Under the Radar Energy Plays for Growth and Income

Elliott H. Gue

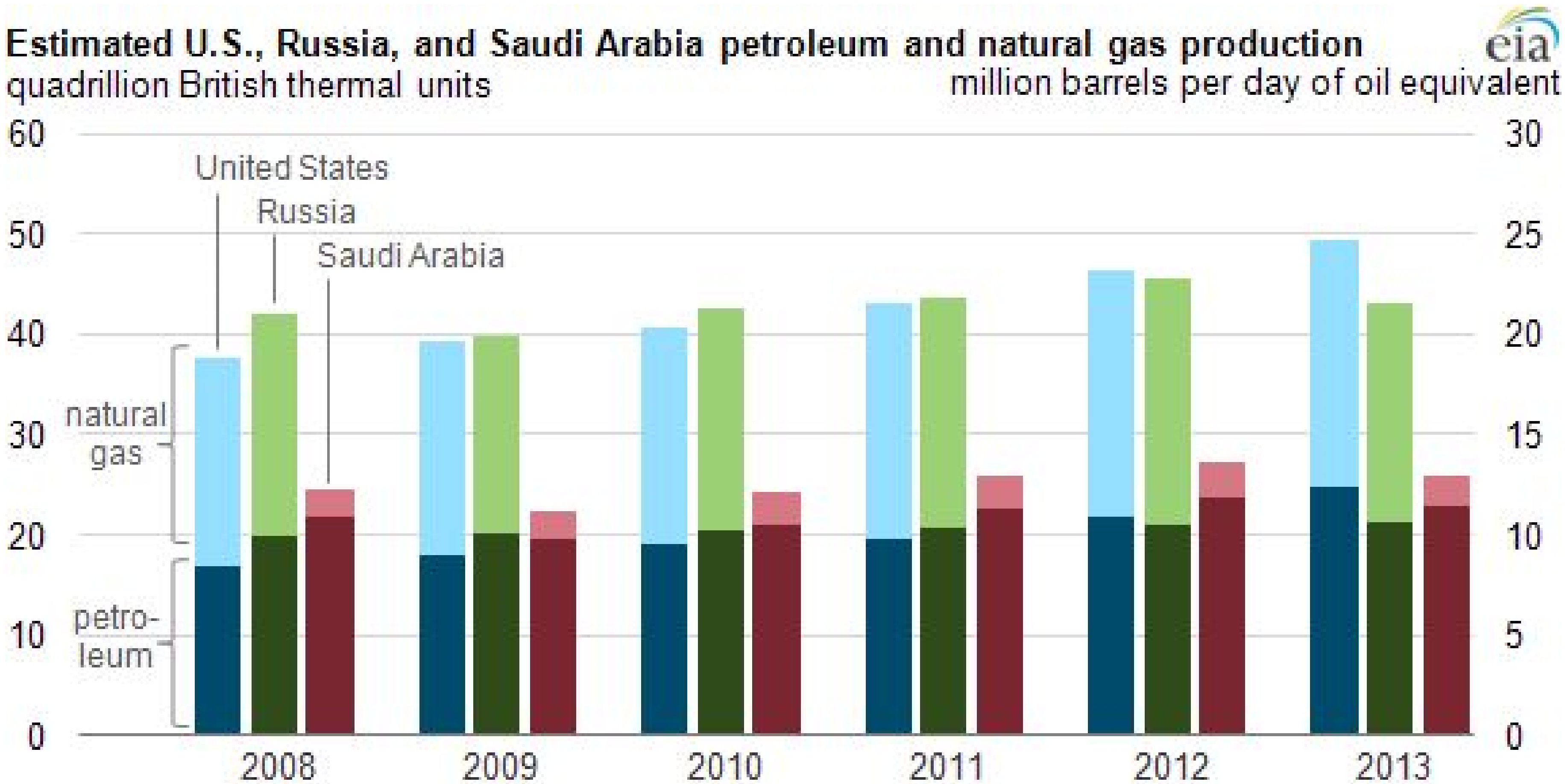
January 30, 2014

Service@CapitalistTimes.com

