PickensPlan

T. Boone Pickens Media Coverage 7.21.09

Total of 16 Placements

- Print: 9
- Blog/Online: 4
- Broadcast: 3

Coverage Summary:

CQ Politics reported on legislation that would boost research and development of natural gas-powered vehicles. The piece calls Pickens a supporter of the switch to natural gas vehicles and highlights the growing support from Congress for his plan to reduce America's dependence on foreign oil.

Rep. Carol Shea-Porter (D-NH) wrote on op-ed in *The Union Leader* discussing the benefits of the American Clean Energy and Security Act. In the piece, she mentions that she and Pickens "agree that this bill will create jobs by investing in new clean energy technologies and energy efficiency."

The Springfield Connection in Virginia ran a letter to the editor supporting Pickens' efforts to reduce the amount of foreign oil imported. The writer highlights the NAT GAS Act and urges people to let Congress know they support this legislation.

Pickens appeared on *WGN-AM* yesterday where he discussed the price of oil and the need to switch heavy duty vehicles to run on natural gas.

Highlighted Placements (Full Articles Below)

- **House Seeks to Boost Natural Gas Vehicles** – *CQ Politics* – 7/20/09
- **Carol Shea-Porter: Cap and Trade Will Create Jobs, Improve Our Energy Future** – *The Union Leader (NH)* – 7/21/09
- **LETTER: Help Free America** – *Springfield Connection (VA)* – 7/20/09

Print Placements (Full Articles Below)

- **TransAlta in $654M bid for Canadian Hydro** – *Financial Post* – 7/20/09
    - *Calgary Herald*
    - *Vancouver Sun*
- **Takeover Prey Turns Predator** – *Calgary Herald* – 7/21/09
- **Tycoon Halts Plans for Texas Windmill Farm** – *The Epoch Times* – 7/20/09
- **Work on Nordex Plant Set to Begin** – *Arkansas Democrat Gazette* – 7/21/09

Blog/Online Placements (Full Articles Below)

- **Pickens Said to Seek New Fund Investors** – *Dealbook (NY Times Blog)* – 7/21/09
- **Boone Boosts Energtek** – *Seeking Alpha* – 7/20/09
    - *Forex Hound*
- **June's Imported Oil Level Highest in 2009** – *Capital Solutions Bancorp* – 7/20/09

HIGHLIGHTED COVERAGE

House Seeks to Boost Natural Gas Vehicles – *CQ Politics* – 7/20/09

Research and development of natural gas-powered vehicles would get a boost under legislation the House is set to take up Monday.

The bill would direct the Energy Department and Environmental Protection Agency to focus research on commercial vehicles. The legislation would charge the agencies with developing procedures and national standards for the vehicles and for natural gas fueling stations.

The bill would authorize $30 million a year from fiscal 2010 to 2014 for natural gas vehicle research.

The bill will be taken up under an expedited procedure that limits debate and allows no amendments.

Oilman T. Boone Pickens has been crusading for a switch to greater use of natural gas vehicles, as a centerpiece of his campaign to reduce dependence on foreign oil. His plan has been winning growing support from members of Congress, including Senate Majority Leader Harry Reid , D-Nev.

In addition to using a fuel that is abundant domestically, natural gas vehicles produce as much as 95 percent less overall toxic emissions than diesel and gasoline powered vehicles, according to proponents.

The Energy-Water spending bill the House passed July 17 included an amendment by Oklahoma Democrat Dan Boren to increase natural gas vehicle research funding at the Energy Department by $5 million in fiscal 2010.

The House also is scheduled to take up another bill that would designate seven existing National Environmental Research Parks as permanent outdoor research reserves. The parks are essentially outdoor labs that provide large tracts of federal land on which to perform ecological studies.

Established by the Energy Department, the research parks are located within six major eco-regions of the United States covering more than half the nation.

The House Science and Technology Committee approved both bills June 24 by voice vote.

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Carol Shea-Porter: Cap and Trade Will Create Jobs, Improve Our Energy Future – *The Union Leader (NH)* – 7/21/09

By Carol Shea-Porter

Recently, the U.S. House of Representatives passed, and I voted for, the American Clean Energy and Security Act (ACES). This legislation will create jobs, combat global climate change and improve our national security. And it does so without adding to the deficit. In fact, the bill cuts the deficit by $24 billion over the next 10 years.

