



U.S. Energy Executives Bullish on Their Outlook for 2012

CIT's Executive Insight Video Series
Examines U.S. Energy with Mike Lorusso

“Energy executives are very bullish about their activities in 2012. 85% intend to seek financing in 2012.”

“Oil executives believe there is potential for another oil shock by the end of 2013.”

“88% (of energy executives) support fracking as a safe or developing technology.”

Q: What's the sentiment of U.S. energy Executives?

A: We found that energy executives are very bullish about their activities in 2012. Fully, 85% intend to seek financing in 2012. From our survey results we also found that the energy executives expect significant jobs to be created throughout the industry in 2012. The focus of these jobs will be primarily in the Northeast and the Plains region, where there's a lot of activity specifically in oil and gas.

Q: What were some of the high-level findings from the study?

A: Oil executives believe there is potential for another oil shock by the end of 2013. This will likely occur from some geopolitical event or perhaps some environmental event that will affect the price of the oil as a global commodity. As well, the executives expect there to be a movement towards energy independence as we increase our production of oil and gas resources in the U.S. From our study, we've also found that the recent discoveries and ability to economically access the gas resources we have in the U.S. has had a significant effect and impact on the U.S. industry. This has come in several ways. First, it's allowed gas to be a fuel of choice being that it's economic and abundant in the U.S. It's also created a mini boom industry around the services that support the gas exploration and production business. So these technologies that were developed originally for gas are also being applied for oil. People don't realize this but it has also opened up the U.S.'s oil production domestically.

We also found that 46% of the executives cite that natural gas is the most crucial fuel for expanding the nations electric generation capacity within the next decade.

Q: What did executives say about “fracking”?

A: The boom within the natural gas industry has not come without controversy and this is a concern due to the environmental issues associated with fracking.

Fully, 88% do support fracking as a safe technology or a developing technology. We found that executives do believe that there are issues with fracking that need to be addressed. They believe that there are a number of ways to do this, such as by working with the regulators for some more oversight which can be tolerated by them. Additionally they need to work with the public and environmentalists to demonstrate and prove that there are misconceptions and misunderstandings about fracking and get the public more supportive of it since this is a vital approach to addressing our energy dependence as we move forward.

CIT is very bullish about the activities and the US potential to move towards energy independence in the future and our ability to support the businesses and services within that sector will help the US achieve that goal perhaps as the executives reported in the study within our generation.

The first in a two-part series, this video interview complements CIT's ongoing **research and thought leadership programs** and is part of the latest installment of **CIT's Executive Insights Series** featuring senior CIT executive commentary on current market conditions and industry trends. The second video will discuss factors that could lead to energy independence within the next 15 years, as well as the expansion of drilling, fracking and how energy executives view the current regulatory environment.



Mike Lorusso is Managing Director and Group Head for **CIT Energy**. The group provides value-added financing products and advisory services to higher growth, entrepreneurial companies throughout the energy and power sector.

To learn more about CIT Energy, visit cit.com/energy. Members of the press who have an interest in speaking with Mr. Lorusso can contact Curt Ritter at Curt.Ritter@cit.com. These are some of the findings detailed in CIT's latest research study, **2012 U.S. Energy Sector Outlook**.