

# PickensPlan

## T. Boone Pickens Media Coverage 12.12.09-12.14.09

### Total of 20 Placements

- Print: 10
- Blog/Online: 7
- Broadcast: 3

### Coverage Summary:

*Portfolio.com* ran a story on ExxonMobil's acquisition of XTO Energy, highlighting the benefits of natural gas and ExxonMobil's decision to move deeper into the natural gas business. A link to this September 2009 article on the Pickens Plan was included with the piece - <http://www.portfolio.com/companies-executives/2009/09/24/T-Boone-Pickens-optimistic-on-wind-farms/>

### Highlighted Placements (Full Articles Below)

- **Exxon's Gas Play** – *Portfolio.com* – 12/14/09

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

- **Is It Warm in Here?** – *Townhall.com* – 12/12/09
  - *Bethany Beach Wave*
  - *Bradenton Herald*
  - *Daily Republic*
  - *Delaware Beach Comber*
  - *Delmarva Now*
  - *Human Events*
  - *Lancaster Eagle Gazette*
  - *New Haven Register*
  - *The Spectrum*
  - *The Westside Story*
  - *Ventura County Star*
  - *Yankton Daily Press*
- **As Green Car Loan Funds Dwindle, What's Plan B for Startups?** – *Earth2Tech* – 12/11/09
- **Copenhagen Climate Change Conference Play – Fuel Systems Solutions (FSYS)** – *Cabot Green Investor* – 12/13/09
  - *Green Stocks Central*

### HIGHLIGHTED COVERAGE

#### **Exxon's Gas Play** – *Portfolio.com* – 12/14/09

By Kent Bernhard Jr.

Oil giant ExxonMobil announced this morning it was moving deeper into the natural gas business by acquiring XTO Energy Inc. in an all-stock deal worth about \$31 billion. The transaction, one of the largest of the year, was struck amid Senate talks about imposing a federal tax on carbon emissions. Natural gas is considered among the cleanest burning fossil fuels, which means that it wouldn't be taxed as heavily as oil or coal.

It's Exxon's biggest deal since its merger with Mobil 10 years ago, and one that takes ExxonMobil, and it amounts to a huge bet on natural gas as a growing energy source for the future.

ExxonMobil will issue 0.7098 common shares for each common share of XTO. Exxon will also take on \$10 billion in XTO debt. The price is a 25 percent premium for XTO shareholders.

"XTO is a leading U.S. unconventional natural gas producer, with an outstanding resource base, strong technical expertise and highly skilled employees," said Exxon Chairman and CEO Rex Tillerson in a release. "XTO's strengths, together with ExxonMobil's advanced R&D and operational capabilities, global scale and financial capacity, should enable development of additional supplies of unconventional oil and gas resources, benefiting consumers both here in the United States and around the world."

XTO is one of the leading companies at extracting natural gas by cracking shale deposits, a relatively new method of getting at natural gas and one that has vastly increased the estimates of how much gas there is in the United States—with new deposits identified in Texas, Appalachia and Louisiana. The deal also comes at a time when a price on carbon emissions is becoming more likely in the United States. With natural gas being the cleanest burning of the fossil fuels, its attractiveness for use in electricity generation and even transportation is likely to increase.

The U.S. EPA recently identified carbon dioxide and other greenhouse gas emissions as a threat to public safety, the first step toward regulating those emissions. At the same time, the U.S. House has passed legislation placing a price on carbon emissions, and similar legislation is pending in the Senate.

"Clearly natural gas is an attractive fuel as a price for carbon might be put in place," said Tillerson during a morning press conference. But he also pointed out that, though ExxonMobil is getting further into the business of natural gas extraction, the acquisition of XTO doesn't mean a shift away from oil for the nation's largest oil company.

"We don't have any particular strategy to change the balance of oil vs. natural gas," Tillerson said.

ExxonMobil, though, has also recently dipped its dollars into even more unconventional fuels.

In July Exxon Mobil announced a deal with Craig Venter's Synthetic Genomics to develop a new biofuel. It's the biggest such deal, at up to \$600 million, between an oil company and an alternative fuel company

Exxon's initial investment in its joint venture with Venter's company is \$300 million for Synthetic Genomics and another \$300 million within Exxon on the joint venture. The oil company will work with Venter's company on growing an algae that can produce biofuel that could be substituted for petroleum—the holy grail of biofuel research. If the research pans out, the company could spend billions getting it into mainstream use.

