



T. Boone Pickens Media Coverage 1.15.10

Total of 14 Placements

 Print: 1
 Blog/Online: 8
 Broadcast: 5

Coverage Summary:

The *Tulsa World* article highlights comments Rep. John Sullivan made about support for the NAT GAS Act, saying he predicts Democrats and Republicans can come together on using CNG for fleet vehicles. The piece also mentions Pickens' comments that he believes the NAT GAS Act will go on the congressional front-burner after action on the health bill is complete. Rep. Dan Boren is also quoted in the piece giving credit to the Pickens Plan Army, saying they have been instrumental in gathering nearly 130 co-sponsors who have added their support to the legislation.

A *Houston Chronicle* blog looks at the success the natural gas industry has had after the formation of ANGA and Pickens' push to make natural gas the next transportation fuel. Pickens latest ad was included in the posting.

Jim Cramer continues to voice his support for natural gas on *CNBC's Mad Money*. Last night he mentioned Pickens' new ads pressing congress to pass natural gas legislation, showing a clip in the background. Graphics also appeared on the screen saying "Pickens favors a bill that would provide tax credits to buy natural gas vehicles."

Enterprise Irregulars included information from yesterday's oil import numbers release in its Green Numbers round-up.

Highlighted Placements (Full Articles Below)

 **Prepare for Fight, Sullivan tells OIPA** – *Tulsa World* – 1/14/10
 **The Natural Gas Industry Gets its Act Together** – *Houston Chronicle Blog* – 1/15/10
 **Friday's Green Numbers round-up 01/15/2010** – *Enterprise Irregulars* – 1/15/10

Blog/Online Placements (Full Articles Below)

 **\$90 Oil... T. Boone Pickens IPO, in Canada** – *24/7 Wall Street* – 1/15/10

 **Broadwind Sags As Pickens Slashes Wind Turbine Order; Will Stock Deal Price Tonight?** – *Barron's Blog* – 1/14/10
 o *Ethiopian Review*
 **The New Pickens Plan: Scare People With Arabic Ads and Sell Natural Gas** – *BNET* – 1/15/10
 **T. Boone's New Message** – *PublicRadio.org's Marketplace Scratch Pad* – 1/14/10
 **Asset Returns Show the Obvious Problems** – *Seeking Alpha* – 1/14/10

HIGHLIGHTED COVERAGE

Prepare for Fight, Sullivan tells OIPA – *Tulsa World* – 1/14/10

By Rod Walton

U.S. Rep. John Sullivan was blunt Thursday in his assessment of the battle ahead for the oil and gas industry in Washington.

Sullivan, the featured speaker for the Wildcatter meeting of the Oklahoma Independent Petroleum Association, called last month's Copenhagen summit on climate change "that mess" and warned that the "climate crap" clearly endangered the economic health of those who produce, refine and deliver oil and natural gas.

Some congressional leaders and advocates of fighting climate change want to take away the energy industry's depletion allowance and tighten regulations on hydraulic fracturing, Sullivan noted.

"Your industry is always under attack in Washington, D.C.," he told the group of producers at the Tulsa Country Club. "They know what they're doing, and they're trying to hurt this industry."

The Tulsa Republican was optimistic on several legislative fronts, however. He believes that popular sentiment could doom cap-and-trade efforts aimed at fighting climate change. And Sullivan also believes that support is strong in the House for the "NAT GAS" bill, of which he is an author.

The proposed New Alternative Transportation to Give Americans Solutions Act, introduced last year, would offer incentives for automobile makers to produce vehicles that use compressed natural gas. The effort, focused on heavy-duty trucks and other fleet vehicles, could make natural gas a "bridge fuel" to wean Americans off foreign oil, Sullivan said.

Even so, Sullivan warned, straight-forward bills have a tendency to get complicated and mixed in with questionable legislative packages.

"It has a lot of support, but it depends on the final version," Sullivan said. He set no timetable for when Congress might act upon the NAT GAS bill.

"If it's in a new stimulus bill, then I have difficulties with that," he said. Sullivan said increasing the use of natural gas was important to national security. The U.S. reportedly spends nearly \$1 billion a day on imported oil.

