

PickensPlan

T. Boone Pickens Media Coverage 5.16.09-5.18.09

Total of 21 Placements

- * Print/Wire: 11
- * Blog/Online: 6
- * Broadcast: 4

Coverage Summary:

This week, Pickens is the guest blogger on National Journal's Energy and Environment Experts Blog. His question asks if our continued, growing dependence on foreign oil is an issue Congress should address in its energy legislation. So far, two people have responded. Paul Sullivan, a professor of economics at the National Defense University, discusses the threat to national security, saying the real problem is our reliance on oil, not necessarily who we are importing it from. The second response is from Barry Russell, president of the Independent Petroleum Association of America. He believes Congress should reject proposals that would increase taxes on the American oil and natural gas industry, therefore encouraging more American energy.

Pickens' latest blog on The Huffington Post discusses recent reports regarding the global supply and demand for crude oil.

Bloomberg reported on Pickens' investment in energy companies during the first quarter, mentioning that the value of the fund increased to \$93.9 million compared with \$40 million on December 31. Dow Jones, the Financial Post and 24/7 Wall St. also reported on his investments.

Highlighted Placements (Full Articles Below)

- * Foreign Oil: Is It Time For Congress To Act? - National Journal's Energy & Environment Expert Blog - 5/18/09
- * Stop Worrying About World Crude Supplies - Huffington Post - 5/15/09
- * Pickens Boosts Holdings in Energy Companies - Bloomberg - 5/16/09

- * Tulsa World
- * Fort Worth Star-Telegram
- * American Chronicle

- * News Highlights: Top Energy Stories Of The Day - Dow Jones -
5/15/09
- * Top Petro-Canada Supporter Against Suncor Deal - Financial Post
- 5/15/09

- * Vancouver Sun
- * Calgary Herald
- * National Post
- * Upstream Online
- * Argentina Star
- * Haiti Sun

- * T. Boone Pickens & BP Updated Stock Holdings - 24/7 Wall St. -
5/15/09

Blog/Online Placements (Full Articles Below)

- * NAHB's National Housing Endowment Establishes Green Scholarship
- Building Online - 5/18/09
- * Reception, Presentation Features UMaine Wind Energy Expert -
Kennebunk Post Blog - 5/15/09

HIGHLIGHTED COVERAGE

Foreign Oil: Is It Time For Congress To Act? - National Journal's Energy &
Environment Expert Blog - 5/18/09

Editor's Note: This week, Texas oil and gas executive T. Boone Pickens is
providing the question and joining in the discussion.

Recent news reports highlight the national security threat posed by our
escalating dependence on foreign oil. A lot of our oil comes from nations that
aren't friendly to us, and we live in a world where nations aren't afraid of
using energy as a weapon, or where we don't have guaranteed supply. Russia cut

off natural gas supplies to much of Europe last winter to force Ukraine to make concessions. And a recent AP piece leads: "A Kremlin policy paper says international relations will be shaped by battles over energy resources, which may trigger military conflicts on Russia's borders." China's entered supply deals with Brazil, Venezuela, Russia and Iran, and it's negotiating with Kuwait.

Is our continued -- and growing -- dependence on foreign oil an issue the Congress should address in its energy legislation? If so, how?

-- T. Boone Pickens

Responses:

Paul Sullivan, Professor of Economics, National Defense University

Oil markets are world markets. Our national security is potentially affected by the energy import structures of our allies and those with whom we have tensions, not just the import structures of our own energy systems. For example, many EU nations rely heavily on gas and oil from Russia, Iran, and Saudi Arabia. EU policies toward these energy exporters are sometimes constrained due to their energy vulnerabilities.

Japan, China, and South Korea also rely much on Middle Eastern oil, with Iran and Saudi Arabia being right at the top of the oil sources for Japan and China. Chinese policy toward The Sudan is somewhat constrained due, in part, to its reliance on Sudanese oil. Our policy options toward Iran, The Sudan, and many other oil-exporting states, including Russia, are sometimes constrained due to the constraints imposed on our allies and potential allies on any policy changes or practical pressures to move things in a more positive direction, such as the US attempts at trying to solve the Iranian nuclear conundrum.

We do not import any oil from Iran according to US official statistics, but every time we import anything from another country that does import Iranian oil we are effectively importing Iranian oil. Any attempts at playing tougher with the Russians on some issues could be diluted by the EU's extreme reliance and vulnerability toward Russian-sourced oil and gas. (The Russian pressure on Ukraine was, in part, based on the very low price that Ukraine got the natural for from Russia. It was a lot cheaper than the going price for natural gas in Western Europe. Russia also had its political motives, surely. Even so, Russia has no real direct energy leverage on the US given that we import almost no

energy products from Russia.) However, national security is not just based on what happens inside of one's country, but is interconnected with the national and energy securities of many other countries.