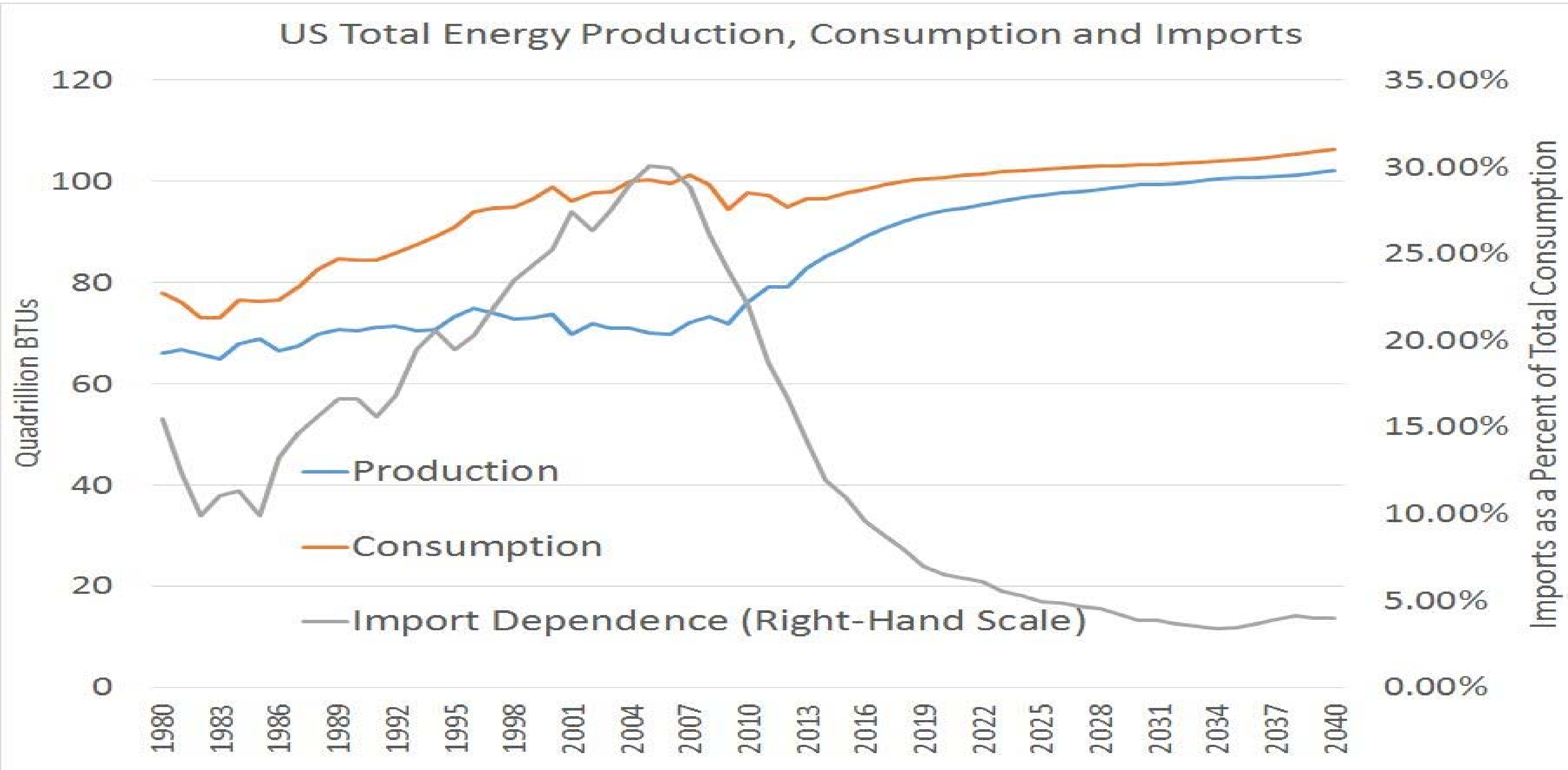
1-888-960-2759

Special Show Discount Code: gue2014

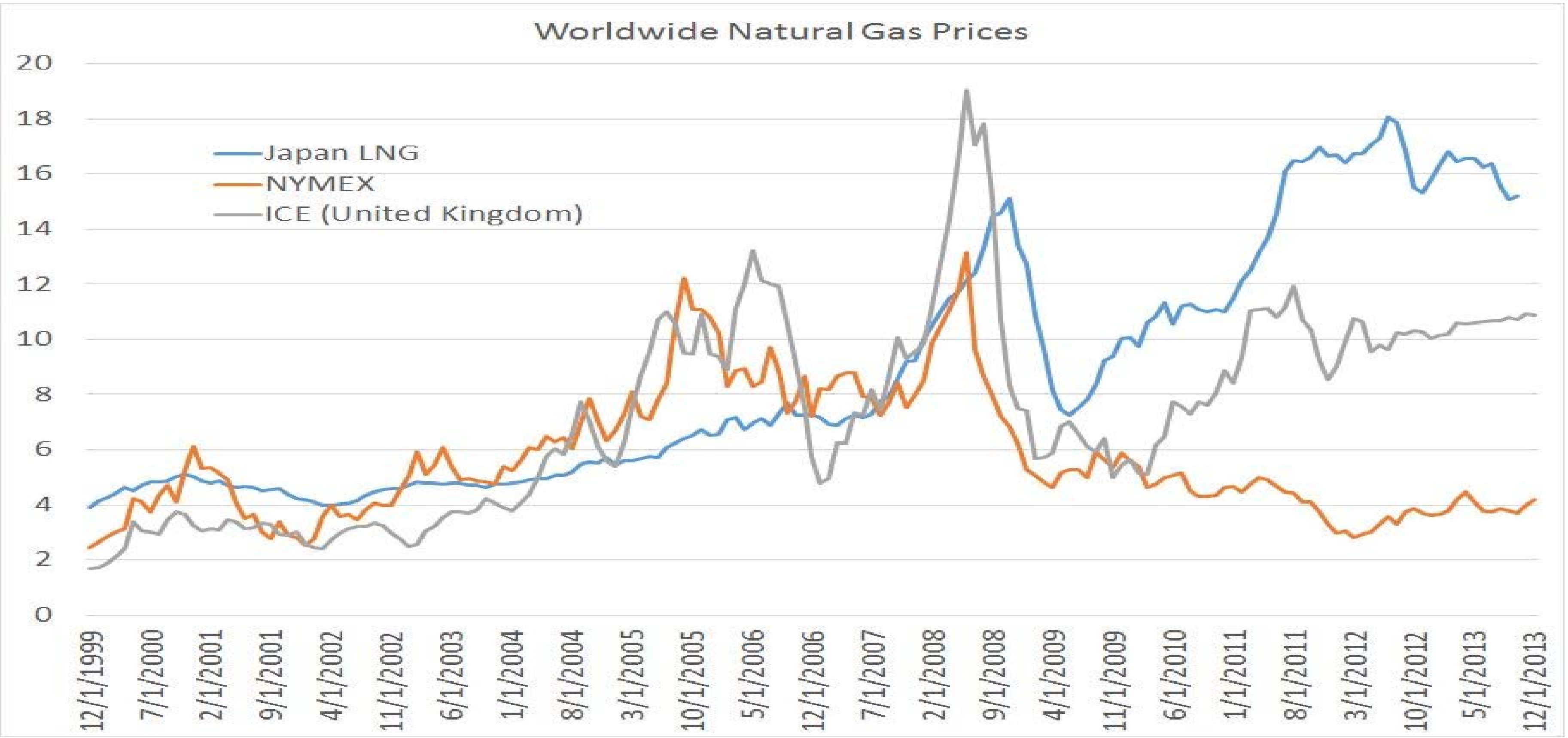
The World's Largest Oil and Gas Producer