The lawmaker predicted that Democrats and Republican can come together on using CNG for fleet vehicles. He said the bill would satisfy environmental, national security and job concerns.

"People are starting to realize that this is a clean-burning fuel," Sullivan said. "It might give them an out to vote against cap-and-trade."

The energy financier T. Boone Pickens told reporters Wednesday that he thought the NAT GAS bill would go on the congressional front-burner after action on the health care bill is completed.

U.S. Rep. Dan Boren, another of the authors of the bill, also is optimistic about its chances.

"The grass-roots efforts by countless members of the Pickens Plan Army have been instrumental in gathering the nearly 130 co-sponsors who have added their support to the legislation," Boren, D-Okla., said in a statement Wednesday.

Sullivan criticized those who believe that human activity is the greatest cause of climate change.

He contended that 90 percent of carbon dioxide emissions around the world come from natural sources and that the industrial world accounts for only about 4 percent. Many scientific studies of climate change pin the cause on sources such as automobile emissions, landfills and industrial activity.

"To say that we can do something about that is very arrogant," Sullivan said.

He also noted that economic competitors such as Russia, China and India have refused to sign on to emissions mandates.

The Natural Gas Industry Gets its Act Together – *Houston Chronicle Blog* – 1/15/10

By Tom Fowler

The coal lobby pretty much pummeled the oil and gas industry last year when it came to climate change legislation in Congress and energy policy out of the White House.

Power plants got plenty of free emission credits for the early years of a proposed carbon trading scheme, refineries just about 3 percent. The Department of Energy set lots of money aside for developing "clean coal" technologies and studying carbon sequestration, while very few incentives were given to encourage the use of the already-cleaner burning natural gas.

Finally, it looks like the natural gas business' belated efforts to organize are coming together, according to the New York Times:

Since the summer, natural gas has surged in political popularity, with many lawmakers now mentioning it in speeches as a means of producing domestic energy that has lower carbon emissions.

At the event yesterday, natural gas officials noted those achievements.

"It's very clear that the natural gas abundance message really took hold last year," said Donald Santa, president of the Interstate Natural Gas Association, who noted that the Center for American Progress examined how to make natural gas part of the solution to energy needs in the face of climate change.

What is needed, Santa said, is natural gas playing a bigger role in the "policy prescriptions."

Much of the success comes from work by the recently-formed lobbying group America's Natural Gas Alliance, which has put out TV spots like this one.

Natural gas has had some pretty deep pockets pushing hard for a while. Texas billionaire T. Boone Pickens has focused on the notion of making natural gas the next transportation fuel and is encouraging support for new laws that do just that. See his latest TV ad below.

Friday's Green Numbers round-up 01/15/2010 – *Enterprise Irregulars* – 1/15/10

By Tom Rafferty

Here is today's Friday Green numbers round-up:

TVA purchasing up to 815MW wind power from Kansas and Illinois

TVA has inked four deals to purchase wind power generated in Illinois and Kansas.

The federal utility said today that the contracts will allow it to purchase up to 815 megawatts of renewable wind energy, and will move it closer to a goal of having more than half its power generation come from non-carbon emitting sources”

U.S. Imported 4.35 Billion Barrels of Oil in 2009, Spending Over Half a Million Dollars per Minute

Having provided 12 consecutive monthly updates on the level of foreign oil imports in the U.S. last year, energy expert T. Boone Pickens said that based on the latest figures from the U.S. Department of Energy’s Energy Information Administration (EIA), the U.S. imported 63% of its oil, or 4.35 billion barrels in 2009, sending nearly \$265 billion, or \$502,473 per minute, to foreign governments. “

Breaking: 2009 hottest year on record in Southern Hemisphere and tied for second globally « Climate Progress

Eli Kintisch at Science Magazine just published, “2009 Hottest Year on Record in Southern Hemisphere.” He quoted NASA mathematician Reto Ruedy of the Goddard Institute for Space Studies on the as-yet-not-released December and yearly data.

We’ve all been waiting for NASA’s final report on the year — to see whether 2009 will be the second hottest year on record and whether NASA would make an official prediction that 2010 is likely to be the hottest on record, as the UK’s Met Office has and as Hansen himself did

Scottish ministers approve three onshore wind projects

“Three wind farm schemes with a combined capacity of almost 260MW have been approved by the Scottish Government this week.

