



# Oil and Gas Market Outlook

27 August 2025



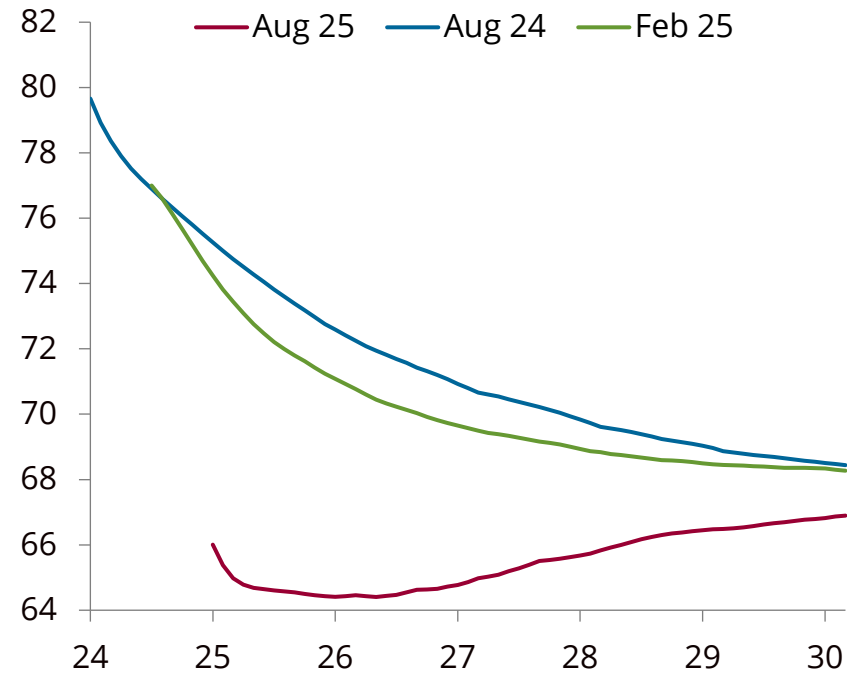
# Oil



# Cost pressure for oil production increasing but demand growth provides a floor

## Brent forward curve

\$/bbl



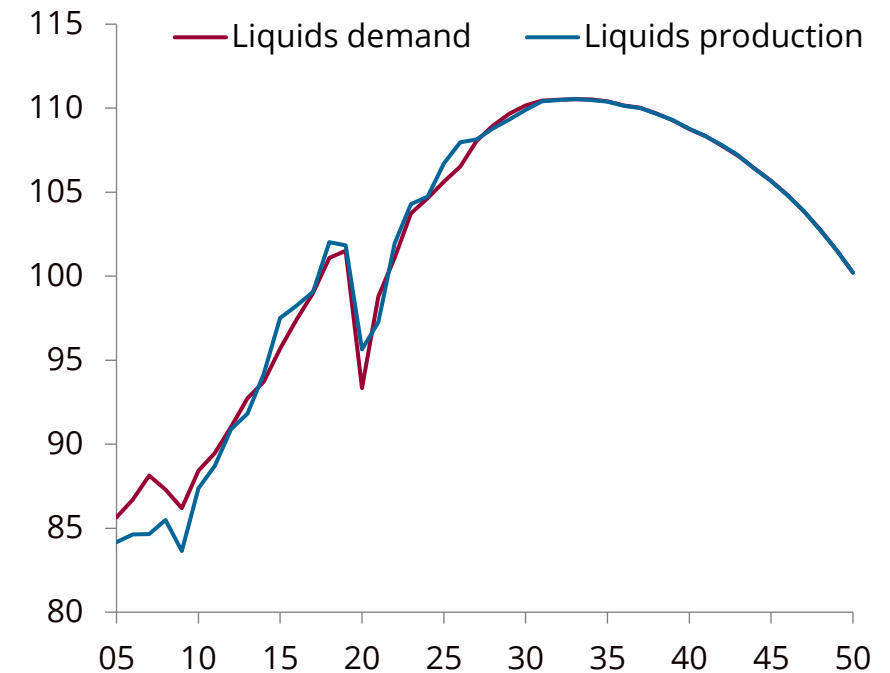
Expectations of late 2025–26 global crude oversupply are embedded in the market. But growing demand provides a floor to crude prices.

Note: Assumes 0.4–0.5 mb/d of SPR restocking, India backing out 0.7–0.9 mb/d

Source: Energy Aspects

## Global liquids demand and production

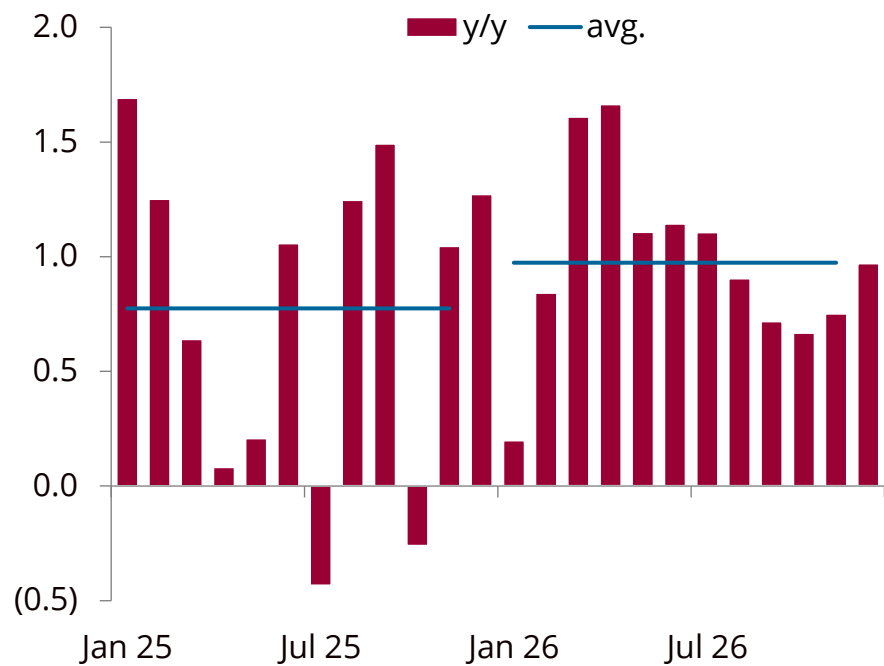
mb/d



Net surpluses will persist through the end of 2026, but balances will tighten over 2027–30. We expect oil prices to test the high-\$80s in real terms towards the end of this decade.

# Global 2025 demand growth at 0.8 mb/d y/y, tariffs still a headwind

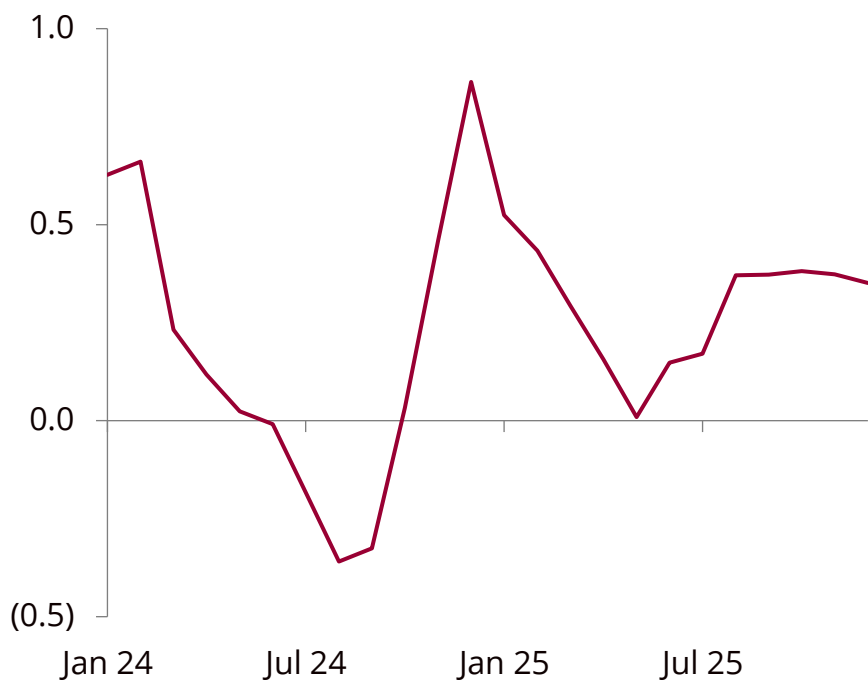
Global liquids demand, y/y  
mb/d



US tariffs uncertainty has driven volatility in monthly demand growth, and higher average tariff rates will be a headwind. Still, more certainty should support demand growth into 2026.

