

PickensPlan

T. Boone Pickens Media Coverage 7.21.10

Total of 11 Placements

- Print: 3
- Blog/Online: 2
- Broadcast: 6

Coverage Summary:

Politico published a joint op-ed between Pickens and Nucor Corp. CEO Dan DiMicco. The piece discusses the important role offshore drilling plays in increasing U.S. energy and economic security. It also talks about the steps China is taking to secure its energy future and the need to establish America's own energy plan with resources such as natural gas.

Highlighted Placements (Full Articles Below)

- **No Need To End Offshore Drilling** – *Politico* – 7/21/10

Print Placements (Full Articles Below)

- **Market Talk** – *Financial Mirror* – 7/21/10
- **Letter: Commissioner Off The Mark** – *The Dickinson Press* – 7/21/10

Blog/Online Placements (Full Articles Below)

- **Senate Still Considering "Utilities-Only" Cap On Greenhouse Gas Emissions** – *Texas Energy and Environment Blog* – 7/20/10

- **T. Boone Pickens Sees Progress In BP Leak, Says It'll Take 30 Days to Kill Well** – *The American Spectator* – 7/20/10

HIGHLIGHTED COVERAGE

No Need To End Offshore Drilling – *Politico* – 7/21/10

By Dan DiMicco and T. Boone Pickens

The oil spill in the Gulf of Mexico has led some people to call for a reversal of the decision to expand offshore drilling in our country, while others now want an end to offshore drilling entirely.

We believe this would be a mistake. We need a vigorous examination to determine the cause of the spill and ensure that such a disaster never happens again. But we cannot lose sight of the important role that offshore drilling — along with other domestic energy resources — plays in increasing U.S. energy and economic security. We need to develop traditional energy resources even as we build the necessary infrastructure for alternative energy use.

We are both concerned about America's future prosperity. Our nation seems to be going down a road that puts our energy and economic security at risk. While the recession has cut energy use here, it is growing in many developing countries, particularly China. A global race for energy resources is on — and China is way out front.

China's state-owned oil companies are now maneuvering to control a substantial amount of oil and natural gas in Africa, Asia and South America. China's energy investments are also in our own backyard. Beijing has invested in five oil sands projects in Alberta, Canada, and signed agreements with Cuba to explore for oil on land and offshore. China could soon be drilling closer to U.S. shores than we are.

China has deals in more than 21 countries, through direct oil and natural gas purchases as well as "loans for energy" — in which China builds energy infrastructure in exchange for the resource. These deals could potentially deliver more than 7.8 billion barrels of oil to China.

As with manufacturing, aggressive government intervention fuels China's growing dominance in energy. Beijing maintains direct ownership of oil companies and finances deals through state-owned banks.

Why should we care about China's energy play? Because the United States is already too dependent on other countries for its energy needs. The United States imports nearly two-thirds of the oil it uses daily — 12 million barrels per day, much of it from nations hostile to our interests.

Forty years ago, 85 percent of the world's oil reserves were open to private investment. Today, only 20 percent are open, with the remaining 80 percent state-owned or controlled. We are nearing a day when oil sales are dictated less by commercial purposes and instead by political or military considerations.

While China is aggressively securing energy resources, Washington is paralyzed by a political system unable to address our long-term economic and energy security needs. This is why we are concerned about the political backlash against offshore drilling. Our political system is increasingly short-term in its outlook and driven by the 24-hour news cycle.

These factors lead U.S. political leaders to sacrifice long-term planning for short-term political gain. Energy is just one area in which this puts our nation's future at risk. Fortunately, the American people still take a long-term view. Polls taken after the Gulf oil spill revealed that a majority of Americans say they still support drilling off U.S. coasts.

Some people have framed the issue as a choice between offshore drilling and clean shores — implying that we cannot have both. But we can have both. Government and the industry need to learn from this tragedy so that we can develop safer, smarter practices.

We have abundant energy resources right here that we have neglected to use. For example, we have a 100-year supply of natural gas from reserves both on land and offshore. Technological advances have opened up new shale areas with large natural gas reserves.

Accessing these and other energy resources has benefits beyond energy security. Increasing our domestic energy resources helps address other long-term threats to American prosperity.

First, replacing foreign sources can reduce our trade deficit and help restore balance to the global trading system. Oil imports account for almost 50 percent of our trade deficit so far this year.

Much of this oil is for transportation. The technology to use natural gas in vehicles already exists. This could greatly decrease our need for foreign oil. Converting the nation's vehicle fleets — heavy-duty trucks, buses and utility vehicles — is a logical and efficient place to start.

Second, developing domestic production of oil and natural gas, building new nuclear power plants and producing energy from renewable resources like wind, solar and biomass can create millions of jobs. We have lost more than 8 million jobs in this recession. Developing new energy sources and building our energy infrastructure could create the millions of new jobs we need.

