

# PickensPlan

## T. Boone Pickens Media Coverage 11.21.09-11.23.09

### Total of 8 Placements

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

### Coverage Summary:

A positive piece on Pickens appeared in the *Athens Banner-Herald* discussing the respect people have for Pickens, his desire to contribute to causes he believes in and his push to enact an energy plan to eliminate America's dependence on foreign oil.

*Oklahoma Horizon*, a program on the PBS station in Oklahoma City, ran an interview with Pickens discussing how natural gas could get America on the path to energy security.

### Highlighted Placements (Full Articles Below)

- **Smith: Pickens Earns Wealth, Respect** – *Athens Banner-Herald* – 11/21/09

### Print Placements (Full Articles Below)

- **The King of Natural Gas** – *Fortune* – 12/7/09
- **Hargis Inducted into Hall of Fame** – *The Daily O'Collegian* – 11/20/09

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

- **Pickens Files Energy Fund Including Renewable Energy with Regulators Across Canada** – *RenewableEnergyFocus.com* – 11/23/09
- **Letter: Smart Grid Technology Does Little to Address Major Problems in Nation's Electricity Distribution Network** – *TCPalm.com* – 11/22/09

## HIGHLIGHTED COVERAGE

**Smith: Pickens Earns Wealth, Respect** – *Athens Banner-Herald* – 11/21/09

By Loran Smith

DALLAS - If you were to meet Boone Pickens, you would likely be impressed. Certainly not because he would try to impress you. It is just that he is bright, considerate, and articulate - a man who strikes me as having empathy for his fellow man. Mind you, I haven't been in his company for any length of time, but after a couple of brief encounters, I came away with a high regard for the richest man I ever shook hands with.

There once was a sign on the door of men's room at the Keeneland Race Track Press Box in Lexington, Kentucky, which read, "There never was a great man who did not sooner or later come to respect the reverence of his fellow man." You get the message, I am sure. I am sure, too, that Boone Pickens appreciates the logic of that bathroom prose. He didn't get to where he is without earning the respect of those with whom he has done business, great or small.

Outside his suite at the Oklahoma State University stadium, named for him, there is a photo of Pickens surrounded by a flock of OSU students. When he attends Cowboy football and basketball games, he finds time for students. "Older people," he says, "are often afraid of change. Young people are not, which is why I enjoy spending time with them. I like young people.

"It is important that we support educational institutions. From the beginning, I told Oklahoma State that one of the reasons I would make donations was that I wanted others, regardless of their wealth, to also contribute. It has caused others to contribute, which is very important," he told me.

There are many cogent messages to be revealed by this man, who has admitted that he enjoys making money but equally enjoys giving it away. After reading his book "The First Billion is the Hardest," I decided to pay a visit to his headquarters. "Does his office staff call him Boone?" I asked Jay Rosser, his executive assistant. "Yes, and that is what he prefers," Jay replied.

"Does he have time for his employees?" Jay's eyes began to light up. "He is never too busy to listen to any employee's concerns or suggestions. He invites his staff to bring him ideas. He embraces change and has said, 'If your plan is better than mine, I will step aside and defer to it.' " Employees are encouraged to take an hour each day to exercise in the company fitness facility. He usually caters lunch and enjoys conversation with the employees in a family atmosphere.

When his company enjoys a good year, Pickens is generous with bonuses. When he hands out bonus checks, he reminds his employees that bonuses for the next year will, again, be based on performance. Then he will add, "Be generous."

Talking with Boone Pickens and learning more about his plan for America to eliminate its dependency on foreign oil is illuminating. It is a simple fact, he says, that our insatiable appetite for oil means that in the immediate future, we are going to face a crisis that will be devastating if we don't find alternate sources of energy. He is a proponent of natural gas and wind energy, but is open minded to all sources of energy - just get moving on a plan.

