

## Overview

Coverage in August was down compared to July. Environmental coverage increased in all outlets, but economic coverage dropped significantly, resulting in less oil sands stories overall in August.

Environmental stories of note included acid rain and new techniques for extracting and processing bitumen. Accusations of acid rain in Saskatchewan brought on by oil sands emissions resulted in many negative stories. A new processing technique designed by Shell and Exxon to cut energy and water use and an extraction technique requiring almost no water or power produced positive stories.

Protests once again dominated the environmental coverage of the oil sands in August, while on the economic front the announcement of a deal between PetroChina and Athabasca Oil Sands Corporation began to draw attention.

By a wide margin, the most covered story in August was the approval by the US State Department of Enbridge's Alberta Clipper pipeline. Protests against the pipeline had been one of the key stories in July, and the State Department's approval and resulting environmental backlash kept the Alberta Clipper's profile high for another month.

In economic coverage, relaunched projects and new pipelines resulted in more positive stories than negative or neutral, but no major economic trends emerged until the last day of the month, when the \$1.9 billion deal between Chinese firm PetroChina and medium-range oil sands company Athabasca Oil Sands Corporation was announced. In one day this deal managed to attract more coverage than any other economic oil sands related story did all month.

## Methodology

The media monitoring process used for this report made use of the Google search engine's Google Alerts feature. Each day, the Google engine searched the internet for related stories and delivered the hits in an email. Three search terms were used to guide the internet searches: "oil sands," "oilsands" and "tar sands." The vast majority of sites criticising the oil sands use the more pejorative term "tar sands," so in order to receive a more complete snapshot of public opinion the term was included in the search. Also included in the search was the French term for oil sands, "sables bitumineux," in order to bring in stories from the French language media.

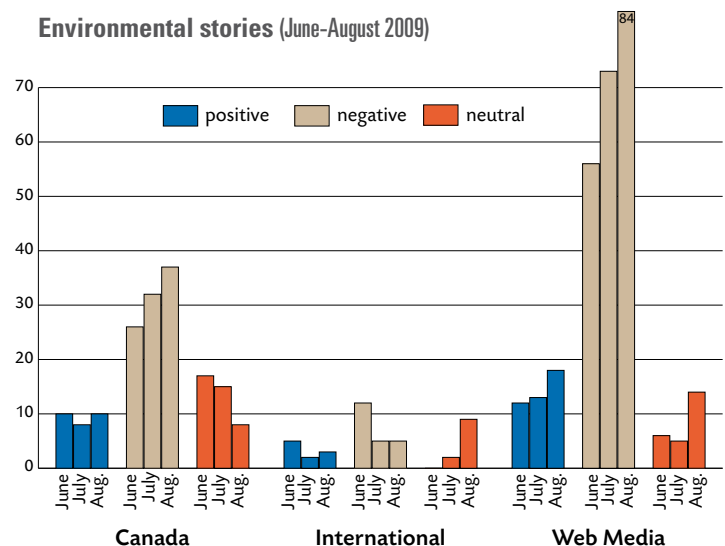
This process brought in several hundred items: once re-posts and stories not connected or only peripherally connected to the oil sands were weeded out, there remained a total of 245 stories over the course of August 2009. These stories were gathered from blogs, environmental and economic websites and media outlets reaching audiences around Canada and the world.

The stories were analyzed and broken into two categories: environmental and economic. Stories that portrayed the oil sands in a positive light through their contribution to the Canadian economy, value to energy security or advances in efficiency, or stories in which corporations and governments defend the development of the oil sands were classified as "positive." Stories whose focus was on the costs of oil sands development such as carbon emissions, water use, job loss or falling stock prices, or stories that called attention to such costs without also presenting the benefits of the oil sands were classified as "negative." Stories that discussed the oil sands without comment on their costs or benefits, or which discussed both equally, were classified as "neutral."

## Key Stories

The top story of August was Enbridge's Alberta Clipper pipeline, which when constructed will carry oil sands bitumen into the US for upgrading. Environmental groups had spent weeks protesting the pipeline and lobbying Secretary of State Hillary Clinton to deny approval, claiming that the pipeline would commit the US to "dirty oil." On August 21, the State Department gave its approval to the pipeline.