There is a lot of misinformation about this bill on the Internet and in the press. First, let me tell you what this bill will not do. This bill will not raise household electricity rates by thousands of dollars. The nonpartisan Congressional Budget Office (CBO) prepared a report on the costs of this bill. The lowest income households will see no price increase at all, and most households should see their electric bills increase by about a postage stamp's price a day in 2020.

Additionally, the analysis from the CBO states that "enacting the legislation would reduce future budget deficits by about $4 billion over the 2010-2014 period and by about $9 billion over the 2010-2019 period."

It will also not cost the country millions of jobs. Big oilman T. Boone Pickens and I both agree that this bill will create jobs by investing in new clean energy technologies and energy efficiency.

This bill does not require homeowners to get an energy audit before they sell their home. It also will not increase the national debt. The fact is that New Hampshire families have been living with the nation's first cap-and-trade system even before this bill passed. The Regional Greenhouse Gas Initiative (RGGI) is a partnership of 10 northeastern states that have capped emissions and set goals for the reduction of greenhouse gas emissions in our region.

The ruinous effects that RGGI's opponents predicted the program would cause have not come to pass. In addition, New Hampshire has put into place a requirement that 25 percent of our energy comes from renewable sources. The bill I voted for requires states to meet a 20 percent renewable energy requirement. While I am justly proud of our state, our energy crisis is a national problem, and a national solution is needed.

We must develop American sources of energy to ensure that we have a strong economic recovery and strong national security. In 2008, the U.S. imported about 12.5 million barrels of oil a day from other countries. That means that at the height of last year's surge in oil prices, we were sending more than $1.8 billion a day out of the country for oil.

Around 2.5 million of those barrels of oil came from Saudi Arabia and Venezuela, representing more than $350 million a day to those two countries alone. Tying our economy to oil is dangerous for our economic and national security. This bill reduces our dependence on both foreign and domestic oil by cutting our oil use by 5 million barrels a day by 2030.

We have several alternatives to oil, including solar, geothermal, wind power, American-grown biofuels and biomass and natural gas. Pickens has said that we could be the Saudi Arabia of wind power. To harness that energy, we will have to develop the technology and build the wind turbines and transmission systems. Just think of the jobs we could create! The American Clean Energy and Security Act will invest $190 billion over the next 15 years in energy efficiency and new energy technologies, and that will help create new energy production facilities and create new clean energy jobs.

Opponents of this bill have tried to scare people into believing that their utility bills will skyrocket if it becomes law, but the public is smart. They know that their bills have already skyrocketed because of our reliance on oil, according to the Center for American Progress. The average American household energy costs went up $1,100 during the past eight years. Our country has a choice -- embrace a new energy future and use our American entrepreneurial spirit and confidence and "can do" attitude, or turn back to the same energy sources that led us to this crisis. A postage stamp a day is a small price to pay to finally free ourselves from our dependence on other nations' oil. I choose energy independence, and national polls show most Americans do as well. I voted for my children's future and yours, and I am proud that this Congress said yes to a better future for all Americans.

Carol Shea-Porter represents New Hampshire's 1st District in Congress.

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LETTER: Help Free America – *Springfield Connection (VA)* – 7/20/09

To the Editor:
The Pickens Plan was originated on July 8, 2008 by T. Boone Pickens. The plan is aimed at freeing this country of the need to import foreign oil — oil produced by countries that have little or no regard for America. Imported oil costs this country more than $400 billion a year and poses a significant national security threat.

Pickens has personally expended more than $60 million to bring this plan into the homes of most Americans and to obtain bipartisan support from governors, a number of our members of Congress and the Administration. This effort has been supported by an Internet army of more than 2 million Americans but needs continued support to succeed.

A key piece of legislation has been introduced in the House (HR 1835) and the Senate (S1408) that is critical to the success of the effort to get this country off of foreign oil.

This legislation is known as the NAT GAS Act of 2009 and will provide incentives to move fleets and heavy trucks away from imported gasoline and diesel to clean, domestic natural gas.

It is urgent that we let Congress know we support this legislation as a key step in freeing this country from the need for foreign oil.

Paul High
Springfield

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PRINT COVERAGE

TransAlta in $654M bid for Canadian Hydro – *Financial Post* – 7/20/09

By Carrie Tait

CALGARY -- Kent Brown has been in his new role as chief executive of Canadian Hydro Developers Inc. for less than a month and already he has a takeover battle on his hands for control of the country’s largest renewable-energy company. But don’t expect Mr. Brown to give up the company in which he has both a personal and professional stake.