The deal announced this morning combines XTO's expertise and the access it has to natural gas deposits—it says it has access to 45 trillion cubic feet of gas—with Exxon's already-existing natural gas plays and capital muscle. That makes the deal attractive, Tillerson said.

"It will enhance opportunities in production of America's own, clean burning natural gas resources," he said. His company estimates that natural gas use will grow faster in the U.S. in coming years than either coal or petroleum use.

Bob R. Simpson, chairman and founder of XTO, said the deal combines the expertise his company has gained in its 23 years of what is called "unconventional" natural gas extraction with the capital power of the nation's largest energy company.

That's a very important point, because it's not cheap to crack shale for natural gas.

"The perceived supply of natural gas is up 10-fold in the United States in my career," Simpson said. "That capital needed to bring that resource into development is huge."

Once the deal is done, and it's expected to be completed in the second quarter of 2010, Exxon will form a new organization for development of unconventional resources, to be located in the Fort Worth, Texas, offices currently occupied by XTO.

Kent Bernhard Jr. is News Editor of Portfolio.com

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## **BLOG/ONLINE COVERAGE**

**Is It Warm in Here?** – *Townhall.com* – 12/12/09

By Bill O'Reilly

At the opening of the climate change conference in Copenhagen, Denmark, this week, they showed a video of children trapped by onrushing water. One little girl was left hanging on to a tree limb. Chicken Little had to be proud.

But I am not here to run down the global warming industry; I am here to explain it. My take is that only the deity knows for sure whether the planet is in danger from warming, but the cleaner the earth the better. I feel that position encourages positive environmental behavior without going into hysteria land.

However, you should know that Al Gore and others attached to the warming industry are making tens of millions of dollars by investing in companies trading in new technologies. There is big money in play here, as governments are paying billions to clean up dirty industries. T. Boone Pickens has invested big money in wind energy. While that's nice, I do believe the savvy Mr. Pickens wants a return on his investment.

The recent scandal involving British warming researchers burying facts that challenge climate change is disturbing. And now we have Dr. William Gray, one of America's best hurricane forecasters, saying the fix is in: "There has been an unrelenting quarter-century of one-sided indoctrination of the Western world by the media and various scientists and governments concerning a coming carbon dioxide-induced global warming disaster. ... (This is) but the tip of a giant iceberg of a well-organized international climate warming conspiracy."

Wow.

But it does make sense. When huge companies like General Electric invest heavily in green industries, there is serious pressure to convince the world to abandon fossil fuels and use more natural products like sun and wind. The problem is that the technology is not there yet, and conversion costs are through the roof. Thus, the bitter debate.

The right is wrong to reject global warming outright, but is correct in being skeptical. This week, Sarah Palin wrote an opinion piece in *The Washington Post* calling for a boycott of Copenhagen because, she believes, the whole thing is hokey. Gore quickly responded that physics proves that manmade global warming is a reality.

And the beat goes on.

All this disagreement does not help the polar bears or the little girl hanging on to the tree. Climate change is one of those issues that will never be settled beyond a reasonable doubt, no matter what Gore says. So the sane thing to do is for the world to develop cleaner energy options but not ruin economies in doing so.

The free marketplace is a great thing. If you develop a product that is better and cheaper than competing products, you will win. I'd love to heat my house with solar panels that are affordable and easy to use. So let's get that in motion.

A little girl in peril is counting on it.

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## **As Green Car Loan Funds Dwindle, What's Plan B for Startups? – *Earth2Tech* – 12/11/09**

By Josie Garthwaite

The flood of funding from the Department of Energy's \$25 billion Advanced Technology Vehicles Manufacturing loan program — \$8 billion for Tesla Motors, Nissan and Ford in June — has slowed to a trickle in recent months, comprising just two awards totaling some \$552 million, and the remaining \$16 billion or so in low-interest loans slated to go out under the program's current budget won't be enough to cover the more than 90 projects that have reportedly requested funding. And as they wait on a final ye or nay from the DOE, many of the applicants are facing a potential cash crunch for their manufacturing plans.