Source: Energy Aspects

Asia-Pacific y/y liquids demand growth  
3-month rolling avg, mb/d



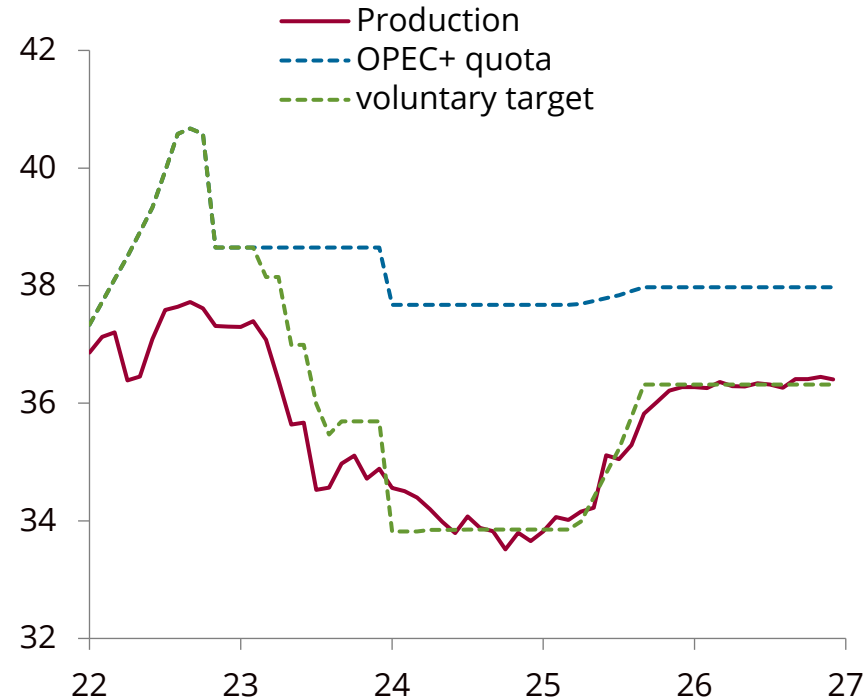
Recent feedback from Asia has pointed to demand being better than expected, with momentum trending higher.



# OPEC+ to assess market fundamentals after unwind finishes in September

## OPEC+ crude production and targets

mb/d



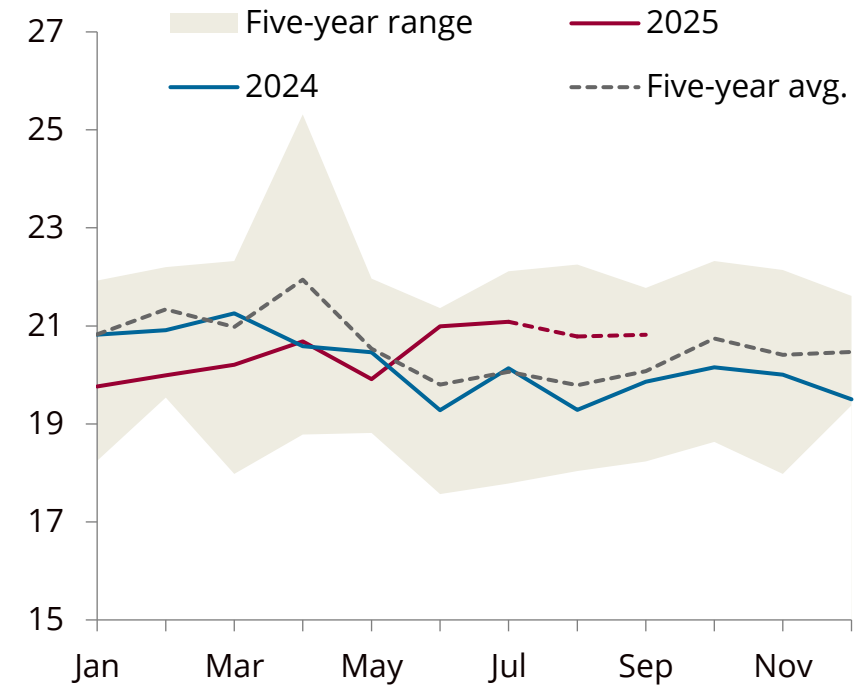
OPEC8+ has agreed to complete the accelerated unwinding in September. It will then keep all policy options open as it assesses market fundamentals and compliance.

Note: Augst and September 2025 are Nowcasts

Source: OPEC Secretariat, OilX, Energy Aspects

## OPEC8+ crude exports, with OilX Nowcast

mb/d



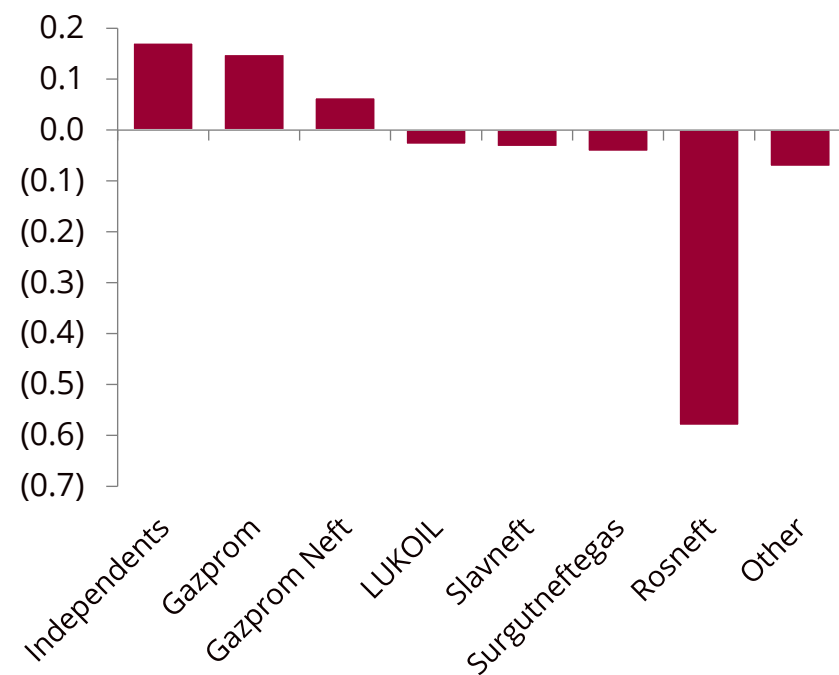
OPEC8+ crude export growth is falling short of the increase in the group's voluntary production targets. This is likely a factor of seasonal summer oil burn and lack of spare capacity.