He likes to quote Jonathon Gatehouse, who wrote in "When the Oil Runs Out": "Starting in 2010, no later than 2020 or 2030, according to the latest vision of secular apocalypse, global oil supplies will peak, and the world will begin to unravel at the seams." Pickens asks the most logical of questions: "Why send trillions of dollars to people who don't like us?" If you write to Boone Pickens about his plan to limit America's dependence on foreign oil, he'll send you information that will convince you that time is of the essence.

I'm a fan of Boone Pickens and his logic. You have to believe in a man who, on a chair in his office, has a pillow bearing this message: "Be the person your dog thinks you are."

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## PRINT COVERAGE

### **The King of Natural Gas** – *Fortune* – 12/7/09

By Telis Demos

JOHN ARNOLD HAS MADE BILLIONS AS AN ENERGY-TRADING PHENOM. BUT THE RULES OF HIS GAME ARE ABOUT TO CHANGE.

YOU COULD HEAR John Arnold trying to choose his words carefully. Seated at a conference table inside a drab government building in Washington, D.C., in August, Arnold hardly fit the stereotype of a swaggering, 35-year-old billionaire natural-gas trader. He wrung his hands as he waited to speak and twisted his wedding band. He filled, and refilled, and re-refilled his water glass. Then he stuttered a bit before he gained momentum and politely advocated rules that would restrict others while allowing him to keep doing what he does.

It was a rare public appearance for one of the least-known billionaires in the U.S. But the stakes were high. Arnold was testifying at a hearing of the Commodity Futures Trading Commission (CFTC). Commodity prices have been especially volatile in recent years--skyrocketing and then crashing to earth--and the federal regulator is considering dramatic rule changes to rein in speculators, whom many blame for the gyrating prices.

Arnold would tell you--if he were inclined to tell you anything (and he rarely is)--that he's a speculator. He might say, though, that that's not a bad thing to be. But call him what you want--nobody has profited more when it comes to natural-gas trading in recent years. His Houston-based hedge fund, Centaurus Energy, which manages more than \$5 billion in assets, has never returned less than 50% in seven years of business. Arnold's wealth reportedly constitutes a large chunk of the fund, which would make him the second-youngest self-made multibillionaire in the U.S.--behind Facebook's Mark Zuckerberg (assuming you believe the social-networking company's theoretical valuation).

Arnold has the brain of an economist, the experience of a veteran gas man, and the iron stomach of a riverboat gambler. Perhaps most notable, though, is his uncanny ability to extract colossal profits from catastrophic circumstances. He began his career as a wunderkind twentysomething trader at Enron--and escaped that disaster not only with his reputation intact but also with the biggest bonus given to any employee, which he used to seed a new fund. A few years later he earned \$1 billion betting that natural-gas prices would go down just as a reputedly brilliant gas trader at Amaranth made a spectacularly disastrous bet in the opposite direction. More recently, as the commodities bubble burst in 2008, taking even more fund managers with it, Arnold foresaw the looming collapse and once again nearly doubled his money.

But now he faces the biggest test of his career. His mojo relies on his ability to make enormous bets. The CFTC, however, has vowed to impose trading limits that would target the industry's largest players. That, say observers, could be a dose of kryptonite for the supertrader. As Arnold put it at the hearing, carefully reading from a prepared statement, "If allowed to take effect as currently structured, the new [position limits] will have a range of detrimental effects on the market." That qualified as a bold public statement by his standards.

But Arnold, who declined to comment for this article, is not fighting--he's adapting. Besides wooing regulators in Washington, he has entered new corners of the business: buying natural-gas caverns, a prescient move that has made him a key middleman in the energy economy, and breaking into the next frontier in energy trading, liquefied natural gas. "He's like a poker player who can see everyone else's cards," says a longtime trader who has known Arnold since his Enron days. But whether Arnold will emerge from the regulatory storm the same way he has from past squalls--not only intact, but billions richer--is less certain.

THE BIG MOVER

There are two kinds of natural-gas futures: the physical kind, in which investors enter a contract to buy or sell natural gas on a given day, and virtual ones, in which no gas trades hands. The latter are effectively side deals known as "swaps." If a gas producer like Chesapeake Energy is worried that prices are going to fall below a certain level, for example, it can make a deal with a hedge fund like Centaurus that will pay an agreed amount if prices drop. But if they go up, Chesapeake has to pay out.

