



T. Boone Pickens Media Coverage 2.17.10

Total of 6 Placements

- Print: 2
- Blog/Online: 2
- Broadcast: 2

Coverage Summary:

Bloomberg reported on Pickens assets under management, which climbed 21 percent after buying stakes in TransAtlantic Petroleum Ltd., Smith International Inc. and Foster Wheeler AG, among others.

KSL-AM in Salt Lake City mentioned Pickens' support for legislation that would encourage the conversion of 18-wheelers to run on natural gas.

Highlighted Placements (Full Articles Below)

- **Pickens Buys Stakes in TransAtlantic, Smith, Fluor (Update1)** – *Bloomberg* – 2/16/10

Print Placements (Full Articles Below)

- **FEATURE-Houston Aims to be U.S. Electric Car Capital** – *Reuters* – 2/16/10
 - *CNET*

Blog/Online Placements (Full Articles Below)

- **Coal or Natural Gas?** – *Seeking Alpha* – 2/16/10

HIGHLIGHTED COVERAGE

Pickens Buys Stakes in TransAtlantic, Smith, Fluor (Update1) – Bloomberg – 2/16/10

By Mark Chediak

Feb. 16 (Bloomberg) -- T. Boone Pickens, the billionaire energy investor, boosted assets under management by 21 percent while buying stakes in TransAtlantic Petroleum Ltd., Smith International Inc. and Foster Wheeler AG.

Pickens's BP Capital Management LP bought 2 million shares of Hamilton, Bermuda-based TransAtlantic, the oil and natural-gas company with acreage in Turkey, Morocco and Romania that said last month it expects output will climb this year. BP Capital also bought stakes in Fluor Corp. and Canadian Natural Resources Ltd., according to a public filing.

BP Capital, based in Dallas, increased stakes in such companies as SandRidge Energy Inc., Gstar Exploration Ltd. and Weatherford International Ltd. during the three-month period that ended Dec. 31, according to the filing.

Pickens decreased stakes in companies including Chesapeake Energy Corp., McMoRan Exploration Co. and Occidental Petroleum Corp.

The value of Pickens's equity holdings climbed 21 percent to \$224.5 million as of Dec. 31, from \$185.5 million on Sept. 30, according to today's filing.

Money managers who oversee more than \$100 million in equities must file a Form 13F with the Securities and Exchange Commission within 45 days of each quarter's end to show their U.S.-listed stocks, options and convertible bonds. The filings don't show non-U.S. securities or how much cash the firms hold.

PRINT COVERAGE

FEATURE-Houston Aims to be U.S. Electric Car Capital – Reuters – 2/16/10

* US cities sign deals with carmakers, power companies

* Utilities see electric cars as consumers for spare power

By Chris Baltimore

HOUSTON, Feb 16 (Reuters) - Houston, nicknamed the Petro Metro for the profusion of oil and gas companies that dot its skyline, is an unlikely host for an electric-car revolution.

But the fourth-biggest U.S. city that claims the title of the "Energy Capital of the World" is competing with cities like San Francisco to be the nation's electric car capital.

"We are the Petro Metro but we are also a car city," said newly elected Mayor Annise Parker, speaking at an event on Feb. 5 to promote the Nissan LEAF, an all-electric, five-passenger vehicle that can travel 100 miles (160 km) on a single charge. "To have an electric vehicle that appeals to a car culture will make the real difference for market penetration."

Cities like Houston and San Francisco are forging partnerships with automakers and power companies to make the vision a reality.

In Houston, for instance, Japanese-based Nissan Motor Co Ltd (7201.T) has signed a deal where the city and power provider Reliant, a unit of NRG Energy Inc (NRG.N), will build a handful of public-charging stations to allow electric car drivers to recharge their cars.

Nissan has signed agreements with other cities like San Diego, Seattle and Orlando and states like Tennessee and Oregon to ensure that public-charging stations are built.

Such agreements are key to easing skeptical consumers' fears of running out of juice if their car batteries run low before they can reach their garage charging stations.