Note: OPEC+ production only for countries with quotas

# Russia may struggle to meaningfully increase production from mature regions

## Russian crude, condensate in January (2023 vs 2020)

mb/d

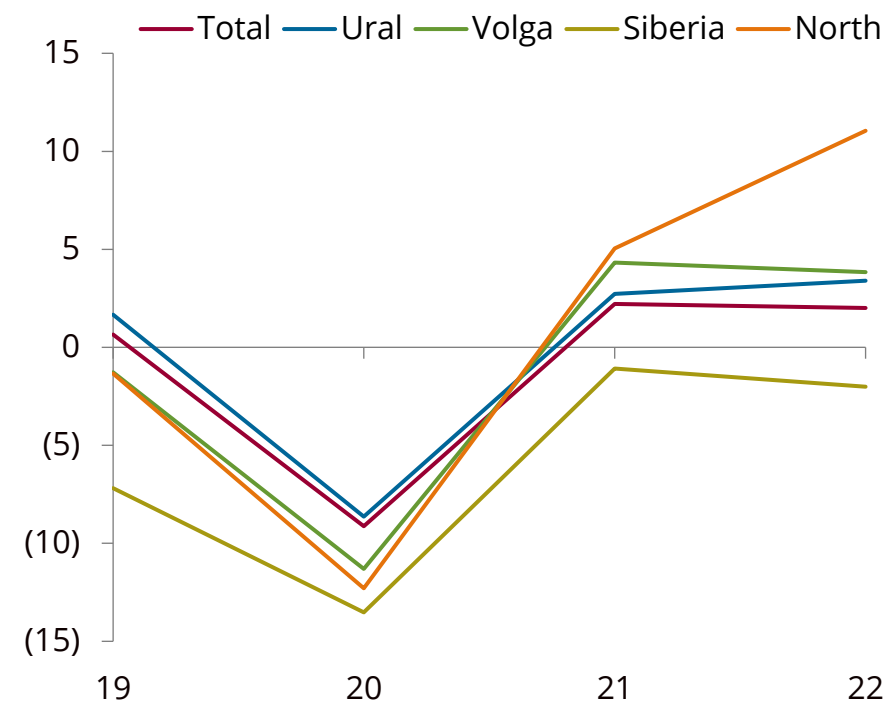


Heavily depleted brownfield assets may not easily come back online after being shut in due to OPEC+ output cuts, similarly to what happened to Rosneft production after 2020.

Source: Energy Aspects

## Russian crude and condensate production by region

y/y chg, %

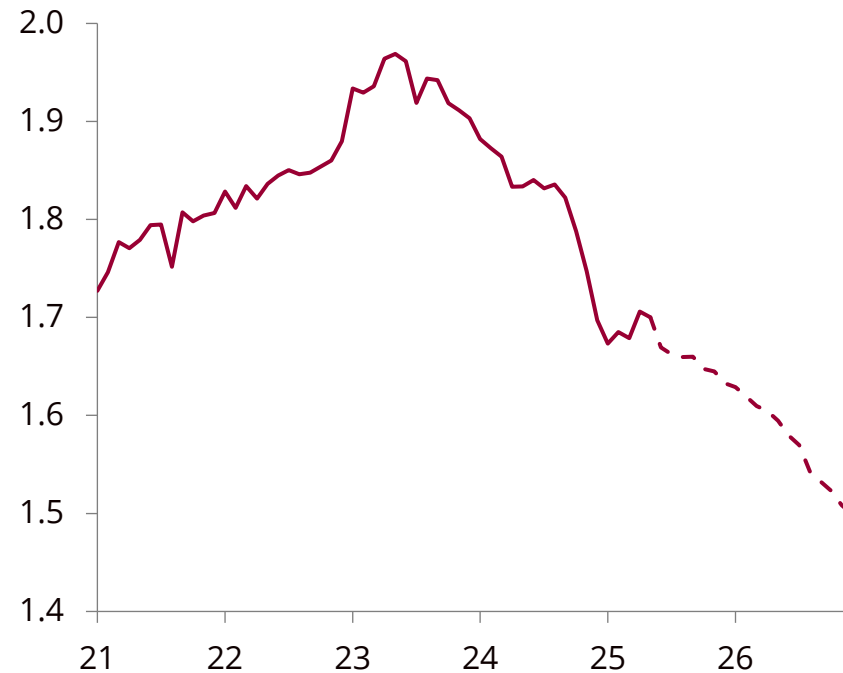


Historical field data (now discontinued) show some mature regions in Russia rebounded from 2020 lows at a slower pace, while Arctic and greenfield production rebounded quicker.

# Non-OPEC production already weakening at the margin

## Mexican crude production

mb/d

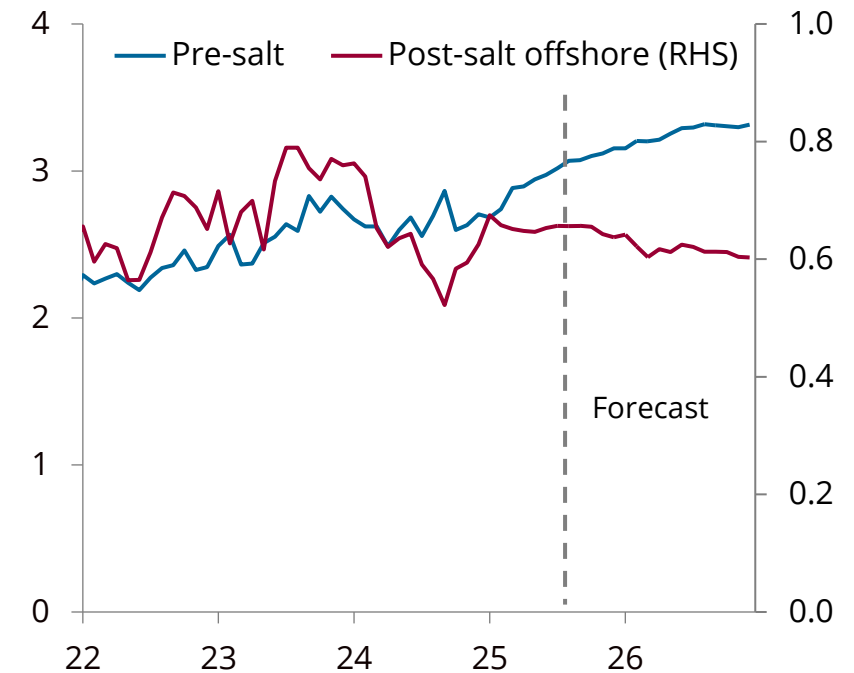


Mexican crude production is already reflecting the challenges of lower oil prices, with Capex is pressured by debt repayments.

Source: ANP, Sener, Energy Aspects

## Brazilian crude production

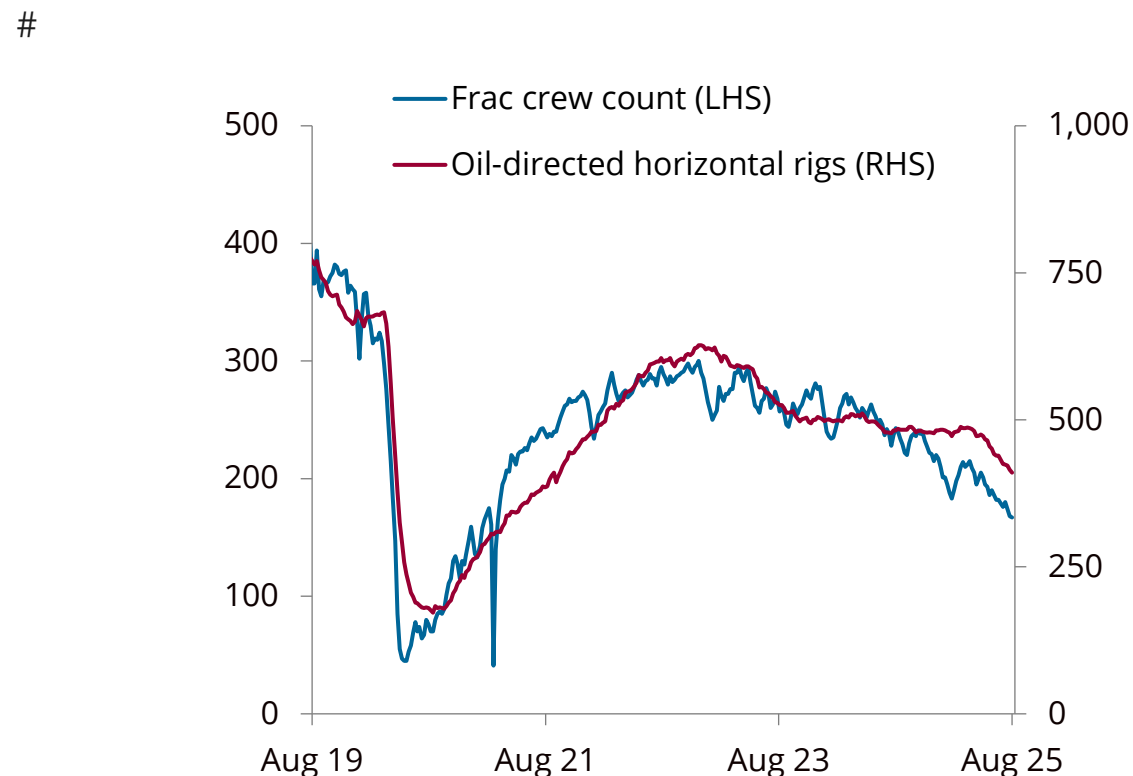
mb/d



Even as pre-salt production rises, powered by new projects, investment in legacy production in Brazil is weak.