A new £80 million wind farm consisting of 21 turbines with a capacity of 52.5MW is to be built near Thurso, while fourteen new turbines have also been approved for the existing Rothes wind farm, at Cairn Uish near Elgin, bringing its total capacity up to 95MW.

And, Scottish energy minister Jim Mather today (January 14) announced that a 33 turbine, 118MW wind farm at Muaitheabhal, dubbed the “first large scale wind farm in the Western Isles”, has also been given the go ahead.”

16% of NYC new car sales to be EVs by 2015

Management consulting firm McKinsey & Co. came out with new research today that suggests electric vehicles, including battery-electric and plug-in hybrid electric cars, could make up as much as 16 percent of new car sales in New York City come 2015, or as many as 70,000 cars.

A Single £32 LED bulb, over its lifetime, has energy savings of over £280

The iconic, compact fluorescent lightbulb is dead: meet its next generation replacements that are brighter, more efficient, longer-lasting, and mercury-free

BLOG/ONLINE COVERAGE

\$90 Oil... T. Boone Pickens IPO, in Canada – 24/7 Wall Street – 1/15/10

By Jon C. Ogg

It seems that every investor cares about initial public offerings. And everyone still seems to care about what T. Boone Pickens thinks about the price of oil and what his views are on fixing the US dependence upon on foreign oil. It turns out that T. Boone Pickens actually has an IPO of an energy fund. This one is called the T. Boone Pickens Energy Fund. The fund might not be the easiest for access by American investors as this is being launched in Canada. This is on the heels of Pickens call for \$90 oil this week.

The closed-end fund, T. Boone Pickens Energy Fund, has now completed its IPO of Class A Combined Units, Class F Combined Units and Class U Combined Units and a private placement of Class I Combined Units. The Fund raised gross proceeds of over \$27.6 million under its offerings. This may be deemed a disappointment considering that the December-2009 prospectus said that the fund would be for a maximum of \$200 million, while the minimum offering was listed as \$20 million.

LISTING DETAILS: The Class A Combined Units are listed on the Toronto Stock Exchange under the symbol TBP.A; the Units and Warrants making up the Combined Units will separate immediately following the earlier of the closing of the final exercise of the over-allotment option granted by the Fund to its agents or 30 days after the closing of the initial public offering. Following such separation, the Class A Units and the Class A Warrants will trade on the Toronto Stock Exchange under the symbols TBP.UN and TBP.WT, respectively. Each Warrant entitles its holder to purchase one Unit of the class at a subscription price of \$10.00 (or US\$10.00 in the case of a Class U Warrant or a Class I Warrant) on April 29, 2011. Warrants may be tendered for exercise on and after April 18, 2011 and up to April 29, 2011 (being the two-week period up to and including the expiry date for the Warrants). Warrants not exercised by April 29, 2011 will be void and of no value.

The goal and objective of the fund is to “provide investors with the opportunity for long-term capital growth by providing access to the energy-related investment strategies of TBP Investments Management LLC.” The Fund will invest the net proceeds of the offerings in an actively-managed portfolio consisting primarily of equity and commodity-related investments in the energy and energy-related sectors.

The Portfolio Manager and its management team are led by T. Boone Pickens. TBP Investments Management LLC, had total assets under management of approximately \$400 million as of September 30, 2009. The Fund may utilize leverage through use of a loan facility or margin purchases, in an amount of up to 30% of the NAV of the Fund at the time of the borrowing. Portfolio Investments from the prospectus are as follows:

- The Portfolio Manager believes that over the long term, the oil and gas sector will provide a favourable environment for growth and attractive investment opportunities due to a combination of depleting oil and gas reserves, global demand growth and ongoing geopolitical instability. In the near to mid-term, the Portfolio Manager believes that recent reductions in planned capital spending, as well as decreases in oil and gas production by the Organization of the Petroleum Exporting Countries, will result in production shortfalls that will provide support for oil and gas prices.
- The Portfolio Manager expects that the Fund’s equity investments will typically consist of liquid stocks that trade on major exchanges, with the majority of equity investments being in U.S. and Canadian companies. Sectors included in the energy and energy-related universe include integrated energy companies, energy service companies and drillers, exploration and production companies, refiners, energy dependent companies and alternative energy companies.
- Commodity exposure will generally be acquired through liquid futures and option contracts that trade on the New York Mercantile Exchange or over-the-counter. Futures investments can be expected to be focused on natural gas, Brent Crude and West Texas Intermediate (WTI) crude oil.