TransAlta Corp. on Monday launched a hostile takeover bid for Canadian Hydro, offering shareholders $4.55 per share in cash -- a 25% premium to Friday’s closing price. TransAlta would have to cough up $654-million to make that happen.

TransAlta has spent the past seven months trying to seduce Canadian Hydro and its board into a friendly deal, despite face-to-face meetings between Mr. Brown and executives from TransAlta.

Canadian Hydro, whose shares jumped 34% on Monday to $4.90, would not even negotiate on price, said Steve Snyder, TransAlta's CEO. Canadian Hydro's board rejected a takeover offer based on the same premium as Monday's bid, leaving TransAlta no option but to pore over publicly available data and go directly to shareholders. Late Monday evening, Canadian Hydro said it formed a special committee and told shareholders to hold tight until they hear more from its board. It stopped short of recommending shareholders reject the offer outright.

The basic principle here is it allows us to accelerate our renewable strategy…with assets that we’re familiar with, with good operators, and a good development portfolio," Mr. Snyder said. "We have the financial strength to do a deal larger than this…Whether that [is] another deal or this deal at a higher price, we have the ability to do a larger deal than this with our balance sheet."

A special committee of Canadian Hydro was set to meet Monday afternoon to consider the bid. A deal would need regulatory approval, as well as support from shareholders representing roughly 67% of Canadian Hydro's stock.

Canadian Hydro owns and operates the country's largest wind farm, and late last month fired up the Canada's second-largest wind project, at Wolfe Island, near Kingston, Ont. It also controls hydro power facilities and has a biomass project. It has 694 megawatts of installed capacity, with a goal of getting to 900 megawatts by 2011, and then growth averaging between 15% and 20% per year after that.

Canadian Hydro's success is something of a personal mission for Mr. Brown, who joined the company eight years ago after dabbling as an accountant and in the oil and gas sector.

"I made a very conscience decision to move out of [the oil and gas] industry for personal reasons," Mr. Brown, 39, said in an interview at the end of June. "I wanted something more meaningful personally for myself."

Mr. Brown's belief in the industry illustrates why TransAlta is hungry for more. Should TransAlta absorb Canadian Hydro, its renewable assets will make up 22% of its portfolio, up from 15%.

"We're in a bit of a recession-proof industry," Mr. Brown said just days before being promoted to CEO from chief financial officer. "My vision of this company…is to continue growing this company, to be the largest, most diversified renewable energy company in Canada. To be…a real northern tiger."

Oil and gas icon T. Boone Pickens has also thrown his considerable weight behind wind, and his enthusiasm demonstrates how a Canadian Hydro can balloon. But his adventures in wind hit a wall this month after funding and infrastructure issues became too difficult, showing that wind and its green cousins, as clean as they may be, can be a tough slog.

TransAlta and Canadian Hydro, along with other renewable energy companies, will face similar challenges.

The transmission grid in North America needs a makeover before it can shuttle more power to homes and businesses. Canadian Hydro's wind operations at Pincher Creek, Alta., for example, are limited until the infrastructure catches up.

The Pincher Creek wind farm consists of a row of turbines atop Cowley Ridge, a strip of land that looks like a fallen giant might lie beneath. These workhorses -- 57 old-school machines, 15 sleek new outfits, and five more at a test site nearby -- have the capacity to churn out 47 megawatts, enough to power 18,800 homes. This cluster of turbines, which neighbour some of TransAlta's turbines, was the first to add wind power to Canada's grid on a commercial scale.

East of Cowley Ridge, five test turbines belonging to Canadian Hydro do their business, checking to see if the location will work. It does, but there's a catch.

"There's no more capacity for new projects until this new [grid] line comes in southern Alberta," said Ian Lindsell, the site supervisor at Cowley Ridge. "We hope to [expand this cluster]. We're definitely running the numbers on it."

In March, AltaLink L.P. received approval to build a new 240 kilovolt transmission line connecting Pincher Creek and Lethbridge. The goal is to have it in action in the second quarter of 2010. But that will not be a panacea.

"A lot of the capacity may be used up fairly quickly," said Scott Schreiner, spokesman for AltaLink, Alberta's largest transmission company. "While this one allows for new wind energy to come on line, the Alberta Electric System Operator has identified the need for further reinforcement of the transmission system throughout southern Alberta."

But even if the necessary infrastructure is bolstered across North America, wind companies' ability to add power to the grid remains limited. The ability to grow, in some spots, is out of the producers' hands.