# US shale producers have led the activity pullback, lowering 2026 non-OPEC growth

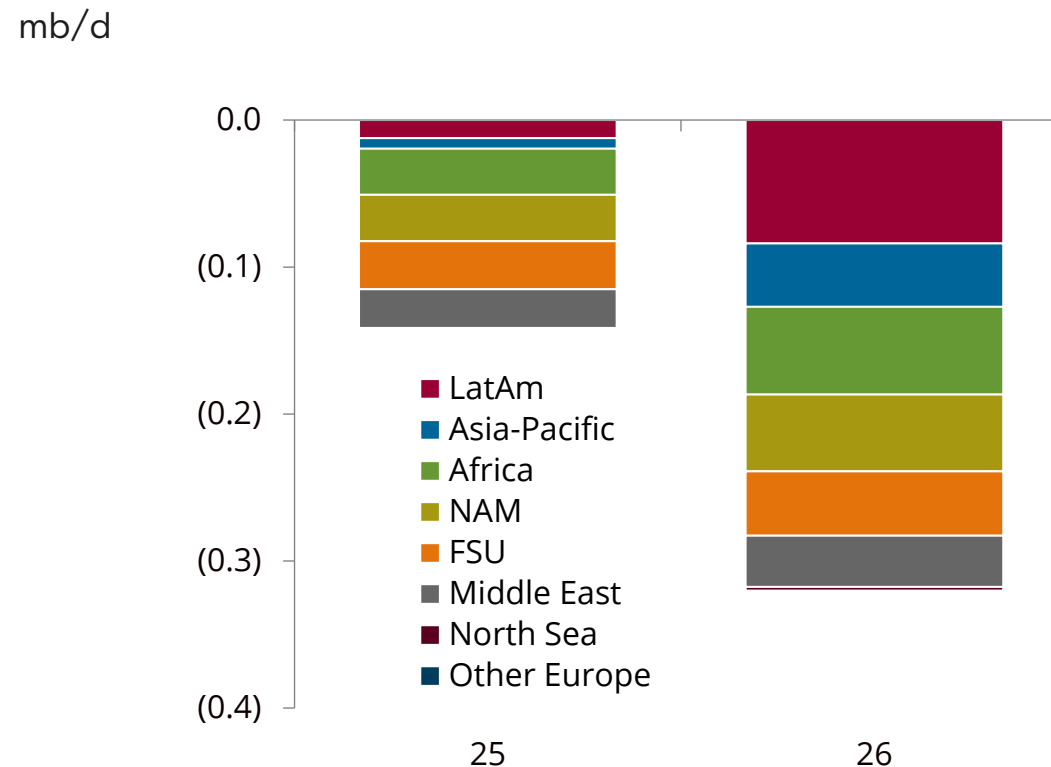
## US frac crews and oil-directed rigs



Short-cycle projects react more quickly, with US shale companies steadily dialling back spending and drilling plans. The frac crew count is at its lowest level since Q1 21.

Source: Argus Media Group, Energy Aspects

## Mature field production at risk at \$60/bbl Brent

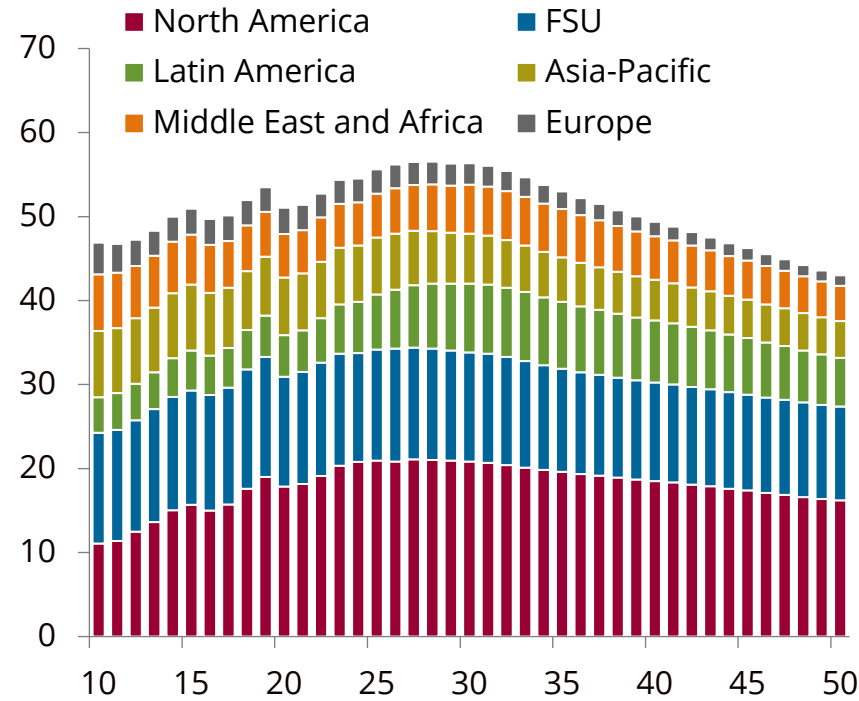


Lower prices also reduce Capex for infill drilling and workovers, typically leading to a delayed response in non-OPEC supply, particularly in mature fields. Large impacts will show in 2026.



# Oil market will shift to net deficit from 2027 as non-OPEC production declines

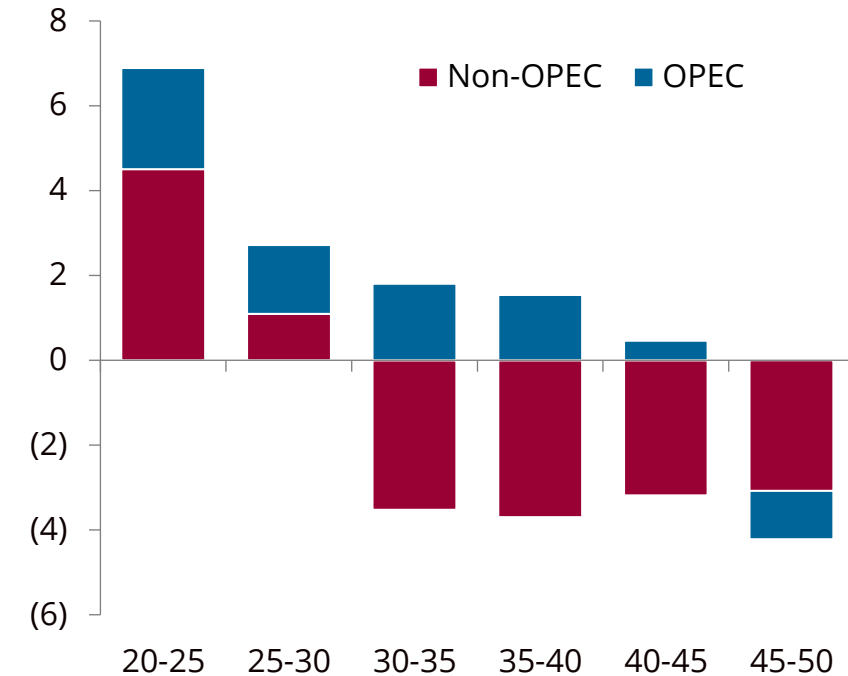
**Non-OPEC crude supply**  
mb/d



Non-OPEC supply will peak in 2028 and decline sharply thereafter, due to insufficient investment in new long-cycle capacity and falling US shale production.

