T. Boone Pickens Media Coverage 8.21.09

Total of 6 Placements

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

Coverage Summary:

The New York Times reported on the declining price of natural gas, saying that while it is causing tough times for those in the gas business, it is good for many industries and consumers. The piece also discusses the silver lining for gas executives who will be able to use the low price in their efforts to urge the Senate to include incentives to switch to natural gas in energy and climate change legislation.

Seeking Alpha highlighted Pickens' comment that it would take 20 refueling stations to get 18-wheelers across the country on natural gas, which was included in this week's joint op-ed with Ted Turner. The writer agrees that building these stations would be a logical way to spend stimulus money on infrastructure and would help lead to energy independence.

Rancho Santa Fe Review reported on T. Boone and Madeline Pickens being named the "Persons of the Year" by the Big Brothers Big Sisters of San Diego County. The piece focuses on various causes the Pickens are advocating for including the Pickens Plan.

Highlighted Placements (Full Articles Below)

- **Natural Gas Prices Plummet to a Seven-Year Low** – *New York Times* – 8/21/09
- **Natural Gas Could Cure What Ails America** – *Seeking Alpha* – 8/21/09
  - *iStockAnalyst*
- **Big Brothers Big Sisters of San Diego County announces 2009 Persons of the Year – RSF's T. Boone and Madeline Pickens** – *Rancho Santa Fe Review* – 8/20/09

Print Placements (Full Articles Below)

- **Talk of the Caucuses in Iowa** – *Times Union* – 8/20/09

HIGHLIGHTED COVERAGE

Natural Gas Prices Plummet to a Seven-Year Low – *New York Times* – 8/21/09

By Clifford Krauss

HOUSTON — Natural gas prices plunged on Thursday to levels last reached in 2002 after an Energy Department report showed that the amount of gas in storage had hit a record high for this time of year.

The sharp price decline of natural gas, to below $3 per thousand cubic feet from a peak of over $13 last summer, has been caused by a drop in demand from factories and homes because of the recession, coupled with a big expansion of domestic production over the last few years.

"It is tough times in the gas business, certainly," said Thomas F. Darden, chief executive of Quicksilver Resources, a major natural gas producer, after the government stockpile report was released. "Prices today are below our costs to produce, so in our view this is not a sustainable scenario."

Even as it reflects weakness in the economy, the declining price of natural gas will be good for many industries and consumers. It is gradually bringing down utility bills for the 60 percent of American homes that use natural gas to fuel stoves, water heaters, furnaces and other appliances. And since natural gas is an important fuel for utilities and factories and a prime feedstock for the chemical and fertilizer industries, the price collapse helps cut their costs.

Kathy Mathers, a vice president of the Fertilizer Institute, a trade organization representing manufacturers and retailers, said rising natural gas prices over the last six years had forced 30 fertilizer plants, representing half of domestic production, to close. Foreign producers, with access to cheaper natural gas, have claimed more and more of the market.

Ms. Mathers said the price decline this year “provides important relief,” adding that “it won’t bring the old plants back but it will save the remaining U.S. production.”

Gas executives saw a silver lining, arguing that the low prices would help them make a case in the Senate when it takes up energy and climate change legislation later this year. The gas companies want federal incentives to sway utilities to switch to gas from coal, and they want more government entities and businesses to convert their diesel bus and truck fleets to compressed natural gas.

The House version of the legislation, passed in June, disappointed industry leaders who contended that coal interests got a better deal than they did, even though gas is a cleaner fuel.

The weekly Energy Department natural gas stockpile report showed that underground storage in the lower 48 states rose by 52 billion cubic feet, to about 3.2 trillion cubic feet, for the week that ended last Friday. That is a storage level 21 percent above the level a year earlier and 19 percent above the average for the last five years at this time of year.

It is normal for stockpiles to grow during the summer, but the current level is usually reached in late September or October.

Natural gas is produced from wells at a fairly steady rate, but use of the fuel is highly seasonal, so summertime production is stored in large reservoirs for use during the winter. The country has about four trillion cubic feet of gas storage capacity, almost entirely in tapped-out wells, salt caverns and aquifers.

Gas demand is so weak and supply so abundant that some experts think the country could run out of storage capacity before the winter heating season begins, requiring gas companies to reduce flow from their wells or even shut down production.