"There's a finite amount of wind that any jurisdiction can put into the system because [wind is unreliable, and jurisdictions cannot afford to have a power shortage], and at the very maximum, it is probably around 20%," said Sasha Jacob, chief executive of Jacob & Co. Securities Inc., a Toronto-based investment bank focused on green energy.

Hydro power, which Canadian Hydro and TransAlta also produce, faces fluctuating capacity numbers because of seasonality. Biomass facilities can sell power into the grid full time, but their success is subject to the availability and price of feedstock, such as woodchips. Geothermal, however, does not face similar constraints because its ability to generate power is not influenced by uncontrollable factors such as weather and the price of dead trees. TransAlta has geothermal, but Canadian Hydro does not.

Politics favours companies pushing into renewable energy. Legislation like Ontario's Green Energy Act is making it easier to get regulatory approval for green power facilities and, in some cases, stipulate that a certain percentage of a jurisdiction's power must come from renewable sources -- with those percentages climbing as the years pass by. Such legislation, Mr. Jacob notes, gives green companies the ability to price power at a premium.

Even with these factors working in Canadian Hydro's favour, it has internal problems that may hamper its growth.

"Growth will slow due to their debt to capital covenant restriction," said Michael McGowan, an analyst at BMO Capital Markets who believes Canadian Hydro is bumping up against its lenders' restriction of 65% debt to total capitalization. "I wouldn't expect them to issue equity at the price where the shares were trading prior to TransAlta's offer."

And, as Mr. Pickens discovered, it can be tough to raise capital for wind projects. TransAlta says its balance sheet will help secure Canadian Hydro's growth ambitions. Mr. Brown, however, argues the company is sitting pretty when it comes to financing.

"We've always been able to attract equity and debt quite easily," he said. "The assets on the debt side were always quite easily financeable because they last a long time, they are typically underpinned with a long-term sales contract…so you have steady income stream usually from a credit-worthy counterparty like BC Hydro or the Ontario Power Authority."

Canadian companies scrapping for funding have an additional competitor: U.S. and European subsidies such as building incentives.

"Canada today is not competitive in any way whatsoever," Mr. Brown said. "The U.S. subsidies are much larger, and some of the European subsidies are as well. If you want capital attraction in Canada for renewable, you need to compete with the other countries."

Even if federal and provincial governments provide an economic boost, investors still need to wrap their heads around alternative fuel sources. Seventeen analysts cover Canadian Hydro, with buy calls far outweighing holds. Not a single number-cruncher suggests investors should dump it. Mr. Brown estimated 40% of investors in Canadian Hydro are Canadian, 40% are European, and 20% are American.

But that was before TransAlta became aggressive. Hedge fund and arbitrage players were on its conference call Monday, a clear indication they are buying in now with hopes of selling into the offer for cash. Investors' support for alternative energy could be challenged.

"The [institutional] buyside [investing in renewable companies] is strongest in Europe, a close second in the U.S. and does not exist in Canada in this space," Mr. Jacob said before the bid. "Does not exist in Canada -- it is a vacuum of any type of knowledge in the space."

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Takeover Prey Turns Predator – *Calgary Herald* – 7/21/09

By Deborah Yedlin

The irony is unmistakable. Less than a year since being the subject of a potentially hostile buyout by one of its investors, Trans- Alta Corp. has now put that shoe on the other foot.

After months of trying to come to friendly terms on a deal to buy Canadian Hydro Developers, TransAlta launched a $654-million hostile bid ($1.5 billion in enterprise value) for the wind-power company Monday.

TransAlta chief executive Steve Snyder was reticent to call it a hostile takeover bid and said the company had decided to go directly to shareholders after attempts to reach a negotiated deal failed. But if it walks like a duck, talks like a duck and looks like a duck, that's probably what it is. In this case, it's a hostile bid.

It's also interesting that one of TransAlta's advisers -- Goldman Sachs-- is a firm that long eschewed acting for companies involved in hostile takeover situations-- opting instead to take the role of helping find the proverbial white knight for the target company.

Still, the fact TransAlta has launched this bid once again illustrates the continued challenge that will be faced by those in the coal-fired electricity generation business because of the fuel's carbon footprint.

To its credit, TransAlta recognized this challenge some 10 years ago and began looking at long-term solutions for coal-related emissions. Buying Canadian Hydro will be one way of accelerating that objective.

In an opinion piece published in the Sunday edition of the Financial Times, Robert Kennedy, president of the Waterkeeper Alliance, makes a compelling argument for the need to shift away from coal-fired power, which provides 46 per cent of U. S. electricity --and use natural gas as the bridge fuel to a world of renewable energy that includes not just wind power, but also solar and geothermal sources.

