

PickensPlan

T. Boone Pickens Media Coverage 7.13.10

Total of 6 Placements

- Print: 1
- Blog/Online: 3
- Broadcast: 2

Coverage Summary:

Gerson Lehrman Group released an analysis calling for the passage of the NAT GAS Act, saying it could stimulate the economy, move the US towards energy independence and improve the environment.

Highlighted Placements (Full Articles Below)

- **Pass the Natural Gas Act of 2010 For a Positive Environmental Impact leaders urged Secretary of State Clinton to prevent the approval of the proposed TransCanada Corporation pipeline, because increasing US imports of crude oil produced from Canadian oil** *Pass the Natural Gas Act of 2010 For a Positive Environmental Impact – Gerson Lehrman Group – 7/12/10*

Print Placements (Full Articles Below)

- **The Energy Mess** – *Hutchinson News* – 7/13/10

Blog/Online Placements (Full Articles Below)

- **Cramer: 'We've Seen the Lows for the Year'** – *CNBC* – 7/12/10

- **Which Stocks Look Ready to Pop and Drop with Earnings?** – *Financial News USA* – 7/12/10

HIGHLIGHTED COVERAGE

Pass the Natural Gas Act of 2010 For a Positive Environmental Impact leaders urged Secretary of State Clinton to prevent the approval of the proposed TransCanada Corporation pipeline, because increasing US imports of crude oil produced from Canadian oil sands would also increase Greenhouse Gas emissions. The unintended consequences of blocking the proposed pipeline could include increasing US dependence on OPEC oil. Instead, Congress should pass the Natural Gas Act of 2010. – *Gerson Lehrman Group* – 7/12/10

Summary:

Congressional leaders urged Secretary of State Clinton to prevent the approval of the proposed TransCanada Corporation pipeline, because increasing US imports of crude oil produced from Canadian oil sands would also increase Greenhouse Gas emissions. The unintended consequences of blocking the proposed pipeline could include increasing US dependence on OPEC oil. Instead, Congress should pass the Natural Gas Act of 2010.

Analysis:

In July 2010, Congressional leaders urged Secretary of State Clinton to prevent the approval of the proposed TransCanada Corporation pipeline, because increasing US imports of crude oil produced from Canadian oil sands would also increase Greenhouse Gas emissions. Nevertheless, approval of the \$7 billion pipeline could generate revenue and create jobs in the US. Currently, Canada is the number one supplier of crude oil to the US. 50% of Canadian oil production comes from oil sands. Canadian oil producers have the option of exporting oil to China, instead of to the US. So, the unintended consequences of blocking the proposed pipeline could include increasing our dependence on Middle Eastern crude oil.

Rather than preventing the approval of the proposed TransCanada pipeline because of the environmental impact, Congress should pass the Natural Gas Act of 2010 (S. 1408 and HR 1835). The Natural Gas Act could improve the environment, increase US energy independence, and fuel the US economy by stimulating the use of cleaner alternative fuels such as compressed natural gas (CNG) and liquefied natural gas (LNG). The environmental benefits of converting to natural gas include reducing carbon monoxide and carbon dioxide vehicle emissions by over

90% and 25%, respectively, reducing nitrogen oxide emissions by 35% to 60%, and decreasing the toxic and carcinogenic compounds in tailpipe emissions.

Natural gas is in abundant supply in the US and Canada. In the US, natural gas reserves are currently estimated at 200 years. So, converting the US long haul transportation system from liquid fossil fuels to natural gas could be a major step towards US energy independence.

Many US based shale gas producers, including Chesapeake Energy Corporation, Devon Energy Corporation, Cabot Oil & Gas Corporation, and Range Resources Corp., are currently facing financial challenges because the abundant supply of natural gas has reduced prices. Therefore, stimulating the demand for natural gas could also stimulate the US economy.