Centaurus, which started in 2002 with just a handful of traders and now has 70 employees, focuses on this virtual kind of trading. Still, Arnold, an intense worker with a wide network of contacts, aims to win by understanding the fundamentals of the gas market better than anyone else. As Arnold told the CFTC (in one of the few statements he made that wasn't steeped in trading jargon), "I try to buy things whenever they're trading below what [our] analysis shows to be fair value and sell things whenever our analysis shows that the forward curve is higher than our analysis of fair value."

In his early days at Enron, Arnold made a name for himself by buying gas contracts in one region and selling them in another when their prices diverged because gas couldn't travel easily between states. In 2000, however, Congress passed the Commodity Futures Modernization Act, which allowed contracts tied to commodities to be exchanged in vast quantities, sparking a boom in electronic gas trading. (The law became known as the "Enron loophole," thanks to heavy lobbying by the then energy-trading giant.) Arnold's early trading experience, which gave him insight into the needs of gas customers all over the country, lent him an edge once virtual trading took off.

Arnold combines that knowledge with a willingness to make giant moves. Indeed, Centaurus earns the lion's share of its profits on a small number of enormous trades. "He only really puts on a trade of substance once or twice a year," says a person familiar with the fund. "But when he goes for it, he's so big he makes a fortune each time." It's been a hugely rewarding strategy, but also a risky one. It means that Arnold himself may be just one missed wager away from his own blowup.

Arnold's ability to make megabets is helped by the fact that the fund has been closed to new investors since 2005. He has repaid nearly all his investors and now invests only his and his employees' capital, with none of the strings that come attached to other people's money. "He and those lucky enough to be in his inner circle have a huge edge in that they can do whatever they want," says a commodities fund placement adviser.

Traders familiar with Arnold's style also credit a calm and disciplined manner that helps him stay eerily focused on the fundamentals of the market when other traders are creating distractions. That was on display most notably during the Amaranth debacle. Amaranth, a \$9 billion commodities hedge fund in Greenwich, Conn., was betting that natural-gas prices would rise in the winter, according to a Senate report that shed light on what happened in September 2006. But as the season wore on, meteorologists began predicting a mild winter, and prices turned downward. Amaranth trading prodigy Brian Hunter started bleeding money, facing \$3 billion in margin calls at one point.

As Hunter worked late on a Saturday in what would become a cataclysmic weekend for him, he e-mailed Arnold and tried to persuade him to buy Amaranth's positions before the market opened on Monday. Arnold wrote back the next morning, explaining that he hadn't been in the office for a couple of days, and coolly rebuffed Hunter. The price was "still a long way from fundamental value," Arnold argued. In fact, he had separately been buying contracts that would pay off if prices tumbled even further--and he was dead right. Arnold's timing was "remarkably accurate," according to the Senate report. Centaurus went on to 200% gains that fall, while Amaranth was forced to liquidate.

Centaurus's trading in those months netted nearly \$1 billion. The result was a reported 317% return overall for Centaurus in 2006, a year when another natural-gas fund, MotherRock, also imploded trying to sustain a losing bet. While others had panicked, Arnold had remained patient, waited until the right moment, and then opportunistically relieved others of their money. The best compliment may have come from a competitor who once described Arnold and his trading team to reporters as "like being on the Yankees, and he's Babe Ruth."

## THE GUNSLINGER

Commodities trading isn't the sort of profession that most children dream of going into. But by college, Arnold, who grew up in Dallas (his father, who died when Arnold was 17, was a lawyer), was showing an aptitude for numbers and complex calculations that can mark a great trader. He attended Vanderbilt University, where professors remember him as an economics whiz, able not only to understand concepts instantly but also to do complex math in his head. "We weren't shocked when he started making his billions," says professor Stephen Buckles. Arnold graduated in three years to work at Enron, which then was recruiting the four or five top econ majors from Vanderbilt each year. (His brother Matthew also worked at Enron.)