The offering syndicate was led by BMO Capital Markets, and the syndicate included the following: CIBC, RBC Capital Markets, TD Securities Inc., Blackmont Capital Inc., Canaccord Financial Ltd., Desjardins Securities Inc., Dundee Securities Corporation, HSBC Securities, Raymond James, GMP Securities, Manulife Securities, Wellington West Capital Markets, and Research Capital Corporation.

Pickens recently just shut down the plans for his huge wind power project in northern Texas. The size of this fund might not make a great all around week for him. Maybe Pickens should have thrown in an IPO plug in his new commercial campaign for the Pickens Plan.

Broadwind Sags As Pickens Slashes Wind Turbine Order; Will Stock Deal Price Tonight? –
Barron's Blog – 1/14/10

By Eric Savitz

Broadwind (BWEN) shares are sagging badly today as the company, which sells high-precision gears used in wind turbines, attempts to price an offering of 15 million shares. The company announced a week ago that it has “commenced” the offering, which consists of 10 million shares from the company and 5 million from Tontine Capital Partners, the company’s largest investor. But the deal hasn’t yet been priced, and the stock is under pressure.

General Electric (GE) is among the company’s largest customers, and unfortunately for Broadwind, T. Boone Pickens this week cut his \$2 billion order for wind turbines from GE in half, to 333 turbines from 667. He’s shelved plans for a Texas wind farm, citing in particular a sharp sell off in the price of natural gas. “You can’t finance wind farms very well when natural gas is under \$6” per million BTUs, Pickens told the Wall Street Journal. Recent price: \$5.73.

Meanwhile, in an 8-K filing with the SEC last week, the company noted that its business “has continued to be affected by the global economic downturn, particularly with respect to the economic impact that it continues to have on our customers.”

Broadwind said in the filing that it expects to see “a continuing economic slowdown in the wind and other energy related industries for the foreseeable future as wind turbine manufacturers, wind farm operators and service providers have scaled back existing manufacturing orders and have delayed new projects and service arrangements.”

Over the first nine months of 2009, the company said, “several of our wind tower and gearing customers have expressed their intent to scale back, delay or restructure existing customer agreements.” The company added that “where customers have reduced orders, our revenue is impacted on a lagging basis due to backlog, and weaknesses will continue into 2010.” Ergo, it expects Q4 revenue to be “significantly worse” than the year ago quarter, with a bigger percentage decline than it suffered in Q3.

All of that makes it a little hard to understand some of the messages the company has been delivering on its roadshow for the deal. A source who has seen the pitch notes sent along a slide from the presentation in which Broadwind contends that the “U.S. wind market is growing fast,” and that Broadwind is “positioned to grow faster.”

But the company’s own disclosures - and this week’s new from Pickens - suggest the wind market is not going to be growing any time soon.

BWEN today is down 58 cents, or 8.3%, to \$6.43.

The New Pickens Plan: Scare People With Arabic Ads and Sell Natural Gas – BNET – 1/15/10

By Kristen Korosec

Nothing like an old-timey billionaire's ad campaign — flush with Arabic script, images of war and an ominous Middle Eastern music track — to get the xenophobic engine cranking and sell some good ol' U.S. of A. natural gas. The ad campaign drummed up by T. Boone Pickens has been sold as a renewed effort by the Texas energy investor to wean the U.S. off of foreign oil and promote homegrown resources like wind and natural gas.

Pickens has spent upwards of \$62 million in the past couple of years on an ad campaign pushing his plan. The aptly named Pickens Plan aims to upgrade the electrical transmission grid; use natural gas — not oil-based products — as a transportation fuel; and use wind and solar instead of coal to generate electricity.

Although as I noted Wednesday after Pickens announced plans to ditch his massive Texas wind project, that strategy has shifted a bit. Now natural gas is the go-to fuel, with wind taking a backseat. The ad, which aired on cable networks Thursday, is specifically aimed at beefing up support for the Nat Gas Act, legislation that would, in part, help pay to convert U.S. diesel-powered trucks to natural gas.