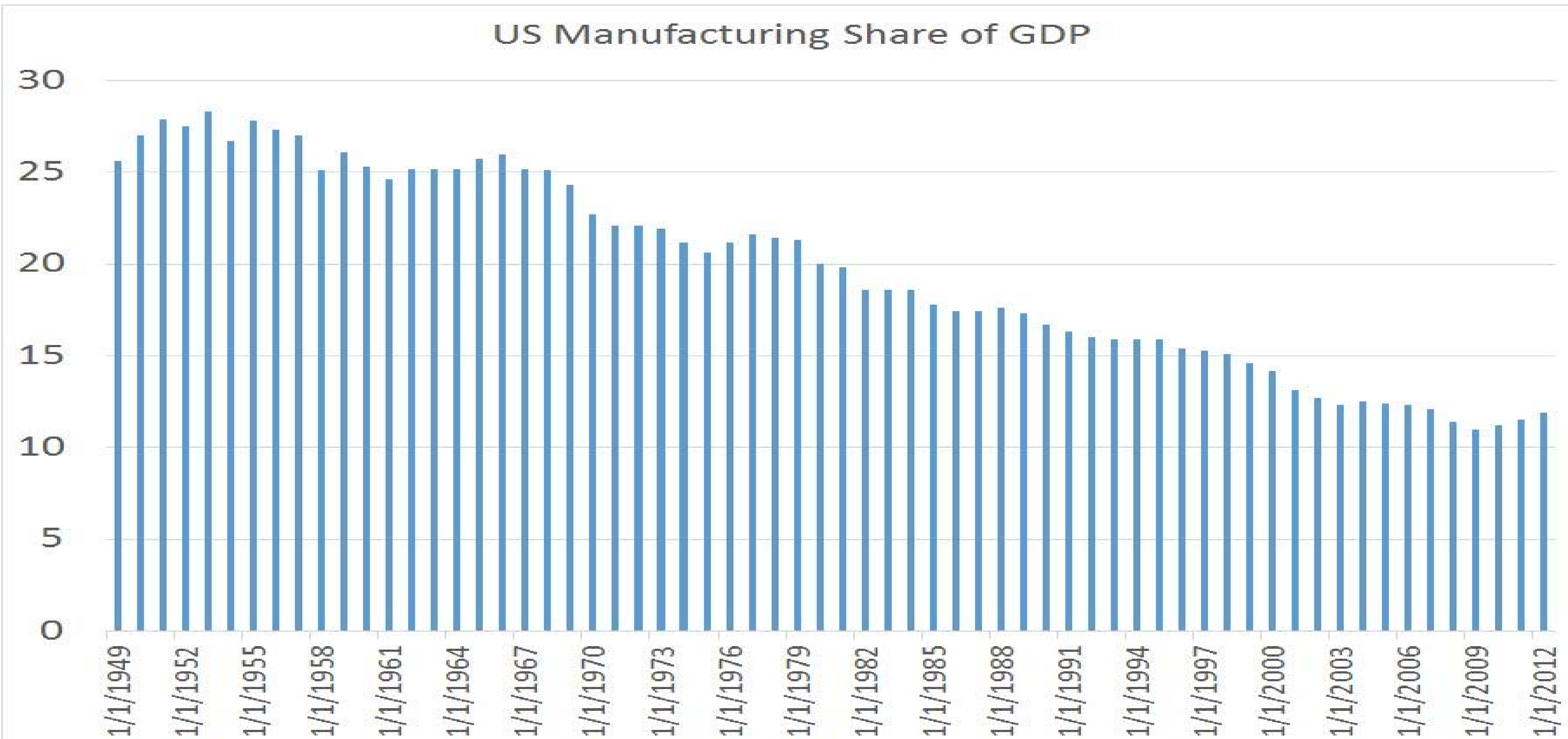
US Energy Liberty Day is Approaching



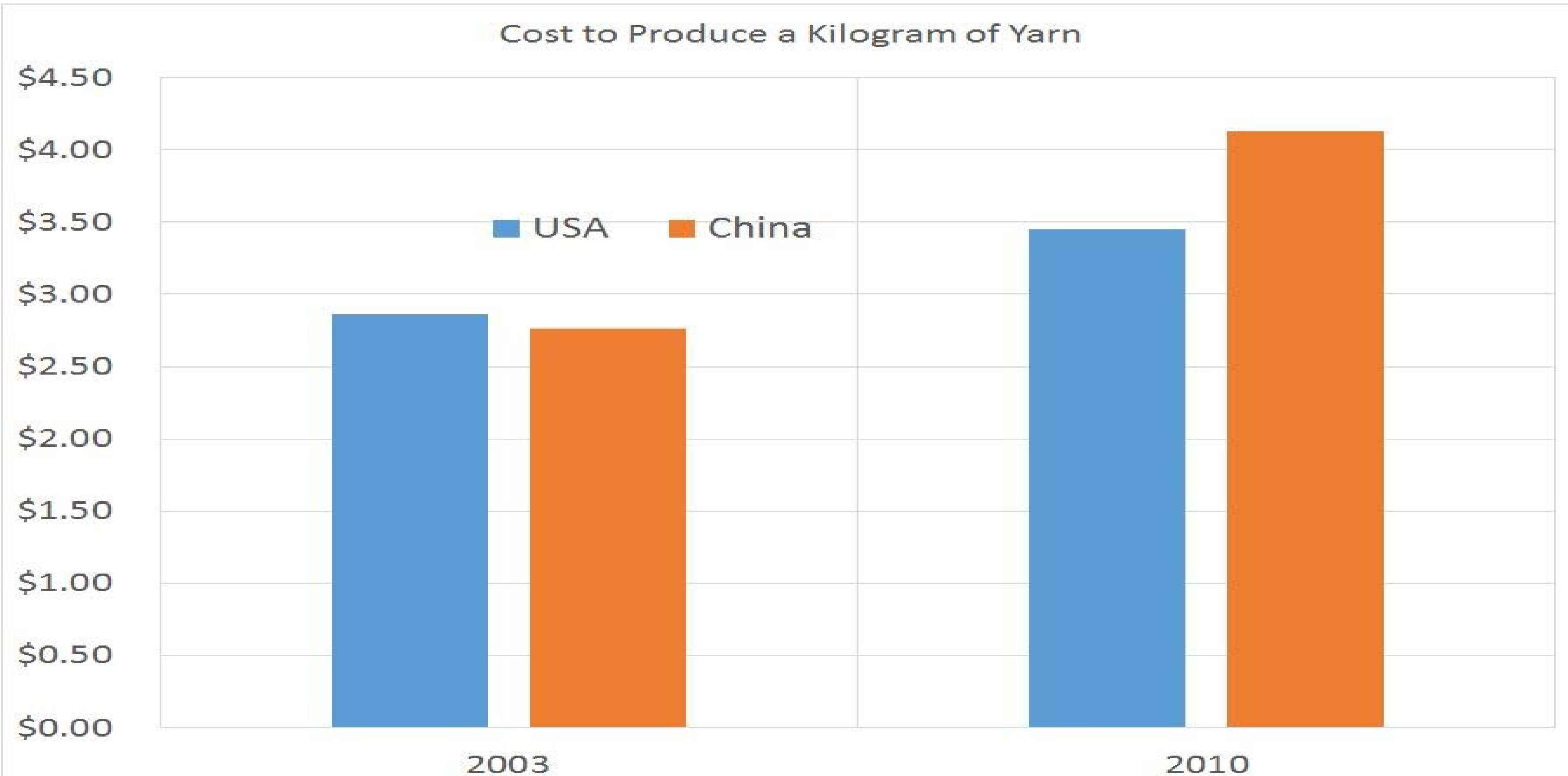
US Enjoys Cheap Gas and Electricity Prices