Third, domestic production and these potential new jobs could help reduce our budget deficit — another huge threat to our future prosperity — by creating new tax revenues. Domestic offshore drilling alone could generate \$1.3 trillion in revenue over the life of the oil resources, according to an ICF International study commissioned by the American Petroleum Institute. When combined with tax revenues from other domestic energy projects, tax revenue from increased domestic energy production could help put our country's fiscal house in order.

We live in a country that has benefited from its leaders' long-term vision. Our GI Bill, interstate highway system and space program are just a few examples of this American leadership.

We need to get back to this kind of vision if we are going to maintain our energy security and economic prosperity.

Dan DiMicco is chairman and chief executive officer of Nucor Corp. T. Boone Pickens is chief executive officer of BP Capital.

PRINT COVERAGE

Market Talk – *Financial Mirror* – 7/21/10

Uncertainty

The International Monetary Fund and the European Union suspended a review of Hungary's funding program, putting some pressure on the single currency. This means Hungary will not have access to remaining funds in a \$25.1 bln loan package. Dealers said this reminded investors of the region's sovereign debt problems just days ahead of the results of stress tests on European banks.

Many insist that since the stress tests on the 91 European banks will not be transparent, this may well be the last chance to sell the euro, which following its rally to \$1.3000, has forced the speculators to trim their short positions and is now neutral.

Stress tests

You have heard by now that many analysts are saying the bank stress tests are just a publicity exercise and regulators have allowed eurozone banks to hide their problems. This has been made possible after regulators allowed banks to shift their government bond holdings from "trading" to "held-until-maturity".

This is especially true in the case of Eurozone banks holding massive government bonds on their books. Suppose a bank holds Greek government paper. Instead of taking a 60% loss on the bonds (because that is their price now), banks are transferring the holding from their "trading" book to the "to be held until maturity" book. This way, they value the bonds at maturity price, ignoring the ups and downs on the bonds.

If you agree with this kind of accounting gimmicks, then you should invest in stocks and more so in financial stocks. If on the other hand, you believe that this is simply hiding the truth and the situation is very bleak, then obviously you should sell stocks in general and banks and financial institutions in particular.

Fed about turn on economy

Optimism regarding the outcome of the stress test results and a report by the Fed which confessed that the US economy may not recover for five or six years provided one more reason why the euro was well bid last week and the dollar came under selling pressure.

The Fed minutes warned of "significant downside risks" and an admission that a combination of zero interest rates, \$1.75 trillion of QE, and a fiscal deficit above 10 percent of GDP have so far failed to lift the economy out of a structural slump.

Just weeks ago the Fed was mapping out withdrawal of stimulus. But now, members are discussing extending the QE programmes and extending new measures to keep the economy afloat.

Eurozone & UK

The US has its problems but this does not mean that the eurozone and the UK are out of the woods. In fact, the growth prospects in the eurozone are bleak while the situation in the UK is outright negative, which is why we believe that more trouble is in store for the eurozone but more specifically for the UK, which will be the next casualty.

Bank profits

Results from US banks are coming better than forecast by analysts and in some cases, such as JP Morgan Chase, the quarterly profit is approaching back to 2007 levels. The question that

investors should ask themselves is how in a slow growth and increasing unemployment environment can banks boost their profits.

A closer analysis shows that all of them recorded a decline in revenue, but they boosted profits by reducing the allowance for bad debts - loans that could go sour because the debtors can't repay to the bank the money they've borrowed.

The other trick is changing the way banks account for their bonds (see above). A third reason is because the Fed, the ECB and other central banks are offering 0.25-1% cost money to the banks, which in turn loan it to clients at 3-5%, thus allowing them to make easy money.

BP

BP is hoping that a successful cap in the leaking oil well in the Gulf of Mexico would increase recovery to 60,000 to 80,000 barrels by the end of the month. The market has turned bullish on BP's prospects. Shares are up over 36% since bottoming at \$27.02 on June 25. The bad news is priced into this stock. The dividend has already been cut. Investors already know the cleanup will cost tens of billions of dollars. And people already expect this to be one of the worst manmade disasters in history. Of course, there's still the government risk - which has permeated every corner of the market. Regardless, investors are buying the stock again.

But traders are charging in on the assumption that the worst is over. This may explain why oil legend T. Boone Pickens said he thinks BP is a good buy... "You're going to have to stand a little more heat, but I think [BP will] kill the well by mid-August," Pickens told Bloomberg. Pickens said BP's reputation will be further damaged when the government starts its investigation - an arguable point - but also says, "Today BP is a good buy."

Are share prices cheap?

