

PickensPlan

T. Boone Pickens Media Coverage 12.19.09-12.21.09

Total of 10 Placements

-  Print: 5
-  Blog/Online: 3
-  Broadcast: 2

Coverage Summary:

The *Fort Worth Star Telegram* has a piece on Exxon Mobil's purchase of XTO Energy, with experts calling this a fabulous endorsement for natural gas which advances the argument for using it as a bridge fuel. Pickens is quoted discussing how this deal is an important development in America's energy security. The piece was also distributed by the *McClatchy Washington Bureau*.

An editorial in the *Deseret News* highlights the significance of an application to create massive salt caverns in Utah capable of holding 10 billion cubic feet of natural gas. Pickens is mentioned in the piece for his push to encourage the greater use of natural gas and how this is important to national security.

Highlighted Placements (Full Articles Below)

-  **How Exxon Mobil's Purchase of XTO Energy May Affect the Energy Industry** – *Fort Worth Star Telegram* – 12/19/09
 - o *McClatchy Washington Bureau*
 - o *Los Banos Enterprise*
 - o *iStockAnalyst*
-  **The Transition to Natural Gas** – *Deseret News* – 12/20/09

Print Placements (Full Articles Below)

-  **Olive: Turning up the Heat on Business** – *Toronto Star* – 12/20/09

Blog/Online Placements (Full Articles Below)

-  **Cash In on These Transportation Trends** – *Motley Fool* – 12/18/09
 - o *Seeking Alpha*

HIGHLIGHTED COVERAGE

How Exxon Mobil's Purchase of XTO Energy May Affect the Energy Industry – Fort Worth Star Telegram – 12/19/09

By Scott Nishimura

Exxon Mobil Corp.'s \$31 billion stock deal to buy XTO Energy boosts natural gas as the country debates how to reduce reliance on foreign energy sources and minimize the impact on the environment, experts say.

Exxon's impending purchase of Fort Worth-based XTO — a leading U.S. gas producer and expert in unconventional plays such as North Texas' Barnett Shale — signifies the return of the world's largest company to major U.S. production for the first time in years, a fact not lost on energy company CEOs.

"Exxon Mobil has been making significant investments worldwide in the liquefied natural gas sector, which all of us in the industry thought was really how they were going to play the gas game going forward," Glenn Darden, chief executive of Fort Worth's Quicksilver Resources, said in an interview last week. For Exxon "to make such a significant investment in onshore, primarily U.S. gas was a fabulous endorsement of both demand and pricing."

Boone Pickens, the Dallas investor and natural gas advocate, said the Exxon-XTO deal is an important development in the country's energy security.

"We're importing 5 million barrels [of crude oil] a day from OPEC, 13 million total imports a day" of oil and refined fuels from all sources, Pickens said in an interview.

That's about 68 percent of average U.S. daily consumption of 19 million barrels a day, according to Energy Department figures.

"We've got to get off that and get on our own resources," Pickens said. A start: pending federal legislation that would push government vehicles toward being powered by natural gas, he said. "Let's get the heavy-duty vehicles on natural gas."

Energy company executives also said Exxon's deal to buy XTO advances the argument for using natural gas as a "bridge fuel" toward renewable energy production.

Natural gas — a major fuel used in electricity generation — is still a fossil fuel, but "it has half the carbon footprint of coal" and a third less than oil, said John Pinkerton, CEO of Range Resources, another Fort Worth independent oil and gas company. "Of all the fossil fuels, it has the least impact in terms of the environment.

"You don't have to be a rocket scientist to figure this out. There's no silver bullet to this energy issue that we've got. We need a portfolio of alternatives."

Those include conservation, renewables, and nuclear, he said, "but at the end of the day, unless we're all going to start walking to work, the fossil fuels have to play a role over the next two or three decades."

Opposition to gas

Jim Schermbeck, a leader of Downwinders at Risk, is not convinced that natural gas is so green. His group has weighed in on the environmental risks of cement kilns, coal use and natural gas drilling.