Snyder, unlike Kennedy, isn't quite so negative on coal--saying he believes there will be cost-competitive technology making coal emission-free, but that is 10 to 15 years away, and other options need to be explored in the meantime.

The bid also comes as the bloom has come off the rose for renewable energy and its players.

As a result of falling oil and natural gas prices, the pressure for renewable resources is not the same as it was 12 months ago. Publicly traded companies such as Canadian Hydro were trading at much higher valuations than they are today. The $4.55 per share offer made by TransAlta might be less than the $6.55 record high reached in March 2008, but that was also a time when risk was being valued differently than it is today.

This substantially different environment has put many firms such as Canadian Hydro in difficult spots. Even oilpatch billionaire T. Boone Pickens, whose ambition remains to create the world's largest wind farm in the Texas Panhandle, recently scaled back his plans.

Pickens, citing challenging conditions in the financial markets as one of the issues, has decided to move ahead with a more modest initiative through the U. S. Midwest.

And this brings us back to Canadian Hydro Developers.

The company did well to lock in financing last summer, just before the markets went sideways, for its Ontario-based Wolfe Island project. But that money was basically a construction-type loan that will have to be termed out in the next couple of years. It has, according to analyst Steven Paget of FirstEnergy Capital Corp., $841 million in net debt on its balance sheet. This, apparently, puts it close to hitting up against its debt covenants; if Pickens isn't having a good time raising money, it's a safe bet the conditions are much tougher for the small cap players without a Pickensstyle balance sheet.

There is no question TransAlta is looking at Canadian Hydro as a means to adding to its presence in the renewable energy space. The company has already spent about $1 billion in developing renewable energy options and at this point is the largest, publicly traded provider of renewable energy in Canada.

But it isn't the only game in town. Paget points to TransCanada Corp. and its 62 per cent interest in Cartier Wind Energy as being a possible contender in the inevitable search for a white knight. Another option could be Pickens, who has said he is interested in investing in renewable energy opportunities in Canada.

The reality is it's not often a company put in play remains independent --and this is particularly true if the entity in question could find itself under some financial strain. The notable exception of late is UTS Energy, which successfully fended off the overtures of France-based Total SA.

Not that Canadian Hydro is about to hit the wall, because 80 per cent of its power is contracted under 20-year commitments, but the fact $463 million in debt needs to be termed out indicates a certain level of risk in terms of future growth in the next 12 to 24 months.

So is $4.55 per share enough to carry the day? Paget says it's likely Trans-Alta will have to boost its offer beyond the $5 mark. The reality is that hostile bids, especially because the valuations rely solely on information that is available in the public domain, never come with the highest price right out of the gate.

Suffice to say this is only the beginning of what could morph into an interesting takeover battle for a company that is active in a sector that all seem to agree is important in terms of the future of North America's energy mix. And the price paid for Canadian Hydro will set the valuation parameters for future deals.

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Tycoon Halts Plans for Texas Windmill Farm – *The Epoch Times* – 7/20/09

By Shaoshao Chen

TEXAS—Texas oil tycoon T. Boone Pickens has scrapped his plans for the world’s largest wind farm in the Texas Panhandle.

The project was abandoned largely due to lack of adequate transmission lines to carry electricity from remote locations to cities, he said Tuesday. According to the Wall Street Journal, the oil tycoon had hoped to build new transmission lines but had difficulty securing funding.

Pickens’s company Mesa Powers announced in 2008 that it would purchase turbines capable of generating over 1,000 megawatts worth of electricity.

The company has invested over $2 billion in purchasing the turbines from General Electric a year ago and is now looking for new possible homes in the Midwest or Canada for the 687 400-foot tall turbines. The turbines are taller than 30-story buildings.

The wind farm was part of the "Pickens Plan"—his proposal to invest massively in wind and natural gas vehicles to cut imports of oil. Pickens has spent nearly $60 million campaigning for the plan.

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Work on Nordex Plant Set to Begin – *Arkansas Democrat Gazette* – 7/21/09

By Toby Manthey

Nordex USA Inc. is looking beyond the turbulence of the national recession and staying on course with its plan to open a plant in Jonesboro.

The division of German firm Nordex AG said Monday that it would stick with its announcement last year that it plans to hire 700 people by 2014 at the $100 million wind-turbine factory.

Work on the project will start this week, the company said in a news release.