As Barron's reports, "The forward P/E on the S&P Index is below 12, the lowest since the late 1980s." Unless profits collapse, the market overall does not look expensive. Many of the big stocks in the S&P 500 trade for 10-12 times their 2010 earnings estimate, says Barron's.

Some of the stocks are cheaper than they appear because they have so much cash. Companies like Microsoft and Cisco have about 20% of their market caps in net cash.

The problem is that most of the profits by US companies are coming from cost cutting, increasing productivity and accounting gimmicks such as shifting bonds from here to there and not valuing them to market.

We believe that the profit assumptions are too optimistic because you cannot have sustainable growth when the number of unemployed is constant and the only improvement (which we witnessed in the UK) was because a record number are now part-timers and or studying. When there is no income growth, no inflation, no increase in consumer spending, taxes are rising and people are saving rather than spending, corporate profits cannot climb.

Letter: Commissioner Off The Mark – *The Dickinson Press* – 7/21/10

Public Service Commissioner Brian Kalk's recent letter ("Bill would destroy fossil fuel industry," July 8) is so full of fear-mongering and outright lies it's hard to know where to begin. Perhaps his craziest claim is that if Congress passes a comprehensive energy and climate bill, it will "destroy our fossil fuel industry."

The dire and exaggerated tone of that statement should be the first red flag. A look at the facts reveals just how unsubstantiated Kalk's wild claims are.

Fact: the energy and climate bills before Congress offer billions in incentives and protections for fossil fuels, particularly coal.

The comprehensive energy bill that passed the House last summer included dedicated funding to help coal transition to the low carbon era. In fact, when the Pew Center on Global Climate Change looked at what the bill does for the coal sector, they found that the coal provisions “provide an estimated \$100 billion in incentives for coal use with carbon capture and storage (CCS) through 2030 and nearly \$240 billion through 2050.”

The Kerry-Lieberman bill being considered in the Senate includes even greater incentives for coal. For instance, funding for CCS research is doubled from what it was in the House bill.

Kalk is way out on the fringe. The largest users of coal in the U.S., like utilities American Electric Power and Duke Energy, support energy and climate legislation. So does oilman T. Boone Pickens. So does Rio Tinto, world’s third largest mining company. The list goes on.

If we listen to Kalk’s uninformed and hyper-partisan ranting, we will be importing the next generation of coal technologies from China. By supporting a comprehensive energy and climate plan, our senators will provide companies with the regulatory certainty they want and help spur investment in 21st century coal plants.

Andy Erickson, Grand Forks

BLOG/ONLINE COVERAGE

Senate Still Considering "Utilities-Only" Cap On Greenhouse Gas Emissions – *Texas Energy and Environment Blog* – 7/20/10

By Dave Michaels

With time running out before the November elections, Democrats plan to huddle Thursday to discuss a path forward on an energy and climate bill. The big question is: will it include some type of cap on greenhouse gas emissions? Although an economy-wide cap appears to be too unpopular to pass, some Democrats are trying to pass a cap that would apply only to power plants.

Sen. Joseph Lieberman, I-Conn., said he and Sen. John Kerry, D-Mass., met Tuesday with directors of the Edison Electric Institute, which represents investor-owned utilities. (John Young, CEO of Dallas-based Energy Future Holdings is a member of EEI's executive committee and was in Washington today.) The utility executives said they had "real concerns" about a law that only restricts the greenhouse-gas emissions of utilities and need more time to negotiate its cost and scope with lawmakers, Lieberman said. That might mean pushing consideration of a climate-change law into a lame-duck session after the November elections, he said.

Some Democrats think that climate legislation is a lost cause, and that lawmakers should focus instead on increasing regulation of offshore drilling and passing new incentives for renewable energy production and transmission. A bill also could include new incentives for natural-gas vehicles, an idea that has been popularized by T. Boone Pickens and his Pickens Plan. But it remains to be seen whether the Senate will move those provisions on their own, or want to use them as sweeteners for a more controversial climate bill. "I think we ought to do it all together," Lieberman said.

Underscoring the lack of consensus, Majority Leader Harry Reid barely addressed energy during his weekly press conference today. "I'm really not at a point where I can determine what is good for the caucus," Reid said.

A spokeswoman for Energy Future Holdings says the company will need time to review the specifics of the approach that Kerry and Lieberman are proposing.

T. Boone Pickens Sees Progress In BP Leak, Says It'll Take 30 Days to Kill Well – *The American Spectator* – 7/20/10

By Philip Klein

Earlier today, I spoke with T. Boone Pickens, the billionaire investor who has spent more than a half-century in the oil business. Before we got to our broader discussion (more on that later) I asked him what he thought of the latest developments in the BP oil leak, and thought I'd pass his comments along.