Schermbeck wants to see more evidence on emissions created by expanding Barnett Shale development, and he's among critics who argue that the field's producers have committed numerous "environmental abuses."

"It makes it very hard for any person who calls him or herself an environmentalist to keep trying to make the case that gas is indeed a cleaner fuel," he said.

In a conference call with analysts and reporters last week, Exxon CEO Rex Tillerson reiterated the company's expectations of "very strong growth in natural gas demand that we anticipate to occur over the next several decades, certainly at a much higher rate of demand growth than oil or coal."

Natural gas is a better fuel because of its "lower environmental impact," more efficient use of capital, and "flexibility" for users, he said.

"As various parts of the world are trying to meet that demand, gas gives them a lot of flexibility in terms of the increments they can add . . . and the way they can add varying load demands," Tillerson said.

Natural gas futures peaked at \$13.57 per 1,000 cubic feet in July 2008, but then plunged to less than \$3. Futures prices have slowly recovered, closing at \$5.78 Friday.

Pickens said he sees natural gas trading at an average of about \$6 or more in 2010. Quicksilver's Darden said his company believes gas will trade at \$7.50 on average next year.

Range's Pinkerton said his company believes natural gas will trade between \$6 and \$8 "80 percent of the time" over the next five years.

Assessments of abilities

Energy company executives differed on the ability of the independent producers to fully exploit opportunities.

Tillerson said XTO, given its skill at using new, efficient technologies to develop unconventional plays, will help Exxon move into unconventional gas supplies faster than it could have by itself.

"Over time, we could have built an organization piece by piece," Tillerson said. "This provides a ready-built, purpose-driven organization."

Said Darden: "These shale plays are such large projects, they're very capital-intensive. Can a smaller company do it? Yes. Smaller companies have done it, but they haven't maximized the investment the way a very large company could."

Added Vince White, vice president of investor relations for Devon Energy, another leading shale gas producer: "Almost all of the development of shale gas reservoirs has been executed by independents, not majors.

"The Barnett may be the best example. Independents have drilled more than 11,000 gas wells in the play over the past eight years. Meanwhile, these companies have expanded their drilling operations to several other shale natural gas plays across North America. These are not the industry's largest players. Their record speaks for itself."

As for whether the Exxon-XTO deal will spur other combinations, energy executives are uncertain. The industry has always generated mergers, they pointed out.

"It's really hard to say what's going to happen," Range CEO Pinkerton said. "I think it's a wake-up call to a lot of bigger companies that kind of missed the whole natural gas [trend] and missed resource plays. I'm sure they're going to rethink their strategy on that.

"The reason why the majors went overseas is because the U.S. was relatively picked over. That's all changed with these shale plays and these resource plays."

Advanced technologies have produced abundant U.S. gas reserves — a 100-year supply, some say — "at low cost, in a relatively stable political environment," Pinkerton said. "I think that's what drove Exxon Mobil to make the decision they made. I think other companies will make that same decision."

At the same time, he said, "there aren't that many Exxon Mobils around, and there aren't that many XTOs around."

The Transition to Natural Gas – *Deseret News* – 12/20/09

By Editorial Board

An application by Magnum Gas Storage to create massive salt caverns in Utah capable of holding 10 billion cubic feet of natural gas, as reported in this newspaper last week, is significant for a number of reasons.

The timing, which coincides with multinational climate talks in Copenhagen, probably wasn't planned. But it is instructive. Regardless of how you feel about global warming — whether you believe it is a real, man-made threat to the planet or a hoax — the world is moving toward clean energy sources. That is unmistakable. And Utah happens to have an abundant supply of natural gas, which means the move could be a boon to the state's economy. Natural gas supplies about one-quarter of the nation's electrical needs, but that percentage is growing as the percentage of coal-generated electricity declines.