Startups in particular may face pressure to come up with matching funds for conditional commitments from other investors. We've already cruised past the dates when applicants such as V-Vehicle and Bright Automotive said they expected final word on their loan requests (for \$250 million and \$450 million, respectively). So for applicants that don't already have a realistic Plan B in their back pocket, now's the time to develop one.

The backup plans that have emerged so far include outsourcing manufacturing, pursuing more private equity investment and establishing less capital-intensive sources of revenue. We may start to see more strategic alliances and partnerships taking shape among green car startups and manufacturers as well.

No Factory? No Problem Fisker Automotive and Think, for example, have both contracted Finland's Valmet Automotive to manufacture their plug-in vehicles. Fisker won a nearly \$529 million ATVM loan this fall that will help it set up its own manufacturing stateside, but the startup plans to meet the 2010 launch target for its first model through the Valmet deal. And while Think hopes to set up manufacturing in the U.S. with DOE funding, the automaker's Think City started rolling off the assembly lines Thursday at Valmet — an investor and strategic industrial partner that helped rescue Think from the financial brink after the Norwegian government initially rejected Think's request for aid. (A Norwegian government-backed investment fund ended up stepping in along with Valmet, battery maker Ener1 and other private investors.)

Race for Private Equity Three-wheeled vehicle developer Aptera Motors, meanwhile, has just scored eligibility for the ATVM program (until this fall, it was only open to the regular four-wheeled breed) right as its venture capital funding is running out. But according to Lux Research senior analyst Jacob Grose, an ATVM loan for Aptera — it has requested \$75 million — is a long shot. "I would imagine that four-wheeled vehicles will continue to get the nod given that, unlike Asia, to date there has been no appetite in the U.S. for electric vehicles with less than four wheels."

What's the backup plan? Aptera marketing chief Marques McCammon told former Tesla Motors VP Darryl Siry recently that if DOE funds don't come through, Aptera's alternate route to financing production is "still private money." ATVM funds would allow the company to turn "into a big boy much faster than if you had only organic growth," he said, adding that, "We have a sizable amount circled, and we intend to get the rest." Of course, as the shuttering of battery startup Imara this week demonstrated, raising private capital when still-pending government funds could alter the competitive landscape is no easy task.

Innovation Under the Gun Bright Automotive CEO John Waters described a similar strategy to us earlier this year, saying that the company had to either secure DOE loans or raise capital from private equity

markets by the end of May in order to reach its target of producing fleet vehicles in the fourth quarter of 2012. Yet in June, Waters told us Bright was still waiting for a final answer from the DOE and still in the process of raising private equity. No word on either has been heard since.

But Bright has pursued other sources of revenue, launching a consulting business called Bright eSolutions in October and snagging a \$1.4 million demo project (reportedly two years in the making) with the U.S. Army's department of Tank-automotive and Armaments Command (TACOM) to test Bright's plug-in hybrid vehicles for non-combat situations.

Meeting Your Match V-Vehicle, meanwhile, has raised \$100 million from high-profile investors including T. Boone Pickens and Kleiner Perkins, and an \$82 million grant package provided through federal, state and local government channels. But that grant package comes with strings attached: V-Vehicle has to meet the offer with \$350 million by March 1, 2010, to trigger most of the incentives, and it's counting on that DOE loan to cover more than 70 percent of this obligation.

In October, the 3-year-old startup said it expected an answer on the loan by the end of November, and last week Louisiana's News Star quoted Horst Metz, VP of assembly operations for V-Vehicle, as saying, "[W]e remain very confident that we'll be approved for the loan," though he added that "[W]e haven't been given any timetable on when that might be." And DOE spokesperson Ebony Meeks noted that the agency has not scheduled any new ATVM loan announcements.

Rev Your Engines, Entrepreneurs As Peter Wagner, a venture capitalist with Accel Partners, and Dan Squiller, CEO of battery startup PowerGenix, told me (GigaOM Pro, subscription required), if you're trying to break into a capital-intensive business (they were talking specifically about the energy storage market, but the advice seems to apply to advanced vehicles), an entrepreneur who finds "something he can sell right now," and strengthens that core business can then position a startup to produce the bigger ticket item as the market grows.