"There's no question they're making progress on it," Pickens said. "And they've got a little bit to go. I'm not concerned about that leak there on the bottom. It's not related. It's two miles away, and too far. But I would say you've probably got another 30 days before you kill the well."

BROADCAST COVERAGE

1. Fox Business Happy Hour

Fox Business Network, National | DMA: 0

07/20/2010, 05:00 PM - 06:00 PM

[CC] 00:27:35 ..Federal government is concerned. They should be. We have massive global warming. Arctic ice is melting. And, we've got record rains in Nashville. Record snows in Washington. Record heat here. The government needs to do the right thing. Liz: Micha, when is congress going to put a cap-and-trade on gaseous rhetoric coming out of D.C. , Cap-and-trade? Government employees and --Or any highway or forest fires in California? Cap-and-trade is last thing that businesses in the United States America absolutely need. The president needs to do instead of playing off to his environmentalists he really needs a policy, energy policy in the United States of America. Talking to good friend of mine, last night, **T. BoonePickens**, what the president needs to be doing, take every government car and making sure that every government car runs on fuel produced in the United States of America. And they get to choose the fuel. Make it propane. Make it gas. Make it whatever it is make sure it is running on American-produced fuel not on foreign fuels. Start bringing it back here. Liz: look, I don't even know if the president policies is even what you're say doable. Something doable. It's not. Liz: probably not. The fact is, not doable to say to people, please find another way to go to work and save the environment because one if I'm not driving my car --Begets another...00:29:16

Audience: N/A Spot Cost: N/A

2. Fox Business

Fox Business Network, National | DMA: 0

07/20/2010, 01:00 PM - 02:00 PM

[CC] 00:35:25 Say they're the same a couple percent less, there is no doubt, greg, right, China is on a global quest for oil? Oh, definitely. That is one of their highest policy priorities. They have been the main driver of global oil demand growth. The U.S. Is down still below the peak that we reached in 2007. And probably going to decline a bit as fuel efficiency standards for cars kick in over the next few years. Brian: the most shocking thing **BoonePickens** ever told me was two years ago. According to his own data from his hedge fund, China will need about a billion barrels of oil just to make the asphalt to build the roads and highways it wants to build. Then you factor in all the cars that theoretically they start driving. All I can think when will oil go to 200 bucks a barrel? Well that's quite aways out I think. Right now, we're still have a lot of spare capacity left over from the recession. There is still about 5. 5 Million barrels a day unused

production capacity where back when prices were running up in 2007, 2008, the kind of scenario you're talking about here we had spare capacity at had, million five..00:36:57

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

3. News On The Hour

USA Radio Network, National | DMA: 0

07/20/2010, 11:00 AM - 11:05 AM

00:03:42 Oil is holding up very well at seventy seven dollars now that we have the the Gulf plugged there but it is leaking a little bit . Good friend **TBoonePickens** on Larry King last night and you know the Gulf leaks of thousands of barrels of oil every day ... it is from the normal seepage ... I don't like this moratorium on drilling and neither does **TBoonePickens** 00:05:42

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

4. News On The Hour

USA Radio Network, National | DMA: 0

07/20/2010, 10:00 AM - 10:05 AM

01:03:40 Oil is holding up very well at seventy seven dollars now that we have the the Gulf plugged there but it is leaking a little bit . Good friend **TBoonePickens** on Larry King last night and you know the Gulf leaks of thousands of barrels of oil every day ... it is from the normal seepage ... I don't like this moratorium on drilling and neither does **TBoonePickens** 01:05:39

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

5. WWRL Morning Show

WWRL-AM (IND) Freq. 1600, New York | DMA: 1

07/20/2010, 08:00 AM - 09:00 AM

00:24:00 Having millions of gallons of this chemical filled water seep back up to the surface and along the way pollute natural drinking sources --that doesn't seem to me the right way to do

things... if you like these **BoonePickens** commercials... you see these signs on the sides of buses...clean burning natural gas..lots of good propaganda around it.. 00:25:59

Audience: 5,375 **Spot Cost:** \$32

6. Good Morning San Diego First Edition

KUSI-TV (IND) CH 51, San Diego | DMA: 28

07/20/2010, 05:00 AM - 06:00 AM

[EC] 00:30:40 **T Boone Pickens** was in studio to promote his **Pickens Plan** yesterday. The energy expert told us he thinks America needs to rely on its own resources for energy and the president needs to set the stage now.. 00:31:54

Keywords: Pickens Plan: Domestic Fuel;

Speakers: T. Boone Pickens, Energy Expert;

Audience: 6,743 **Spot Cost:** \$38

The logo for the Pickens Plan, featuring the words "PickensPlan" in a bold, sans-serif font. "Pickens" is in white and "Plan" is in blue, both set against a dark blue rectangular background.