Source: Energy Aspects

**Change in global crude production, five-year increments**  
mb/d

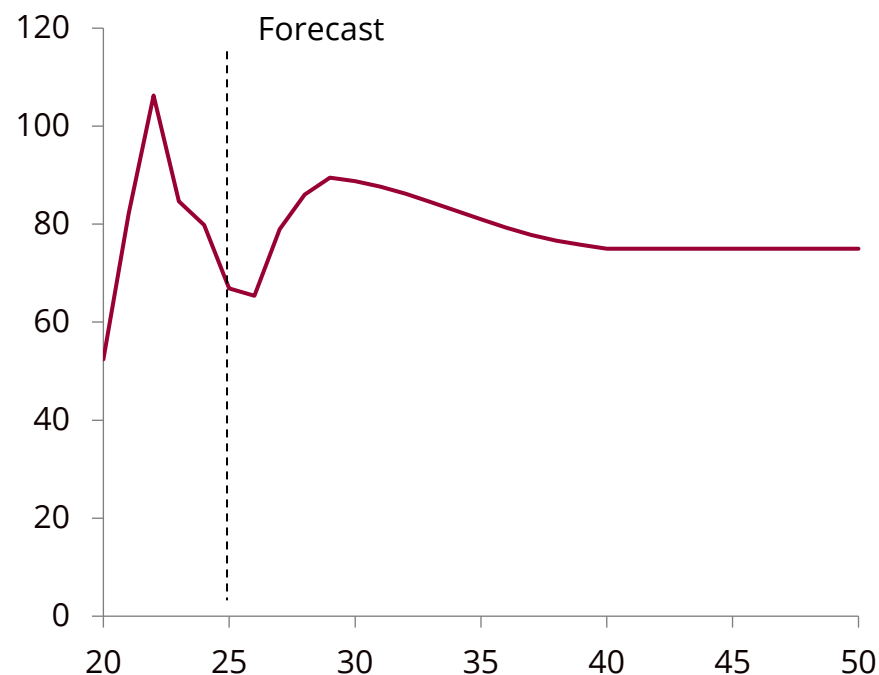


OPEC production growth to peak in 2034 before easing out to 2050. Non-OPEC investment will continue shifting from oil to gas, leaving the heavy lifting in the hands of OPEC.

# Crude prices set to rise out to 2030 as thinning crude supply met by resilient demand

## Real Brent crude price forecast

\$2024/b

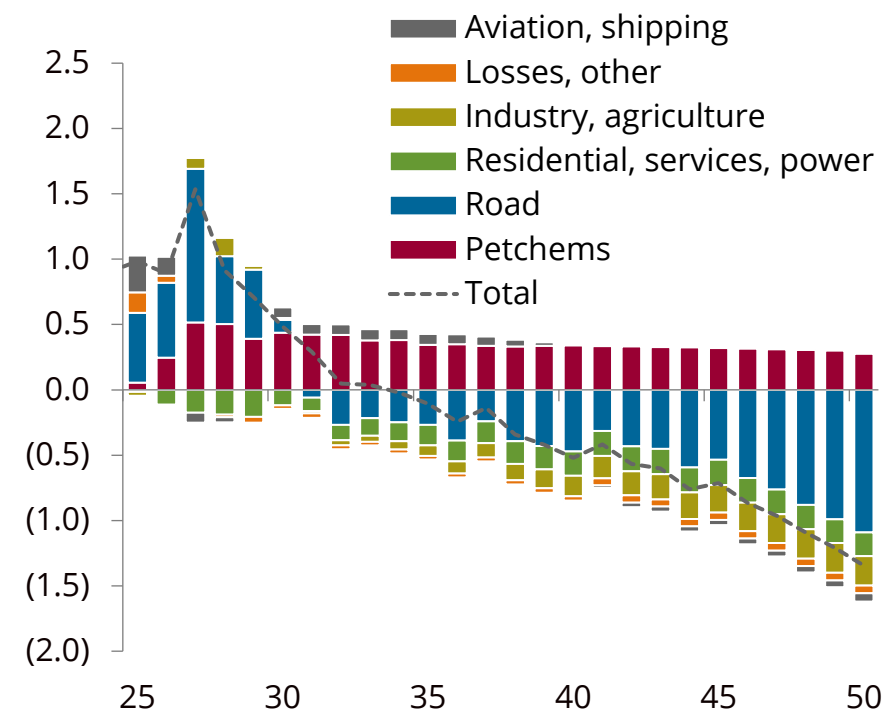


As non-OPEC supply growth slows, oil prices to test the high-\$80s towards the end of this decade, before gently declining thereafter as OPEC takes the baton for incremental supply.

Source: Energy Aspects

## Global liquids demand, y/y

mb/d

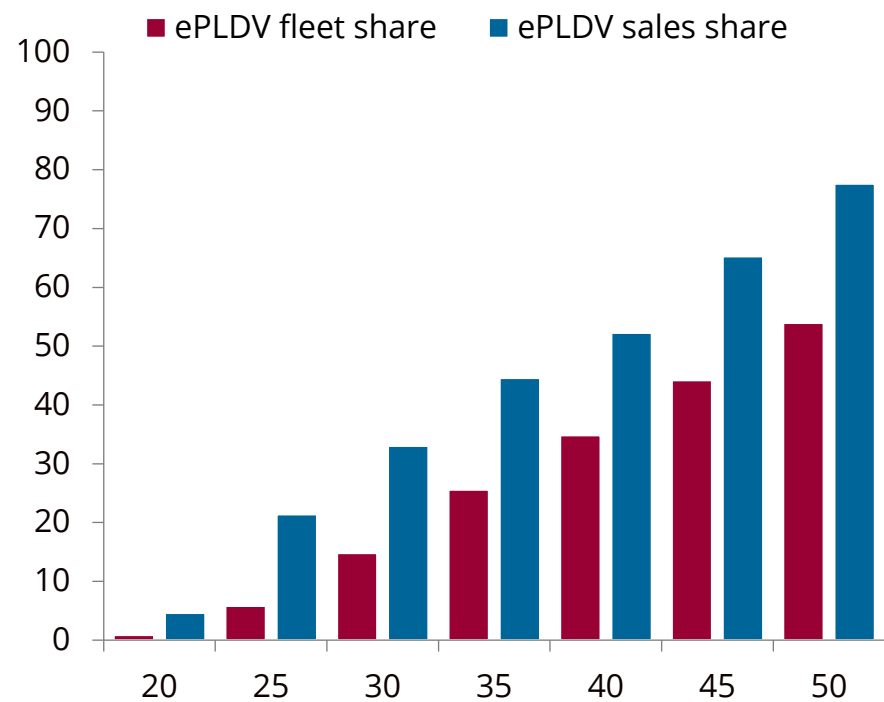


We expect global liquids demand to peak in 2032 and hold above 100 mb/d through 2050. Strong petrochemical demand will offset contractions in most other sectors.

