

# The New Energy Revolution: Why Certain Energy Stocks Are About To Make Some Investors Very Wealthy



*"Energy will be one of the defining issues of this century, and one thing is clear: the era of easy oil is over."*

-David J. O'Reilly, Chairman & CEO, Chevron Corporation

John D. Rockefeller. J. Paul Getty. Stephen Harkness. H.L. Hunt. Edward Doheny.

What do all these men have in common?

They all made their fortune in the booming energy sector...

At the turn of the 20<sup>th</sup> century, the oil industry created millionaire after millionaire. From wildcatters who found the oil to processors who converted it into usable products.

**The industry spewed money like a newly struck oil well.**

Consider this... oil man John D. Rockefeller created his fortune by founding Standard Oil. Even by today's standards, he is considered to be the richest man to ever walk the face of the earth.

The 1901 oil strike at Spindletop kicked off the Texas Oil Boom, and fueled economic growth throughout the United States. Companies playing a part in the early development of the energy industry were able to capture huge profits... and in the process made their shareholders very, very rich.



**Right now we're seeing a similar - yet much larger - opportunity take shape.**

Global demand for energy is rapidly growing. And our current energy supply just can't keep up. It's economics 101. Demand exceeds supply *and prices explode higher.*

We call this the *New Energy Revolution*. **It's a multi-billion dollar opportunity... and right now we're in the first inning.**

Energy companies meeting all this new demand will gather profits by the barrelful. And if you're invested in the right stocks you'll participate in the coming windfall!

I'll touch on which stocks you'll need to be in shortly. But first, let's look at what's fueling the world's insatiable demand for energy...

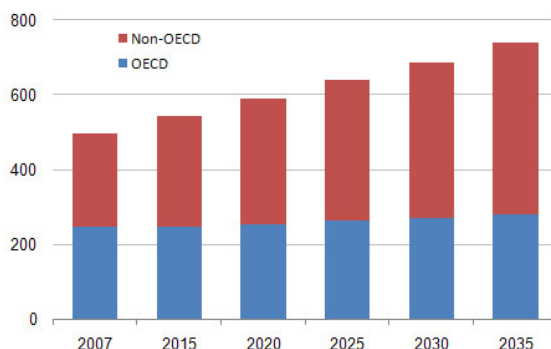
## Energy Demand Is Out Of Control

It's no secret the demand for energy is skyrocketing. Demand's climbing not only in developed countries like the US and Europe, but in emerging markets as well.

*"In Asia today, electrical demand is growing so fast that governments in China and India have essentially declared a state of emergency..."* **Paul Roberts Author "The End Of Oil"**

According to the U.S. Energy Information Administration, energy consumption will increase by over 49% within the next 25 years.

Figure 1. World marketed energy consumption



That may not sound like a lot, but believe me, that's a HUGE increase. Not to mention that this figure is very conservative according to many industry experts. The actual increase in demand stands to be much higher.

Either way, the world is going to start using a great deal more energy in the future than it is now!

Consider the United States... the largest user of energy in the world. We have less than 5% of the world's population, but burn through 25% of the world's energy.

Economies around the world are heading down the same path. Countries are trying to stimulate economic growth just like the United States... and that tends to push energy consumption to extraordinary new heights.

Just look at the data published by worldbank.org. The table below shows energy consumption on a per capita basis... in other words what one average citizen consumes.

Country	Energy Per Capita (Kg)
United States	7778
Singapore	6968
Australia	5917
Russia	4745
Germany	4231
United Kingdom	3814
World Average	1818
Mexico	1702
<b>China</b>	<b>1433</b>
Brazil	1191
Indonesia	803
<b>India</b>	<b>510</b>

As you can see, the United States uses more energy per person than other country on the planet.

No surprise there.

But take a look at the figures for China and India.

According to these numbers, the people in the US use **442% more energy** than the folks in China.

And the difference is even more staggering for India... the average US citizen uses a whopping **1,425% more energy** than the average Indian.

Are you surprised by China and India's low energy consumption?

Don't be. A big portion of the population in China and India are poor. They make their living by farming and through manual labor (meaning they're not out driving SUV's and running television sets!

**But I'm going to let you in on a little secret... that's all about to change...**

Within the next few years almost 700 million Chinese will enter the middle class. (*That's more than double the ENTIRE U.S. population!*) And by 2025, India is expected to see their middle class grow by more than 583 million!

**According to Euromonitor within the next 10 to 15 years more than 1.2 billion people will reach a middle class lifestyle in China and India alone.**

So guess what's going to happen to their energy consumption?

That's right. It's going to absolutely explode!

*"Rapidly emerging markets will account for an overwhelming 85 percent of energy demand growth to 2020, with China alone representing one-third of total growth." -Mckinsley*

Energy demand is soaring and there's no turning back ... but that's just half the picture.

Right now, energy *production* is stretched to the breaking point. And meeting all this demand is going to be very difficult...

## **Why Energy Supply Can't Keep Pace**

Today, more than ever, current energy production simply isn't able to keep pace with demand.

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The supply of oil is a perfect example. According to the US Department of Energy, US oil production peaked in 1970. And many other countries are reaching the end of the line as well.

Nothing exposes the truth better than the climb in oil prices from 2007 to the summer of 2008.