The cost of natural gas is lower per mile traveled than diesel. The June 2010 average Henry Hub price of \$4.80 per million BTU equals 63 cents per diesel gallon. In comparison, June 2010 US Gulf Coast diesel sold for an average of \$2.09 per gallon wholesale ex-refinery and an average of \$2.95 per gallon retail. Even though it costs more to produce than CNG, LNG is a better fuel choice for long haul transportation because the distance traveled per gallon of fuel capacity is greater. After adding in the additional production cost of 15 cents per diesel gallon plus the distribution cost, the price of LNG is still less than \$1.00 per diesel gallon. So, LNG is over \$1.00 per diesel gallon less expensive than diesel produced from imported crude oil. The current economic advantage is at the high end of the historical average. But, even at the low end of the historical average, LNG is still at least 50 cents per diesel gallon less expensive.

The Natural Gas Act includes specific provisions for promoting the sale of natural gas and natural gas powered vehicles:

- By increasing the lifetime of the Alternative Fuel Credit and including CNG and LNG as fuels
- By providing tax credits for the purchase of natural gas vehicles
- By defining natural gas vehicles as alternative fuel vehicles
- By offering the manufacturer a credit of the lesser of \$4000 or 10% of the manufacturing cost for the production of natural gas powered vehicles
- By including natural gas in the scope of alternative fuel stations eligible for a tax credit

- By offering a tax credit of the lesser of \$100,000 or 50% of the building cost for natural gas refueling stations
- By requiring that 50% of the federal government's new fleet vehicles be operational on natural gas by 2014
- By awarding up to \$30 million annually in Energy Department grants to natural gas vehicle developers

Tax exempt financing for the development of natural gas infrastructure, one of the most important provisions, is only included in the Senate version of the Natural Gas Act. The Senate version provides up to \$3 billion in tax exempt financing that would need to be spent within five years. However, without stimulating infrastructure development along with increasing natural gas consumption and developing natural gas powered vehicles, it will be more difficult to transition from liquid fossil fuels to natural gas. This provision should be added to the House version of the Natural Gas Act.

Despite overwhelming support from both parties, it is unclear why Congress has not yet approved the Natural Gas Act of 2010, which could not only stimulate the US economy, and move the US towards energy independence, but also improve the environment. Instead, Congressional leaders seem more focused on blocking the Trans Canada pipeline, which could have unintended consequences, including increasing US dependence on OPEC oil.

PRINT COVERAGE

The Energy Mess – *Hutchinson News* – 7/13/10

I don't believe BP set out to destroy our Gulf region, but they have certainly contributed to the mass destruction that has led to the terrible situation on that part of our southern coast.

BP is one concern, but it is not our only concern. When we lost 29 miners in the coal mine disaster, I hoped it would make us all eager to embrace alternative energy, but the coal corporations have managed to quit the outcries and BP is ignoring the loss of 11 oil workers, even though both of these events were preventable had the right safety precautions been used.

Now T. Boone Pickens is touting natural gas, but the companies that are drilling these wells are using a method that is not safe, one that not only ruins the land above the wells but one that destroys the water systems under these lands. Just as the coal companies decimated the mountains and the valleys in the coal mining regions, the gas drillers are doing the same thing to thousands of acres in 34 states. These drillers are exempt from the clean air and clean water regulations, thanks to the help of the Bush energy bill. This method of drilling is called "fracking" and uses fluid chemicals and millions of gallons of water in the process. This is surely going to destroy our ground and water supplies for years, if not forever.

We have no way of knowing what the results of the Gulf oil "volcano" (I will not call it a "spill") will be. The devastation is not even comprehensible yet, but the loss of lives, lifestyles, jobs, the loss of shellfish, oysters, birds, dolphins, wetlands, beaches, tourist income, and I'm sure I've not begun to list all of the things this terrible event has affected.

But I do know one thing: We must get off of fossil fuels. We must turn to solar, wind and renewable energy, if it's not already too late.

DOROTHY COUCH, Hutchinson

BLOG/ONLINE COVERAGE

Cramer: 'We've Seen the Lows for the Year' – CNBC – 7/12/10

By Tom Brennan

Five out of the six things that absolutely had to happen before this market could sustain a rally have happened, Cramer told viewers on Monday. While the list isn't yet complete, he thinks "it's time to get more bullish."