# Electric vehicles are leading a slow but steady transition in global road-fuel use

## Global ePLDVs

% share of all PLDVs

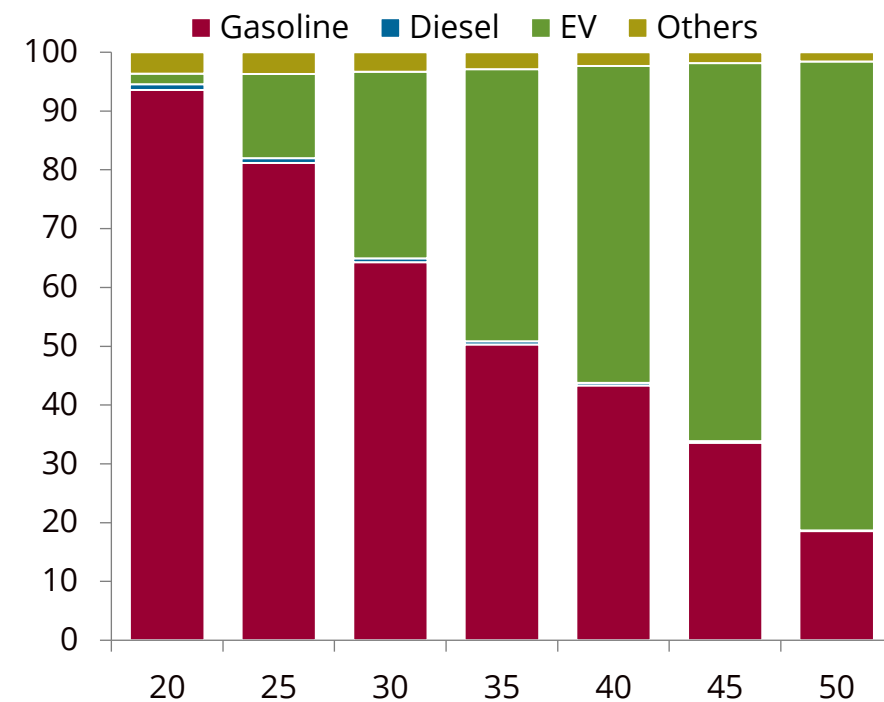


Global electric passenger light-duty vehicle (ePLDV) sales are growing rapidly. The time lag is expected to impact fleet share/fuel demand.

Source: Government Agencies; Energy Aspects

## Chinese PLDV fleet by fuel type

% share of all PLDVs



Chinese liquids road demand peaked in 2023 in absolute terms on increasing EV fleet share in China.

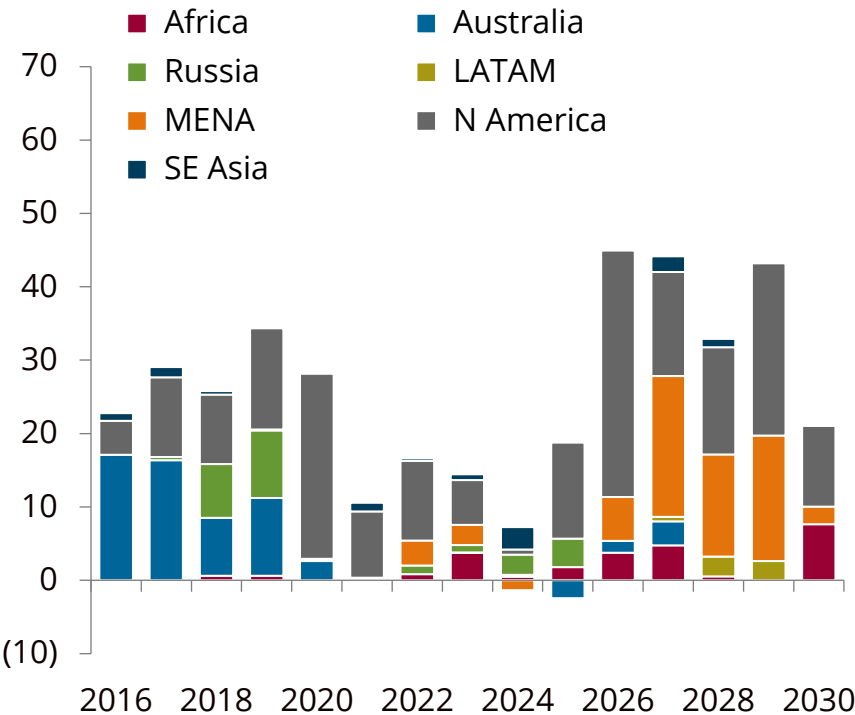
# Natural gas



# Near-curve LNG capacity additions dominated by North American projects

Liquefaction capacity under construction by region

Mtpa



We expect 138.3 Mt of new capacity to come online over 2025–29, all of which has taken FID and is under construction. This is 20.9 Mt higher than the 2016–20 capacity additions.

Source: Company reports, selected media reports, GTT, Energy Aspects

Upcoming liquefaction additions

Mtpa

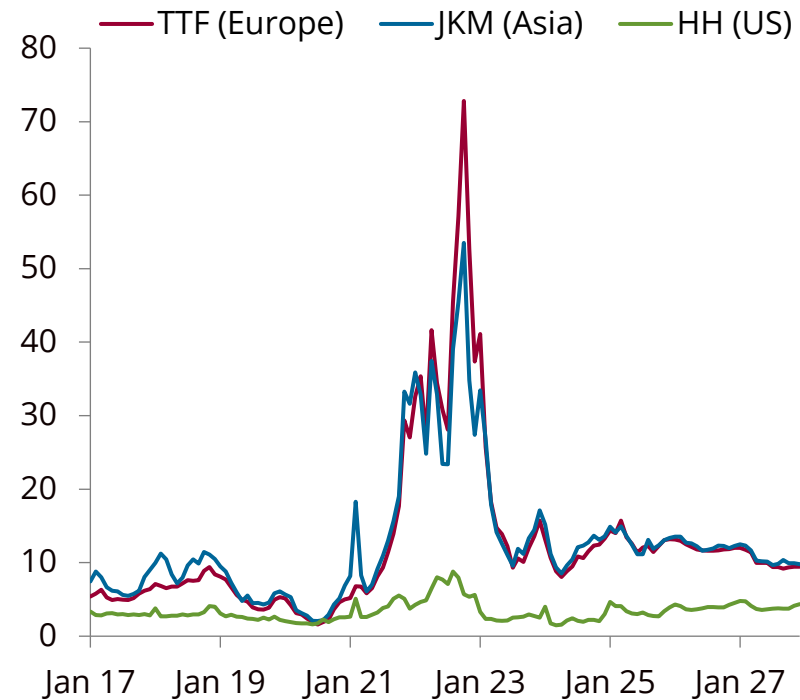
Project	Country	Lead developer	Units	Expected start	Capacity (Mtpa)
2025					10.4
Corpus Christi	US	Cheniere	Train 5	Jul-25	1.4
Corpus Christi	US	Cheniere	Train 6	Oct-25	1.4
Plaquemines	US	Venture Global	T14-18	2025	7.6
2026					64.8
LNG Canada	Canada	Petronas, Shell	Train 2	Jan-26	7.0
Congo FLNG	Congo	ENI	Phase 2	Jan-26	2.4
Corpus Christi	US	Cheniere	Train 7	Jan-26	1.4
Golden Pass	US	ExxonMobil, Qatar Energy	Train 1	Feb-26	6.0
Corpus Christi	US	Cheniere	Train 8	Apr-26	1.4
Energia Costa Azul	Mexico	Sempre	Train 1	Apr-26	3.3
North Field East	Qatar	QatarEnergy	Train 1	Jun-26	8.0
Golden Pass	US	ExxonMobil, Qatar Energy	Train 2	Aug-26	6.0
Corpus Christi	US	Cheniere	Train 9	Jul-26	1.4
Corpus Christi	US	Cheniere	Train 10	Oct-26	1.4
North Field East	Qatar	QatarEnergy	Train 2	Oct-26	8.0
Pluto LNG	Australia	Tokyo Gas, Woodside	Train 2	Oct-26	4.9
NLNG T7	Nigeria	NNPC	Train 7	Oct-26	7.6
Golden Pass	US	ExxonMobil, Qatar Energy	Train 3	Nov-26	6.0

We have been pushing back some project start-ups using our proprietary construction curves, including notable delays for the Qatari North Field Expansion, Port Arthur and Rio Grande.

