

# PickensPlan

## T. Boone Pickens Media Coverage 6.9.10

### Total of 6 Placements

- Print: 1
- Blog/Online: 1
- Broadcast: 4

### Coverage Summary:

*The Globe and Mail* has an article that looks at the momentum behind using natural gas as a transportation fuel, pointing to its environmental benefits, abundant supply and low costs.

### Highlighted Placements (Full Articles Below)

- **Natural Gas Gains Traction On The Road** – *Globe and Mail* – 6/8/10

### Blog/Online Placements (Full Articles Below)

- **Kicking Ass, Taking Blame** – *The Hotline* – 6/8/10

## **HIGHLIGHTED COVERAGE**

### **Natural Gas Gains Traction On The Road – *Globe and Mail* – 6/8/10**

By David Ebner

Natural gas is rapidly becoming a significant force in the world's fuel equation, moving from a small environmental niche toward the mainstream in transportation.

The commodity's role as a transportation fuel is gaining amid growing awareness of its environmental benefits, along with favourable economics thanks to abundant supplies and low costs. Discoveries of vast new deposits of shale gas are adding to long-term supply sources.

For natural gas to become a major player in powering vehicles, companies and governments need to commit big dollars to infrastructure and technology. In some parts of North America, that commitment is under way.

In Quebec, Robert Transport is among the early adopters in Canada. The large trucking company, based in Boucherville, has a fleet of 750 trucks and plans to buy 80 new rigs with natural gas engines, with the first rigs arriving early next year.

Fuelling stations are a crucial part of the needed infrastructure, and remain a significant challenge. Robert Transport plans to build three for itself along the Montreal-Toronto corridor, in a partnership with Gaz Métro LP.

Natural gas emits fewer greenhouse gases compared with diesel refined from crude oil. Beyond the environmental benefits, the cheaper cost of gas compared with diesel was the big factor in the decision, said Daniel St-Germain, vice-president of asset management at Robert Transport.

“The economic aspect is very important,” Mr. St-Germain said.

Robert Transport is looking at trucks from two companies, both of them using engines designed by Westport (WPT-T17.450.020.11%) of Vancouver, which works in a long-term partnership with Cummins Inc. of Indiana, the large engine maker.

To date, demand for natural gas engines has been mostly limited to environmental initiatives, such as Beijing’s purchase of cleaner-burning gas-fuelled buses ahead of the 2008 Olympics to reduce smog from diesel. In other examples, ports in the Los Angeles region were required to go green and bought natural gas engine trucks for short-haul operations within port facilities.

“It’s really become an economic story,” said David Demers, chief executive officer of Westport, which designs natural gas engines for buses and trucks.

“There’s been a big change in the market enthusiasm. For Robert Transport to come out and say natural gas, it’s a huge vote of confidence.”

Last week, after Westport reported a quarterly revenue increase of more than 30 per cent from a year earlier, Mr. Demers told investors and analysts that this year will be seen in future as the tipping point for natural gas as a fuel. “We’re now seeing a global and all-markets shift toward natural gas as a mainstream fuel.”

Governments are part of the mainstream push. Incentives for natural gas as a fuel are in several bills before Congress in the United States. In Quebec’s provincial budget in March, the province introduced a large tax break for trucking firms that buy rigs fuelled by liquefied natural gas. The incentive benefits companies such as Robert Transport and adds to the economic decision to buy the natural-gas-fuelled trucks.

While Robert Transport is working with Gaz Metro to build three of its own fuelling stations, a real critical mass for natural gas will require widespread infrastructure. Encana Corp., the country’s No 1 gas producer, has led a lobbying effort in Ottawa to build corridors from Quebec City to Windsor, and Edmonton to Vancouver, but the federal government hasn’t yet backed it.

The only region of North America with any significant infrastructure is Southern California and Utah.

For Westport, this moment has been a long time coming. For years, it was overshadowed by Vancouver's much better-known technology company, Ballard Power, which developed fuel cells for vehicles. Now, however, Westport is significantly larger, in revenue and market capitalization.

Investors have buoyed Westport stock, as it has more than doubled in the past year to a market cap of close to \$600-million, large enough to possibly merit inclusion in the S&P/TSX composite index as a quarterly review of the index is conducted this month.

One skeptic, analyst MacMurray Whale of Cormark Securities Inc., said investors are excited about the promise around shale gas, and the low gas price compared with oil, and they invest in Westport as a way to play the trend. But he recommends investors sell the stock, arguing the shares are worth less than half their current value.

"I don't believe a lot of people are investing in it because they really believe we'll all be driving natural gas vehicles," Mr. Whale said.

Analyst Ian Tharp of Dundee Securities Corp. is "neutral" on Westport stock, calls it high risk, and titled his report on the company's latest quarter: "Building the business, and hoping the market will come."