The DOE brought former venture capitalist Jonathan Silver on board as executive director of the ATVM program (and also the green car loan guarantee program), with the idea that he would "strengthen and streamline" the agency's operations. As he heads into his second month at the post, the clock's ticking for the streamlining effort — but also for loan applicants to ready plans that will enable them to hit the ground running, whether the DOE gives them a green light or a red one.

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### **Copenhagen Climate Change Conference Play – Fuel Systems Solutions (FSYS) – Cabot Green Investor – 12/13/09**

This week marked the start of a global meeting on climate change in Copenhagen, with nearly 200 nations trying to reach an agreement on this contentious issue. The delegates attending the summit will have until December 18 to discuss things like cuts on greenhouse gas emissions, particularly from big polluters like the United States and China, and aid to poor countries who need help cleaning up pollution that they may not have even created.

Despite several countries, including the U.S., China, Brazil and India, announcing new emissions goals before the summit, some feel that the new targets are not enough to keep global temperatures in check. (Scientists have recommended that temperature increases be capped at 3.6 degrees Fahrenheit above pre-industrial levels.)

The U.S. has laid out a plan to reduce emissions 30% from 2005 levels by 2025, 45% by 2030 and more than 80% by 2050. These numbers are in line with the long-term projections for emissions that scientists have said will avoid the worst affects of increasing climate change.

One of the highly debated issues at the conference is how to verify that poor countries and emerging markets are meeting their emissions-reductions promises. The U.S. is insisting on a fairly comprehensive

monitoring program, especially for projects receiving international financing, which India and other emerging markets reject as too intrusive.

The main goal for many in Copenhagen is to set a path to reduce emissions and slow climate change. And some countries, particularly in Europe, want to see the current round of negotiations result in an extension or expansion of the Kyoto accord—major provisions of which expire in 2012—this time involving the United States.

Europe does seem to be approaching the issues in Copenhagen more progressively than the U.S. It was announced that the European Union will contribute about \$3 billion starting next year to help poorer countries and emerging markets deal with climate change.

The fund is expected to run over a three-year period, ending in 2012, and could amount to a European contribution of nearly \$9 billion in total. That's a lot of money that will go toward the new technologies needed to help clean up pollution that are being developed in the private sector. Brendan Coffey, editor of Cabot Green Investor, recently had this to say about the money flowing into the Green sector:

"Private sector spending on Green technologies like wind and solar should rise 35% in 2010 to \$135 billion, according to New Energy Finance, a British consultant to Deutsche Bank and the United Nations. Add to that another \$60 billion from individual world governments next year, double 2009 levels. Plus, 12 nations, including the U.S. and China, still have \$177 billion in approved Green stimulus funding to spend next year and beyond.

"The result is plenty of support for the innovative companies we follow after what has been a relatively austere year in Green investment. Still, to actually have a good shot at keeping our climate within a not-so-dire 3.6 degrees Fahrenheit of pre-industrial times, more dedication to Green is needed. By one estimate, annual spending will need to hit \$430 billion a year by 2020 to give the world a 50% chance of hitting that mark."

I hope some good comes out of the Copenhagen meeting of the minds and that we can meaningfully move forward on this issue. But while politicians and scientists duke it out over what should be done about climate change, what should you be doing? I'd suggest investing in one of the companies poised to benefit from new legislation and guidelines in the Green sector.

One that seems to be popping up all over is Fuel Systems Solutions (FSYS), which is followed by Cabot Green Investor. Editor Brendan Coffey wrote this when he first recommended the stock in August: "Fuel Systems Solutions makes the equipment and systems that convert a traditional engine to one that can use CNG, LNG or propane or to an engine that has the option to use either CNG, LNG, propane, diesel or gasoline on demand.

"Fuel Systems grew out of a 50-year-old California company called Impco, which focused on industrial equipment and stationary power, and combined last decade with Italian competitor BRC, which focused on light vehicles. Fuel Systems sells to the aftermarket for individuals or companies that want to convert existing engines to use natural gas, and to the original equipment market (OEM), tweaking automakers' cars and trucks to use CNG or LNG before they are delivered to dealers. ... Whether OEM or aftermarket, conversion work involves adding equipment under the hood and replacing or installing additional fuel canisters that store the alternative fuel. Fuel Systems customers include Fiat, Opel, Ford and many other major automakers, none of which account for more than 10% of revenue. The company has manufacturing facilities in California and northern Italy, and maintains sales offices in the major CNG and LNG consumer regions, Europe, Australia, India and Pakistan chief among them. In Pakistan, for instance, the relative cheapness of natural gas versus oil means only the elite have cars running on gasoline. In Europe, a desire to reduce air pollution steers consumers to natural gas, as does the European union mandate to get 20% of all vehicles running on fuels other than petrol or diesel.