Pickens when asked said he and his aides considered, and ultimately chose to use the Arabic because any added attention would be good for the cause, according to the NYT.

"We're infidels with most of these people and they have no use for us," Pickens was quoted by the NYT. "We're getting more and more dependent on the wrong people."

I get it. Pickens was aiming for a reaction with this recent ad. Here I am writing about it, so I guess it worked. But why oh why, risk your credibility by throwing out the Arabic and war images — especially when your motivates — as an investor in domestic oil and gas — will be questioned?

The natural gas industry had gained some momentum in recent months. Let's not forget that it was pretty much left out of the House version of climate-change legislation passed last summer. And I have faith in Americans that the fear-mongering approach won't work, as Pollyannaish as that may sound.

I have to wonder if the natural gas industry folk are cringing over the ad? I am.

T. Boone's New Message – PublicRadio.org's Marketplace Scratch Pad – 1/14/10

By Scott Jagow

It's been pretty difficult to escape Texas oilman T. Boone Pickens the past couple of years. He spent \$62 million on an ad campaign that showed up just about everywhere. He called for major investment in wind power to replace natural gas, so that the natural gas could be used to replace oil. His campaign didn't work so well, so he's trying a different approach.

Here's his new commercial, which started running on cable channels today. As you can see, he doesn't say a thing about wind power. He's clearly playing on national security concerns while still pushing natural gas to reduce our dependence on foreign oil.

More from the New York Times:

His aides hope that a stronger message, focused on national security, will be effective after the attempted Christmas Day airliner bombing and other terrorist actions. They say they discussed

whether using the Arabic lettering might be viewed as incendiary or offensive, but concluded that any added attention would be good for the cause...

"We're infidels with most of these people and they have no use for us," the 81-year-old oilman said in an interview on the way to a speech here recently. "We're getting more and more dependent on the wrong people."

Pickens is spending millions more on the new campaign and plans to tour the country, urging people to lobby Congress for tax incentives. Specifically, he wants the president to convert the entire federal vehicle fleet to natural gas and give tax breaks to companies that use natural gas in their vehicles. Of course, Pickens has personal dogs in this fight. He's well-invested in both domestic oil and natural gas:

Skeptics say putting in the infrastructure for natural gas vehicles would be too expensive, and battery-powered electric cars and hybrids are a better alternative. And worries are growing that the techniques used to blast through shale rock to release gas could pollute drinking water.

"It's very hard to move mountains on energy policy, and Pickens has not yet even moved a hill," said Amy Myers Jaffe, an energy expert at Rice University in Houston. "The problem that Pickens faces is that in this country if you are from the oil industry, people are naturally suspicious of what you say on energy policy."

This week, Pickens officially shelved his huge Texas windfarm project. Natural gas prices have come down so much, there's little hunger for wind farms to generate electricity.

You think wind is dead? Or that this push for natural gas will go anywhere?

Asset Returns Show the Obvious Problems – Seeking Alpha – 1/14/10

By Michael Fitzsimmons

Here is a table listing asset returns for the last 1 and 10 years (data from the Wall Street Journal):

ASSET RETURNS		
	1 YR	10 YR
OIL	78.00%	210%
Gold	23.90%	280%
S&P	23.50%	-24.1%
DJIA	18.80%	-9.3%
NASDAQ	43.90%	-44.2%
US Dollar	-5.20%	-12.8%

Despite all the rhetoric coming out of the Federal Reserve, Congress, and economists, this chart points out some very obvious problems:

1) The 210% in oil prices over the past 10 years means we have an oil crisis. Note the 210% gain in oil is based on the 2009 year end price of near \$80/barrel oil, and does not reflect the economic distortion caused by 2008's \$150/barrel oil.

2) The 280% rise in gold prices over the past decade, the best return of all asset classes shown in the table, means we have financial and monetary crisis.

3) The -24.1 10 year return of the S&P500 means the US economy is sick.

4) The -12.8% decline in the value of the US dollar means Federal Reserve "policy" is abysmal and the wealth of the US is deteriorating at a very rapid pace.

The last two problems are actually a direct result of the first two.