Back on June 2, Cramer said that stocks wouldn't run unimpeded unless the following key events occurred: Financial reform was finalized, Spanish banks stabilized, unemployment declined, BP's [BP 37.16 0.40 (+1.09%)] plugged its leaking well in the Gulf of Mexico, China pulled off a soft landing for its overheated economy, and the euro stopped falling. Well, all but the unemployment problem are either solved or very close to being so.

President Obama may not have signed the financial-reform bill, but we've seen the fine print. Now we know that fears the legislation would cripple American banks' capacity to make money were overblown, and that means those banks can rally. Check.

Spanish mega-bank Banco Santander [STD 12.67 0.12 (+0.96%)] has jumped about 50% since June 2, thanks to some smart diversification away from its home country and to the UK, US and Latin America. The results of the European bank stress tests won't be out for another two weeks, but Cramer is confident enough in STD's turnaround that he's willing to check this one off the list.

BP is close to putting a cap on its leaking well, and a relief well isn't that far off. Admittedly, the company hasn't had the best track record so far, but even Boone Pickens told Cramer that he thinks the relief well will work. That gives Cramer enough confidence to check this box off the list as well.

As for China, that problem has already been solved. The country has in fact engineered a successful soft landing, which is why Cramer stopped worrying about this point weeks ago. Now, he said, he's feeling even more bullish on about the country's moderating but still positive growth.

The euro, meanwhile, has done exactly what Cramer called for: It bottomed at 118 versus the dollar when France and Germany agreed to stop the naked short-selling of all European financial instruments. And it has since rebounded to 125. Check.

The lone holdout is unemployment, but Cramer sees some positive signs here. He thinks the strength in autos, retail and exports will create jobs, especially because the Obama administration seems less intent on hurting American businesses. Plus, the brokers are hiring, particularly the Japanese and European firms, and that usually precedes an expansion on Main Street, Cramer said. And don't forget about the better unemployment claims we saw last week. We're on the right track, for sure, but not so much that this box deserves a check, though.

With five out of the six worries now out of the way, Cramer said, "last week's 5% rally was totally and absolutely justified." And that means the hyper-negativity that has permeated this market "is no longer in synch with the facts." So while we can't yet be totally confident in the market until all six boxes are checked, we can get more bullish and believe in the market's ability to rally.

"I think we've seen the lows for the year," Cramer said, "and I am a buyer, particularly if we get any pullback of 3% to 5%."

Which Stocks Look Ready to Pop and Drop with Earnings? – *Financial News USA* – 7/12/10

Stocks tend to be most volatile around earnings season, when a good or bad report can make or break it. However, a good or even great earnings report doesn't necessarily translate into a huge pop for a stock.

With the bulk of earnings season upon us, BullMarket.com has started a new earnings preview feature with its service. The previews look at historical earnings data and EPS trends; examine past investor reactions to earnings in various contexts; gives options activity analysis; reviews previous-quarter earnings; and gives an opinion on both what earnings will look like and how investors will react based on the aforementioned data points. [\[Read the full article\]](#)

After Chinese solar stocks soared by as much as 22% in four sessions last week, analysts at Citigroup weighed in on three sector heavyweights Monday morning. The firm initiated Trina Solar (NYSE: TSL - News) with a Buy rating and a \$30 price target, representing a 42% premium to Friday's closing value. Meanwhile, Yingli Green Energy (NYSE: YGE - News) got started at Hold with a \$15 price target, and Citi initiated Suntech Power Holdings (NYSE: STP - News) at Sell. Based on Friday's close, it would take a nearly -40% decline for Suntech to reach the firm's \$7 price target. All three stocks are -30% or more from their respective 52-week highs.

As a whole, the Chinese Solar Stocks Index is outperforming the S&P 500 by a whopping 34% over the last month. Suntech, Yingli, and Trina are grouped near the middle of the pack for the period, so it will be interesting to see whether Citi's forecasts prove accurate. [\[Read the full article\]](#)

Billionaire oilman turned wind and natural gas proponent T. Boone Pickens made a crude-based case for a continued equity rally in a recent interview with Fortune. Pickens, who counts on high oil prices to bolster his case for natural gas, cited \$100 per barrel targets from Goldman Sachs and Morgan Stanley, noting, "you know that will force equities to move higher too." As for beleaguered BP (NYSE: BP - News), Pickens' BP Capital Management isn't a buyer, but he conceded, "it wouldn't bother me to own the bonds."