Westport has never made money: Since its birth in 1995 from research at the University of British Columbia, it has posted annual losses that have added up to \$310-million. That includes the loss of \$38-million in fiscal 2010 ended March 31 on revenue of \$131-million that was reported last week.

Revenue growth is predicted to remain rapid, having risen at a compound rate of 45 per cent the past four years. CEO Mr. Demers said 30 per cent annually over the next three years is realistic, which would push revenue close to \$300-million.

Westport is backed primarily by foreign money. It listed on the Nasdaq Stock Market in the summer 2008, just before the financial crisis, and there are no Canadians among its top 10 investors, a list led by prominent names George Soros and Boone Pickens.

North America – primarily the U.S. – is Westport’s most important market, with two-thirds of sales made on the continent. The joint venture with Cummins accounts for most of the company’s revenue and it has worked in the past several years to develop its own large heavy-duty engine. In 2008, it spent about 30 per cent of its revenue on research and development, \$23-million, a figure that has climbed to \$28-million but has fallen as a percentage of revenue to about 20 per cent.

Beyond its own work and with Cummins, it has several other joint ventures, including a deal signed last November to work with Volvo AB.

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## **BLOG/ONLINE COVERAGE**

### **Kicking Ass, Taking Blame – *The Hotline* – 6/8/10**

Pres. Obama sat down with NBC's Lauer for an interview that aired on "Today" this a.m.

Obama, on whether the oil leak has been the toughest part of his presidency: "This is tough, no doubt about it, because when you watch television or you go down to the Gulf and you see birds covered in oil and you talk to fishermen who are on the verge of tears -- big, tough guys, but their livelihoods are being smothered by this oil that's coming into the estuaries and marshes -- it gets you frustrated. This is a difficult time for the country, but it has not reduced my confidence that our trajectory is right. We just gotta keep on moving, we gotta keep on pushing, it's going to be tough but we're gonna get through it."

On whether he feels like his admin. has been "damaged" by the oil leak response: "No. First of all, I'm not concerned about my politics right now. What I'm concerned about is what's happening down in the Gulf, and I guarantee you, the folks in the Gulf have been damaged by this oil spill. And livelihoods are at stake. This is the largest federal response to an environmental disaster in history. From day one, we understood that this was going to be a major disaster. We have put unprecedented resources to deal with it."

Lauer: "Then why do you think there is so much frustration aimed, not only at BP right now, but at your administration? There are people who are starting to wonder out loud if the oil spill in the Gulf could do to you what Katrina did to President Bush, or even what the Iran hostage situation did to President Carter."

Obama: "You know, I have to tell you, some of this is just the nature of the 24-hour news cycle. You've got a camera showing oil spilling out in the Gulf and people are understandably frustrated and they're upset. And they have every right to be. But here's what I can say: that we have responded with unprecedented resources and when you look at what most of the critics say ... and you you ask them, 'Well, specifically, what is it that the administration could or should

have done differently that would have an impact on whether or not oil was hitting shore,' you're met with silence. ... If it was gonna work, we would have done it."

Obama, on whether he has spoken directly with BP CEO Tony Hayward: "I have not spoken to him directly. ... My experience is when you talk to a guy like BP's CEO, he's gonna say all the right things to me. I'm not interested in words. I'm interested in actions. And we are communicating to him every single day exactly what we expect of him and what we expect of that administration."

Lauer, reading some of the statements Hayward has made about the oil leak: "He said, 'There's no one who wants this to end more than I do, I'd like my life back.' Family members of those 11 people who died on the rig and the people whose lives are going to be changed for years want their lives back, too. He doesn't work for you. But if he did, would you want him out?"

Obama: "He wouldn't be working for me. After any of those statements."

Obama, on BP: "We are going to have to make sure that not only do they shut down the cap, we are not only going to have to make sure that any deep well drilling process that is out there is, in fact, failsafe and oil companies know what they're doing, but we also have to make sure that every single person who's been affected by this is properly compensated and made whole."

Lauer: "Can BP do that? Can they do all that?"

Obama: "Absolutely, they can afford it. If I start seeing BP nickel and diming folks down there, then they are going to have for answer to us."

Lauer: "Have you allowed yourself to even imagine what the Gulf region will look like if oil continues to spew until August, what it will smell like, what the economic situation will be like down there?"

Obama: "I have. And here's what I'll say. This is going to be a mess. It already is. But I've been down there and the people are resilient and these ecosystems are more resilient than I think we anticipate right now if we act swiftly, if we act seriously. There are going to be marshes, for example, where the oil goes in, and the sea life that's there is decimated for a season. Maybe two. But potentially we can preserve those estuaries and those marshes so that three years from now, things have come back, things have bounced back."