The returns of the S&P500 are so terrible and the US economy is so sick because of the rapid increase in oil prices. This has been devastating to the US because it imports 65% of its oil.

Similarly, the rise in gold prices and fall in the US dollar are a direct result of failed Federal Reserve and US monetary and fiscal policy.

So, we know the problems:

1) US reliance on oil

2) Federal Reserve and US monetary and fiscal policy.

I actually think US fiscal and monetary policy is so terrible because of US reliance on foreign oil. That is, US economic policy is attempting to fix a commodity related problem (oil) with fiscal policy. This is a failed strategy and is skin to building a house on a foundation of quicksand.

Not one to complain without giving solutions, here are my suggestions going forward in 2010. These of course are the same solutions we needed in 2009, 2008, 2007....

To solve the oil import crisis, the US needs to adopt a strategic, long-term, comprehensive energy policy like this one.

The core of any such energy policy must be a transition away from imported foreign oil and reliance on America's greatest energy resource: its abundant, clean, and cheap natural gas reserves. Since the US consumes 70% of its oil usage in the transportation sector, it is clear that it must adopt natural gas transportation on a broad scale. Although I applaud Boone Pickens' plan to jump-start this effort by focusing on the trucking industry, this alone will not reduce foreign oil imports as much as is needed. Therefore, we must push NGVs and natural gas / electric hybrid vehicles into the consumer sector and into the garages of middle class Americans. The best technology available is the natural gas/electric hybrid vehicle Toyota (TM) unveiled at the 2008 LA auto show.

Think a Prius with the internal combustion engine powered by natural gas instead of gasoline derived by foreign oil. This vehicle has the same range as today's gasoline powered cars, does not rely on electricity derived from dirty coal to charge its batteries, and does not need the huge battery packs needed by 100% fully electric vehicles. It is therefore much less expensive than are electric vehicles. At the end of the day much cleaner as well. You can read more about this car here.

Although this technology has been available for two years now, and despite Toyota's recent financial woes, the company does not seem motivated to cash in on such an obvious jewel. Our best bet for this technology may indeed be Fiat (FIATY). I hear rumors that Fuel Systems Solutions (FSYS) may be starting a new assembly line in Italy to produce the home garage natural gas refueling appliance shown below (the "Phill"):

Were Fiat and FSYS to package a natural gas/electric vehicle together with the "Phill", not only would I buy the pair, I'd buy stock in both companies as well. Assuming the two products were high quality and economical, they would clean up in America once people realized how much money they could save by filling up in their own garage with natural gas.

Expect pushback from the coal and oil industries on any such plan. The powerful coal interests are backed into a corner. The word is out that coal is inefficient, dirty, has (and is) causing massive water

pollution around the country and is spewing all kind of toxic particulates into the atmosphere. The oil companies still don't want to acknowledge the natural gas transportation solution as they make more of their profits by drilling and refining oil. One can only hope that ExxonMobil's (XOM) purchase of XTO will mean that company will begin to throw its weight around to support natural gas, at least in power generation if not nat gas transportation.

The cynic in me says XOM's purchase was more about protecting their LNG investments in Qatar. Those billions of investment dollars were spent prior to the advent of shale gas in the US. Today, I can't see how it makes sense to send Qatari LNG to the US when cheap and abundant US natural gas supplies are a light switch away. Perhaps by buying the largest producer of natural gas in the US, XOM was thinking it could affect US nat gas prices. This may be true, but I doubt it. Natural gas production is dominated by small independent producers. XOM will find it much harder to corner this market as a way to boost profits. That said, natural gas transportation would support decent natural gas prices for decades into the future. So, XOM has a choice: watch the US go down the tubes depending on foreign oil, or, support natural gas transportation and help usher in decades of prosperity in America.

Solving the second issue may well be more difficult than solving the imported oil crisis (as if that wasn't a big enough mountain to climb). The Federal Reserve has become an entrenched institution controlled by a very small group of people. Allowing this small highly connected group to print massive amounts of money out of thin air, distribute it to its friends and cohorts, and absolutely control interest rates and credit, all in complete secrecy with no Congressional oversight, is an American travesty.