But the biggest benefit from a switch to greater reliance on natural gas is that it eventually could undermine many of the world's most oppressive regimes. If the nation switched its automobiles from relying on oil to natural gas, Iran's government would have a tough time staying in business. The same is true for Venezuela and the government of Hugo Chavez. OPEC also would be significantly reduced in power. Natural gas may be the best hope yet for bringing democratic governments to those regions.

Admittedly, such a transition would be difficult to achieve. Financier T. Boone Pickens has made it one of his crusades, and bills pending in Congress right now would provide incentives for trucking fleets and private vehicles to make the transition. That won't happen, however, until natural gas filling stations become common. But a difficult transaction isn't necessarily an impossible one.

That isn't our opinion alone. Exxon Mobil Corp. spent \$30 billion earlier this month to buy XTO Energy, a natural gas extraction company with claims to about 45 trillion cubic feet of gas. The move was seen as a strong bet that the nation's demand for natural gas will continue to grow and that it will grab a share of the auto market as the government imposes tougher emissions standards. That demand will be met by new extraction technology, which in recent years has made it possible to pull natural gas from rock formations that previously were impervious.

Meanwhile, natural gas futures hit their highest price in a year last week as investors reacted to an increased demand, primarily for heating purposes.

Magnum Gas Storage still has a few more hurdles to cross before it can begin creating the massive underground storage caverns in Utah. It's worth watching. Natural gas could, as Pickens believes, become important to national security as it transforms the economy. If so, it would be good for Utah to be a player.

PRINT COVERAGE

Olive: Turning up the Heat on Business – *Toronto Star* – 12/20/09

By David Olive

In Copenhagen late last week, world leaders at the UN Climate Change Conference were haggling over who will pick up the enormous tab for saving the human species from extinction.

In the real world, meanwhile, millions of everyday decision-makers from homeowners to entrepreneurs to big business already have made their bet on a green future.

And it's a profitable one.

That's something we should be hearing more about alongside reports on the very real costs and disruptions to the status quo that will accompany the historic shift from fossil fuels. The costs of going green will be gradual, and in many cases represent spending we would have made in any case on energy decisions that would not have the benefit of curbing global warming and weaning ourselves off dependence on energy in finite supply.

Particularly in this wretched economy, a head-start on green energy is a well-timed move to increase jobs when skilled labour is in abundance and raw material costs are low. It's a means of boosting an economy in need of a lift. A recent initiative by Queen's Park alone to spur green-tech advances is expected to create and sustain about 90,000 high-paying jobs over the next decade.

Consumers have not been waiting for the outcome of Copenhagen or next year's even tougher talks on a replacement to the Kyoto accord to more thoroughly "weatherize" their homes and be more clever in their energy use to save on costs.

Architects and developers are now focused on energy conservation as a starting point. It's the only way to attract tenants for new buildings.

"You can pretty much forget about being a leading designer or developer without building advanced energy conservation into your proposed project," Toronto architect Jack Diamond, designer of the Four Seasons Centre for the Performing Arts and a new opera house underway in St. Petersburg, said at a recent Star Talks forum in Toronto.

The starting point for individuals seeking to profit from a new century built on green energy is conservation. The "smart meters" proliferating in cities like Toronto enable householders to identify spikes in their electricity use from the recent purchase of an energy-hog appliance and from more time spent with Internet-based video games. (PCs are notoriously power-hungry.)

The transition to hybrid and plug-in vehicles by individuals and fleet operators like Canada Post and FedEx Corp. will be a conservation boon since most plug-ins will be recharged at night, in off-peak hours for power utilities.

Stage Two in profiting from the green-economy transition is investing. Power utilities will see an increase in electricity demand of 45 per cent by 2025. Also, one can invest in such Fortune 500 companies as General Electric Co. and Siemens AG that are developing advanced power-plant turbines, and in Bombardier Inc. and Alstom S.A. that will cash in on the world's growing demand for energy-efficient, high-speed commuter rail corridors.