Obama, on critics who say a POTUS should "kick some butt" in this situation instead of meeting with experts and advisers: "I'm going to push back hard on this because I think that this is just an idea that got in folks' heads and the media's run with it. I was down there a month ago, before most of these talking heads were even paying attention to the Gulf. A month ago, I was meeting with fishermen down there standing in the rain talking about what a potential crisis this could be. And I don't sit around just talking to experts because this is a college seminar. We talk to these folks because they potentially have the best answers so I know whose ass to kick. Right? So, you know, this is not theater. Most of the decisions that I make on a day to day basis, I make because I have gathered the best information possible in very difficult situations and my job is to figure out how can I move the federal government, the private sector, all the various players who are involved, to perform some very, very difficult tasks. And I don't always have time to perform for the benefit of the cable shows. What I do have is dedication and commitment to make sure that the people who are actually being affected by this are going to get the best possible service from me. And as long as I'm president, that's the approach that I'm going to take to this job" (NBC, 6/8).

Newsweek's Fineman, on whether Obama was able to "articulate the rage" among the American public: "No. I don't think so, because I think that he doesn't fully understand just how deep and widespread that rage is. It's bipartisan, it's coast to coast. ... And Barack Obama sometimes still seems to be behaving like he's operating in a courtroom with a reasonable witness" ("Countdown," MSNBC, 6/7).

The Weekly Standard's Kristol, on Obama's comment about kicking "ass": "It's pathetic. His advisers told you have got to show some emotion and anger. So he says something vulgar" ("Special Report," FNC, 6/7).

Billionaire TX oilman T. Boone Pickens, on Obama saying he want's to know "whose ass to kick": "That's not the way I manage. I work with people on the ground. I mean, we're in a predicament here. And, you know, kicking anybody around is ...I don't think that gets you the best results" ("LKL," CNN, 6/7).

Game On!

The Obama admin., "facing rising anger on the Gulf Coast over the loss of jobs and income from a drilling moratorium," said 6/7 that "it would move quickly to release new safety requirements that would allow the reopening of offshore oil and gas exploration in shallow waters." Gulf Coast residents, pol. leaders and industry officials said delays in releasing the new rules, along with the admin's six-month halt on deepwater drilling--both issued amid public pressure, "threatened thousands of jobs" (Meckler/Weisman, Wall Street Journal, 6/8).

Liberal Angst

Progressive activists who helped elect Obama "complained" 6/7 that the admin. and cong. Dems "have been too timid and too willing to compromise."

Obama's major first-term achievement - an overhaul of the nation's health care system - passed without a single GOP vote, but progressive leaders who gathered in DC "criticized" Obama "for failing to create" a public option.

They "faulted Obama for the ongoing wars in Iraq and Afghanistan, the slow pace in repealing the ban on gays serving in the military and last year's economic stimulus package, which they described as inadequate" at \$787B. They "also criticized his handling of the Gulf oil spill."

Campaign for America's Future co-dir. Robert Borosage: "The White House has been an uncertain trumpet. The administration's reforms were too often too timid from the start and too readily compromised along the way."

Although leaders "still spoke with admiration" for Obama, "it was clear he's not as popular with unions, bloggers and other progressives."

Although no one "seriously suggested a primary challenge" to Obama, activists said they would take on cong. incumbents. They "cited" AR, where the Progressive Change Campaign Cmte has sent \$250K to LG Bill Halter's (D) bid against Sen. Blanche Lincoln (D). The cmte made 55K phone calls on Halter's behalf on 6/7 alone. Activists say they would rather have "good Democrats" - in the words of DailyKos founder Markos Moulitsas - than moderates who don't advance a "progressive agenda."

WH spokesman Josh Earnest: In his first 500 days in office, Obama "has fulfilled his commitment to bring the change we need to Washington" with a health care overhaul, education reforms that will help strengthen the economy and steps to reduce the influence of special interests (Elliott, AP, 6/7).

The criticism of Obama during the "lightly attended opening day" of the conference "was more visceral than issue specific and more in the vein of familial disapproval than open revolt." It's "also not clear" where liberals might turn in '12 if Obama is on the ballot.

MoveOn.org's camp. dir. Ilyse Hogue: "We are not apathetic, we are not depressed -- we are willing to get out and fight for the people who fight for us. But no longer can they count on us for a solid Democratic vote. We are getting more sophisticated to understand that not all Democrats are created equal" (Thrush, Politico, 6/7).