We import most of our oil from non-Muslim states. This, of course contradicts the common misperception of the sources of our oil being mostly from extremist sheikhs in the desert. Realities are far from this fantasy. Surely imports have been a growing proportion of our oil needs since our own oil production peaked in the early 1970s. But we have a certain amount of diversification of our sources, and most of our oil is not from countries that dislike us.

Most of our oil comes from the Western Hemisphere. Our major sources of imported oil in February 2009 were: Canada (1.9 mbd), Mexico (about 1.2 mbd), Saudi Arabia (about 1 mbd), Venezuela (about 960,000 bd), Angola (about 671,000 bd), Iraq (about 550,000 bd), Nigeria (about 500,000 bd), Brazil (about 360,000 bd) and Kuwait (about 250,000 bd). These put together are about 80% of our imports. Which of these countries dislikes us enough to cut off our oil at some time in the future? We have our troubles with Venezuela, but we are also by far their largest markets for their oil. We take over 73% of their exports. I don't think Mr. Chavez is foolish enough to cut us off. I doubt he would want to see himself get tossed out of office due to the destruction of his economy this embargo of oil to the US may cause. He is a talented rabble rouser, but he has rather strict practical limits on what he can do.

Let us rule out Canada, Mexico, Angola, Nigeria, Brazil, and Kuwait as countries which dislike us. There are parts of these countries' populations who do not like our foreign policies and some of our international actions, but they are hardly direct threats to our national security due to their exporting oil to us. We have a certain number of enemies in Iraq, but I don't think that Mr. Pickens was necessarily referring to Iraq as one of those countries that dislikes us.

Could it be that he was referring to Saudi Arabia? My guess is yes. But Saudi Arabia is a fairly small part of our overall supplies of oil. Out of the 23 mbd we consume, mostly wastefully, only about 1 mbd comes from Saudi Arabia. We have a strong military-to-military relation with Saudi Arabia. We have had a very long-standing, and fairly stable diplomatic and economic relationship with Saudi Arabia since the time of FDR. Granted, we have had our disagreements. There are some persons in Saudi Arabia who support violent extremists. The Government of Saudi Arabia, however, sees Al-Qaeda as an enemy. Osama Bin Laden, whom I call Osama Bedouin Din (Osama without religion), was stripped of his citizenship by the Saudis. They consider him a bitter enemy.

Surely we have our differences in some foreign policy issues with the Saudis, but they have also been cooperative on many levels on many issues, mostly quietly, for decades. They have also worked at times to keep the oil prices moderated, and have acted as a moderating influence in the region at times. They could also be seen as a strong ally in our quest to keep the extremist elements in Iran in check. The argument that our oil import money goes directly into the pockets of terrorists, and that we are "funding both sides of the global war on terrorism" with oil imports is an unproven statement that has taken hold in the public mind without sufficient backup. It plays well in politics and in the press, but it does not hold water.

Furthermore, a lot of the oil money we send to the Saudis goes to the pockets of our weapons exporters, is invested in western or Asian companies and financial markets, or is going to building up the economic cities and other megaprojects in Saudi Arabia, including keeping the oil flowing via the efforts of Saudi Aramco.

The Saudis have also been playing real hardball with their homegrown extremists, and have seriously beefed up the protection of their oil facilities, especially after the 2006 attack on the Ab-Qaiq processing facilities. If that attack succeeded then close to 6.5 million barrels a day would have been off the market for possibly a considerable time period. The Saudis asked for help on this issue, and they got it from many quarters. Our relations with the Saudis are far from perfect, and have some points of tension, such as the Arab-Israeli problems, where we have trouble finding any sort of common ground at times. However, there was a peace process shift that has been sponsored by the Saudi King that has gained some traction here and in the Middle East. Admittedly, there are people in Saudi Arabia who dislike the United States with a passion, but those who run the oil system in Saudi Arabia know how important the US is to their overall well-being. They also remember or know about how the Saudi economy was hammered after the OPEC attempts to blockade the west and the west's reactions by improving energy efficiency, cutting oil demand, and by non-OPEC production increasing drastically.

Each of these countries who are major oil exporters to the US has their own cultures, foreign policies, economic policies and more. They are sovereign states, and have differing perspectives on some issues. Sometimes they work in alliance with us on some issues. On other issues we have our differences. This is clear with our relationship with Mexico on many levels. They have been, however, very good in their handling of the H1N1 flu virus, and are cooperating more than ever on the drugs and gun-running issues. We could all point to problems that we have had with all of these countries, even our good friends to the north, Canada, who send us a pile of natural gas and electricity also. Consider the trade issue we had with them on soft-wood lumber, the Vietnam deserters and others. No international relations our perfect, but we should not

exaggerate those problems in order to change our energy policies. There are more compelling reasons to change our policies, or to be more exact, actually develop energy policies.