For beleaguered U.S. auto makers like General Motors Co GM.UL and Ford Motor Co (F.N), electric cars could be a way to boost shrinking market share.

"Detroit needs something to be exciting and new," said William Hederman, a senior vice president at Concept Capital's Washington Research Group.

General Motors' highly-anticipated battery-powered Chevy Volt hits showrooms in November, about the same time that Nissan begins U.S. sales of the LEAF.

LOVE OF BIG CARS

Texas drivers have a well-established affinity for over-sized cars, but the case for electric cars is strong.

Even if a small percentage of Texas drivers switch to electric cars, the payoff could be substantial. The Houston area alone is home to 4.5 million vehicles that travel 86 million miles a day, according to state statistics.

And Texas leads the nation in producing clean, carbon-free electricity from windmills. But the state must build billions of dollars worth of transmission lines needed to channel the wind power to urban centers.

For U.S. utilities that have seen electric demand slump 5 percent over the last two years due to a recession, the electric car is a godsend, said Kevin Book, managing director of research at ClearView Energy Partners LLC.

"What a salvation the electric car revolution would be for generators that are well below their capacity margins and trying to figure out how to make money," Book said.

In a strange bedfellows story of sorts, U.S. utilities have moved in recent months to cement ties with automakers.

"We've worked very closely together," said Tony Earley, chief executive of a Detroit utility and chairman of the U.S. electric industry's main lobbying group who also sits on Ford's board of directors.

Such coordination has helped utilities fend off clean-car competition in the form of natural gas-powered vehicles promoted by Texas oil man T. Boone Pickens, Hederman said.

Utilities see electric cars as a perfect market for spare electricity that is generated by power plants in off-peak hours that could be sold to consumers who will recharge their electric cars during late-night and early-morning hours when power is the cheapest.

"If it works the way utilities envision, it's growth that fills in the valleys of their demand patterns, and that would be a wonderful thing," Hederman said.

Utilities must build or buy generation to meet the one day of the year when electricity demand is the highest. "The other 364 days of the year our system is under-utilized," said Earley, also chief executive of DTE Energy Co. (DTE.N) in Detroit. "There is a lot of capacity that is unused."

UNDER PRESSURE

For utilities and auto companies watching climate change legislation advance on Capitol Hill, electric cars are a useful tool to reduce heat-trapping carbon dioxide emissions to comply with looming first-ever U.S. greenhouse gas restrictions.

"We know that our utility partners face the same pressures that we do to reduce emissions," said Mark Perry, Nissan's director of product planning.

About one-quarter of U.S. carbon dioxide emissions are linked with cars. U.S. President Barack Obama wants to put 1 million electric vehicles on the road by 2015 to cut greenhouse gas emissions.

And even without climate change legislation, smog-enveloped cities like Houston are already under the gun from federal regulators to reduce smog-causing pollutants like nitrogen oxide, which comes mainly from vehicles.

One big question mark for utilities is how they will be compensated for building charging stations. One study by the University of California Berkeley pegged the cost of building U.S. charging stations at \$320 billion in coming decades.

State public utility commissions will have to give utilities permission to recover infrastructure costs via higher rates, but won't approve electric charging stations until they are widely used, Hederman said. (Editing by Philip Barbara)

BLOG/ONLINE COVERAGE

Coal or Natural Gas? – *Seeking Alpha* – 2/16/10

By Michael Fitzsimmons

The U.S. uses a lot of oil. With only 5% of the world's population, the U.S. consumes 25% of total worldwide oil production. In 2009, America sent \$265 billion overseas for oil. In 2008 oil nearly hit \$150/barrel and gasoline was over \$4.50/gallon in many parts of the country. The U.S. foreign oil bill in 2008 was a gargantuan \$465 billion. America obviously has an oil crisis. Combined with fiscal and monetary mismanagement by the Federal Reserve and a dysfunctional Congress, the oil crisis has led to a severe economic crisis, a jobs crisis, and a country that has saddled future generations of Americans with a horrendous debt load.