"The big story for Fuel Systems is the potential of the American market. About 80% of revenues each of the past three years have come from outside the United States ... a potential boon is a bill introduced by Senate majority leader Harry Reid of Nevada to provide tax incentives to buyers of natural gas vehicles, a plan that has gotten a lot of vocal support from oilman T. Boone Pickens, who owns the majority of natural gas fueling station chain Clean Energy Fuels (CLNE)."

"The bill would boost the tax incentive to natural gas vehicles to as much as \$12,500 per vehicle and to \$100,000 for natural gas fueling stations. The bill is certain to pass, if the number of its co-sponsors (77) is a reliable indicator, although it may not be addressed until after health care in September. The House of Representatives passed a bill earlier this summer authorizing \$150 million to research natural gas vehicles."

The stock has had a great four weeks after posting excellent quarterly results, and has pulled back to its 50-day moving average in the past two days, so Brendan is urging caution for now. However, Fuel Systems Solutions is bound to benefit from the push for lower greenhouse gas emissions and a focus on alternative energy, so I'd put it on your Watch List. If you want Brendan's full recommendation, plus continuous updates on FSYS and other Green stocks, check out Cabot Green Investor. It's the #1 source for Green sector investments that are poised to explode as climate change becomes an even hotter topic.

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## BROADCAST COVERAGE

### 1. Glenn Beck (Rebroadcast)

**Fox News Channel (---) National**  
**12/13/2009 03:00 PM - 04:00 PM**

**DMA: N/A**  
**Spot Cost: \$6,421**  
**Est. Audience: 704,833**

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

[CC] 00:17:03 (show is O'Reilly Report)...It's like the health care bill. Nobody understands it. It's the same thing in global warming, al gore, okay, al, I want to get heat by the sun. I can't help you. It's got to be down so everybody understands it. It's all bull I think. I don't. Here is the problem. Let's look at India, if you don't have an industrialized nation and huge amounts of carbon dioxide, they go back in the fields and they don't have jobs. At what price. Bill: in India if they had **windmills** that **T. Boone Pickens** wants, they won't have any problems. I'm praying for it but it isn't there. Thank you very much Leslie --Go ahead. I was going to ask you. Are you happy and comfortable with the president promising a 17% reduction. I think it's a fair amount. Bill: am I happy with the president promising, have I heard presidents promise stuff before? I'm skeptical. I want a clean planet. 00:18:24

### 2. Bloomberg On The Economy

**WBBR-AM 1130 (NBC/ABC) New York**  
**12/13/2009 09:00 AM - 10:00 AM**

**DMA: 1**  
**Spot Cost: \$165**  
**Est. Audience: 24,800**

00:48:00 this is an encore presentation recorded this past Tuesday , the second day of the climate meetings in Copenhagen ..final thoughts with Vinod Khosla ..**T Boone Pickens** out front granted , he's looking at **natural gas** on trucks and such but in one of his projects in the **Pickens Plan** he ran into a huge constraint..which was distributing the electricity made... 00:49:59

### 3. Talking Tax

**Business News Network (---) National Canada**  
**12/12/2009 09:00 AM - 09:30 AM**

[CC] 00:16:42 **Boone Pickens** was also with us recently. As you know he's been talking a lot about natural gas and clean fuels and so forth. And he has a story that he likes to tell, where he goes into a

room and he asks everybody in the room to raise their hands if they're an environmentalist. Pretty much everybody puts their hand up. And then he says and how many of you would be an environmentalist if it cost you \$1,000 a year as well? And the hand kind of creep down. Do you think he's onto something there? That when people really have to pay for it, which we all seemingly have to do in order to make this happen, that we run into problems? Well, I think that if there was very clear direction provided, then I think --And I'm now not talking just from government, but very clear direction provided, I think that people would step up into it. I also think by the way this is a generational thing. ... 00:17:58