In just 18 months oil prices nearly tripled!

The entire energy industry was pumping oil as fast as they could. Wells were being drilled in record time. Saudi Arabia, the king of oil producers threw open their oil taps. They were producing at peak capacity of 9.6 million barrels a day... **but it wasn't enough.**

Saudi Arabia no longer seemed able to increase their production. Even with oil going for 144 dollars a barrel!

The world simply wasn't getting enough oil out of existing wells. And it wasn't just Saudi Arabia... all over the world oil production was running at full steam... and falling short of demand.

Just look at the industry supply and demand numbers for 2007.

According to the EIA, 86.3 million barrels of oil were used per day. However, supply only reached 84.5 million barrels. **We were upside down by 1.8 million barrels... every day!**

And prices skyrocketed.

Now they did come back down to earth because of the recession and financial crisis...

But the problem was exposed...

Call it “Peak Oil” or whatever you want, but current energy supplies are just not keeping up with demand. **And it’s going to get worse.**

But with every crisis comes opportunity. Companies who are able to meet the growing energy demand stand to profit in a big way... and you can too!

### **The Impact Of Rising Prices**

*“Build a better mousetrap, and the world will beat a path to your door.”*

This famous saying has never been more meaningful than right now. Companies who are able to solve the coming energy problem will not only rack up profits for themselves, but also enrich investors who own their stocks.

And we’re not talking about just short-term profits either; we’re talking about the chance for multi-generational wealth. The kind enjoyed by the oil tycoons I mentioned at the beginning of this report!

Again, the whole thing comes down to economics 101. When demand is climbing and supply can’t keep pace, prices will move in only one direction – UP.

The climbing prices will bring increased attention from the world’s movers and shakers.

Venture capitalists, investors, entrepreneurs, politicians, and governments will sit up and take notice. If you take a closer look at the industry, you can see that’s it’s already happening...

Price increases will lead to windfall profits for 3 different types of energy companies.



First, if the price of oil takes off, everyone dealing with fossil fuels should benefit. We're talking not only about oil companies, but also coal and natural gas companies. And don't forget exploration, shipping, pipeline, and infrastructure companies!

Second, as oil becomes more expensive, that opens the door for alternative energy companies. Sure right now it's expensive developing energy from wind, solar, nuclear, ethanol, biofuels, and fuel cells. But as oil prices climb, these things become more cost effective, and *profitable*.

Alternative energy has gained a little traction as of late, but it's nothing compared to what we'll see in the next few years...

For proof just take a look at China.

China's government plans on spending

**\$738 billion** developing alternative sources of energy in the near future. In addition, they plan on doubling the number of nuclear power plants by 2020. And they already have the world's largest hydroelectric power station- the Three Gorges Dam.



It all points to one thing- profits.

Now before we delve a little deeper into what kinds of stocks you're going to want to buy to take advantage of all this, let's not forget about the last type of company that will benefit from rising energy prices.

Not surprisingly, it will be companies that help make energy *creation* and *use* more efficient.

So we're talking about technology companies that help industry participants squeeze every bit of energy (and therefore profits) out of what they're doing. We're talking about efficiency and conservation here.

Just think what the stock of a company that can make solar panels 35% more efficient will do. Or a company that makes it easier to build smart grids. Or even develop new uses for existing energy sources. The possibilities are endless...

At the end of the day, we're looking at a broad range of solutions to help alleviate the world's addiction to energy. And this broad range of solutions *means investors have a tremendous opportunity to get ahead of the game and establish positions before things really blast off!*

## **So Where Should I Invest To Take Advantage Of All This?**

We find ourselves standing at a crossroads of the energy economy. Huge and growing demand is starting to come online. Our supply of energy is stretched beyond the breaking point. And energy prices are rising all around the globe.

**Starting very soon it shouldn't be too tough to make money in the energy sector!**

But before you just start throwing your hard earned money around willy-nilly, let me say this...

Some stocks in the sector will do *much, much better* than others. You'll do just fine with big, established blue chips like Exxon-Mobil and Chevron...

But the **REAL money** will be made in small- and mid-cap stocks that are now undiscovered by both individual investors and Wall Street alike.

As this energy situation comes to the forefront, these are the companies that will absolutely explode as investment dollars pour into the sector. We've seen it before... and we're about to see it again.

Remember, successful investors are always looking to invest ahead of the herd. By recognizing an opportunity before others, you can set yourself up to generate some extraordinary profits.

And like we said before, this isn't just a short-term trading opportunity... this theme looks like it could play out not only right now, but for many years into the future.

So consider this your wake up call.

Big profits are coming to the energy sector. Now the only question to ask yourself is,



## “Am I ready?”

Sincerely,

Brian Mikes and Justin Bennett  
Editors, *Dynamic Wealth Report*

**P.S.** To help get you ready for the **New Energy Revolution**, we'll be releasing a series of FREE reports that tackle many of the sectors that stand to benefit the most from what's coming.

These reports, covering **oil, coal, natural gas, nuclear energy, and alternative fuels** will not only give you a birds-eye view of that sector, but also include the names of individual stocks you can buy today!

**And remember, these reports will be 100% free.** No information, credit card, or vial of blood required! Keep an eye on your email inbox for those...

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