# Global gas prices trending lower slowly

## Global gas prices (EA forecast)

\$/MMBtu

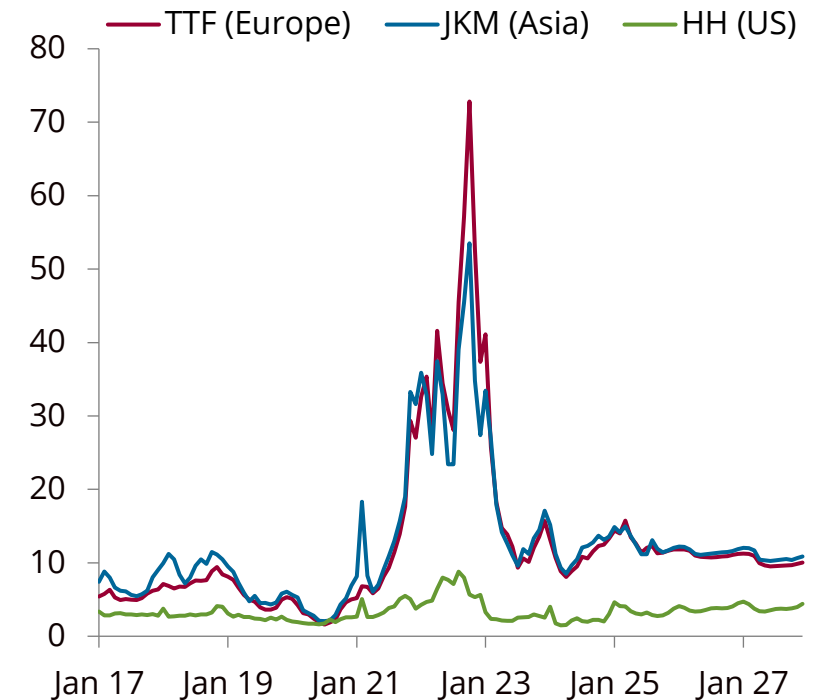


Global prices will trend lower given the impending supply wave, but they will still hold well above the level required to keep the US export arbitrage open.

Source: ICE, CME, ECB, Energy Aspects

## Global gas prices (market curves)

\$/MMBtu



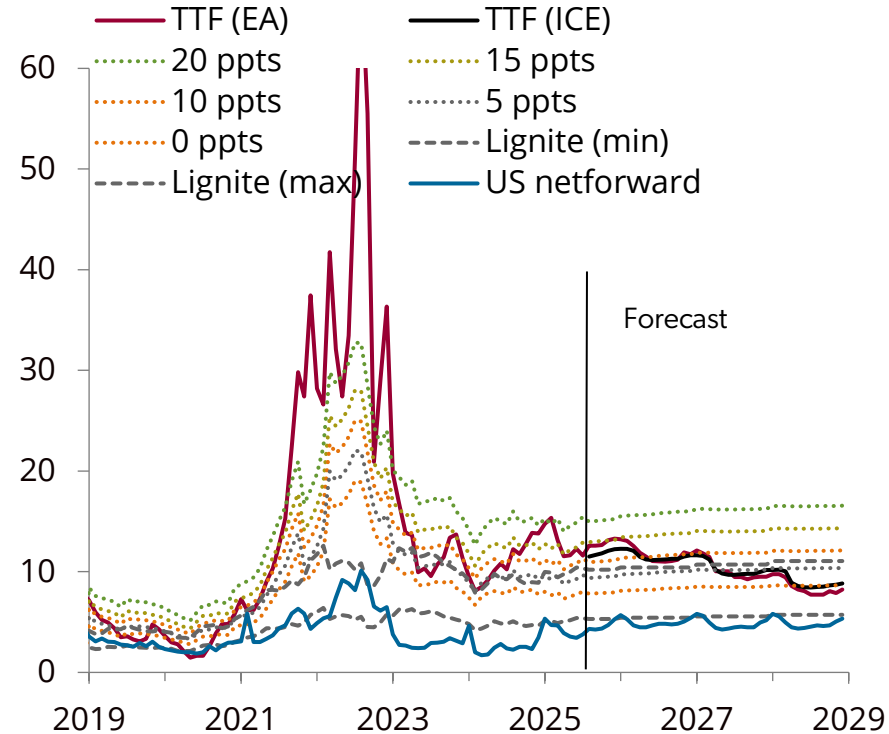
Market prices show an even more gradual decline, likely accounting for some delays in liquefaction commissioning. No market crash is evident in our forecast or market prices.



# TTF anchoring to European and Asian fuel-switching prices

## TTF vs coal breakevens and LNG shut-in price

\$/MMBtu

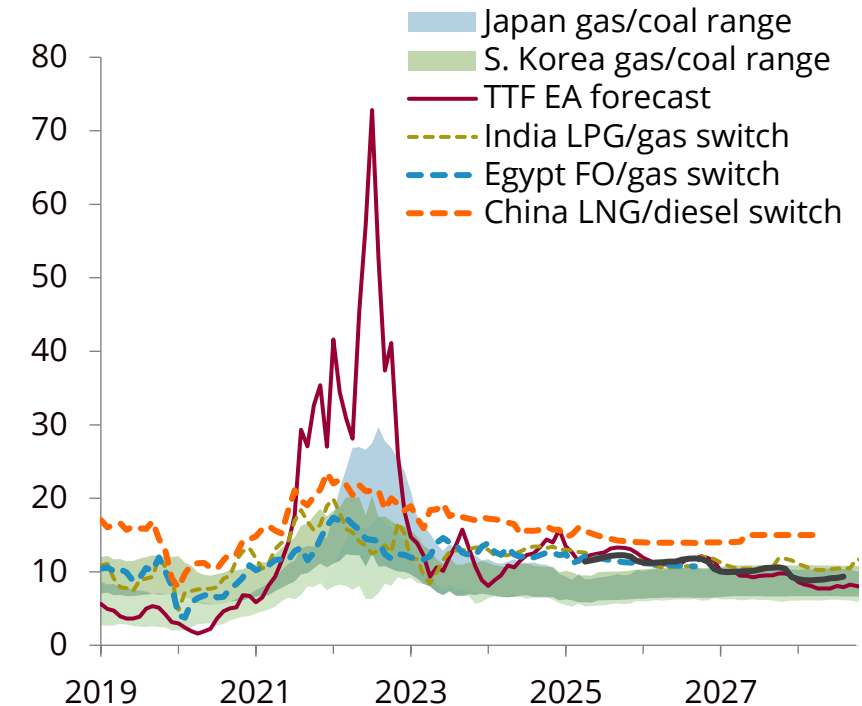


The TTF will gradually drop within the European coal–gas fuel-switching range but hold above the level needed to maintain an open US export arbitrage.

Source: ICE, ECB, Bloomberg, LSEG, Energy Aspects

## TTF vs Asian fuel-switching breakevens

\$/MMBtu

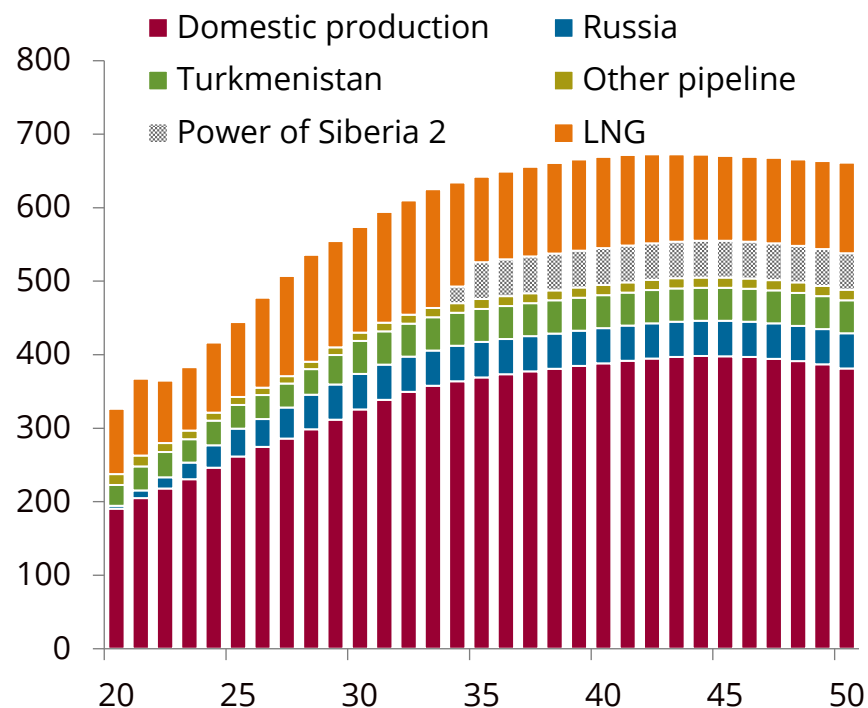


Fuel-switching dynamics in Asia are increasingly functioning as the anchor for the European market, as this determines Asia's competition with Europe for divertible LNG.