None of these countries is in any position to use oil as a weapon against the US. OPEC is a cartel only in name, and the speculators in London, New York, and Singapore probably have more sway on short time prices than any OPEC meeting. Could one see the Brazilians one day cutting off one of their biggest sources of foreign exchange in response to some policy by the US? Right now that seems an obscure proposition.

However, there are some things we need to consider for the future. One of the most important is that close to 60% of all known conventional oil reserves are found in the Persian Gulf and this area will most likely be the last to peak. Many of the others on our list of major oil exporters to us will peak a lot sooner than some would hope, and some, such as Mexico, have already peaked given the knowledge that we have now, and the economic structure of PEMEX. As oil runs out in many of the smaller sources of oil, such as in Nigeria, Brazil, Angola, etc. the more important the Persian Gulf will become. Tensions in the region may spark different scenarios.

Another thing to consider if we are to start to cut back on our use of oil too quickly: we may spur some extreme instability in the Persian Gulf and in those other countries that rely on oil revenues and on remittance labor that works in the Gulf and other oil producers. We may spur, for example, further instability in some of the smaller oil states, such as Nigeria and Angola, who are extremely reliant on oil revenues. Moving too quickly from hydrocarbons could also do significant damage to the Russian economy, if they do not sufficiently diversify before the inevitable happens.

The inevitable is that oil will peak and that production will find its limits. This is the case even if we consider heavy oils, tar sands, and oil shale. These non-conventional oils also bring with them extreme environmental implications, with significant costs at many levels.

So we are facing down the real national security threats to the US. These are not that we are importing oil from countries that do not like us. These are the dual and potentially very threatening effects of peak oil and global climate change. Global climate change is a direct result of the use of fossil fuels, and oil is a big part of this. Senior national security leaders like Generals Zinni and Sullivan, Admiral Trully and more have seen this on the

horizon, and have wondered, really, how close that horizon truly is. Peak oil will become a much greater threat if we do not start to pre-plan for it now.

Another set of energy related national security issues directly related to the oil trade can be found in the inexorable power of geography. About 45% of all oil is transported by ship. 15 mbd goes via the narrow Straits of Hormuz. About 12 mbd goes via the treacherous Straits of Malacca and the Singapore Straits. 3 mbd goes through the straits near the Bab Al Mandab off of Yemen. 3 mbd crosses the Suez Canal. 3 mbd goes via the Bosphorus Straits. The list goes on and on.

Many important oil pipelines and other facilities in the world are more vulnerable than many would like to think. The ABOT terminal off of southern Iraq ships about 85% of Iraq's exports, and it is quite vulnerable. Many major pipelines coming out of Russia are vulnerable. The Port of Houston is not exactly a bastion of security either, and we import almost 1/3 of our crude to be refined here into that port. The LOOP off of Louisiana is a target, and a large source of our crude imports.

The list of oil infrastructure vulnerabilities, well, that is the sort of list that can keep me up at night. These are real oil-based national security threat zones. A less centralized and less geographically dense energy system would be a lot less risky. The supply chains for oil for the US, and for the rest of the world, are often in limited geographical bands, and are ripe for the targeting for any non-state group that has a bad idea. Al-Qaeda and OBL have made statements to the effect that they have these nodes in their sights. The sooner we move away from oil and such a non-robust supply chain system the more secure our energy and economic systems will be.

I agree with Mr. Pickens that we need to move from oil, especially in transportation, which is the biggest user of oil in the US, and by far the most inefficient user of oil in the US. For every gallon that goes into the typical US auto only about 5-10% is used to move the passengers and cargo. The rest is mostly wasted energy. Light-weighting of the cars, building carbon fiber cars, moving to real hybrids, moving to electric cars with the electricity based on a smart-grid system indeed may be one of the ways to go to battle the energy-environment based national security threats looming. Right now we have a dumb grid. About 85% of the fuel put into producing electricity goes up in the air as heat. Even more is lost in transmission, distribution, and splitting the lines near houses, factories, etc.

There are clear and present dangers heading toward us due to our reliance on oil. These clear and present dangers are not due to whom we are importing from. They are from how much our economy and society relies on an uncertain commodity which also has sometimes very volatile prices, will peak, helps create global climate change, and has potentially very fragile supply chains. All of these fragilities in the oil-based energy systems potentially can have extreme effects on our people.