The US Manufacturing Renaissance

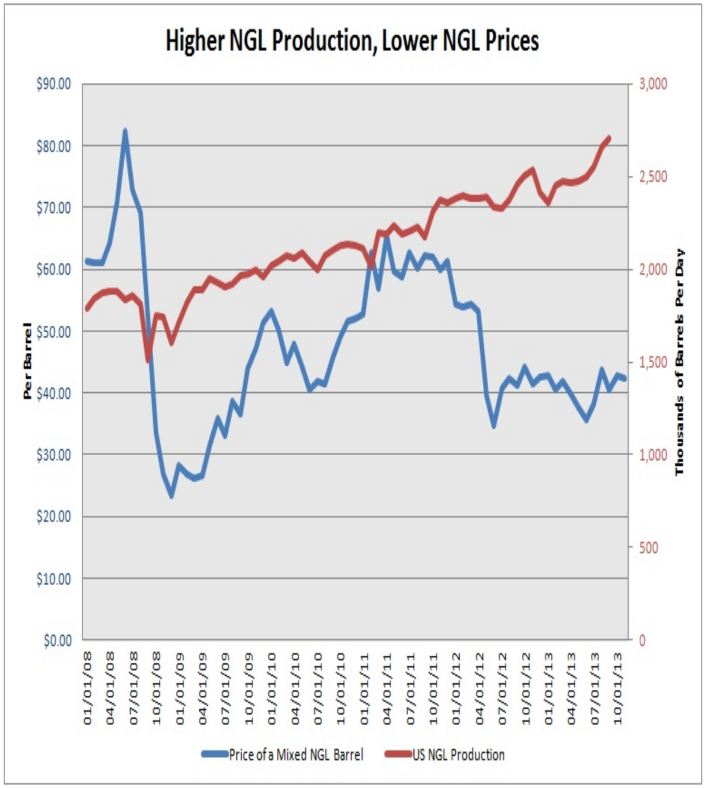


It’s Morning in America

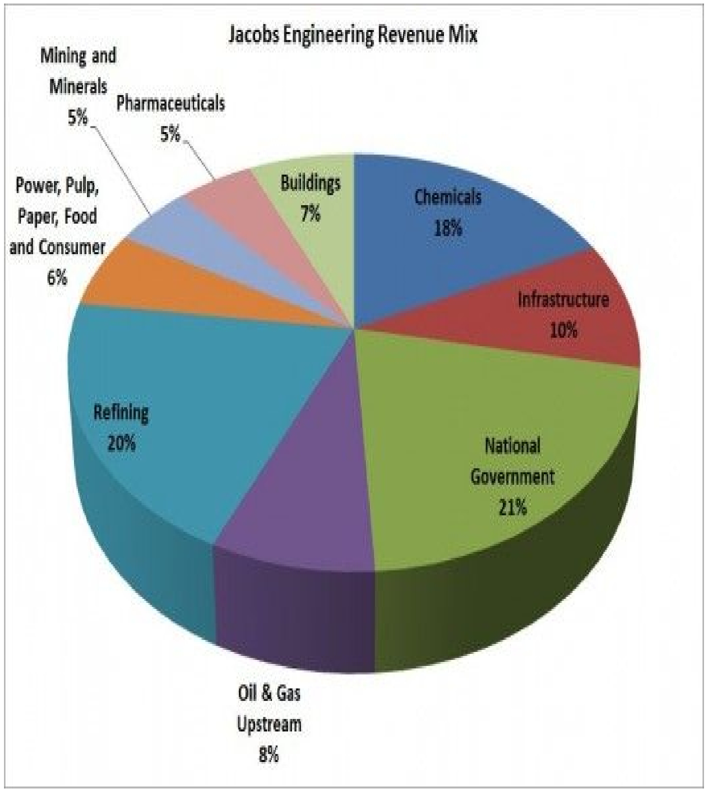


LyondellBasell Industries (NYSE: LYB)

- 80 percent of Companies EBITDA benefits from favorable US NGLs prices.
- Ethane cracking capacity to expand in 2014-2015, before competition.
- Using NGLs imported from USA to reduce EU costs
- Near 3% yield and share buybacks

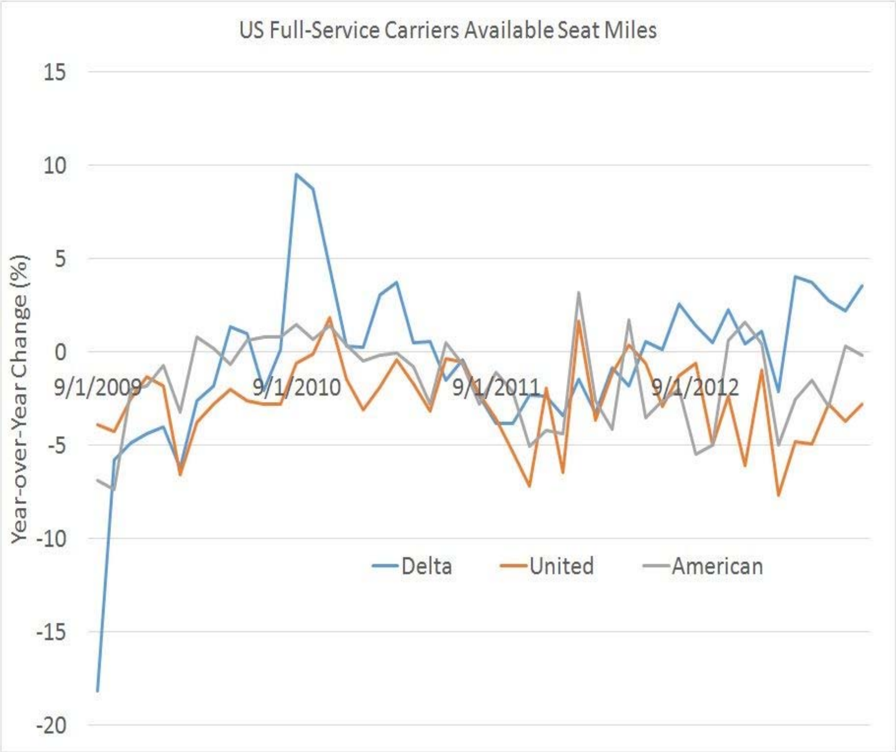


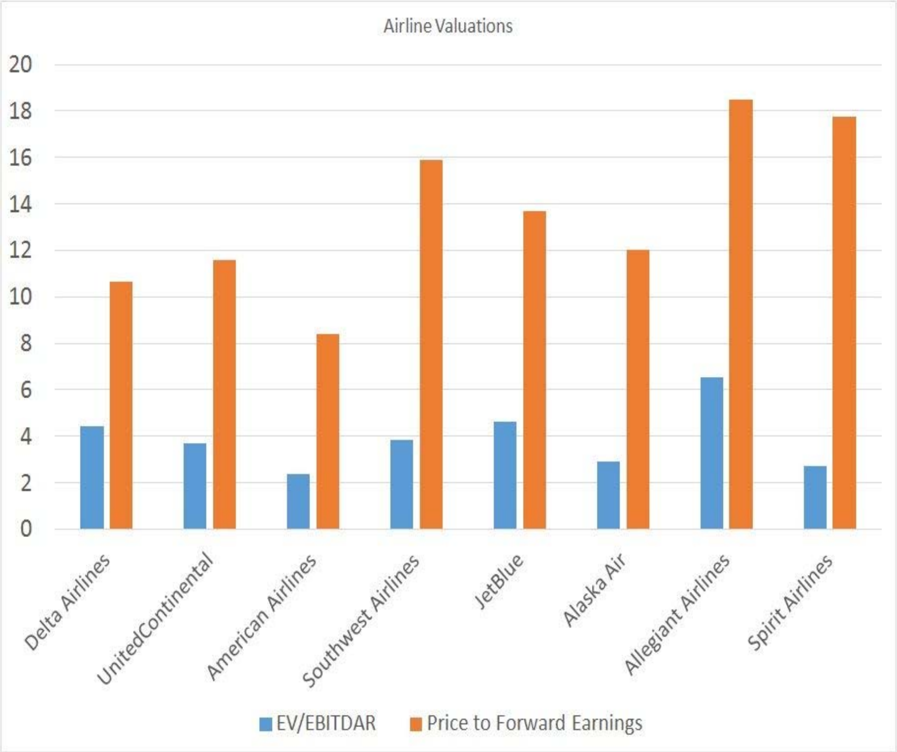
Jacob's Engineering Group (NYSE: JEC)



- Consulting firm IHS expects US chemicals producers to add $120 billion in new CAPEX between 2013-2030.
- Company builds infrastructure related to refining and chemicals plants.