The alternative-energy sector now offers a variety of choices for the Main Street investor. They include General Cable, a Big Board-traded firm that makes advanced-engineering cables for utilities in 23 nations. There's also the much smaller Xcel Energy, busy retrofitting Boulder, Colo., into the first North American "smart grid city" by retrofitting 35,000 homes and businesses with smart meters.

Start-ups like Itron and Esco Technologies develop integrated software and hardware enabling power providers to more efficiently deliver electricity to customers. EnerNOC Inc., another publicly traded firm, is part of a new generation of companies that provide soup-to-nuts, or "turnkey," energy-saving solutions to business. Another is Hybridyne Power Systems Canada, the Canadian affiliate of Atlantic Wind and Solar Inc.

Thus investors now can build a soundly diversified portfolio of safe utility and energy-related Fortune 500 stocks along with riskier but higher-growth small-caps.

There will be money to be made investing in the companies large and small that provide the estimated \$880 billion (U.S.) worth of equipment required over the next 20 years to rebuild North America's antiquated power grid, parts of which date from Edison's time. That will see the elimination of "brownouts" and blackouts that cause more than \$120 billion (U.S.) in lost industrial production every year.

There will be investments to be made in firms perfecting energy storage, a long-neglected field of increasing importance come the shift to electric-powered vehicles. For now, electricity has to be used when it's generated, which is wasteful. Storing it with "compressed air" and underground systems that keep the current shuttling back and forth until it's needed above ground will become a large sector in need of investment capital. So will devices on a new continentwide "smart grid" capable of getting wind and solar power from where it is generated to where it's needed.

Wind-energy production is largely concentrated in the U.S. Midwest and Great Plains and the Canadian Prairies.

A far more robust transmission system is needed to bring this power to urban markets. T. Boone Pickens, the oilman-turned-solar-power champion, claims Nevada's solar-power potential alone could satisfy America's electricity needs. "But inadequate transmission prevents shipping it to major cities to meet demand," he complains.

It's true that trillions of dollars will be spent worldwide this century on innovations for wiser use of energy, on developing eco-friendly sources of it and on perfecting its delivery.

It's also true that most of that money will be spent in the private sector, where the profit motive will help ensure its efficient use. Which also means a coming abundance of opportunities for investors.

The money invested in this defining industry of the century will account for only a small part of the global economy.

For instance, the cost to Americans over the next 40 years of "going green" will amount to a 0.2 per cent annual reduction in GDP, by the calculation of Nobel laureate economist Paul Krugman.

That's without accounting for the resulting jump in high-tech job creation and in R&D smarts with potential for NASA-like industrial spinoffs.

Finally, none of the scary forecasts of climate-change alarmists about runaway expenses on curbing global warming acknowledge the stupendous cost of doing nothing. Of, for instance, losing the Netherlands or Manhattan to rising sea levels.

"People often ask about the costs," Kevin Parker, global head of Deutsche Bank Asset Management, who monitors climate-change policy for the bank, told The New York Times recently.

"But the figures people tend to cite don't take into account conservation measures that are easily available.

And they don't look at the cost of inaction, which is the extinction of the human race. Period."

BLOG/ONLINE COVERAGE

Cash In on These Transportation Trends – *Motley Fool* – 12/18/09

By Toby Shute

As ExxonMobil (NYSE: XOM) made clear with both its algae investment and its comments about peak gasoline, and as the Department of Energy further underlines in its new Energy Outlook, the age of the gas-guzzling American motorist has reached its twilight years.

That's not to say we're not going to require a massive amount of oil to power our economy over the next few decades. Continental Resources (NYSE: CLR) should certainly keep up its efforts to increase domestic crude production. We just aren't likely to meaningfully grow our total gasoline consumption from here.

If you want to invest in the transportation trends of the future, you can play it a few ways.

You can focus on biofuels, which are going to account for most of the growth in liquid fuel supply going forward. That would suggest an investigation of bulletproof biofuel stock Green Plains Renewable Energy, or perhaps Valero Energy (NYSE: VLO), which increased both its ethanol and biodiesel exposure this week.