Should Congress address these issues with legislation? The answer, of course, is yes. But it is imperative that the legislation does not do more damage than good, and that it is based on facts and science, rather than on populism and the race for the next vote or campaign contribution. Legislation directed at the looming threats of peak oil, global climate change, and the potential fragilities of the oil supply chain could be a very important set of next steps to move us toward the new energy future that is a requirement for the national security of this country to be maintained and preserved. Such legislation could be drivers to the new energy future.

Above all, the best of American values need to be reflected not just in our energy policies, but our overall domestic and foreign policies. Trading off our values for the next barrel of oil is unacceptable.

The time to move toward our new energy future is now. We cannot doddle on the side lines and look for excuses to kick the can of change down the road to the next leaders or the next generations. We are facing a massive responsibility to the present and future generations to get our energy systems and other interconnected systems right. If we get it wrong then the national security of this country will be truly in jeopardy and the economy as we know it could become so fragile that the economic crisis we face today will seem like a walk in the park in the rain, rather than the whipsawing high gusts of economic instability we could face from the twin towers of oil-based instability: peak oil, global climate change, and potentially very fragile oil supply chains.

Barry Russell, President, Independent Petroleum Association of America
(IPAA)

For decades, our dependence on foreign oil (and the unstable countries that produce it) has been growing - and sometimes this trend has been made worse by congressional actions that have penalized American oil and natural gas producers. For example, according to the Congressional Research Service, the 1980 Windfall

Profits Tax on American oil and natural gas producers “reduced domestic production from between 3 and 6 percent and increased oil imports between 8 and 16 percent.” The tax also drained \$40 billion from these American companies that otherwise could’ve been invested in new energy supplies here at home.

The current Congress should learn a lesson from past mistakes. As it crafts an energy bill, the Congress should reject proposals (such as the Obama Administration’s budget) that would increase taxes on the American oil and natural gas industry. It should be U.S. policy to encourage, not discourage more American energy from all sources. This is the only way we can reverse an ever-growing and dangerous trend of reliance on foreign oil.

Stop Worrying About World Crude Supplies - Huffington Post - 5/15/09

By T. Boone Pickens

Domestic natural gas supplies will replace our need for foreign oil. Independent studies continue to show that America's natural gas reserves are sufficient to meet all of our needs for well over 100 years.

We should protect America's interests by making a national commitment to replacing our need for foreign oil by using our enormous natural gas supplies for every possible use - power, transportation, chemicals, pharma, etc.

Over the past few days there have been contradictory reports regarding the global demand for crude oil and the ability (or willingness) of the world's oil producing countries to supply the stuff.

- The International Energy Agency predicted the world's capacity to produce crude oil will fall by 1.7 million barrels a day this year.

- That same day reports surfaced saying that China, the world's second-largest consumer of energy, had announced it had increased its imports of crude oil by 14 percent in April. China has already entered into supply deals with Brazil, Venezuela, Russia, Iran and is negotiating with Kuwait.

- Reuters reported "global oil refinery throughput will fall 3.1 million barrels per day in the April-June period from the same quarter last year" which has been reflected by dramatically higher prices at the pump. According to Consumer Reports, prices for regular gas jumped from \$2.05 to \$2.24 before the summer driving season has even begun - a nine percent increase in just two weeks.

- Then the IEA predicted world crude demand this year is expected to contract by 2.6 million barrels a day, or 3%, to 83.2 million barrels a day.

Through the week oil prices bounced between just over \$60 per barrel to about \$57 per barrel.

Why the relatively narrow trading range? Traders know that both the production and consumption numbers are artificial.

OPEC has had a \$75 price target in mind for several months. OPEC nations are wholly dependent on petro-dollars to fund their national budgets and they must find the proper balance between price and production to generate enough money to keep their populations happy.

On the consumption side, China has the capacity and the inclination to engineer its oil requirements because so little of its economy is market-driven.

Through it all, America continues to import more than two-thirds of our oil needs which puts us at the mercy of the Middle East oil producers, China, and other countries which do not have the interests of the United States in their hearts. In April, we imported 375 million barrels of petroleum at a cost of just under \$19 billion.

Last week Hugo Chavez sent troops to take over Venezuela's oil service companies because he felt that the state-controlled oil company (which he nationalized a couple of years ago) owed them too much money.

There is no reason for America's national interests - our economy, our environment, nor our security - to be based upon a global oil supply-and-usage regime which is based upon an international set of artificially-controlled factors.

This past week, a report in Russia, according to the London Times, "raised the prospect of war in the Arctic as nations struggle for control of the world's dwindling energy reserves." The report suggested that Russia "is willing to defend its interests by force if necessary."