Ralf Sigrist, president and chief executive of Nordex USA, said in an interview that the project has been set back by about 2/2 months because of the planning process.

"The planning phase took a little bit longer, but in principle, we are absolutely on track," Sigrist said.

Concerns about the economy haven't been a factor in the construction timetable, he said.

"In 2010, we expect the market in the U.S. to be back to normal ... and to continue as the single largest market worldwide for the wind industry," Sigrist said.

Production of wind-turbine enclosures, or nacelles, is still scheduled to begin in the second half of next year.

About five employees, including the project manager, work currently for Nordex in the Jonesboro area, Sigrist said. Just fewer than 100 workers should be hired by late 2010, he estimated.

The entire Nordex facility will be built in two steps, kicking off this week with a $40 million assembly plant for manufacture of nacelles. A $60 million rotor-blade plant also is planned.

Both plants are scheduled to be fully operational by 2014, according to the release.

About 250 to 300 construction jobs will be created because of the plant. H&M Co. Inc. of Jackson, Tenn. is the construction firm, but Sigrist said Monday he expects many of the workers to be Arkansans.

Financing has not been an issue, because it came from internal resources, Sigrist said.

A string of announcements by wind-power companies saying they were coming to Arkansas and nearby states was issued last year, but numerous setbacks have surfaced.

Oil tycoon T. Boone Pickens earlier this month abandoned a planned 687-turbine Texas wind farm. There were too few transmission lines to get the power from the Texas Panhandle to possible buyers.

In June, LM Glasfiber said it was laying off about 80 workers in Little Rock and ending the weekend shift at its blade-making plant at the Little Rock Port.

Delays in North American wind-energy projects were responsible, the manufacturer said.

Polymarin Composites, which is opening a wind-blade plant on Interstate 530 near Wrightsville, said last month that its start date for production has been delayed.

Polymarin and one of its suppliers have projected the creation of 830 jobs in the Little Rock area during the next four years. The firms had planned to start production in the first quarter, but it has since been delayed until late third quarter.

Equipment issues and the credit crisis were responsible, an official said.

Nordex's factory in Jonesboro will be its first in the United States. The firm hopes to one day make 20 percent of its global revenue in the country.

"The U.S. is hungry for wind power and Jonesboro will supply it with the highest quality turbines in the world," Sigrist said in the release.

Nordex expects to train its Joneboro workers through an onsite 10,000-square-foot "academy" and by working with Arkansas State University.

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BLOG/ONLINE COVERAGE

Pickens Said to Seek New Fund Investors – *Dealbook (NY Times Blog*) – 7/21/09

T. Boone Pickens, whose hedge fund endured steep losses last year, is now seeking new investors in BP Capital , which has risen as much as 79 percent so far this year, Bloomberg News reported, citing two people familiar with the matter.

Mr. Pickens, a Texas oil mogul, reportedly met up with possible investors in New York over the past two weeks, Bloomberg said, as the financier seeks to expand two of his Energy Equity funds.

Mr. Pickens' hedge fund had more than $4 billion at the start of 2008, before the original Energy Fund fell 98 percent and first Energy Equity Fund lost 64 percent.

Earlier this month, Mr. Pickens suspended ambitious plans to build the world's largest wind farm, saying instead that he planned to build three or four smaller wind farms, at a cost of some $2 billion.

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Boone Boosts Energtek – *Seeking Alpha* – 7/20/09

The domestic natural gas industry has fallen on hard times due to a supply glut and a sharp fall in commodity prices over the course of the last year, but with last week's latest news things are beginning to look up again. T. Boone Pickens, the long time crude oil bull turned alternative energy maven, has begun working on legislation that is gathering very impressive bipartisan support. The conveniently named NAT GAS Act (New Alternative Transportation to Give Americans Solutions) was introduced by Pickens along with Senate Majority Leader Harry Reid (D-NV), Senator Robert Menendez (D-NJ), and Senator Orrin Hatch (R-UT) in a letter to President Barack Obama on July 8th, 2009. The group's legislation provides a real fundamental shift in the way investors should analyze natural gas companies, especially those in the natural gas transportation industry such as Energtek, Inc. EGTK.PK.

This proposed bill represents one of the final stages of Boone's "Picken's Plan" to free the United States from economically and politically crippling foreign crude oil imports. Listed below are some of the aspects of the bill that I believe have an above average chance of being put into law, especially when considering all of the first stimulus funds have not been spent and that there is growing talk of a second stimulus package.