One doesn't need an economist or a Federal Reserve study to know what to do. Simple logic would dictate that America must reduce foreign oil imports and adopt a strategic long-term comprehensive energy policy.

Meantime, global warming grabs the headlines and the talk is all about solar and wind energy. While I certainly support wind and solar energy, they produce electricity, not gasoline. Since 70% of American oil consumption is used in the transportation sector, solar and wind energy won't reduce American dependence on foreign oil unless electric cars (EVs) are deployed. However, fully electric cars have their own set of problems:

Ø Range – the U.S. is a very large country.

Ø Power – batteries will run down quickly in mountainous terrain or for consumers pulling boats, trailers, and other recreational vehicles.

Ø Expense – fully electric cars will be very expensive and the middle class has already been whacked – who can afford a new fully electric car?

Ø Battery dependence – many of the elements used to build electric batteries, like lithium, are not found in large quantities in the U.S. We may find ourselves trading our foreign oil dependence for foreign battery dependence.

Ø Availability – where are they?

It is clear we'll need all alternatives to the solar/wind/electric car architecture if we want to significantly reduce our foreign oil imports over the next 5-10 years.

So, if it's going to take many years to build out solar, wind, and nuclear power infrastructures – what's the plan to reduce foreign oil imports? According to President Obama and U.S. Energy Secretary Chu – the answer is “clean coal” and electric vehicles. Many others (including your correspondent) believe natural gas is a superior solution. So it's game on. Should it be natural gas or coal? This is the big and important battle being fought today. So, who is winning and why?

If you're a coal producer or a coal based electric utility executive, you've got to be feeling pretty good these days. You've been effectively subsidized since the Carter administration and as a result you're sitting on mountains of cash and enjoy broad and deep political cover. President Obama and U.S. Energy Secretary Chu believe (or at least support...there is a difference...) the myth of oxymoronic “clean coal”. Despite the coal fly-ash release at the TVA plant in Kingston, TN (probably the worst environmental disaster in the history of the continental United States) most people have been conned into believing if we simply sequester coal's CO₂ emissions in the Earth wah-la! – we have “clean coal”.

Of course this is ridiculous because the inconvenient truth about coal is the toxic heavy metal particulates which must be dealt with after combustion. One “solution” is to simply release this toxic sludge into the Tennessee River and destroy it for generations to come. Apparently this is OK, because the country doesn’t seem to be worried about it (or acid rain, or mercury in their water, or the smog over Knoxville, etc. etc). In addition to these advantages, coal executives must also be content with the mountain of legislation that has been passed over the years at the EPA and elsewhere that effectively keep natural gas vehicles and natural gas conversion kits either unavailable or very expensive.

Meantime, you’ve got the railroad guys in your corner because they make their profits by transporting the coal. Also, the military and defense guys love you because as long as you proactively work to keep natural gas transportation at bay, the U.S. will stay addicted to foreign oil, and therefore the U.S. will have to keep fighting oil wars, expanding the tentacles of U.S. military power to obtain and protect oil supplies, and print paper dollars to fund the military expenses (and the promotion of generals and defense contractor CEO’s).

American companies Ford (F) and GM (and many automakers) make NGVs yet do not sell them in the U.S. The Honda (HMC) Civic GX remains the only NGV available in the U.S. and even it can only be purchased in a handful of states.

Natural gas refueling appliances like Fuel Systems Solutions’ (FSYS) the “Phill” are not available in the U.S. and local, state, and Federal building codes effectively keep natural gas utilities from selling and installing such equipment in homes preventing Americans from refueling with clean and cheap natural gas in their garages. CNG refueling stations and infrastructure are only available in a handful of states like California, Utah, and Oklahoma and these efforts succeeded against all obstacles the Federal government could muster. Boone Pickens is permitted to carve out a CNG fleet business because the coal guys know it is a small and fairly insignificant threat and Pickens because Pickens shamed the government into letting him win this niche by spending his own money on TV advertisements which some networks (GE for example) refused to even air. Pickens doesn’t attempt to go after natural gas transportation for middle American cars and trucks because he knows this is a political unavailable option.