Russia, just a few months ago, used its natural gas production and distribution system to force its will on Ukraine by shutting off gas supplies to much of Europe during the coldest months of the European winter.

It is not hard to imagine other countries, if they get into domestic trouble because they can't cover their internal social costs, to further manipulate supplies and distribution of crude to artificially affect prices.

The United States has it in its power and within its borders to effectively defend itself against the whims of foreign governments by taking serious steps to increase the utilization of domestic natural gas.

Natural gas is our most widely distributed natural resource - gas lines run up every street and down every alley in almost every city and town in the nation. As a transportation fuel, natural gas is ready-to-go. There are nearly 10 million natural gas vehicles (NGVs) operating throughout the world but fewer than 150,000 are here in the United States.

Our energy future is in our own hands. In natural gas we have an enormously abundant domestic resource; we have the technology to utilize it for power, transportation and every other known use; it is cheaper than imported oil; it is cleaner than either gasoline or diesel fuel; and, it is under our own control.

Spending time worrying over global oil maneuvers by foreign governments is a waste of time and money. We should have a national project to use domestic natural gas and reduce our imports of foreign oil.

Pickens Boosts Holdings in Energy Companies - Bloomberg - 5/16/09

T. Boone Pickens, the billionaire hedge-fund manager who forecasts oil will reach \$75 by the end of the year, added to his investment fund's energy holdings in the first quarter as crude futures on the New York Mercantile Exchange had their biggest quarterly drop since they began trading in 1983.

Pickens' BP Capital Management LP bought 200,000 shares of Halliburton Co. and doubled its position in Oklahoma City-based Chesapeake Energy Corp. to 200,000 shares, according to a filing Friday with the Securities and Exchange Commission.

Pickens, who held positions in nine energy companies in his BP Capital Management Fund as of Dec. 31, had investments in 17 as of March 31.

Dallas-based BP Capital increased its stake in Transocean Ltd., adding 150,000 shares for a total of 400,000. Positions were also boosted in Oklahoma City-based Devon Energy Corp., Occidental Petroleum Corp. and Suncor Energy Inc.

BP Capital reported 10 new holdings, including positions in Massey Energy Co., Alpha Natural Resources Inc. and Cabot Oil & Gas Corp.

Pickens' fund sold its stakes in Denbury Resources Inc. and Peabody Energy Corp.

The value of the fund increased to \$93.9 million at the end of the first quarter compared with \$40 million on Dec. 31.

News Highlights: Top Energy Stories Of The Day - Dow Jones - 5/15/09

OIL SETTLES 3.9% LOWER ON WEAK DEMAND

Crude oil futures prices end lower, pressured by worries over weak demand and high inventories. Nymex light, sweet crude oil futures for June delivery settles down 3.9%, or \$2.28, to \$56.34 a barrel, the lowest since May 6.

HOUSE ENERGY DEMS TO GIVE 85% OF CO2 CREDITS AWAY

House Democratic energy leadership is planning to give away 85% of the greenhouse gas emission credits - the right to emit - as part of an agreement to win moderate support for a major climate and energy bill.

S. CALIFORNIA EDISON DROPS PLANS FOR ARIZONA LINE

Edison unit Southern California Edison says it's scrapping plans to build a 270-mile, high-voltage transmission line from Arizona to southern California amid lower electricity demand and rise of renewable power sources.

T. BOONE PICKENS FUND ADDS ENERGY STAKES

Oilman T. Boone Pickens reports his hedge fund, BP Capital Management, has acquired 10 new stakes in energy companies for the quarter ending March 31. Among the new stakes: Alpha Natural Resources, Halliburton and Cabot.

CHEVRON CONSIDERING OPTIONS FOR HAWAII REFINERY

Chevron is mulling turning its Hawaiian refinery into a products terminal -- the first sign that the poor market for refined products could impact a major oil company's operations.

EXELON SAYS IF NRG ENERGY BID FAILS, WILL LOOK ELSEWHERE

Exelon CEO John Rowe says that the nuclear-power company will probably succeed with its bid for NRG Energy, but plans to pursue other opportunities if it isn't successful.

CHAVEZ EYES MORE OIL-INDUSTRY TAKEOVERS NEXT WEEK

President Hugo Chavez acknowledges that his government will continue to seize oil-company assets next week as part of its plan to expand the state's control over a key industry.

NIGERIA ATTACKS MILITANTS IN OIL-RICH DELTA

Nigeria sends military helicopters and gunboats to attack militants in the oil-rich Niger Delta in its first significant offensive after months of relative calm, but militants and a local politician say a village festival had been hit and civilians injured.