# LNG to continue as the marginal supplier in both China and Europe

## China gas supply by source

bcm

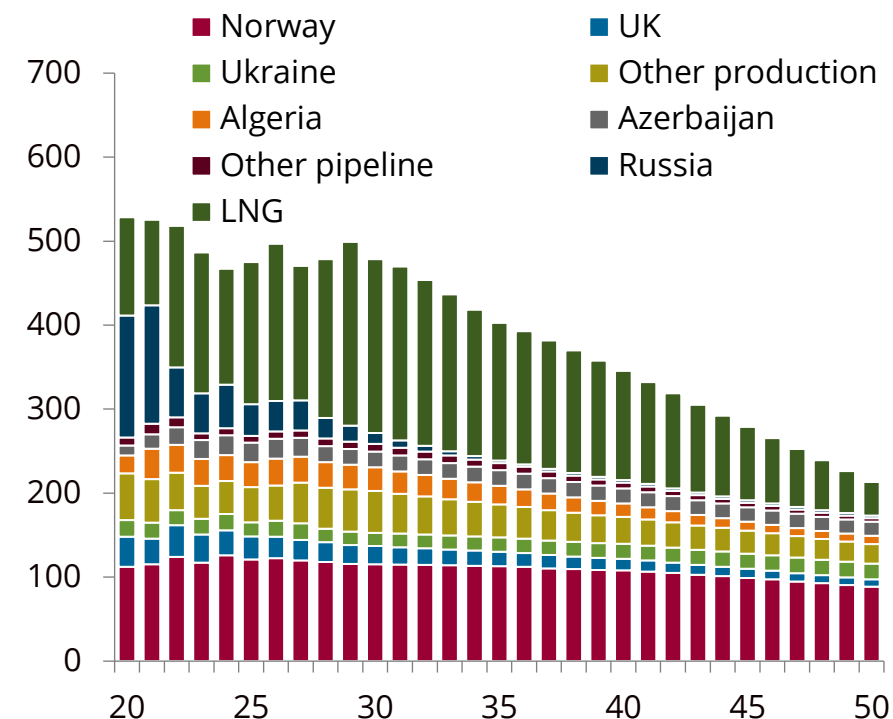


Domestic production accounts for approximately two-thirds of Chinese demand. Pipeline imports are supplemented by LNG; could be dampened if Power of Siberia 2 is commissioned.

Source: Energy Aspects

## Europe plus Turkey gas supply by source

bcm

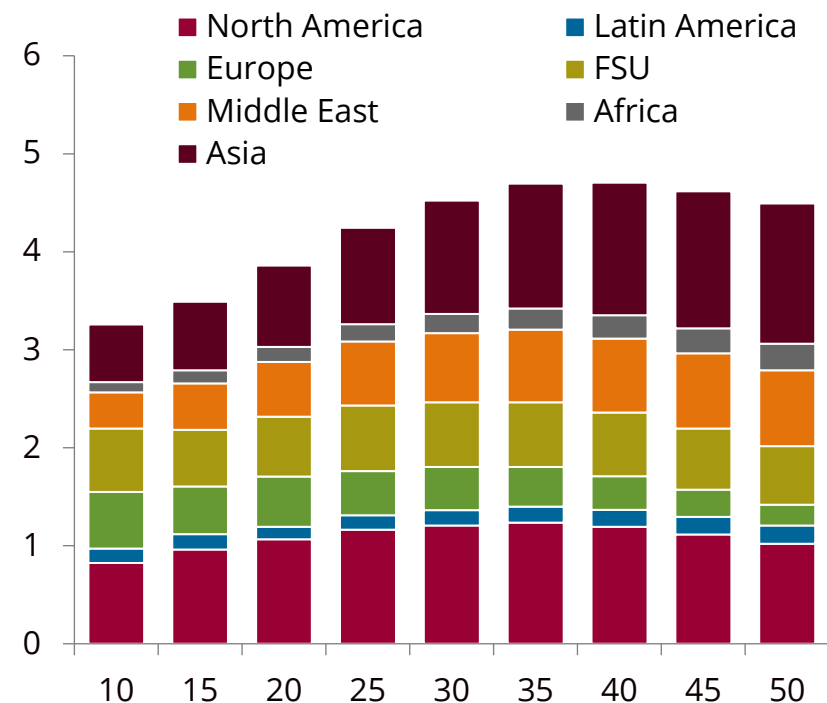


LNG has replaced Russia as the marginal supplier for European gas. The modest rebound in demand followed by a long-term decline will lead to a peak in LNG demand before 2030.

# Global gas demand to peak in 2038 with power demand in Asia driving growth

Global gas demand by region

tcm

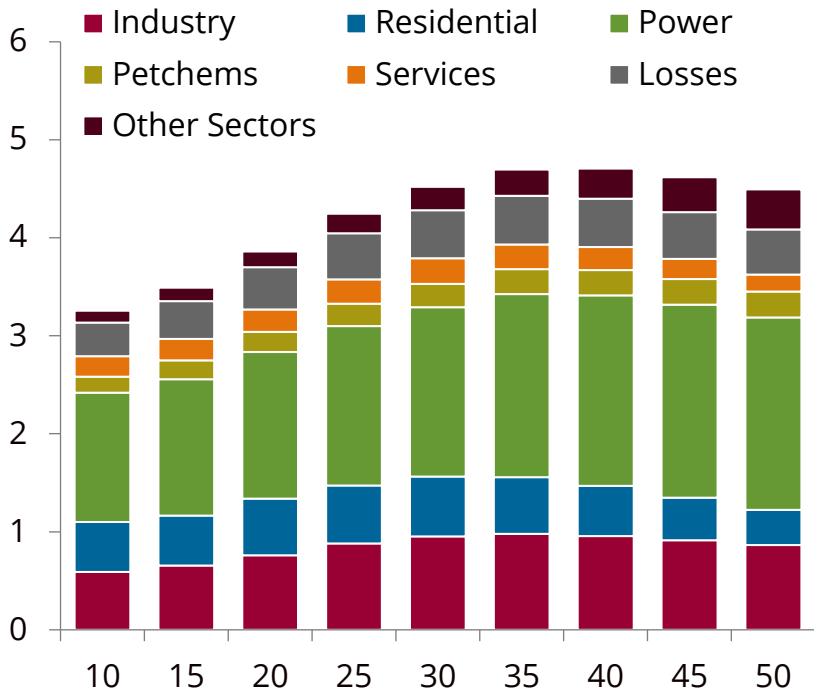


Asia and the Middle East's growing power needs, particularly for air conditioning, will drive demand while Europe's net-zero policies and energy security aims will decrease it.

Source: IEA, Energy Aspects

Global gas demand by sector

tcm



Coal-to-gas switching, for both industry and power, will increase demand while heat pump adoption drives a decline in residential settings.

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- Crude Oil
- Oil Products
- Refining
- Medium-term Refining
- Methanol – MMSA
- LPG and NGLs
- OilX – Nowcasting
- TankWatch Cushing



## Gas & power markets

- Europe Gas
- Europe Power
- North America
- Gas
- North America Power
- Global LNG



## Multi-market

- Quant Analytics
- Macro Quant
- Long-Term & Transition
- Cross-Market Analysis
- Cargo Tracking
- Geopolitics
- Global Macro



## Environmental markets

- Europe Carbon Emissions
- North America Carbon Emissions
- Carbon Offsets
- North America Biofuels





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