- Makes all dedicated natural gas-fueled vehicles eligible for a credit equal to 80% of the vehicle's incremental cost. Only some dedicated natural gas vehicles currently can qualify for an 80% federal tax credit
- Makes all bi-fuel natural gas-fueled vehicles eligible for a credit equal to 50% of the vehicle's incremental cost. This is the first time bi-fuel vehicles would be eligible for a federal tax credit
- Increase the allowable incremental cost limits to more accurately reflect the cost of producing or converting natural gas vehicles:
- For light-duty vehicles, the purchase tax credit cap would be increased to $12,500 (currently $5,000)
- For all other vehicle weight classes, the purchase tax credit cap would be doubled
- Increases the refueling property tax credit from $50,000 to $100,000 per station
- Allows the natural gas vehicle and natural gas fueling infrastructure credits to be transferred by the taxpayer back to the seller or to the lessor
- Allows state and local governmental entities to issue tax exempt bonds in order to finance natural gas vehicle projects
- Allows 100% of the cost of a natural gas vehicle manufacturing facility that is placed in service before January 1, 2015 to be expensed and to be treated as a deduction in the taxable year in which the facility was placed in service. This decreases to 50% after December 31, 2014 and is phased out by January 1, 2020
- Requires that when complying with mandatory federal fleet alternative fuel vehicle purchase requirements, federal agencies shall purchase dedicated alternative fuel vehicles unless the agency can show that alternative fuel is unavailable or that purchasing such vehicles would be impractical
- Provides for grants for light- and heavy-duty natural gas engine development

As you can see, all of these measures are constructed to spur demand for natural gas transportation, consumer natural gas demand, and fueling station infrastructure. Energtek classifies itself as a company that "provides proprietary solutions to meet the technical, economical and logistical challenges of Natural Gas (NG) delivery for vehicles worldwide, with a major focus on the 2- and 3-wheel vehicles market, and on Bulk Transportation markets." The reason this type of bill would be so valuable to a company like Energtek is because it will create incentives for consumers to purchase products that are made up of or benefit from products Energtek produces at little to no additional cost to either the consumer or Energtek. With the green movement gaining steam rapidly over the last few years, what reason would a consumer have to not use natural gas based transportation when the government will gladly foot most of if not all of the bill for you?

One of the ways I like to fundamentally track the relative value of natural gas is through its historical trading spread compared to crude oil. This can be useful for short and intermediate term investing as the spreads between these commodities will more than likely revert back to the mean over long periods of time barring any huge fundamental shift. The current spread is 17.27:1 in terms of the price of a barrel of crude oil to the price of a Mcfe (thousand cubic feet equivalent) of natural gas.

From 1980 to today, this spread has averaged closer to 8.5:1. Based on the amount of energy found in each of these units, in this case BTUs (British Thermal Units), crude oil only holds 5.8 times the energy as a unit of natural gas. This tells us that on a historical basis, natural gas is close to the most undervalued relative to crude oil that it has been over the course of the last three decades. Obviously the current economic environment has created a depressed market for natural gas to allow investors to take advantage of this tremendous long term opportunity, but there is no guarantee that this opportunity will remain as attractive for any extended period of time.

Even with the overwhelming bullish sentiment from Washington, investors, analysts, and environmentalists, there are still many risks when investing in a company like Energtek. Firstly, Energtek is a micro-capitalization company that will be more susceptible to market fluctuations based on size alone. Secondly, the current domestic supply glut of natural gas does not look like it will clear up any time soon based on the storage data that has been reported over the course of the last three months. Thirdly, the company is still very young and in a developmental stage leaving the risk of failure without successful product innovation and financial prudence.

Before investing I would highly recommend reading through the company's latest 10-K and two latest 8-K disclosures through the S.E.C. It is important to note the company's employee stock based compensation package and the fact that Energtek has yet to turn a profit during any quarter of its operation. These are two fairly common characteristics of start-up type companies and shouldn't be very alarming to investors as long as they are duly noted. Energtek definitely is the type of company that has the wind at its back but it will need to execute on a high level to achieve the success its investors are seeking.

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June's Imported Oil Level Highest in 2009 – *Capital Solutions Bancorp* – 7/20/09

Despite the recent introduction of the Natural Gas Act in the Senate, the level of imported oil grew by 13 percent in June, announced energy expert T. Boone Pickens last week.

The latest figures from the U.S. Department of Energy's Energy Information Administration (EIA) show that 64 percent of America's oil - adding up to 354 million barrels - was imported by foreign oil providers in June, said Pickens.