It was at the Houston energy company, under the tutelage of a stellar roster of traders, that Arnold really blossomed, becoming a well-paid star in the late 1990s. On Enron's natural-gas trading desk, which handled contracts totaling more than \$1 billion a day, when he was only in his mid-twenties, Arnold alone reportedly earned Enron nearly \$750 million in 2001. One colleague dubbed him the "king of natural gas."

After the accounting scandal brought down the company (the fraudulent schemes had little to do with Enron's legitimate trading business), UBS bought the trading team and gave Arnold an \$8 million bonus to stay. But he left, and eventually recruited former superiors like Greg Whalley, the last president of Enron, and trader Mike Maggi to reassemble a rump Enron team at Centaurus. He has also cherry-picked traders from other firms that have blown up.

Despite the scandal, natural-gas traders such as Arnold managed to retain their reputations, and the fund was able to launch fairly smoothly, aided by a wave of investor interest, first in hedge funds and then in commodities. Starting with smaller swaps, Arnold was able to rapidly build his firm.

One trade is typical--the details of which come from a later court filing over a pricing dispute. In 2005, in the months leading up to hurricane season, Centaurus entered into "swing swaps" with producer BP. BP, which sells gas that travels through ports in Louisiana, was worried that prices might decline. Centaurus's meteorologists, however, apparently anticipated an intense hurricane season, which would probably drive up prices. So Centaurus agreed to pay BP if prices slumped--and vice versa if prices rose. When hurricanes Rita and Katrina devastated the Gulf Coast, gas skyrocketed, and Centaurus took home \$3 million. "They're gunslingers," says one lawyer who worked with BP at the time. "When you've got that much money, you can be everywhere at once, buying when others are selling, and always winning."

## TRADING UP

Halfway between Houston's downtown and uptown areas sits River Oaks, a historic neighborhood home to Houston's moneyed elite. Saudi princes and local notables like former commerce secretary and oil man Robert Mosbacher own houses there; it's said to be one of the wealthiest zip codes in the country. Bayou Bend, an estate built by Houston's legendary Hogg family and now owned by the city's Museum of Fine Arts, is perhaps the most spectacular of all the homes. The preserved 1920s country estate is surrounded by lush, imaginative greenery. At the rear of the gardens, however, a jarringly angular modern edifice is under construction.

That's where John Arnold is going to live, in a 20,000-square-foot homage to cubism designed by New York architect Alexander Gorlin (Arnold also interviewed Robert A.M. Stern for the job). To build the home, Arnold had to tear down a creaky old estate called Dogwoods. That drew the ire of preservationists, who held a candlelight vigil in protest. Arnold won them over, arguing that by hiring a high-caliber architect, he would be creating a landmark, not a McMansion.

Like many a hedge fund manager, Arnold has strived to keep his life private. Unlike most managers, however, Arnold once worked at a company that was heavily investigated. The result: a trove of decade-old e-mails in the public record that offer glimpses of a typical twentysomething. Arnold bought tickets to see the Dave Matthews Band and U2, and followed the Houston Astros and English Premier League

soccer. (He still plays soccer in a men's league every weekend.) He talked about getting drinks with his colleagues, and planned family vacations with his mother and brother.

Then and now, Arnold may have been one notch nerdier and more self-effacing than the average Enron trader. But he showed more than a touch of a trader's bravado. In one e-mail, he vowed to "squeeze all the fuckers" who he thought were wrongly betting on the direction of gas.

Today Arnold can afford a little swagger and a lot of the good life. He and his wife, Laura--a Yale Law grad who once worked at the powerhouse law firm Wachtell Lipton and started an energy-exploration firm--are modern-art collectors and have become known in philanthropic circles. They have donated \$700 million to a family foundation that gives money to charter schools run by an organization called the Kipp Academy, on whose board Arnold serves. Laura recently joined the board of Teach for America. "Once you get past a certain level of income," Arnold told friends at an alumni event at Vanderbilt, "it's all about the philanthropy."