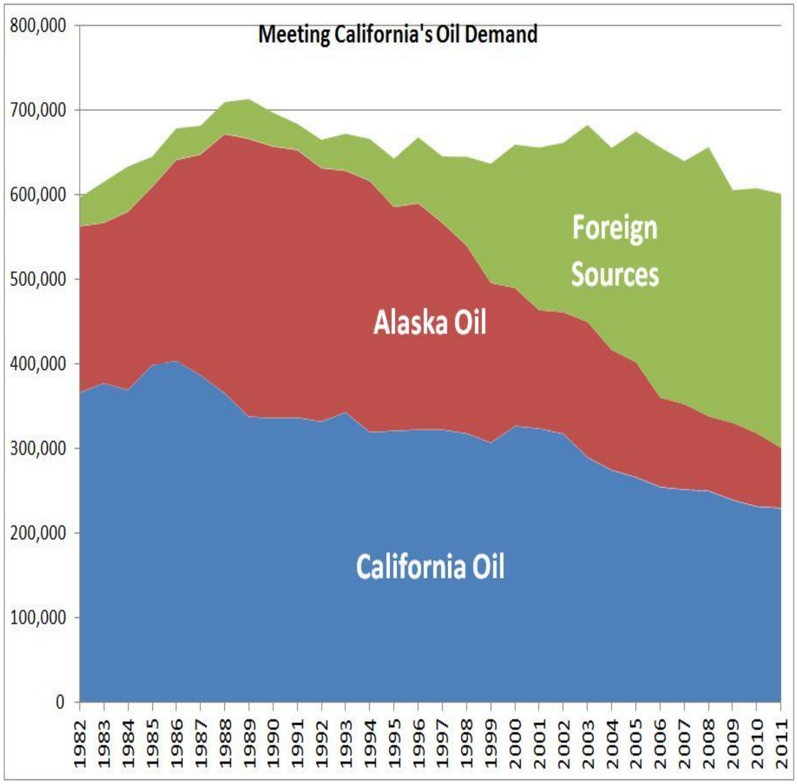
American Airlines (NYSE: AAL)





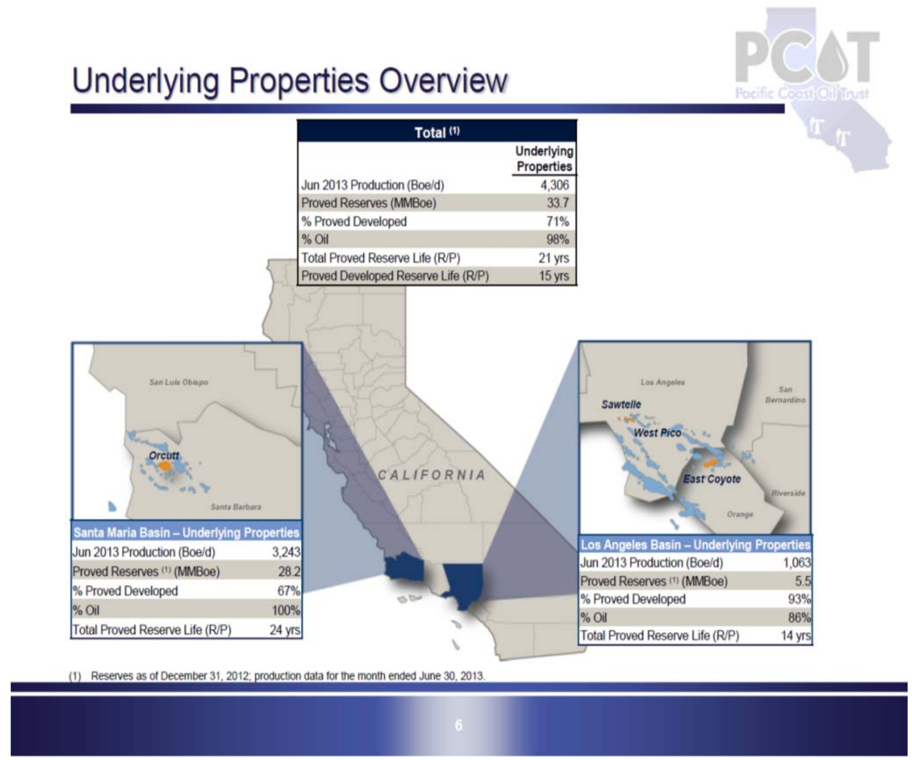
California is . . . . .Different

Oil Field	Discovery Date	Oil Production*
Midway-Sunset	1894	30.6
Kern River	1899	26.8
Belridge, South	1911	25.2
Elk Hills	1911	14.2
Cymric	1909	13.1
Wilmington	1932	13
Lost Hills	1910	11.2
San Ardo	1947	6.8
Coalinga	1890	5.6
Ventura	1919	5.1
*Million barrels.		

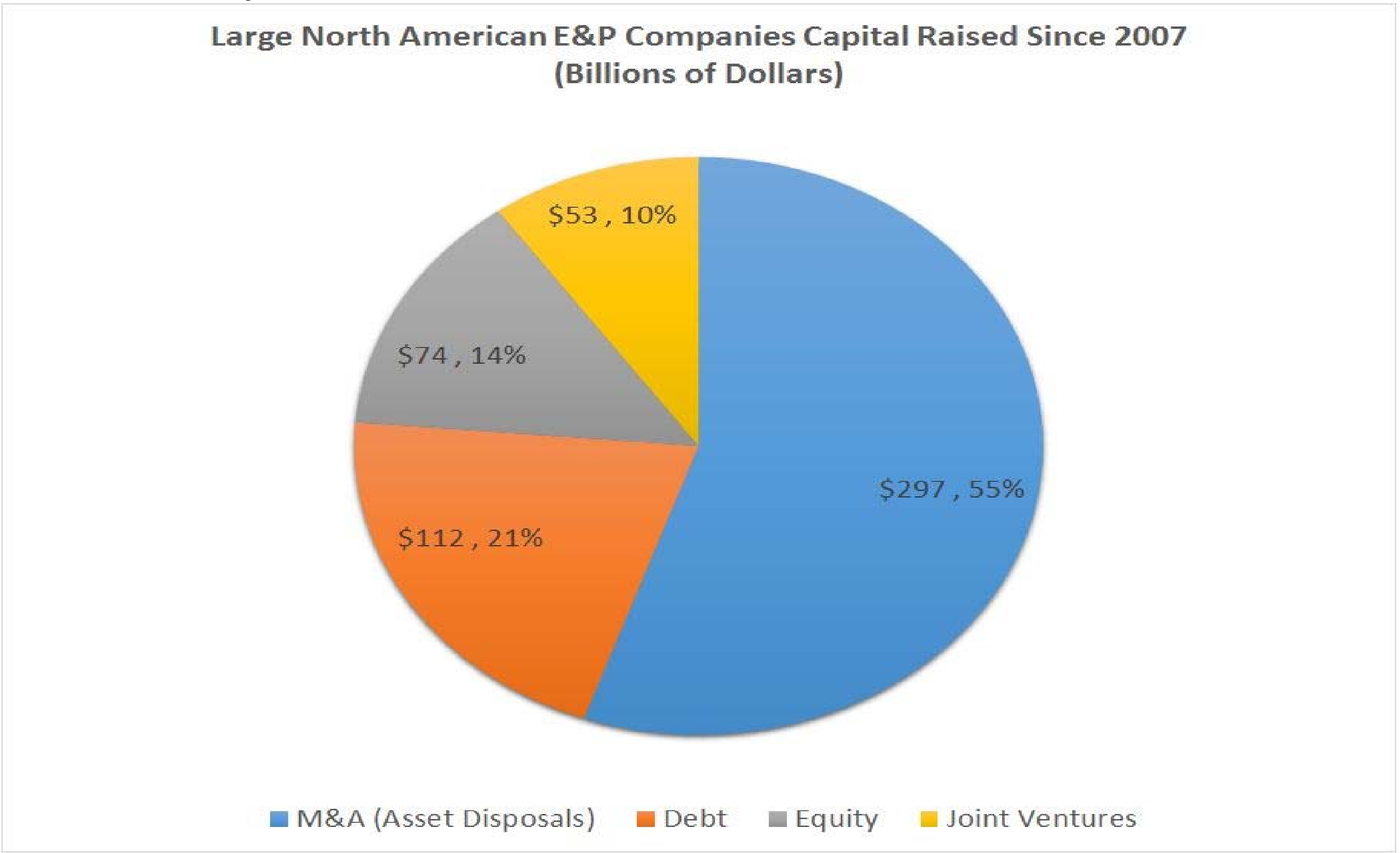


Pacific Coast Oil Trust (ROYT)

