

PickensPlan

T. Boone Pickens Media Coverage 8.27.10

Total of 2 Placements

- Blog/Online: 2

Coverage Summary:

ABC's Green Right Now reported on comments Pickens made during AREDAY discussing the need to get off of Middle East oil. Video of him discussing his plan to target 18-wheelers can be viewed here: <http://www.greenrightnow.com/wabc/2010/08/26/t-boone-pickens-if-americans-dont-ditch-middle-east-oil-theyll-be-dumbest-crowd-ever/>

Highlighted Placements (Full Articles Below)

- **T. Boone Pickens: If Americans Don't Ditch Middle East Oil They'll Be 'Dumbest Crowd' Ever** – *ABC's Green Right Now* – 8/26/10

Blog/Online Placements (Full Articles Below)

- **Can The U.S. Switch To Natural Gas?** – *Investopedia* – 8/27/10

HIGHLIGHTED COVERAGE

T. Boone Pickens: If Americans Don't Ditch Middle East Oil They'll Be 'Dumbest Crowd' Ever – *ABC's Green Right Now* – 8/26/10

America's need to shake its dependence on foreign oil is one of those issues where people of varied political and philosophical leanings agree: It would be better for the nation if the U.S. imported less oil, particularly from hostile nations. It would stabilize the economy and enhance national security.

And yet, solutions are elusive, and have been for decades. Politicians promise to do something only to be sunk by special interests and the public's strong demand for gasoline (though we're using less gasoline than before the 2008 economic bust). Over the long haul, Americans have torpedoed themselves on this matter, driving big cars long after the rest of the world has gone smaller; still consuming more oil per capita than any other nation.

It's going to take big ideas — and iron political will to muster a new direction, said many who spoke at an Aspen conference on clean energy this past week.

Oilman T. Boone Pickens, lately known for the clean energy Pickens Plan, took up the topic. And he did not (when does he?) mince words. If we don't solve our energy issues, he said at a presentation at the AREDAY conference, "We're going to go down in history as the dumbest crowd that ever came along."

T. Boone's got some solutions, some starting points, in mind so that Americans can eventually quit paying for both sides of wars over oil in the Middle East. He's taken them to the White House and he shared them with an Aspen audience.

T. Boone, by the way, also believes we need to move to cleaner energy to save the environment, and forget arguing about climate change.

“I’m convinced that we can’t wait for 20 years to confirm global warming, that you better start to work on it now and if we’ve made a mistake, it will be a mistake in the right direction,” he said at an armchair discussion with Ted Turner (moderated by Tom Friedman) at the Aspen Institute on Saturday.

Onetime presidential candidate Gen. Wesley Clark, an earlier keynoter at AREDAY, also offered a unique idea to focus Americans’ attention on just how much imported oil — \$300 billion worth — they consume every year.

BLOG/ONLINE COVERAGE

Can The U.S. Switch To Natural Gas? – *Investopedia* – 8/27/10

By Stephen Simpson

There is nothing like a big oil spill (or several years of high gasoline prices) to get investors and some environmentalists talking about natural gas again. The arguments have been around for years and go something like this: Natural gas is relatively abundant in the United States, it can offer positive pollution trade-offs to oil and gasoline, and it is the only immediate option with a reasonable chance to supplant imported oil in powering vehicles.

As another summer has rolled by, however, North America really does not seem all that much closer to the sort of natural gas-fueled future that people like T. Boone Pickens would recommend. Still, for those investors who believe in the possibility, there are a few investment plays to explore while the idea is still in its extended infancy.

Where It Comes From Is Straightforward

If natural gas becomes a more prominent fuel source in the U.S. (especially compressed natural gas or liquefied natural gas for vehicles), it stands to reason that natural gas prices will move up - good news, then, for those who pump it out of the ground. That, in turn, would be positive for well-known natural gas names like Ultra Petroleum (NYSE: UPL) and Chesapeake Energy (NYSE: CHK). Moreover, moving that gas around the country should be a boon to pipeline operators like Kinder Morgan (NYSE: KMP) and Williams Partners (NYSE: WPZ).

But Where Will It Go?

For now, relatively few companies are involved in the retail distribution of natural gas as a transport fuel. Clean Energy Fuels (Nasdaq: CLNE) is among the best-known, as it made the well-advised decision to focus on servicing captive fleets (like airport vehicles or public transit) instead of the general public. Longer term, though, it is reasonable to think that local gas utilities like PG&E Corp. (NYSE: PCG) could get involved in retail distribution, as well as more conventional fuel station operators like Pantry (Nasdaq: PTRY). Given the high price of new equipment and the thin margins on fuel retailing, though, it seems reasonable to think that the utilities may be the first movers.

Ultimately we will also need vehicles to run the stuff, but that is luckily one of the lesser issues. Most major vehicle manufacturers - ranging from PACCAR (Nasdaq: PCAR) to Fiat to Honda (NYSE: HMC) - already make vehicles that run on forms of natural gas. They just don't sell them in North America in any real volume today.

Behind The Curtain

Getting the natural gas from the wellhead to the tank will involve quite a bit of behind-the-scenes equipment. After all, it's not as though companies can run natural gas through equipment designed to handle gasoline.

Exterran (NYSE: EXH) already offers a full range of services and products in natural gas compression to those who operate the production fields. Going a step further is Dresser-Rand (NYSE: DRC) with its compressors, turbines and control systems for the liquefaction,

transmission and processing stages. Last and not least, Chart Industries (Nasdaq: GTLS) offers a host of technologies and products useful in large-scale storage, transportation, on-board vehicle storage and refueling stations. (For more, see [Natural Gas Liquids Concerns Increase](#).)

The Bottom Line

It is difficult to say with certainty why there has been so little enthusiasm for a switch to natural gas. It is all the more glaring considering the success Brazil has had with a switch to ethanol. Just as Brazil had certain natural advantages that made ethanol a good choice, North America is rich in natural gas and could certainly use it to supplement gasoline.

While such a move makes sense, investors could be in for a long wait. Accordingly, risk-averse investors should probably cast their lots with the diversified players who would benefit from a shift to natural gas but do not depend upon it (like PG&E or the pipeline operators). Higher risk-seeking investors may want to take a chance on a name like Clean Fuels in hopes that North America's policymakers and end users ultimately wise up to the benefits of making better use of natural gas.