Arnold's generosity, however, won't win him any friends among those who want to restrict commodities traders of all stripes. Observers say the CFTC is unlikely to budge on its vow to put position limits on market players. As a former Goldman Sachs executive, chairman Gary Gensler is market-friendly but strongly believes liquidity is best created by having many small traders, not several large ones. Energy traders like Arnold counter that the big players help the market, both by providing liquidity when supply is threatened and by keeping prices in check with a willingness to short the market.

As the debate goes on, Arnold seems to be preparing for a future in which natural-gas trading is more limited. Centaurus has made investments in exploration and production companies; it has also hired liquefied natural gas traders in London. Most significant, Arnold has become an energy market middleman by investing in valuable natural-gas storage facilities. A huge glut in supply, plus a dropoff in demand from mild seasons and reduced industrial need, has resulted in rock-bottom gas prices. So players are rushing to store gas in hopes of selling it when prices are higher. In 2006 Arnold formed NGS Energy, which has carved a series of battleship-size storage caverns inside underground salt domes. "This is the opposite of a speculative play--it's a bet on the future needs of the marketplace," says Laura Luce, a former Enron colleague of Arnold's who runs the venture. Natural gas's storage and transportability as a fossil fuel, she says, also make it a key cog in the renewable-energy economy: "When there's no wind or sun, you fill in with the cleanest energy available, and that's gas. That's why gas storage is going to be a great business."

Of course, Luce is the one who makes the public pronouncement. Arnold, by contrast, is hardly in danger of becoming the sort of gas evangelist who appears in TV commercials, like his energy-trading colleague and fellow Texan T. Boone Pickens does for wind and natural gas. In trademark fashion, Arnold is staying behind the scenes and working on how to profit from the next disaster.

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## **Hargis Inducted into Hall of Fame – *The Daily O'Collegian* – 11/20/09**

By Wes Tate

President Burns Hargis has another award to add to his trophy case, but this one has humbled him more than others.

"I looked out into the room of people thinking, 'Why me and why now?'" Hargis said. "There were 200 people in the room that were more deserving than me, but I am truly honored."

Hargis, along with six other nominees, was inducted into the 82nd class of the Oklahoma Hall of Fame in Oklahoma City at the Gaylord-Pickens Museum on Nov. 12. Marlin G. "Ike" Glass Jr. and Justice Steven W. Taylor are the other two OSU alumni inducted, according to the Oklahoma Heritage Association's Web site.

Boone Pickens, who was in the Oklahoma Hall of Fame class of 2003, presented Hargis with his Hall of Fame medallion.

"He has transformed the Oklahoma Heritage Museum, the university, the state and now the planet with his Pickens Plan," Hargis said. "So, to have him as your presenter is pretty impressive."

Shannon Nance, president of the Oklahoma Heritage Association, which sponsors the event each year, said OSU was well-represented in 2009 with three alumni nominated.

"Induction into the Oklahoma Hall of Fame is the single highest honor a person can receive from the state," Nance said. "The university should be proud because its president has done just that."

Director of Communications Gary Shutt said he is proud of Hargis' induction into the Oklahoma Hall of Fame and of what it means for the university.

"It's great for OSU," Shutt said. "He certainly is deserving of it, and he has done a lot for the state in a lot of different areas."

Before Hargis became the 18th President of OSU, he had successful ventures in the legal and banking fields and is a leader in civic and philanthropic causes in Oklahoma. He also made a bid for the Republican nomination for Oklahoma governor in 1990, which he said led to a co-hosting job on the award-winning political show "Flashpoint."

Nance said anyone can be nominated to the Hall of Fame but there are some criteria that have to be met first.

Nominees can be alive or dead, but they must have been born, resided or lived their formidable years in Oklahoma. They must also be known for their public service statewide as well as for outstanding service to humanity, Oklahoma and the United States, Nance said.