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## **BROADCAST COVERAGE**

### **1. Charlie Rose (Rebroadcast)**

**Bloomberg, National | DMA: 0**

**06/08/2010, 10:00 PM - 11:00 PM**

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

### **2. Charlie Rose (Rebroadcast)**

**Bloomberg, National | DMA: 0**

**06/08/2010, 08:00 PM - 09:00 PM**

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

### **3. Fast Money**

**CNBC, National | DMA: 0**

**06/08/2010, 05:00 PM - 06:00 PM**

[EC] 00:09:20 ... There's that kind of fear out there. Well, the fear is prevalent right now because of what happened back in April. It would not be as relevant to the market in the situation if you didn't have the situation that you did previously. But I think looking forward the investable way to look at this is understand right now the spill risk that producers are going to look at when they talk in the Gulf. So you have to look outside the Gulf for opportunities. You have to look up to Canada. You have to look onshore. You have to look to Brazil. And I think you also have to look to Russia as well. Those are the sources of opportunity. I think when you look at the Gulf you will see a significant decrease in terms of output over the next few years. I don't want to steal his thunder. I'm sure we'll speak about it. But Whitney Tilson on the Halftime report today, it was extended to a half hour, by the way, was starting to build a position in BP and he acknowledged he's probably not buying the bottom and he's probably right that he'll have to stomach that. He didn't think the dividend was in trouble I think a lot of people believe that it may be in trouble. But it's interesting that a value investor like Whitney's getting involved. That being said, for a trader I think it's toxic. I'd rather be in the nat gas space that Joe has spoken about a number of times. I think nat gas sets up, it feels like it's one of the two commodities that's breaking out. Apache to me looks interesting around 88 bucks. And these royalty trust that I'm sure Anthony

knows about, **BoonePickens** started these in the late 70s, they might be interesting. Big dividend payers. Basically, if the commodity, underlying commodity goes up, these should go up faster, and I think a name like HGT gets you done there. Karen, somebody like a Whitney Tilson goes in on BP, does that make you think maybe there's something there? Well, I still think that it's really unknowable what the down side is, which is why for us calls are the way to play it. If you want to do that, I think you that don't need to go so far out in the calls, you can go nearer term, and we'll have a lot more clarity in a month or two. I mean, let's say the spill --Let's say they're able to capture all the oil. That would be a very significant event. And if they're not, that would also be a significant event. I'd rather own the options. I don't know if that's the way Whitney wants to play it, but that's the way I would play it. ... 00:13:14

**Keywords:**BP; Transocean; BP Deepwater Horizon oil spill damage in the Gulf of Mexico; Brazil; Canada; Russia; Whitney Tilson; dividend; **naturalgas; BoonPickens;**

**Visuals:**Stock info Diamond Offshore; Stock info BP; Stock info Apache;

**Audience:** 222,600 **Spot Cost:** \$2,090

#### **4. Squawk Box**

**CNBC, National | DMA: 0**

**06/08/2010, 08:00 AM - 09:00 AM**

[EC] 00:46:58 Again, our guest host is Richard Lefrak. Richard, we had a lot of ground to cover but didn't necessarily go too in depth in what you are watching in the oil down the Gulf. Where that eventually leads us, let's say a few years down the road, the legislation. There is no question they will tighten those safety rules and make it prohibitively expensive to be drilling in the deep water. And as Gary just mentioned, it is going to make shore reserves which are quite a bit less dangerous to find than to produce that much more valuable. And --You know, so I think you are going to see a complete reordering of how we approach the exploration business. Although the administration has moved pretty rapidly to market concerns about when they pulled the permits for some of the shallow water drilling they had --Originally handed out last week it caused a lot of concern in the markets and now they are saying we will get those back out maybe by today but definitely by the end of the week. Signaling they understand that this could create a problem right. You are talking about the short-term impact of having the moratorium and I'm saying the long-term impact on deep water drilling will make it a lot more expensive than it is right now. Whether they make them drill relief wells when they drill a primary well, just in case they have a problem which is --Seems to be the ultimate answer to fix this issue in the Gulf, whether they --Create other safety requirements, which are probably well deserved, whatever they are going to do, they will make it a lot more expensive to do that. As a result, the alternative of drilling up on land is going to be a lot more attractive and I think --And Exxon's purchase of this XTO Energy is

kind of a precursor to what you are going to see some of the majors who had disappeared from the domestic drilling coming back now and trying to develop some of the is very large **naturalgas** reserves and by the way, it is an excellent thing for the economy because, you know, it is the domestic industry and cleaner fossil **fuel** than coal. And there are ways to convert the infrastructure of this country to make our transportation fleet move more on the **naturalgas** based product than in the past. You always have --**BoonePickens**. He is the expert on this. I think you sometimes the catalyst for some of these things has to be an event like the event in the Gulf today because it is just --Just puts itself front and center on people's about what --You know, what is the effective policy and since we have the **gas** -- we have Senator Lemieux. I don't want to cut you off. Effects of the bp **oil** spill getting worse even as the company scrambles to contain the damage.... 00:49:49

**Keywords:**Gulf Crisis Discussion: **T. BoonePickens**

**Speakers:**Richard Lefrak, President of Lefrak Organization

**Audience:** 423,752 **Spot Cost:** \$3,333