SEMGROUP CREDITORS SEEK DATA FROM PWC, GOLDMAN

SemGroup's creditors step up efforts to get information from the energy marketer's former business partners, investors and advisers, including PricewaterhouseCoopers and Goldman Sachs.

BRIGHAM BOOSTS CAPITAL-SPENDING BUDGET

Brigham Exploration expands its capital-spending budget for the year upon the closing of the stock offering it announced Thursday, saying it will offer 30 million shares.

DOE SETS ASIDE \$1B TO STUDY FUNDING FUTUREGEN

Energy Dept. has set aside almost a third of \$3.4 billion in congressionally approved "clean coal" funds for the possible funding of the major project in Illinois, says an Energy Depart spokeswoman.

GM TRIMS DEALER RANKS BY 1,100, MORE PLANNED

General Motors notifies 1,100 dealers they will be phased out of business by October 2010 as part of plans to eliminate 40% of its stores. Cuts are part of GM's efforts to downsize as it faces a June 1 deadline from the Obama administration to restructure or file for bankruptcy. Shares are down 5%.

Top Petro-Canada Supporter Against Suncor Deal - Financial Post -
5/15/09

By Claudia Cattaneo

In the first public sign of discontent over Suncor Energy Inc.'s \$19-billion all-stock merger with Petro-Canada, one of Petro-Canada's top shareholders said it would vote against the deal because it undervalues Petro-Canada's shares.

Daniel Brosseau, president of Letko Brosseau & Associates, a Montreal money manager with about 2.1% of Petro-Can's stock or 10.4 million shares, said the two companies are equal by many measures, but under the deal Petro-Canada shareholders will receive only 38% of the new entity, while Suncor's will receive 62%.

"We hope to initiate a discussion about these valuation issues, which we find lacking," Mr. Brosseau said in an interview.

"Petro-Canada, on a very factual basis, represents over 60% of the cash flow, over 60% of the reserves, over 60% of production ... and the asset values are at least equal to those of Suncor, so 38% doesn't seem to be the right number."

While the investment firm, Petro-Can's sixth-largest investor, has not tried to rally other shareholders, it said it is aware of at least a second major investor with similar concerns.

Shareholders of both companies are scheduled to vote on June 4 on whether to approve the deal, which gives Petro-Canada investors 1.28 Suncor shares for every share they own. It would make Suncor North America's fifth-largest oil company and challenge Royal Bank of Canada for the top spot on the Toronto Stock Exchange.

The investment manager said Petro-Canada is making a big contribution to the new entity: Petro-Canada generated cash flow of \$6.4-billion versus Suncor's \$4.5-billion in 2008, and net earnings of \$3.1-billion versus Suncor's \$2.1-billion; Petro-Canada produced 418,000 barrels per day compared to 264,700 b/d by Suncor, while Petro-Canada refineries produced at a rate of 226,400 b/d while Suncor refined 155,600 barrels per day; Petro-Canada's net debt totaled \$3.3-billion, less than half of Suncor's \$7.2-billion at Dec. 31, 2008.

In addition, Mr. Brosseau said Petro-Canada runs a diversified business, while Suncor's is concentrated in the oil sands.

Spokespersons for Suncor and Petro-Canada said the vast majority of shareholders are expected to vote in favour.

"While we are disappointed [with Letko Brosseau & Associates' opposition], most shareholders we have spoken to are very positive about the merger," said Petro-Canada spokeswoman Andrea Ranson.

Letko Brosseau, which manages \$20-billion for pension funds, foundations and individuals, said it made public its opposition after holding numerous discussions with the two companies.

Petro-Canada's other top five shareholders, according to Bloomberg data, are: Alliance Bernstein LP with 7% of the shares, Barclays Global Investors U.K. Holdings Ltd. with 4.5%, Capital World Investors with 4%, Ontario Teachers Pension Plan Board with 3.3%, Harris Financial Corp. with 2.3%.

Two of Petro-Canada's 12 directors voted against the merger, announced in March and designed to boost the former Crown corporation's value.

Meanwhile, T. Boone Pickens, the Dallas-based billionaire, tripled in the first quarter its stake in Suncor, to 300,000 shares, in his investment fund's energy holdings, according to a regulatory filing with the U.S. Securities and Exchange Commission. He manages BP Capital Management LP.