A look at Pickens' top-15 U.S.-listed equity bets from the end of Q1 shows that his hedge fund was bullish on energy plays heading into the second quarter. The firm opened a new bet on Halliburton (NYSE: HAL - News) in the first three months of 2010, while boosting prior bets on SandRidge Energy (NYSE: SD - News), Weatherford International (NYSE: WFT - News), and McMoRan Exploration (NYSE: MMR - News) by 20% or more. [\[Read the full article\]](#)

A Barron's article the first weekend of July pointed out that 13 of the top 25 companies in the S&P 500 trade at or below 10 times estimated 2011 earnings. Of the companies that made the list, the five I feel are the best buys at current levels are highlighted below.

The Value Winners JPMorgan Chase (NYSE:JPM) - One of the large money center banks that made it through the financial crisis is now trading at levels that are very attractive based purely on fundamentals. However, there is the fear of a double-dip recession and another banking crisis in Europe, and, if the fears turn into reality, it could send JPM much lower in the coming year. The current P/E ratio is 14.5, and expected to fall to 8 based on 2011 earnings estimates. [\[Read the full article\]](#)

BROADCAST COVERAGE

1. Mad Money

CNBC, National | DMA: 0

07/12/2010, 06:00 PM - 07:00 PM

[EC] 00:00:30 ... Third, I told you we needed to see unemployment going down. As I said on the "Today" show this morning, I think the strength in autos and retail and exports will make that happen, particularly because we finally have the Obama administration declaring a truce against business. Something that should be huge for the second half. We know that uncertainty out of Washington has kept a lot of businesses on hold. But we now know the brokers are hiring, particularly the European and Japanese brokers, the ones not covered by Fin Ray. Wall Street has a fantastic record of hiring just before Main Street needs its help to expand. That hiring is happening now. The rest will soon follow. Plus, we saw better claims --The unemployment claims last Thursday. I believe job growth is coming. No check yet, but I sense it isn't far off. This a really good chance to practice better checking. No, that's just a question mark. All right. Fourth, I said the oil's --You think that after a week they would realize that I am king. Fourth, I said the oil spill had to be stopped. Right now, BP is putting the cap on this monster, and despite their checkered track record, I think this one will actually work. A relief valve is not far away, one that even BP skeptic, **BoonePickens** told me he thinks will succeed. I have enough confidence in this process that I believe it's time, right now, right here, to check this worry off, too. Check slowly. Take it where you can get it. ... 00:11:45

Keywords:Dr. Scholtz Freeze Away; Stress Test; World Cup; Today Show; Obama administration; Fin Reg; BP; Baltic Freight Index; Britney Spears; 50 Cent; John Mannard Caines; Bloomberg.com;

Visuals:Citigroup; JPMorgan Chase; Banco Santander; President Obama; **BoonePickens**; DRY; Richard Nixon; ATI;

Audience: 202,551 **Spot Cost:** \$2,003

2. Fox Business

Fox Business Network, National | DMA: 0

07/12/2010, 02:00 PM - 03:00 PM

[CC] 00:10:12 ...Where are you putting your money? People want to know where they should put their money. Give you an example, today notwithstanding we've had a tremendous amount of heat lately. New York was oppressive last week, wasn't it? Across the east coast. This is kind of a changing weather pattern, about five or six year weather pattern. I think a company like Aqua America, that, believe it or not, because when everything was depressed they have been able to pass along, they're aggregator of small water companies. Great management. Done well. Kind of been in a trough for a while. You're looking at a company that has been able to make money on the new making money. They have been able to pass along gains. Now all of a sudden they have hot weather. That increases water usage. They have been able to in acquisition reduce their debt load. Interest rates are very low. They do acquisitions they have A-Plus rating. They're paying less on that. This is company I think water is going to be very important thing. Not just now but going forward. Very important into, I will bring this up real quickly. If **BoonePickens** and Boone Pickens like people are right, we get into **naturalgas** drilling, water is very important commodity for that as well. They're in that business as well. Liz: give me another one. I like how your mind thinks....00:12:29

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