For the overseas oil business, financing from the United States reached $24.7 billion in June, marking a 13 percent increase from May's $21.6 billion.

June's imported oil level was the highest so far in 2009, Pickens reported.

"The amount of oil we import each month remains the largest threat to our national and economic security," said Pickens. "Americans know that we cannot continue to be susceptible to the dramatic fluctuations and manipulations in oil price and the impact that has on them at the pump."

This week will see a more detailed snapshot of the oil and gas industry, as several oil-service firms announce their second-quarter results.

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BROADCAST COVERAGE

1. Money For Breakfast DMA: N/A
Fox Business Network (---) National
07/20/2009 08:00 AM - 09:00 AM

[CC] 00:45:27 (Guest is Peter Mandelstam of Bluewater Wind)...Alexis: what are these contracts going to entitle you to do? The **wind** farm contract will allow me to build two utility scale **wind** farms, 225,000 households will get their electricity from these projects. The federal leases will allow me to put up the m eteorological towers to survey the **wind** and tell investors what the **wind** will be. Alexis: the investment, the costs are much greater than the initial layout. Walk me through the expenses. **Wind** is a challenging technology. These two projects will be about $2. 8 billion in total capital cost. We will put that money out with our investors on day one and get revenue of the 25 year life of those 2 contracts. Alexis: in order to fund those on day one, you have to incentive consumers that this is the right source of **energy** up front to pay for that 25 year investment. How is that going? Those are the 2 contracts I won in Delaware and New Jersey. It is interesting, utilities are classic short-term, they work from quarter to quarter, we all respect that but what the federal government is saying, what the state government says is we want to do with a different way, we want a long-term, stable price. So Bluewater competed and won against a **gas** plant and cold plant and the public agencies in Delaware said let's do a different way, let's have long-term guaranteed prices. The price is guaranteed every hour for 25 years. Alexis: the investment is getting the parent company, the one on come to fruition, you have to raise a lot of money. How long do you have to raise that and do you think you will you get it? You have guys like **T**. **Boone Pickens** just last week saying I am giving up, he is an investor in **natural gas**, and **natural gas** prices declining, but the upward battle is difficult. You are right-I know **T. Boone's** people. .What is interesting about what is going on in the east as opposed to Texas is .in the east it is driven by stable prices and green jobs.. 00:47:23

[CC] 00:49:22 Here is Charles Payne and he has today Charle's choice . By the way I interviewed **T**. **Boone Pickens** a few weeks ago. He says he is not giving up, just that the plan will not be as large as he thought it would be. I would be remiss if I didn'**t** say that or he would definitely give us a call. 00:51:02

2. The World Of John Williams **DMA: 3**
WGN-AM 720 (IND) Chicago **Spot Cost: $814**
07/20/2009 07:00 AM - 08:00 AM **Est. Audience: 135,800**

00:18:00 **T Boone Pickens** is on the WGN newline with us. The question as I posed it, in Saudi Arabia still cost less than five dollars including exploration and labor and everything to bring a barrel of oil to the surface why on the New York Mercantile Exchange are they quoting prices over sixty four dollars a barrel ?... Greg,where did you get that 5 dollar number? ... I get that from the American Petroleum Institute .I also looked at a variety of different sources ... ...so I know a little bit about oil... Greg, I think you are looking at production costs on that ...I think the Saudis are claiming their costs are closer to 40 -50 dollars a barrel.,..Why are we paying 64 dollars a barrel? Is it because of speculation? No. Around the world total the total global supply is 85 million barrels and that declines at a rate of 8 percent year...we flatlined for 5 years so now get ready...you will really feel it..the people with the oil are going to tell you what you are going to pay for it..we are a sitting duck.that is the saddest part of all for America.....but if we get natural gas into the heavy duty equipment , you will have a resource where you can compete...(interview continues) 00:19:59

3. The World Of John Williams **DMA: 3**
WGN-AM 720 (IND) Chicago **Spot Cost: $814**
07/20/2009 06:00 AM - 07:00 AM **Est. Audience: 135,800**

00:28:00 a lot more to come...and **T Boone Pickens** ..did you know that it costs less than five dollars to get a barrel of **oil** to the surface. Why does it cost you so much at the pump? 00:29:59

00:58:00 Do you wonder if it costs only 5 dollars a barrel to get oil to the surface in Saudi Arabia, you are charged 64 dollars here at the Mercantile Exchange. Find out... **T Boone Pickens** is on at 7:12 00:59:59