Yup, it’s got to feel pretty good to be a coal guy these days. Everything appears to be in your favor. That is, except one worrisome threat: abundant, cheap, and clean supplies of shale gas. This of course, must be stopped at all costs. Allowing any in-roads to natural gas transportation or expanding natural gas power generation would of course be at the expense of those families in West Virginia, Kentucky, Tennessee, Wyoming, Pennsylvania, and elsewhere that have for decades made billions and billions of dollars mining, selling, and burning coal. Coal helped power America and these folks profited handsomely for their contribution and now own political support unmatched by any lobby in Congress. But time, knowledge and circumstances change the worm turns (or should turn...). Will the wealthy and politically connected coal folks give up without a fight? Of course not, and one only has to look at the policies of Obama and Chu to realize the huge obstacle course any “yes we can” change will face.

On the other hand, those proponents of natural gas transportation have got to be wondering what in the world is going on! President Obama was supposed to be environmentally friendly yet he supports the myth of “clean coal” and has not once uttered these three words together: “natural - gas -transportation”. To make matters worse (but all according to plan) Obama appointed an Energy Secretary in Chu who has the unmitigated audacity to publicly admit he is “agnostic” about natural gas transportation. Imagine that! We are in the midst of an oil and energy crisis and the U.S. has an Energy Secretary that is agnostic about the country’s most abundant, cleanest, and cheapest domestic fuel! This is absolutely astounding and seriously pathetic.

Meantime all the facts are on the side of the natural gas transportation advocates. Natural gas supplies are abundant and cheap. Natural gas emits 50% less CO₂ than coal and has 100% (that is, ZERO) less of the toxic heavy metal particulates coal combustion generates. Natural gas is much cheaper than coal when one takes away the coal subsidies and figures in the health care and environmental costs of coal (how do we put a value on healthy lungs, clean air, clean water, and fish and streams not loaded with

mercury?). America's number one economic advantage over all other countries is its over million mile natural gas pipeline distribution network that already distributes natural gas to every major metropolitan city and to homes where 130,000,000 cars and trucks could be refueled every night while their owners are fast asleep in bed. Natural gas transportation is a mature, proven, reliable and safe mode of transportation which has been adopted by many countries around the world.

As Robert Hefner points out in his excellent book "The Grand Energy Transition" (energy policymakers should buy this book here), studies indicate the cleanest and most efficient coal deposits (and thus the most profitable) in the U.S. have already been mined and burned. What this means is most of the coal we'll be burning in the future will be even dirtier than that which has caused so many problems in the past. Yet this is exactly what U.S. policymakers seem intent on doing - in spite of the global warming debate and the environmental destruction caused by the mining and burning of coal. Adding to this world of doublespeak are the environmental purists who are actually supporting these policies by their uneducated acceptance of the "clean coal" and electric vehicle architecture! In a country home to such great engineering schools like MIT, Georgia Tech, Cal Tech and many others - I find this kind of idiotic decision making simply incredible. It's obvious to me the entire energy policy decision making process has nothing to do with science and technology and everything to do with power politics.

Making matters worse for natural gas transportation advocates are the ineffectual efforts of the natural gas lobby. While coal has successfully convinced the American people that "clean coal" is real (it isn't, it's a myth and an oxymoron), the natural gas lobby takes out full page ads in the Wall Street Journal that say nothing but "Eureka!". Why doesn't the nat gas lobby point out that America could reduce its foreign oil imports by 6-7 million barrels a day if half the cars and trucks in the country ran on natural gas? Why not point out that this would keep over \$400 million dollars a month (at current prices) in the country rather than go to foreign oil producers? Why not point out the environmental degradation caused by coal and why "clean coal" is a myth? Why not ask how anyone would even consider coal gasification when we have all the cheap and clean natural gas we want requiring relatively no processing whatsoever? Why not educate the American people about the shale gas reserves and break down the supply and demand equations?