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## **BLOG/ONLINE COVERAGE**

### **Pickens Files Energy Fund Including Renewable Energy with Regulators Across Canada – *RenewableEnergyFocus.com – 11/23/09***

An energy fund created by Texas oil billionaire Pickens, which includes renewable energy, has filed a preliminary prospectus from securities regulators in each province and territory of Canada. The T. Boone Pickens Energy Fund was created to provide investors with the opportunity for long-term capital growth by providing access to energy-related investment strategies, including in the renewable energy sector. The portfolio manager and its management team are led by Pickens, who brings 50 years of experience in the oil and gas industry to the evaluation of potential energy investments and energy sector themes.

Pickens founded Mesa Petroleum, which became one of the largest independent producers of natural gas and oil in the United States and Canada. He now pursues a wide range of business interests, including the promotion of wind power and his company Clean Energy Fuels, a transportation fuels company which went public in May 2007.

The Fund will invest the net proceeds of its offerings in a portfolio consisting of equities and commodity-related investments within the energy and energy-related sectors. Investments will include conventional energy investments but may also include investments in renewable energy and natural gas that are consistent with energy themes and policies espoused by Pickens, according to the prospectus.

Pickens intends to acquire, directly or indirectly, 10% of the units of the Fund, to a maximum of US\$10 million under the offerings. He is also active in the management of a number of privately-offered investment funds that focus on investments in stocks of public companies in various energy sectors.

The offerings are being made through BMO Capital Markets and BMO Nesbitt Burns will act as administrator of the Fund. The offerings are expected to close in mid-December.

In July 2008, Pickens launched a grass-roots campaign to reduce US dependence on imported oil and he warns that dependence on foreign oil is an addiction that threatens the US economy, environment and national security, explains the prospectus. His 2008 bestselling novel, *The First Billion is the Hardest*, details his views on what the United States must do to win back its energy independence. Time magazine featured him in its 2009 list of the 100 most-influential people in the world.

Pickens is known as a philanthropist, giving away US\$700m. Grants from the Pickens Foundation support educational programmes, medical research, athletics and corporate wellness, at-risk youths, the entrepreneurial process and conservation and wildlife initiatives.

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### **Letter: Smart Grid Technology Does Little to Address Major Problems in Nation's Electricity Distribution Network – *TCPalm.com – 11/22/09***

"Smart grid a smart solution," reprinted from the Miami Herald, misleads and over hypes the smart grid technology beginning with the title. Smart grid is not a solution to any problem, including the nation's electricity distribution network.

Application of smart grid technology provides an incremental improvement that could decrease electrical consumption by several percent if applied to nearly all U.S. households and businesses. As such, it is very much worthwhile. But nearly universal adoption will take years to realize. Therefore, its contribution to decreased consumption will happen very slowly.

Widespread adoption of smart grid does offer improved control of the electrical network, both locally and nationally. But it does not address the need to upgrade existing transmission lines. Nor does it address

need for the many new lines needed to respond to increased demand and to new locations of energy sources. Such is the state of the network that we have been saved from serious regional outages only due to effects of the current recession in temporarily reducing demand for electrical energy.

Any meaningful upgrade of our national network will require a major shift in the legal framework that controls approvals of right of way for the new transmission lines. As is stands, any state, county or town can prevent such upgrades through legal proceedings. Beyond virtually stopping improvement, the ability to connect new sources of renewable energy has been imperiled. T. Boone Pickens has abandoned his plans for development of massive wind farms in the Southwest because of an inability to string transmission lines from the remote wind farms to reach customers across the grid.

Increased capacity, connectivity and reliability are the major problems of our national network. Smart grid does very little to address these major issues.