Gas executives, who have already cut back severely on drilling new wells this year, say they are loath to cut production on wells already completed, but they may have no other choice if the storage system and pipeline network get backed up.

“We have never been here before in terms of what to expect when storage gets this high,” said Aubrey K. McClendon, chief executive of Chesapeake Energy, another major gas producer. “It’s like a balloon; there comes a point where you can’t blow any more air into it.”

Mr. McClendon said he hoped that low gas prices could stimulate more replacement of coal with gas by utilities, something that is beginning to happen in some places, and he was also hopeful a cold winter would spur demand.

“It doesn’t set the stage for $10 gas, but it does set the stage for $6 to $8 gas, which is in our view a fair price for consumers and producers,” Mr. McClendon added.

Kenneth B. Medlock III, an energy economist at Rice University, said there had not been such a drastic storage buildup since 2002, the last time gas prices swooned during a recession. But he said the situation could be temporary and prices could quickly rebound, noting, “If the economy starts to recover, and recover quickly, we will eat through those inventories very quickly.”

The price decline is rooted in supply and demand. Energy experts note that factories and power plants have slowed production because of the weak economy. The Energy Department reported that consumption of natural gas was down about 5 percent in May from May 2008.

On the supply side, a boom in domestic production has followed improvements in recent years in drilling technology, opening immense shale gas fields across Appalachia, the Great Plains and northern Texas and Louisiana.

Trying to head off the developing glut, the industry shut down gas rigs at a rapid pace over the first half of the year. According to the Baker Hughes oil service company, the number of gas rigs operating around the United States has been reduced to 688, from 1,586, since last August.

But because many of the shale wells are new and just beginning to flow, production has remained high. In fact, natural gas output this year has been slightly higher than last year despite the sharply declining rig count.

Industry executives say they are concerned that if the economy and prices do not recover, it will cripple smaller independent companies. Many suggest larger companies may soon buy independents at bargain prices.

“You are cutting into muscle now,” said Rodney L. Waller, a senior vice president at Range Resources. “Companies’ viability is being questioned. If you have sustained price reductions, you will see consolidation and layoffs.”

The price of gas plunged by more than 5 percent Thursday morning after the storage report was released, and trading on the New York Mercantile Exchange settled at $2.945 per thousand cubic feet. That is a 78 percent drop from the peak that gas hit on July 3, 2008, of $13.58.

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Natural Gas Could Cure What Ails America – *Seeking Alpha* – 8/21/09

By Jim Delaney

How many gas stations have you been to in your life? It’s a nuisance to stop at one so there is not a high value attached to the experience, but a very good majority of people would say “more than I can remember”.

So, how about if you only had stopped at 20 filling stations? Wouldn’t that, as unpleasant as the memory would be, make them each more memorable?

T. Boone Pickens, who some might associate with a recent Quixotian tilt at wind power, might not remember that he has been in the energy business for a very long time and is the person who coined the phrase “it’s cheaper to find oil on Wall St. than in the ground” back in the go-go ‘80s.

The erudite Mr. Pickens penned a piece for the WSJ Op/Ed section on the 17th of this month along with Ted Turner, who, in the decade prior to the ‘80s did a little something else with the wind; like winning and defending the America’s Cup.

The subject of the Op/Ed wasn’t the wind, but then again maybe it was as Mssrs. Boone and Turner were writing about the tremendous amount of natural gas this country has as a natural resource. 2,000 trillion cubic feet of the stuff, which until the U.S. deficit gets big enough to coin a term and we can alleviate the comma is a whole lotta gas.

T. Boone, to get back to the 20 filling stations, says that that is all it would take for the two major East/West roads in the U.S. (Routes 80 and 40) to have in order for 18-wheelers to traverse this great nation on a resource we happen to have more of than the energy equivalent of Saudi Arabia.

Yes, TBP has made his fare share of moola finding tricks and trades in America's financial system but anyone that is working this hard at figuring out how to make the U.S.A energy independent is certainly trying to give something back to the system that allowed him to achieve what he has achieved.

Pairing the amount of "nat gas" we have with a project to build filling stations and the pipelines to supply them sounds like an extremely logical way to spend stimulus money on infrastructure that would help us gain energy independence. I won't even ask why that was never considered by Congress.

As the price of Natural Gas seems more destined to see a decimal point before it sees a comma or, more correctly, nothing to the left of the decimal point but you get the point, what is happening with the players in the space.