The US dollar has been devalued by 95% since the inception of the Federal Reserve. Add to the Greenspan/Bernanke problem regulators such as Mary Shapiro at the SEC (a "dear friend" of Bernie Madoff), "pay czar" Kenneth Feinberg (who decides how much money is given to Lloyd Blankfein at Goldman Sachs, Jamie Diamond at JP Morgan, Robert BenMosche at AIG, etc. etc), and others such as Barney Frank, Larry Summers, Jared Bernstein, Peter Orszag, Timothy Geitner, Stephen Freidman, and what have you got? Well, the entire American financial, monetary, and policy apparatus has been hijacked by a very small group of well connected people. These bureaucrats profit greatly from their control while contributing nothing real to the American economy.

This country needs to get away from paper illusions and begin to manufacture high quality goods again. Instead the system is totally geared to rewarding those who make nothing, and suck the lifeblood out of the economy.

The solution to this problem is as follows:

- 1) audit the Federal Reserve by supporting Ron Paul's legislation
- 2) the audit will expose the fraud, eventually leading to abolishing the Fed
- 3) transition the US dollar from fiat money to money required by US Constitution: hard money backed by gold, silver, platinum, and palladium

It's that simple. If we don't do this, expect the world to transistion rather rapidly to a reserve currency in which the US dollar role will be much diminished. This means much higher borrowing cost. Those higher borrowing cost, coupled with the energy and housing crisis, could spell the end of the great US experiment.

What does all this mean for the US investor? Well, that too is simple. Your investment choices are very limited given the unsound energy and monetary/fiscal foundation of America today and for the foreseeable future: gold, silver, and energy stocks. Some good investment choices are GLD,SLV, gold and silver bullion, [[BP,]] COP, CVX, PBR, XOM, and a plethora of energy service companies favoring deep water drilling technology.

I continue to like StatOil (STO) because of its prudent executive compensation plans, corporate governance, and dividend policies. I know I know - same old same old. I am boring. That said, anyone

who listened to my advice years ago and got out of the S&P 500 has benefitted from this advice. Likewise, Vanguard Energy has returned 16.3% annualized over the last 10 years. And gold, well, gold performance speaks for itself. Since gold is priced in US dollars, gold prices also say much about the current state of US economic and fiscal policy. Expect these trends to continue. Perhaps the next decade will be different, but don't hold your breath.

Disclosure: Long gold, silver, and energy stocks.

BROADCAST COVERAGE

1. Mad Money (Rebroadcast)

CNBC (---) National

01/14/2010

11:00 PM - 12:00 AM

DMA: N/A

Spot Cost: \$986

Est. Audience: 86,614

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

[CC] 00:17:33 Do you think we're talking about this stuff because **Boone Pickens** is taking out ads? We believe in this. We have always favor Ultra. Why? 95% of its reserves are natural gas. Companies like Exxon, Total recently validated our vision on this show. Second, the company has a average working interest of 50% in Wyoming which despite of drilling delays and higher costs because of the U.S. Bureau of Land Management policy for protecting the all important sage grass is doing better. For years, natural gas sold from here and other Rocky Mountain play, the cheapest in the company. That did put Ultra at a disadvantage. Now we have a new pipeline capacity. The price differential between Rocky Mountain gas and Nymex as this declined from \$2.35 Two years ago to 10 cents now. Ultra just announced it's buying an additional 80,000 acres in one of our favorite shale plays Marcellus in Appalachia, bringing their acreage to 250,000. Something that's barely affected in Ultra stock plays. Xto had a lot of exposure, bought by Exxon. Finally, we adore Ultra because it has huge production growth. If they doubled their production cost it would be among the greatest production companies. Its production was up 27% versus last year. That makes it a growth stock with fabulous margins. We like Ultra, but there is no question, it has lagged the other natural gas stocks lately. We want to know how it's going to watch up. That's why we're glad to have Michael Watford ceo on today for a total winner for you. Welcome back to "mad money." thank you. Appreciate the invitation. Good to visit with you again. Mr. Watford tell us about your move from the west to the east and why you think you can make a lot of money there. Well, Jim, very simply it's all about returns. Ultra over the last ten years, we've enjoyed tremendous growth, both in terms of production and **oil and gas** reserves. We've been able to do it by generating lots of positive returns. Our cash flow margins exceed 70%, net income margin of 30% with strong returns on market and equity. We have always said when we looked around for alternative investment opportunities first foremost, the returns had to equal or exceed what we had in Pinedale. That's what we have in the Marcellus. Today I'm reading a negative article, as there always is about **natural gas** and **Boone Pickens**. There's potential worries about **natural gas** in drilling and drinking water. The EPA lets coal company pollute for the first six miles of a stream. How much danger is there for drilling in an area of Pennsylvania that doesn't seem like it would be in much danger of polluting and could use the jobs? There's no chance of polluting. The hydraulic fracturing has been used in our industry for 60 years with no recorded cases of any impact to drinking water. It's entirely safe. Where are we **nationally** with **natural gas**? I know the president never mentions it. 00:20:54