T. Boone Pickens & BP Updated Stock Holdings - 24/7 Wall St. - 5/15/09

This morning we got to see the new equity holdings of T. Boone Pickens, via his BP Capital Management, L.P., as of March 31, 2009. Some of the higher stakes look to be in Chesapeake Energy Corporation (NYSE: CHK), Devon Energy Corporation (NYSE: DVN), Suncor Energy Inc. (NYSE: SU), and Transocean Ltd. (NYSE: RIG). Here is the full list of holdings for Pickens' BP Capital with the implied value as of the reporting date of March 31:

- * ALPHA NATURAL RESOURCES (NYSE: ANR) 230,000 shares worth \$4.083 million.
- * ANADARKO PETROLEUM (NYSE: APC) 50,000 shares worth \$1.945 million.
- * CABOT OIL & GAS (NYSE: COG) 200,000 shares worth \$4.714 million.
- * CHESAPEAKE ENERGY CORP. (NYSE: CHK) 200,000 shares worth \$3.412 million; higher stake than before.

* CONSOL ENERGY INC. (NYSE: CNX) 150,000 shares worth \$3.786 million.

* DEVON ENERGY CORP. (NYSE: DVN) 250,000 shares worth \$11.173 million; higher stake than before.

* FLUOR CORP. (NYSE: FLR) 59,000 shares worth \$2.038 million.

* FOSTER WHEELER AG (NASDAQ: FWLT) 132,000 shares worth \$2.306 million.

* HALLIBURTON COMPNAY (NYSE: HAL) 200,000 shares worth \$3.094 million.

* MASSEY ENERGY CO. (NYSE: MEE) 325,000 shares worth \$3.289 million.

* MCMORAN EXPLORATION (NYSE: MMR) 200,000 shares worth \$0.940 million.

* OCCIDENTAL PETE CORP. (NYSE: OXY) 200,000 shares worth \$11.130 million.

* QUESTAR CORP. (NYSE: STR) 160,000 shares worth \$4.709 million.

* SCHLUMBERGER LTD. (NYSE: SLB) 75,000 shares worth \$3.047 million.

* SUNCOR ENERGY INC. (NYSE: SU) 300,000 shares worth \$6.663 million; higher stake than before.

* TRANSOCEAN LTD. (NYSE: RIG) 450,000 shares worth \$26.478 million; higher than before,

* WEATHERFORD INTERNATIONAL (NYSE: WFT) 100,000 shares worth \$1.107 million.

There may be other holdings in different entities, but these were the positions seen in the TBP Investments Management, LLC unit.

BLOG/ONLINE COVERAGE

NAHB's National Housing Endowment Establishes Green Scholarship - Building Online
- 5/18/09

WASHINGTON -- A new National Housing Endowment scholarship will help pay for students to attend the National Association of Home Builders National Green Building Conference. The scholarship was announced at a dinner honoring winners of the NAHB National Green Building Awards.

Founding contributor Tommy Ford Construction endowed the scholarship in honor of Texas entrepreneur T. Boone Pickens, who gave the keynote speech at the awards dinner in Dallas on May 8.

"The construction management students and the young men and women just getting started in this business need the information, the education and the networking that the NAHB National Green Building Conference provides," said Conference Working Group Chair and Mount Pleasant, Mich., builder Joanne Theunissen at the awards dinner.

The new scholarship fund will provide support to students in a two-year or four-year design and construction education and training program. The National Housing Endowment will manage the fund.

The NAHB Green Building Subcommittee will determine eligibility requirements and recommend recipients for the scholarship.

"Tommy Ford Construction is a green building leader in the Dallas area, and with this contribution, the company is establishing itself as a green building benefactor as well," said Subcommittee Chair Eric Borsting.

"This is a wonderful gift from Tommy Ford Construction. The education, training and other events at the NAHB National Green Building Conference represent a valuable experience for these students," Borsting said.

"With the help of generous contributions like this, the National Housing Endowment continues to invest in the future of the home building industry by recognizing the demand for green building education. Tommy Ford Construction's contribution to the National Housing Endowment will make a difference in students' careers and lives by giving them access to the most advanced green building technologies found at the NAHB Green Building Conference," said Endowment Board of Trustees Chair F. Gary Garczynski.

Reception, Presentation Features UMaine Wind Energy Expert – Kennebunk Post Blog
– 5/15/09

The Kennebunk Energy Efficiency Committee presents Dr. Habib Dagher of the University of Maine for his discussion, “Maine’s Energy Future: how Maine can build a clean energy economy, create new jobs, and become a net exporter of energy.” A reception takes place from 5:30 to 6:30 p.m., Thursday, May 28 at Kennebunk Free Library.

The talk begins at 7 p.m. at Kennebunk Town Hall on Main Street. A professor of civil and structural engineering, Dagher joins a growing number of scientists and policy makers who believe Maine has the potential to be the “Saudi Arabia of wind,” if the technical hurdles to building large off-shore wind farms can be overcome.

He recently joined T. Boone Pickens in testifying before the Senate’s Homeland Security Committee on the potential of wind power to decrease dependence on foreign oil.