Lawrence J. Schipper, Palm City

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## BROADCAST COVERAGE

### 1. Oklahoma Horizon

KETA-TV CH 13 (PBS) Oklahoma City  
11/22/2009 03:00 PM - 03:30 PM

DMA: 45  
Spot Cost: \$76  
Est. Audience: 12,178

Available formats: QuickView, DVD, CD, digital link, videotape, transcript, NewsBoard

[CC] null Coming up this week on Oklahoma Horizon. When world leaders gather in Copenhagen, Denmark, early next month they could change the way our world runs. Today, we take an in-depth look at the debate over climate change and its impact on our **energy** future. Rob: Russ Jowell catches up with **T Boone Pickens'** Traveling **Energy** Road Show to talk about compressed **natural gas** and find out why this famed **oilman** turned alternative **energy** promoter believes C-N-G could get us on the path to **energy** security. **Boone Pickens:** "I understand the problem, I have a solution, and I have enough money to tell the story." . . . Rob: Well the debate over our country's **energy** future has taken an encouraging twist in the past couple of years. Here's what we know. Fossil **fuels** still supply about 87% of the world's **energy** needs, and while by all accounts worldwide **oil** supplies are dwindling, just the opposite is true for **natural gas**. Thanks to advances in technology, we now have access to **natural gas** fields previously thought impossible to reach. It's estimated we have roughly a 100 year supply of domestic **natural gas**. And not only is it abundant, but **natural gas** is cleaner burning, producing less than a third of the greenhouse **gases** petroleum does, and virtually none of the pollutants. Now legendary **oil** tycoon **T Boone Pickens** calls it a bridge **fuel** to a more sustainable **energy** futur. As our Russ Jowell shows us, it's a domestic **fuel** that **Pickens** wants everyone to jump on the bandwagon to promote. Russ: OSU spirit was in full force at Gallagher-Iba Arena recently. The band was playing, cheerleaders cheering, and even Pistol Pete came to rev up the crowd. But the fans were not here cheering for cowboy athlete. Rather, they came to cheer on a famous cowboy alumni, for victory in his plan to reshape American **energy**. **T Boone Pickens:** "You must get involved in this, you must understand it." Russ: That alum was **T Boone Pickens**, who recently held a town hall at Gallagher-Iba to garner support for his visionary **Pickens** Plan. **Pickens:** "I understand the problem, I have a solution, and I have enough money to tell the story." Russ: A story that begins with American **natural gas**. **Pickens'** goal is to wean Americans off imported petroleum, replacing it with domestically produced **natural gas**. And while there is no doubt plenty of **gas** to be found, some believe drilling too much too soon could spell disaster. Andy Weisman: "I don't believe that the **energy** industry broadly has been paying enough attention to trying to really understand **energy** supply and demand short-term, and what that's likely to do to **energy** prices." Russ: Andy Weisman is an analyst for the **Natural Gas** Industry, and says **gas** producers should be conscious of the quantities they drill and the effect it could have on the market. Andy: "I have a market analysis service and I predicted I think in, sometime in the spring of last year that by last fall, prices would drop fairly dramatically and the conditions that caused that were already really quite apparent." Russ: Conditions like too many rigs drilling too many wells between 2000 and 2008. Oklahoma alone nearly doubled the number of **gas** wells

drilled in the state. Coupled with a wider surge in drilling across the **nation**, **gas** supply rose and prices went down. Way down. Andy: "Prices were high for a while, and so what happened is that there was a huge surge in drilling and it's really in effect caused a lot of the problem that's occurred of **natural gas** prices dropping fairly dramatically. And I do think that's a problem for anyone, everyone, not just the **energy** industry here in Oklahoma and elsewhere. But ultimately a bad thing from a consumer standpoint, as well." Russ: And terrible for Oklahoma. In the last ten months tax revenues in the state have dropped dramatically, due in great part to falling **natural gas** prices. According to **Pickens** though, a few bumps in the road to **gas** production may be worth bearing. A road that he says will give America some bargaining power on the world **energy** stage. **Pickens**: "Today we have no position. We're an importer. We're a consumer. We don't get to sit at the table where **energy** questions are decided around the world because we're not considered to be a producer. We produce **oil** and **gas**, yes, but not enough." Russ: A position that Weisman says can be achieved through good old American innovation. Andy: "It's essentially a technology play. We call the technology a play, a process improvement play, but what's it's doing is it's taking technologies that may have been around for a while, but were never really intensively applied. It's opened up a whole new option. Really, potentially the most important source of **energy** supply in the United States. Potentially the most stable, potentially very reasonable cost, below the price levels that it was reasonable to expect previously." Russ: A new solution for our **energy** future. 00:06:33