And finally, why not expose Energy Secretary Chu for his incompetence by taking a bold step and asking him to resign in a full page ad in the WSJ (as I strongly advised them to do as soon as I read Chu's comments)? The coal guys are playing hardball. Why aren't the natural gas guys doing so? What are they scared of and what do they possibly have to lose? At the same time, the nat gas lobby must do a better job of addressing environmental issues affecting shale gas drilling and not let the sensationalists grab all the headlines without seeing the facts. The nat gas lobby should be very proactive in the regulatory and educational areas.

More worrisome for natural gas advocates is the status of bi-partisan (now that's an anomaly these days) pro natural gas legislation like S 1408 and HR1835 which has apparently been moth-balled in Congress despite the obvious benefits of job creation, long-term domestic energy infrastructure, and the immediate and real effort to finally take meaningful steps to reduce foreign oil imports rather than fight the crisis with mere rhetoric. Once again, this is clear evidence of a dysfunctional and corrupt political system incapable of making decisions based on facts and with the welfare of the great American middle class as a priority.

At the Congressional energy hearings of 1984 an Exxon (XOM) executive testified that undiscovered natural gas from conventional sources to be around 300 Tcf. This was essentially a replay of the Carter administration's energy hearings. Both times an Exxon executive advised Congress to "conserve our natural gas resources." Both times Congress accepted that advice to the great benefit of coal and oil producers. Both times Robert Hefner strongly disagreed with the natural gas reserve estimates presented by Exxon. To his great credit, Hefner stood up at the hearing and said the following:

Mr. Chairman, it is my deep belief that United States history will eventually record the misconception of limited natural gas resources to be so far-reaching and economically fundamental as to be among one of the most economically, geopolitically, and strategically costly of the post-World War II era.

Robert Hefner has obviously been vindicated. He is a man of great wisdom and clear vision. Why aren't U.S. policymakers listening to a man like Robert Hefner? Why are U.S. policymakers determined to repeat the disastrous energy policy mistakes of the 1970s and 1980s? This is another extreme example of how dysfunctional the U.S. government has become. The main obstacle to natural gas transportation is purely political. Natural gas is the only fuel that can be scaled up to solve the economic, environmental, and national security issues America faces as a result of its addiction to foreign oil. The shale gas supplies are abundant, cheap, and clean. Period. There can be no debate.

Leading oil company big-wigs met with analysts in London Monday for a conference to discuss current industry issues. The leading headline was the call for refinery consolidation in developed economies while focusing on the growth in China and emerging markets. However, an AP report quoted BP chief economist as saying:

I would expect oil prices to stay in the current range. Even if the good years were to return tomorrow it would still take more than three years to burn through spare capacity to get back to a market as tight as it was before the crunch in 2008. I think it's very unlikely that we will see asset price spikes over the next few years.

Although I generally agree with these comments (barring a war with Iran), they don't give me a warm fuzzy feeling about the future of the U.S. economy. Another large spike in oil prices a few years from now could be the nail in the coffin for a much weakened United States economy. Wouldn't it seem logical to strive and reduce foreign oil imports and build an alternative energy infrastructure over the next few years while we still have time to do so? While we can still afford the oil, steel, and materials needed to build such an infrastructure? What in the world are we waiting for?

I have met many fine people who are working very hard and against all odds to establish natural gas transportation. These folks want to create good paying jobs, keeping U.S. wealth inside the country instead of funding foreign oil producers, reindustrialize America and clean up our air and water. If the U.S. government won't support natural gas transportation the very least it can do is stop subsidizing coal and oil, remove the legislative hurdles, and allow natural gas to compete on a level playing field with coal and oil. Let the best fuel win based on its own merits – not its lobbying power.