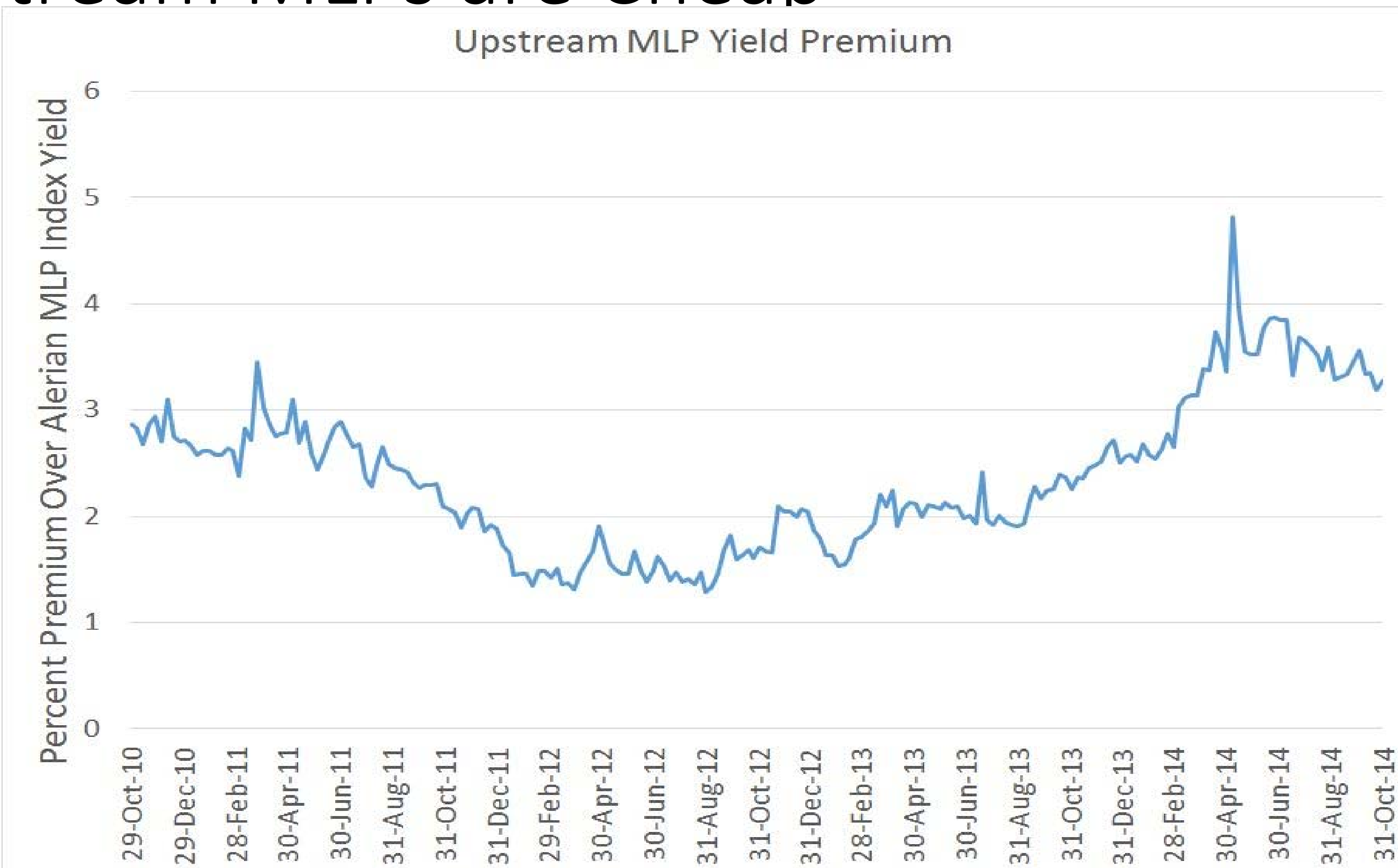
- Perpetual trust with an 11.7 percent yield.
- Produces 98 percent crude oil.
- Southern California fields are mature and have a low decline rate, often well under 5%.
- 80% interest in developed properties.
- 25% royalty interest in Diatomite formation.
- Active waterfloods and steamfloods