The director of the Advanced Engineered Wood Composites Center, established by the National Science Foundation, Dagher has published more than 100 scholarly papers in his field.

He has won numerous awards for his teaching, research, and public service, including the Distinguished Maine Professor Award and the New England Higher Education Excellence Award.

To attend the reception, RSVP to 294-2961 or turnstone@gwi.net by Friday, May 22.

BROADCAST COVERAGE

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1. Bloomberg News

DMA: N/A

Bloomberg (---) National

05/15/2009

03:00 PM - 04:00 PM

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:31:22 Energy is one of the worst performers out of the major industry groups. Laura Lee is here to tell us what is dragging this group down. It has to do with the economy. We saw crude oil moved lower today, down in as an almost one month. It is down to \$56 a barrel. We hit that high of \$60 a barrel earlier this week. Oil prices are falling on concern that a global economic recovery is not near, and the demand for fuel will continue to fall. We demand and lower prices could translate into shrinking profits. We are seeing the S&P 500 index falling more than 2%. All members are moving lower. We are seeing oil and energy stocks moved lawyer --Move lower, but one investor has been adding to his share. Who is it? T Boone Pickens , the hedge fund manager has been adding to his energy holdings. 00:32:42

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2. Bloomberg News

DMA: N/A

Bloomberg (---) National

05/15/2009

02:00 PM - 03:00 PM

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:30:13 Leading the declines in equities, we have a drop in energy and utility stocks. They are the two worst performing groups today. Laura lee has the details. Let us start with energy. What is dragging down the group? It all has to do with the economy and where energy prices are trading today. Crude oil moved sharply lower today, down the most in almost a month, back to \$56 a barrel. We hit that six-month high of \$60 earlier this week. Prices are falling on concern that a global economic recovery is not near and demand for fuel will continue to fall. Weaker demand and lower prices could translate in shrinking earnings for oil companies, and as a result we have the S&P 500 energy index falling more than 2%. All 39 members are moving lower. But some investors are bullish on energy. Among them, T. Boone Pickens. 00:31:48

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3. Fox Business

DMA: N/A

Fox Business Network (---) National

05/15/2009

03:00 PM - 04:00 PM

[CC] 00:28:16 (Guest is Mayor Oscar Goodman of Las Vegas)...The room occupancy, the bargain right now. We have the best chefs and a lot of new shows. Everything is a go, but people aren't spending as much money.

That will come back. Liz: I stayed at the Wynn for the first time. I don't know if I'll stay anywhere else. Great hotel. They're all good but it was amazing. When the president comes, what would you love to show him when he's here? I want to show how hard people work to improve themselves in the daytime. Working convention, and they have the meetings. That was an issue when we talk about what happens here stays here. You can't have it both ways, a slogan that's neon like and expect people to come here for serious purposes. After empirical studies were done you can have it both ways and people come here notwithstanding the slogan. Liz: 2,000 private equity investment bankers at the ACG conference I was doing the fireside chat with Boone Pickens, they were sweating they were working so hard. Commerce is being done and glad it's coming back to Las Vega, mayor Congratulations. Next time you're re, look me up. Absolutely! Oscar Goodman
00:29:57

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4. Eyewitness News Today

DMA: 33

KSL-TV CH 5 (NBC) Salt Lake City

Spot Cost: \$189

05/15/2009

06:00 AM - 07:00 AM

Est. Audience: 18,749

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] 00:35:26 Three Utah counties filed lawsuits against the Interior Department over oil and gas leases. These are counties that really rely on this revenue that can't live without it. They can't operate without it. Two lawsuits claim the department improperly canceled leases for 77 parcels in Uintah, Carbon and Duchesne Counties. Officials from the counties say the losses could amount to millions of dollars and two oil companies have also filed a lawsuit against the Interior Department claiming their drilling deals were improperly shut down . Doug Wright joins us now. And the controversy over these leases just continues to grow. You see the real impact from this absolutely. And a lot of people may go what's the big deal. More and more as you look at the employment issues in the state of Utah, you look at those concerned about the overall energy needs of the country, many people believe --We talk a lot about oil but remember many of these wells we're talking about and leases we're talking about, we're not talking about oil, we're talking about natural gas as well. It's a combination of both. It's kind of ironic because the Obama administration is very, very big on kind of the T Boone Pickens philosophy in one way or another one of the very, very important elements that will bridge to us whatever the future may hold, whether it's solar, wind, whatever, green technology we're going to, that one of those keys will be the extraction of natural gas. There's always so much brouhaha. The environmentalists are fully engaged on this. When I say environmentalists it is engaged extreme environmentalists.... 00:37:01