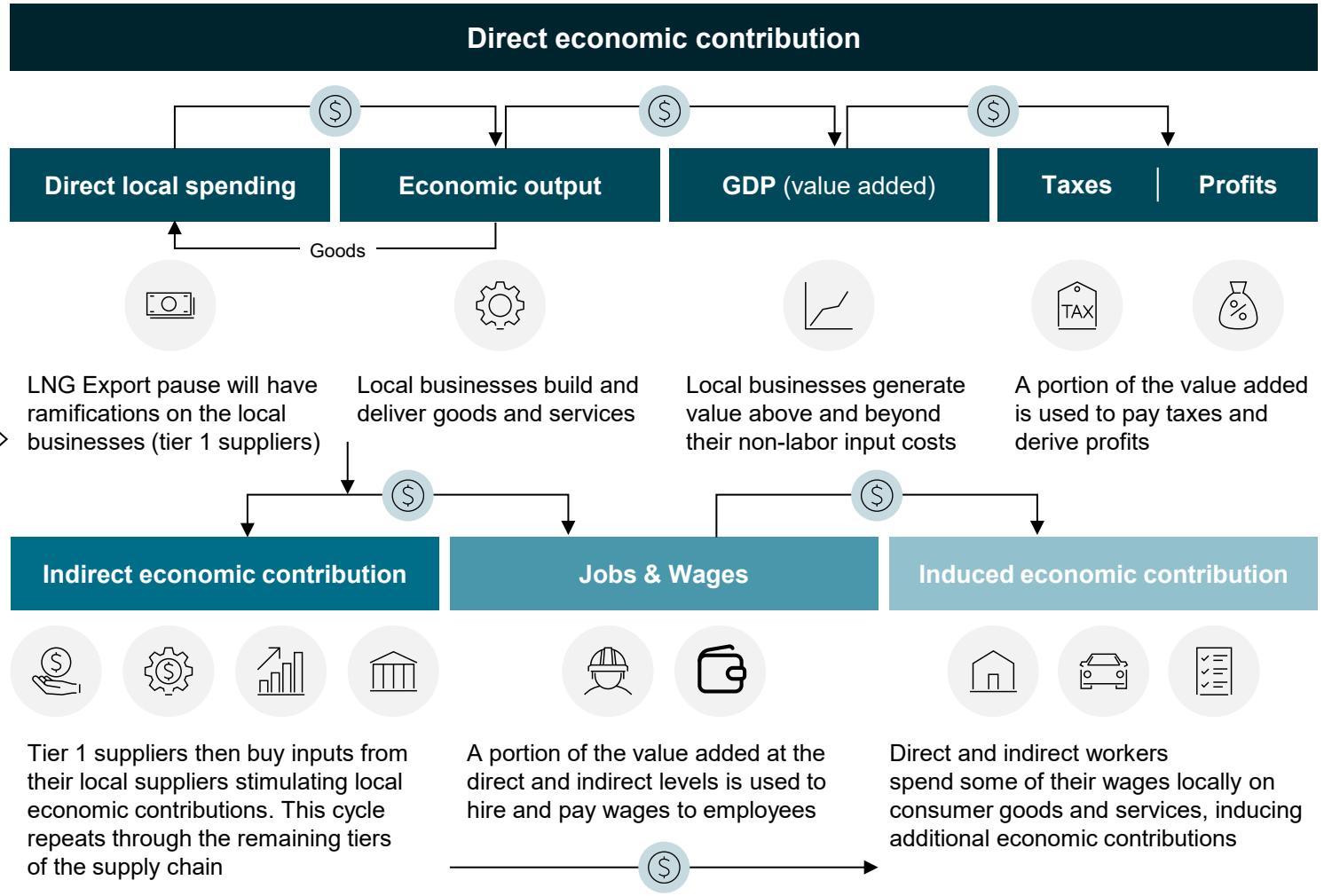
Dynamic assessment of the US macroeconomy due to investment, export, and prices variations

Social Accounting Models
Detailed Input/Output framework of the US economy

Assessment of direct and supply chain impact on US national and regional economies

Energy Modelling Framework
Energy value chain modelling system

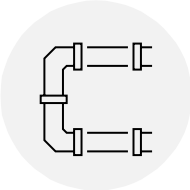
Assess the impact on the US Upstream, gas, and LNG markets



Source: S&P Global Energy

The Northeast infrastructure analysis leveraged this integrated architecture to create two bespoke scenarios deviating from S&P's Base Case, ensuring a robust model framework

We tested two extreme conditions to evaluate the price impacts from an expanded versus a constrained buildout of Northeast gas infrastructure



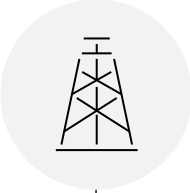
Starting from a Base Case that Includes **9.6 Bcf/d** of Northeast takeaway and deliverability capacity additions across **9 pipeline projects** from 2027-2031

Expand Infrastructure

Adds **4.6 Bcf/d** and accelerates **2.8 Bcf/d** from Base Case across **7 pipeline projects**, including Constitution, Borealis, and regional debottlenecks

Constrain Infrastructure

Removes **8.1 Bcf/d** of Base Case Northeast capacity additions across **8 pipeline projects**, reflecting a slower infrastructure development



Supply mix was adjusted in the Northeast as boundary conditions changed. **Canadian inflows and higher cost dry gas production** were the most impacted

Expand Infrastructure

Appalachia production increases by 3.6 Bcf/d versus the Base Case, with downside to Canadian inflows (0.8 Bcf/d) and other dry gas sources in the Mid-Con, Rockies and Gulf Coast

Constrain Infrastructure

Appalachia production is lowered by 2.5 Bcf/d, with upside to Canadian inflows (0.5 Bcf/d), some associated gas upside (0.8 Bcf/d) and other dry gas sources primarily in the Mid-Con and Gulf Coast

Demand remained untouched and assessed under normal weather conditions**, highlighting upside potential for price impacts**

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