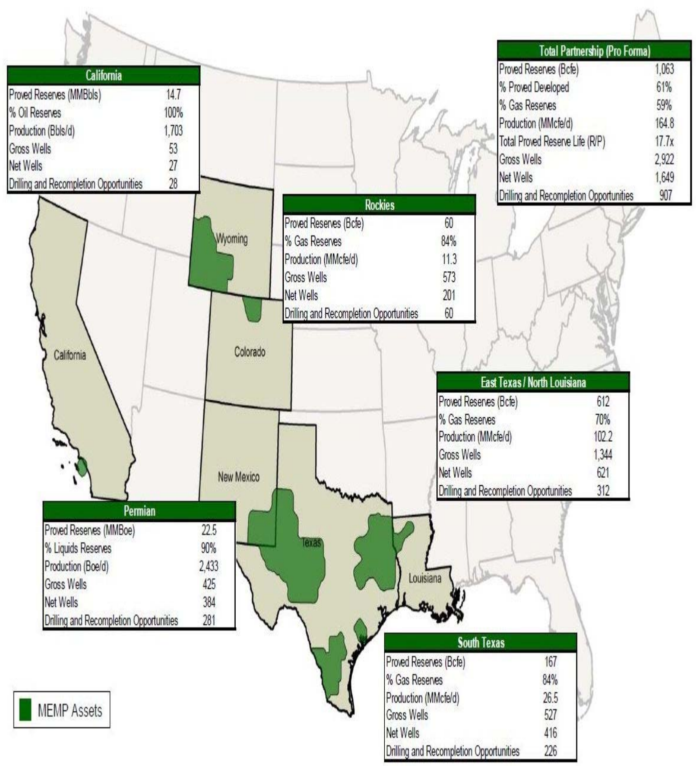
Shale is Expensive



Upstream MLPs are Cheap

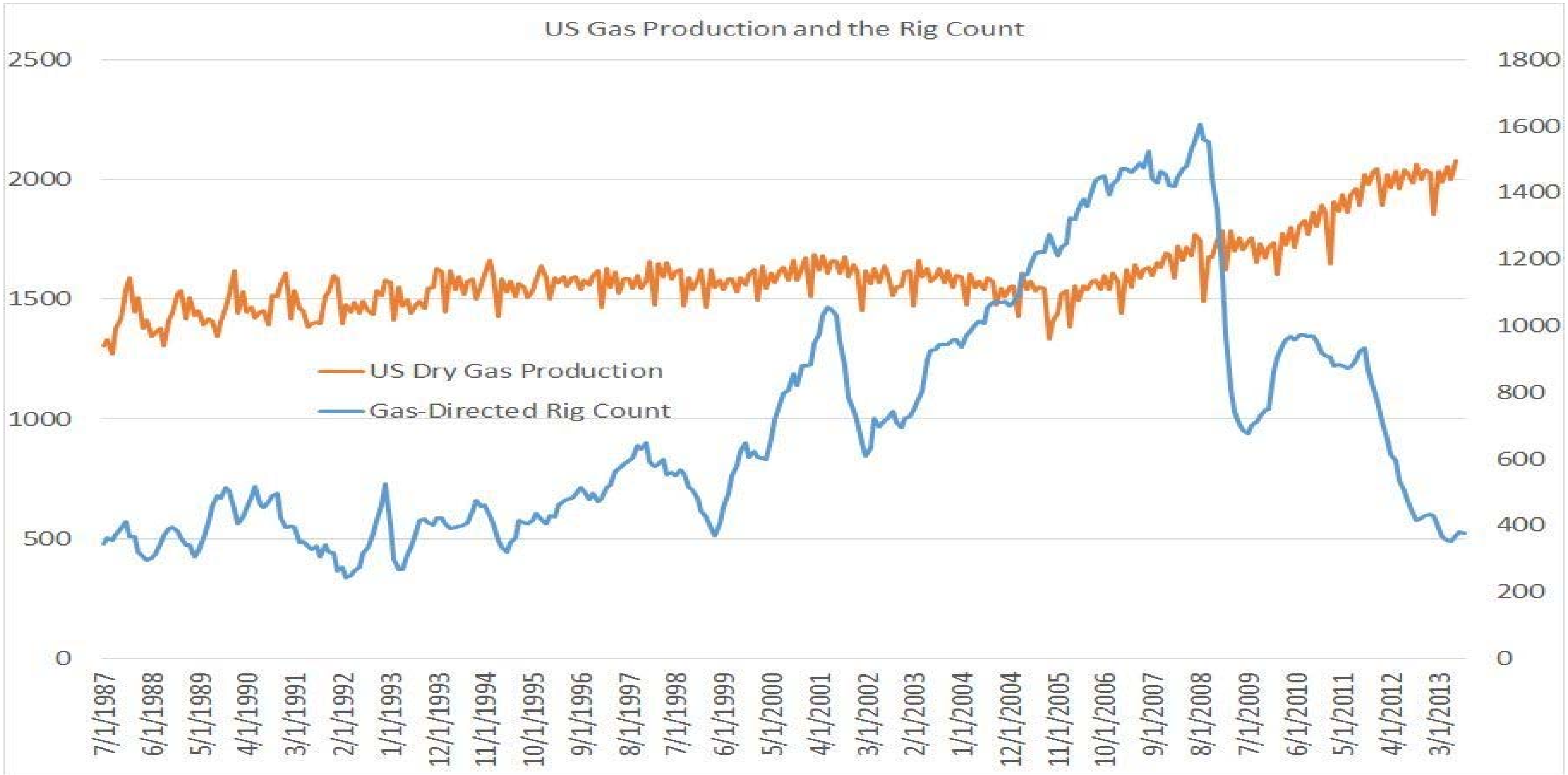


Memorial Production Partners (MEMP)

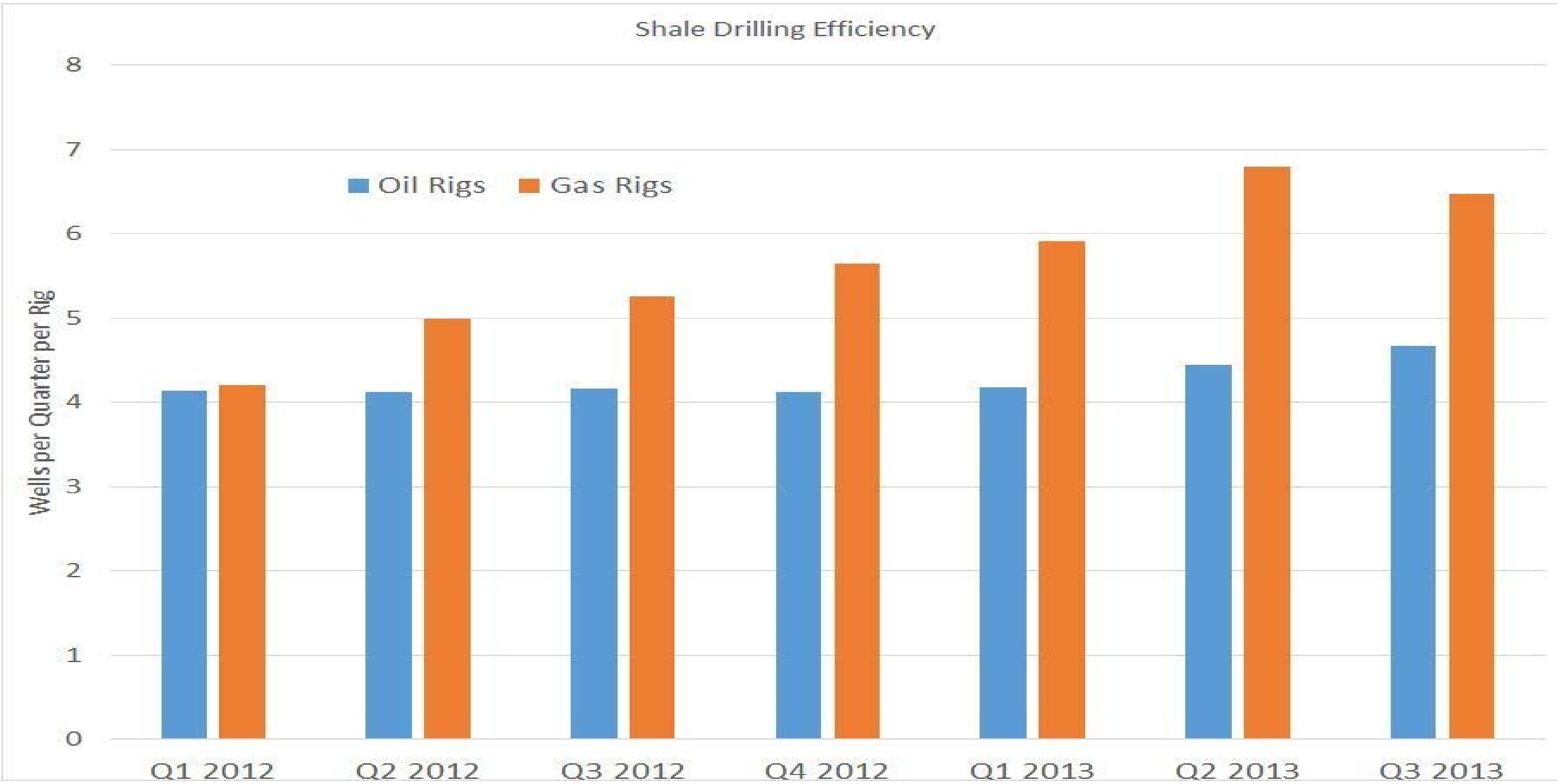


- Enterprise Value of $1.9 billion, one of the smaller upstream MLPs.
- Heavy hedge book: 83% of 2014 production, 79% ’15, 62% ‘16, 50% ’17 and ‘18, 33% in ’19
- Memorial Resource Development 1TCFE of Drop-Down Potential
- 10% Yield