El Paso (EP) operates the largest interstate pipeline in the U.S. transporting more than ¼ of the natural gas consumed daily.

To say that the CDS/equity combo for EP hit its limits in March makes it like every other combo I speak of so let's fast forward. After all, it's Friday and Fred Flintstone is about ready to Yabba Dabba Doo down the back of his trusty dino-loader.

The interesting piece here is that CDS spreads on EP shot up from 555 on August 7th to 757 on the 18th. That's a 36% rise which was only matched by a 12% decrease in the stock price.

The CDS/equity relationship is not built around hard and fast rules but from my years of watching it does appear to be an outsized move. From here the CDS will have to do a "hard about" as Ted would say, or the stock might.

It's expiration week so we're all watching the silliness. The amount of natural gas this country has is anything but silly and the need for energy independence and real stimulus (infrastructure) spending has never been greater.

Hopefully someone listens to "T" n "T".

Enjoy the weekend.

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Big Brothers Big Sisters of San Diego County announces 2009 Persons of the Year – RSF's T. Boone and Madeline Pickens – *Rancho Santa Fe Review* – 8/20/09

Big Brothers Big Sisters of San Diego County (BBBS of SDC), affiliated with the oldest and largest youth mentoring organization in the country, announced recently that T. Boone and Madeline Pickens have been selected as the "Persons of the Year." T. Boone Pickens is one of Time Magazine's 2009 "100 Most Influential People in the World" and Madeleine Pickens is best known for being a champion for the protection of America's wild horses. Mr. and Mrs. Pickens will receive their award at the BBBS of SDC's 47th Annual Gourmet Dinner on Oct. 22, which will be held at the Hyatt Regency La Jolla at Aventine and sponsored by LPL Financial. This year's event emcee is Lynn Swann, NFL Hall of Famer, sports broadcaster and Big Brothers Big Sisters of America board member.

T. Boone and Madeleine Pickens have left an indelible imprint on the social, corporate and philanthropic fabric of American life. T. Boone Pickens built the largest independent oil company in the U.S. and now advocates for U.S. energy policy change, including embracing natural gas and electric vehicles, under his "Pickens Plan." He has given more than $700 million to a wide range of philanthropic initiatives.

Madeleine Pickens has relentlessly advocated saving America's wild horses and promoting the welfare of animals.

"We are incredibly grateful to T. Boone and Madeleine Pickens for their support of military families served by Big Brothers Big Sisters," said Paul Palmer, president and CEO of BBBS San Diego County. "This event will help us raise awareness about the critical need for mentors, during a time of financial hardships, deployments, and increased stress on families, especially felt by the children."

T. Boone and Madeleine have invested part of their legacy in San Diego Big Brothers Big Sisters' Operation Bigs program – the first program of its kind in the nation, providing caring mentors to children who have a military parent deployed. The Pickens' gift will help expand the Operation Bigs program beyond the borders of Camp Pendleton to serve Navy and other military families in San Diego.

"This award is a true honor for both of us," said Mr. Pickens. "It is especially meaningful because it comes from an organization that is working tirelessly to provide effective mentors for a new generation of Americans who will literally determine our future."

Big Brothers Big Sisters Persons of the Year award winners are community leaders, both in the business world and philanthropically, who have demonstrated an outstanding commitment and concern for Big Brothers Big Sisters and the cause of mentoring our community's youth. Some of the past esteemed winners were Rick Valencia, Founder of ProfitLine, former NFL Super Bowl player, Roman Oben in 2007 and James Cimino, PhD of Wells Fargo Bank in 2006.

For more information about BBBS of SDC go to www.SDBigs.org or call (858) 536-4900.
For more on the 47th Annual Gourmet Dinner go to: www.BBBS.org/GourmetDinner.

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PRINT COVERAGE

Talk of the Caucuses in Iowa – *Times Union* – 8/20/09

By David Szczerbacki

In some 28 months, the Iowa presidential caucuses will be upon us once again. What will the candidates be talking about?

The Bush adminisration and the Obama administration to date have deployed an eclectic policy mix in response to the recession: catalyst, traffic cop, safety net and reformer.

These responses will focus the 2012 political debate on the role of government in managing the economy and the challenges of sorting out winners and losers in the post-recessionary economy.