Alternately, you may, like T. Boone Pickens, see a bright future for natural gas as a bridge fuel to the future. Some interpret Exxon's purchase of XTO Energy (NYSE: XTO) as a vote on natural gas as a transportation fuel, but I would prefer to hear that straight from the horse's mouth.

The House of Representatives last week voted to extend tax credits for natural gas-based vehicle fuels, but the NAT GAS Act has yet to come to the floor. I think that natural gas has a decent shot at becoming a legislative favorite, but it's not a lock. Clean Energy Fuels (Nasdaq: CLNE) and Westport Innovations are direct bets on natural gas fueling infrastructure, but I haven't given either firm more than a cursory glance.

Aside from liquid fuels, there's the growing wave of hybrid and plug-in hybrid electric vehicles. Warren Buffett's cast his vote here with a winning investment in BYD, which this week had to rebuff rumors that its Chinese sales figures are inflated. BYD is looking to bring its electric cars to the U.S. late next year. Meanwhile, battery makers A123 (Nasdaq: AONE) and Johnson Controls (NYSE: JCI) have just formed joint ventures to develop clean energy vehicles with Chinese automakers.

I've already made one ill-advised investment in this space, with a biodiesel player blowing up in my face. I may be overly cautious as a result, but I'm not jumping into any additional alternative transportation names just yet. I'd love to hear your best ideas, though. Please share one in the comments section below.

BROADCAST COVERAGE

1. Oklahoma Forum
KETA-TV CH 13 (PBS) Oklahoma City
12/20/2009 01:00 PM - 01:30 PM

DMA: 45

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

[CC] 00:15:27 .. President Obama, love him or hate him, he has occupied so much of the atmosphere when it comes to the news and information, and when it comes to him getting a Nobel Peace Prize. And in essence 20 days or so in office is when the decision was made. And that's big time stuff. And he is an absolute global superstar ... and I don't know if that's what we want for our president. But that's what we have a global superstar. And we are going to stay with you then. Person of the year in Oklahoma? I had a chance to run into **Boone Pickens** at the Democratic National Convention in Denver, and as an Oklahoman, and we claim him as an Oklahoman, he has an amazing ability to get everybody's attention. And he launched a massive ad campaign. And of course there's all of this involvement with Oklahoma State University. And I would have to say **Boone Pickens** is going to be high on anybody's list. Mick Cornett, great job for part-time employee. And really outstanding what Mick Cornett has done. Person of the year. Oral Roberts, and I think he deserves that respect. Not much argument there. And Bennett. And that one aspect of bringing an N.B.A. Team to Oklahoma City who knows, it's going to be huge. And. That's great, guys, we have done 2009. And now it's time to look to 2010. And we are going to pick up the pace just a little lit bit. And looking ahead 2010, the biggest national or international winner? I have to go back to **Boone Pickens**. He's great. And he's --As far as the environment, it says a lot. And if you are not wired, you are in big trouble. And Joe, who do you say? 00:18:17

2. Flashpoint

KFOR-TV CH 4 (NBC) Oklahoma City
12/20/2009 09:30 AM - 10:00 AM

DMA: 45
Spot Cost: \$189
Est. Audience: 31,968

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

[CC] 00:15:05 ...You're an attorney representing the people of the state of Oklahoma. But some people say by golly, I'm not going to sell one drop of Oklahoma water to Texas. What's happened to that water right now? Once it leaves our lakes and leaves our dams, what happens? It flows out of the state. And millions of acre flows out of this year and once it flows in to the Red River, it becomes more difficult to use. > It kinds of gets ruined because there's a lot of salt. A high saline solution. By the way, Louisiana and Arkansas have an interest in the Tarrant case because if Tarrant Regional Water District is successful, then the Red River is even more saline as it reaches our sister state because its pure water not flowing into it that's why **Boone Pickens** is interested in water right now. Not just **natural gas, oil** but water. Where were you in December 1971? 00:16:42