Investment Advice

If you believe the powers aligned with the coal and EV interests will continue to be win this battle (actually, it is not even a good contest yet...) you should load up on leading US coal producers like Peabody Energy Corp (BTU), Rio Tinto Energy America (RTP), Arch Coal (ACI), and Massey Energy (MEE). You might also consider investing in railroads that transport coal – Norfolk Southern (NSC) for instance. And of course you should continue to invest in oil companies like BP, Chevron (CVX), ConocoPhillips (COP), Petrobras (PBR), StatOil (STO), and ExxonMobil (XOM).

If you believe the natural gas guys and real environmentalists will have a monumental breakthrough and broadly establish natural gas transportation in the United States, you'd want to invest in top domestic natural gas suppliers such as BP, Anadarko Petroleum (APC), Chesapeake Energy (CHK), Devon (DVN), Conoco Phillips (COP), and Exxon Mobil now that the XTO acquisition has been announced (XOM).

Note BP, COP, and XOM make both lists.

If you are like me - hopefully optimistic about natural gas transportation yet realistic about the political and financial power of coal and the dysfunctional U.S. government, this means the U.S. stays addicted to foreign oil and the economic, financial, and fiscal hemorrhaging will continue. In this case, an American investor would be wise to hedge his or her U.S. dollar holdings by buying gold and silver bullion as well as ETFs like GLD and SLV.

BROADCAST COVERAGE

1. Varney & Company

Fox Business Network, National | DMA: 0

02/16/2010, 10:00 AM - 11:00 AM

[CC] 00:06:13 ... There are millions scientists with a million different opinion. Prof. Phil Jones at the University of Guam was the man who organized the data. Organize the research --[talking over each other] the you and is the least believable organization. They got together the information for this climate panel in Copenhagen and they want to use that report discredited as it has been to rearrange the global economy. It is bigger than that. There's more evidence than that. You want to point out what he has done, I am telling you how he may be someone you want to question and talk about but he is not the heart of it. Let's just talk about something realistic. No matter how you feel about it, everyone talking about this. You will turn on electricity this is the reality we are in back home. And we won't make that transition for many years or couple decades. Isn't it dumb of us to spend so much hard earned money when we have our own resources we are using anyway forgetting about the pollution aspect of it. We are going to spend it. We need electricity. Shouldn't we get that from our own resources as opposed to sending our money overseas? I'm all for it and I might add there is a national security element here. Better to be reliant on domestic **energy** sources rather than putting money into people who funnel it to terrorists. [Talking over each other] that is why President Obama is talking about opening new nuclear **energy** facilities. It is why you have people talking about offering loan guarantees for people to not put more carbon into the air. That is what is going on. Looking to clean **energy**, green jobs to further the economy and it will help in terms of other countries coming with the same technology because **oil** is in limited supply. The American **Wind** Industry Association says the total number of jobs in the **wind** industry in America direct and indirect is only 85,000. You could triple the number people employed in the **wind** industry and get absolutely nowhere. I think **T. Boone Pickens** might have something to say about this. He thinks there are many more jobs involved but let's go beyond that. We didn't go to solar or nuclear. There are all these alternatives. We don't just have to talk about **oil**. But it is decade before solar, wind and nuclear will make any appreciable contribution to our own energy resources. Decades. You think therefore we shouldn't start? This is an argument that therefore let us just remain where we are rather than --[talking over each other] that is the point. We have to own up to this that it is going to happen. When we start getting involved? It is going to take a long time. ...00:11:01

Audience: N/A **Spot Cost:** N/A

2. Morning News With Grant And Amanda

KSL-AM (IND) Freq. 1160, Salt Lake City | DMA: 31

02/16/2010, 05:00 AM - 06:00 AM

00:54:09 **T Boone Pickens** is a big supporter of President Obama now at least when it comes to **energy**. Pickens is supporting legislation to offer huge tax incentives to convert eighteen wheelers from diesel **fuel** to **natural gas**. 00:57:07

Audience: 15,400 **Spot Cost:** \$105