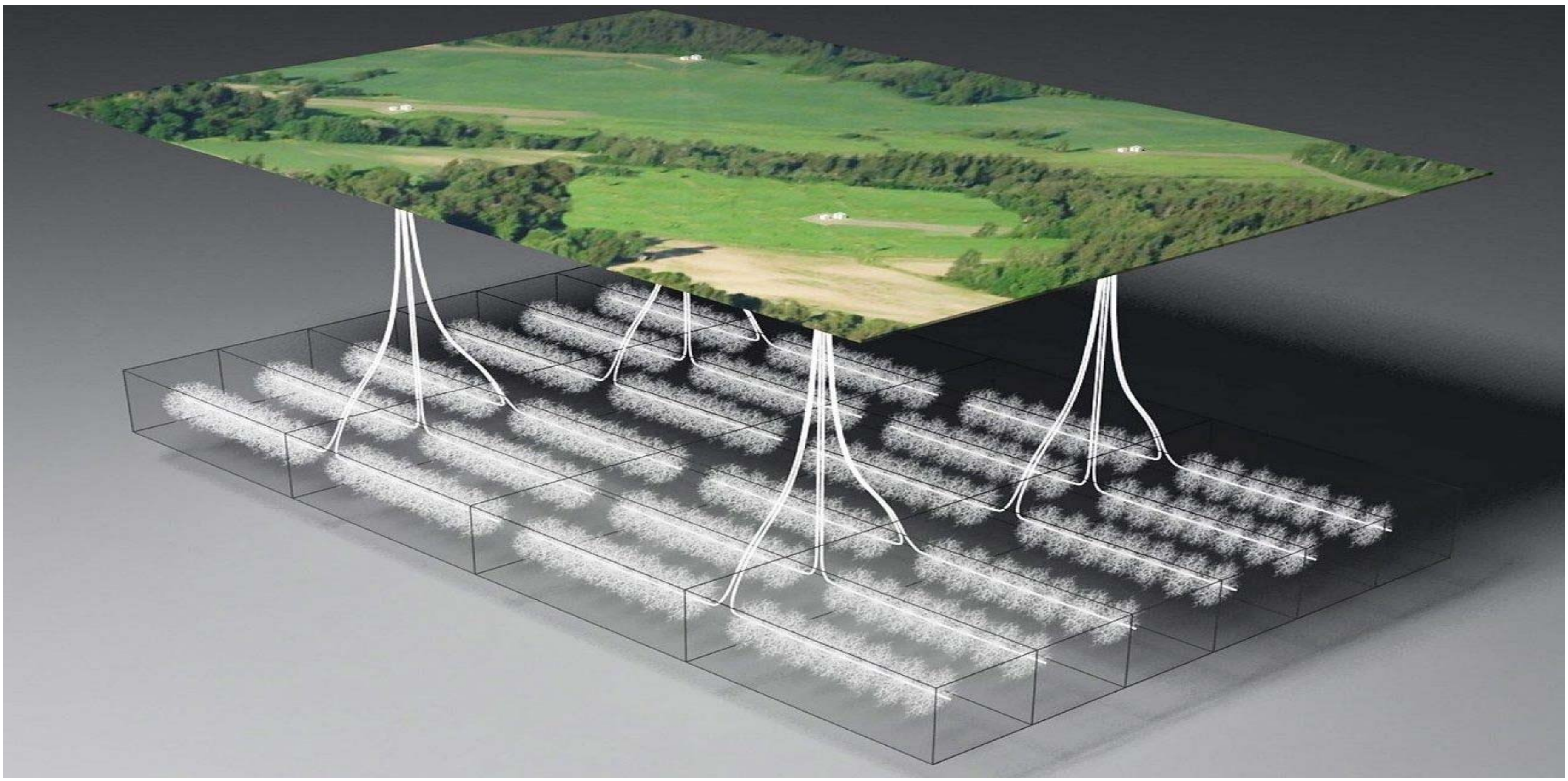
More Gas With Fewer Rigs



Drilling Efficiency Gas and Oil

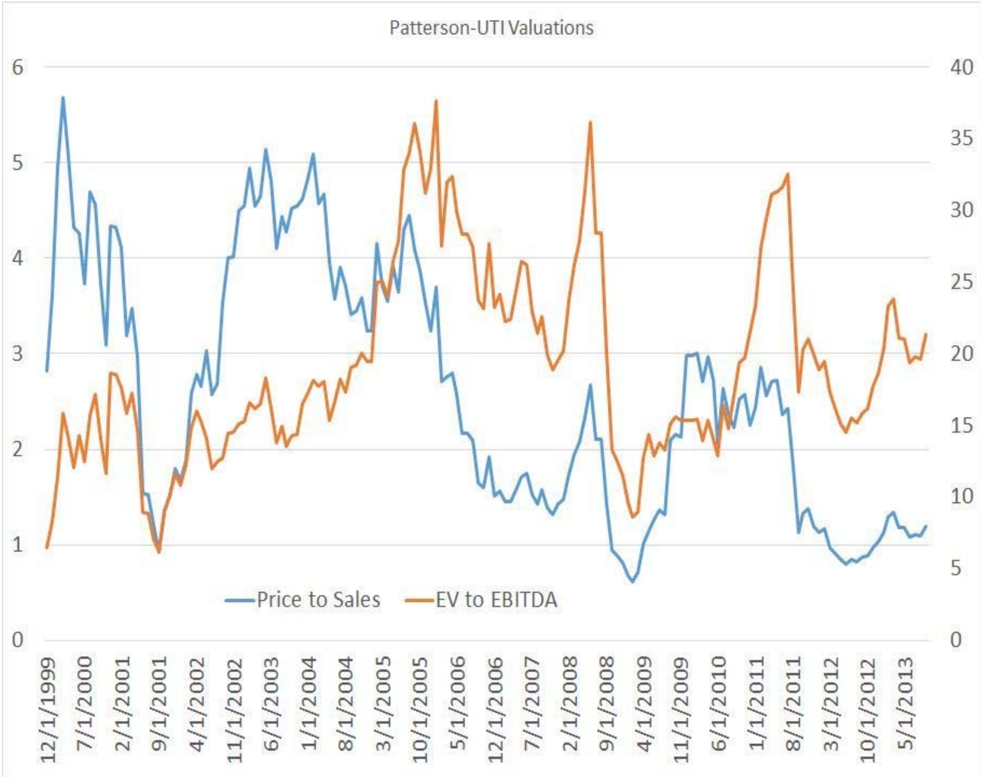


Launch Pad for Growth



Patterson-UTI (NSDQ: PTEN)

- 60% of revenues from contract drilling, 40% from pressure pumping
- 300 working rigs
- 2009: 75% of rigs mechanical, 2013: more than 50% electric, 126 rigs APEX.
- 6 New APEX Rigs (all "Walking") in 2H 2013, 12 in 1H 2014



Under the Radar Energy Plays for Growth and Income

Elliott H. Gue

Service@CapitalistTimes.com

1-888-960-2759