## 2. SqueezePlay

**Business News Network (---) National Canada**

**11/22/2009**

**06:00 PM - 07:00 PM**

[CC] 00:22:12 Coming up on "SqueezePlay" legendary **oilman T. Boone Pickens** wants to move companies. 00:23:19

[CC] 00:25:01 "There's some upfitters on passenger cars. But on the trucks that I'm talking about, that is new equipment. And, and there's, there's an incentive in that bill for \$65,000 for a new **natural gas** truck which is about the incremental difference." Kim: That of course is **T. Boone Pickens**. He's talking about the climate change bill that's in the Senate at this moment. That \$65,000 for **natural gas** truck could benefit West Port Innovations of which, coincidentally, **T. Boone Pickens** is a major shareholder. ... I think most truck companies are of the opinion now that we're going to see **oil** prices diverge even further away from **natural gas**. That will put them in even more difficulty on **fuel** price. So that's the prize. An average trucker would burn say 20,000 gallons of **fuel** a year maybe 80,000 litres of **fuel** a year. In Canada, for example, you could save 50 cents, 60 cents a litre. Which is a lot of money for a truck fleet. Yes there's some up front costs. Any truck fleet will happily accept government incentives or some credits or some help from the **gas** company or somebody. Kim: David, you got as I mentioned at the top here, that **T. Boone Pickens** owns 9% of the company. He's a very vocal man. What's it like having him as a significant shareholder? David Shore: **Boone** has been a great help. We got to know **Boone** as we worked with his company to help build **fuel** infrastructure. He was a big shareholder in what's now Clean **Energy Fuels** which we and B.C. **Gas** merged with a few years ago. Another one of our joint ventures. So **Boone** has got to know us pretty well. I think we're all convinced that the industry needs to move this way. That's why we have a common vision. Kim: David, thank you for joining us. Guest: Thank you for your time. 00:33:21

## 3. SqueezePlay

**Business News Network (---) National Canada**

**11/21/2009**

**10:30 AM - 11:30 AM**

[CC] 00:22:23 Coming up on "SqueezePlay" legendary **oilman T. Boone Pickens** wants to move companies. 00:24:18

[CC] 00:24:24 "There's some upfitters on passenger cars. But on the trucks that I'm talking about, that is new equipment. And, and there's, there's an incentive in that bill for \$65,000 for a new **natural gas** truck which is about the incremental difference." Kim: That of course is **T. Boone Pickens**. He's talking about the climate change bill that's in the Senate at this moment. That \$65,000 for **natural gas** truck could benefit West Port Innovations of which, coincidentally, **T. Boone Pickens** is a major shareholder. ... I think

most truck companies are of the opinion now that we're going to see **oil** prices diverge even further away from **natural gas**. That will put them in even more difficulty on **fuel** price. So that's the prize. An average trucker would burn say 20,000 gallons of **fuel** a year maybe 80,000 litres of **fuel** a year. In Canada, for example, you could save 50 cents, 60 cents a litre. Which is a lot of money for a truck fleet. Yes there's some up front costs. Any truck fleet will happily accept government incentives or some credits or some help from the **gas** company or somebody. Kim: David, you got as I mentioned at the top here, that **T. Boone Pickens** owns 9% of the company. He's a very vocal man. What's it like having him as a significant shareholder? David Shore: **Boone** has been a great help. We got to know **Boone** as we worked with his company to help build **fuel** infrastructure. He was a big shareholder in what's now Clean **Energy Fuels** which we and B.C. **Gas** merged with a few years ago. Another one of our joint ventures. So **Boone** has got to know us pretty well. I think we're all convinced that the industry needs to move this way. That's why we have a common vision. Kim: David, thank you for joining us. Guest: Thank you for your time. 00:32:27