Following an extended period in which bipartisan dogma claimed that the era of Big Government was over, we now question unfettered faith in unfettered markets. We want to stop the bleeding and rebuild confidence in basic financial processes, such as getting a mortgage, borrowing money for college and planning for retirement. We clearly are entering full-throttle regulatory mode.

However, by 2012, policy and political discussions will focus once more on the issue of governmental overreach, in stifling free markets. Republicans and Blue Dog Democrats, ideologues like Newt Gingrich and presidential wannabees like Sarah Palin and Ron Paul already are framing this argument. Indeed, we will have moved full circle: from "Big Government is over" to "Big Government is back" to calls for less government.

The recession will leave this administration --- and the next -- with trillions of dollars in new debt, thereby constraining policy options. The recent budget meltdown in California foreshadows a period of difficult budget prioritization and agenda re-framing on the national stage. Similarly, posturing over impacts associated with who pays and who benefits is at the heart of the current health care debate.

There will be winners and losers as government allocates resources and flexes regulatory muscle. For example, the administration favors investments that address the nexus of economic growth, national security and global warming. However, gaining political consensus for moving forward with ambitious agendas will be challenging because the much anticipated "post-partisan era" of the Obama administration already has been replaced by mobilization of entrenched self-interest.

While we may be approaching the tipping point in both our national consciousness and political culture regarding the need to transition to a green economy, the jury will still be out in 2012 over whether or not the vision should be fully embraced.

The big public policy questions will be: Should a green economy lead to restructuring and reordering economic systems, or will it merely mimic the existing order? Should we pursue a green agenda that complements an anti-poverty agenda?

A contrary view finds public policy support for the existing economic structure where the emergent green economy is defined by the "Golden Rule": Whoever has the gold makes the rules!

Will a T. Boone Pickens have freedom from regulatory oversight in the commodities sector, as he invests in a natural gas and wind- based economy? Or will incentives decentralize, scale down, and empower individuals and communities? Who benefits from a "cap and trade" carbon emissions offset policy? Who can afford to pay?

Of course, some enduring themes will confront the proverbial Iowa corn farmer in January 2012: the overlap of economic security and the reality of global terrorism; challenges of moving from a carbon-based economy; and nuclear arms proliferation.

Public policy responses to the recession will define the serious questions about government's role in the economy as well as how the economic pie is to be divided. How these questions are answered will have practical, long-term consequences. These are the issues that will be front and center in Iowa 2012.

David Szczerbacki is provost/vice president for academic affairs and a professor of management at The College of Saint Rose.

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BROADCAST COVERAGE

1. Fast Money **DMA: N/A**
CNBC (---) National **Spot Cost: $1,911**
08/20/2009 05:00 PM - 06:00 PM **Est. Audience: 199,757**
Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

00:27:03 Buying Green: Green technology stocks are discussed. V; Green technology clips, solar panels, **wind** farm. Lee, asking how investors should look at green technology plays. SI; Steven Milunovich, Bank of America, Merrill Lynch Clean Tech Strategist, commenting on patience being needed clearly and states we’re on the first cusp of a 30-50 year wave. Lee, asking what can kick it into high gear. SI; Milunovich, commenting that **oil** prices will go up, political support to do something about global warming, and governments around the world are getting involved. Solar panels are the most promising area to many, and it’s on a declining cost curve, yet is still the most expensive alternative **energy** approach today. Adami, commenting on **T.Boone Pickens** talking about a **wind** corridor in the midwest and where to play there. SI; Milunovich, commenting that eventually **wind** will be 20 percent of electricity creation in the US, but the problem is we need transmission methods. Seymour, asking who is ahead of the game with lithium ion batteries for cars. SI; Milunovich, commenting on there being no doubt the Asians are leading the market today, with NEC, Panasonic and so forth. In the US, we have a buy on Enter One, a very small speculative company with little revenue, but it’s the only US manufacturing base. The Dept. of **Energy** is giving grants for startups. In solar, they like First Solar, which is one of the best houses on a bad block. This is a company with the lowest cost of manufacturing and a stronger return on capital. Najarian, asking for the best tech name in the solar direction. SI; Milunovich, commenting on IBM getting in the game since its services business is working with utilities. GE has the largest renewables business in the US, and Cisco is getting quite involved also. GR; FSLR, IBM. 00:32:10