2. Mad Money

CNBC (---) National

01/14/2010

06:00 PM - 07:00 PM

DMA: N/A

Spot Cost: \$2,802

Est. Audience: 300,434

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

00:15:39 TZ; Executive Decision: Executive Decision. Cramer talks with Michael Watford the CEO of Ultra Petroleum. GR; Newfield Explor. GR; **Natural Gas**. GR; Ultra Petroleum. Ultra Petroleum is up, versus Anadarko, Apache and Chesapeake. GR; Anadarko Petroleum, Apache, Chesapeake, S&P 500. Cramer says do you think we're talking about the stuff because **Boone Pickens** is taking out ads supporting **natural gas**. V; **Pickens**. Cramer says big **oil** plays like Exxon, Total, recently validated their vision on the show. The Pinedale Klein in WY, despite of costs from the US Bureau of Land Management Policy, is doing better. The price difference between Rocky Mountain **Gas** and Nymex price have declined. Ultra just announced they're buying more in Marcellus. XTO had Marcellus exposure being bought by Exxon. SI; Michael Watford, Ultra Petroleum Chairman, President, and CEO, discusses their move to the Marcellus, discusses their growth, talks about their returns. Cramer says he read an article about **natural gas** and **Boone Pickens** and it says there's worries about **natural gas** and drilling in drinking water, and

Cramer says he laughs because the EPA lets coal companies pollute for the first 6 miles of a stream.
00:23:41

3. Squawk Box

CNBC (---) National

01/14/2010 08:00 AM - 09:00 AM

DMA: N/A

Spot Cost: \$4,116

Est. Audience: 533,942

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

00:11:54 Climate Change Meeting: More on the United Nations meeting on climate change being held today. SI; Ted Turner, United Nations Foundation Chairman, he talks about his investments in solar and **wind** power. Mentions an article about **Boone Pickens** in today's The New York Times. Mentions the competition between CNN and the FOX News Channel. Mentions the Wall Street Journal for a reference.

00:16:04

4. 11 News At Ten

KHOU-TV CH 11 (CBS) Houston

01/13/2010 10:00 PM - 10:35 PM

DMA: 10

Spot Cost: \$1,646

Est. Audience: 183,756

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

00:25:24 TZ; **Wind** Farm: Texas billionaire **T Boone Pickens** is scaling back plans to build the world's largest **wind** farm. V; **Wind** turbines. 00:25:40

5. Today In Amarillo

KAMR-TV CH 4 (NBC) Amarillo

01/14/2010 06:00 AM - 07:00 AM

DMA: 131

Spot Cost: \$21

Est. Audience: 3,063

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

[CC] 00:17:31 **T. Boone Pickens** Is putting the brakes on panhandle **wind** engery push. That's according to officials at Mesa **Wind**. They say there are a number of reasons why **Pickens'** plans for a large **wind** farm in the panhandle keeps getting delayed. The main reason is lack of transmission in the region. They say **Pickens** believes the projects will get back on track once the transmission problem is fixed and the **natural gas** market improves. 00:18:44

[CC] 00:46:39 **T Boone Pickens** is putting the brakes on the panhandle **wind** engery push. That's according to officials at Mesa **Wind**. They say there are a number of reasons why **Pickens'** plans for a large **wind** farm in the panhandle keeps getting delayed. The main reason is lack of transmission in the region. They say **Pickens** believes the projects will get back on track once the transmission problem is fixed and the **natural gas** market improves. 00:47:53