Rising Prices Offer Hope for the Sector

- **63%** of CFOs believe increased oil & gas prices will drive overall industry growth in 2017 (△ UP FROM 29% IN 2015)
- CFOs expect commodity prices to rise:
  - **64%** predict an increase in oil prices
  - **57%** predict an increase in natural gas prices
- **62%** cite low oil and gas prices as their greatest financial challenge in 2017 (▼ DOWN FROM 85% IN 2016)

Regulatory and Taxation Changes Are Top Concerns

- **56%** reporting project delays point to federal or state environmental regulations as causes (MORE THAN 2X FROM 2016)
- **15%** cite legislative changes as their greatest financial challenge in 2017 (MORE THAN 3X FROM 2016)
- **15%** fear a recession and its impact on oil price volatility (ALMOST 2X FROM 2016)

Nonetheless, **62%** of CFOs feel better about the U.S. economy (△ UP FROM 44% IN 2016)

Companies See Alternative Energy Sources as the Future

- **72%** of CFOs identify coal as the energy source most at risk due to growing competition from alternative fuels (△ UP FROM 21% IN 2016)
- **37%** of CFOs plan to focus risk reduction activities on environmental regulation this year (UP FROM 21% IN 2016)
- **27%** plan to increase their investment in environmentally friendly technologies

For more information, visit [http://www.bdo.com/natural-resources](http://www.bdo.com/natural-resources) or contact

Charles Dewhurst, partner and leader of BDO’s Natural Resources practice: cdewhurst@bdo.com / 713-548-0855

Tom Elder, partner of BDO’s Natural Resources practice: telder@bdo.com / 713-407-3959

BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, advisory and consulting services to a wide range of publicly traded and privately held companies. For more than 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through more than 60 offices and over 500 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multi-national clients through a global network of 67,700 people working out of 1,400 offices across 158 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms. For more information please visit: [www.bdo.com](http://www.bdo.com).

Material discussed is meant to provide general information and should not be acted on without professional advice tailored to your firm’s individual needs. © 2017 BDO USA, LLP. All rights reserved.