Environmental stories (June-August 2009)



While coverage of the protests against the pipeline had decreased in August, news of this official approval brought in a fresh wave of Alberta Clipper stories, very few of which were positive. Environmentalists and environmental websites were swift to attack the Obama administration's endorsement of the oil sands, meaning that web coverage was almost entirely negative. Thirty four out of 84 negative environmental web media stories on the oil sands dealt with the Alberta Clipper pipeline. This protest from environmentalists spilled into traditional media coverage of the story: Canadian and international outlets covering the pipeline either discussed the environmental backlash in addition to the benefits the oil sands provide to US energy or focused on the backlash. Thus coverage in these outlets was neutral at best.

One positive Alberta Clipper story was the fact that after approving the pipeline, the US government invested \$27.6 million into carbon capture research. This story failed to gain much attention, though: the carbon capture investment was only covered twice, compared to over 40 stories on the environmental backlash against the Alberta Clipper.

Shortly after the approval of the pipeline was announced, environmental groups led by the Sierra Club filed a legal challenge against the pipeline. As protests of the Alberta Clipper continue, so too will coverage of these protests.

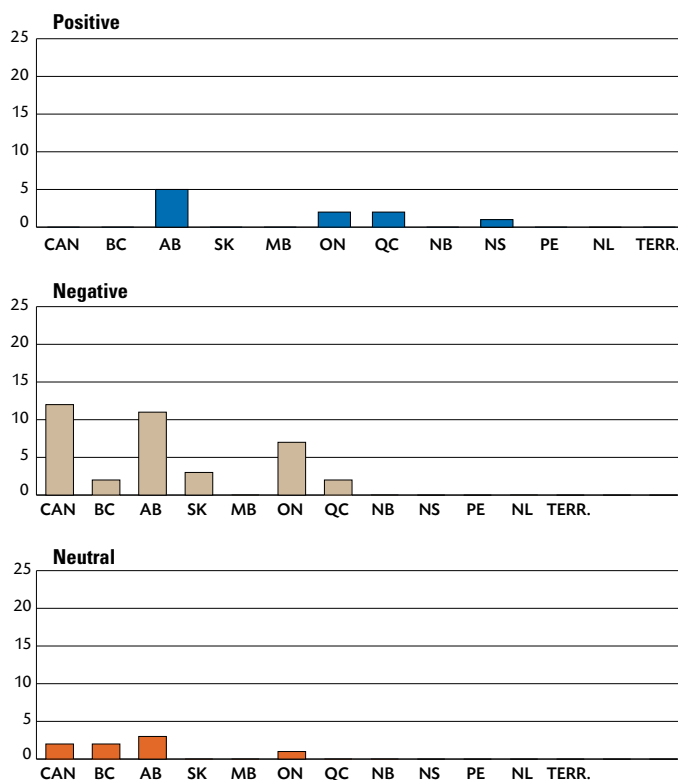
Another key story broke on the last day of August. Chinese oil company PetroChina spent \$1.9 billion to acquire a 60% share in Athabasca Oil Sands Corporation's MacKay River and Dover projects. The deal was announced August 31, generating coverage in the national, international and web media. This burst of stories was only the beginning of the debate over China's entry into Canada's oil sands and its implications for US energy security and Canadian resource control, and will likely continue through September and beyond.

**Environmental**

The number one environmental story in August was protests over the Alberta Clipper, but it was not the only story of note.

Acid rain was a major environmental topic in August. Studies showed that emissions from the Alberta oil sands appear to be causing acid rain in Saskatchewan, doing damage to the forests and lakes. This caused a large ripple of expectedly negative coverage, both online and in the Canadian media (particularly Saskatchewan outlets). After coverage of this story began in earnest, the Alberta government announced that it would be reducing the frequency of acid rain tests in the oil sands. This decision caused the Saskatchewan provincial NDP to accuse the Alberta government of inaction on the issue.

Environmental stories by province (August 2009)



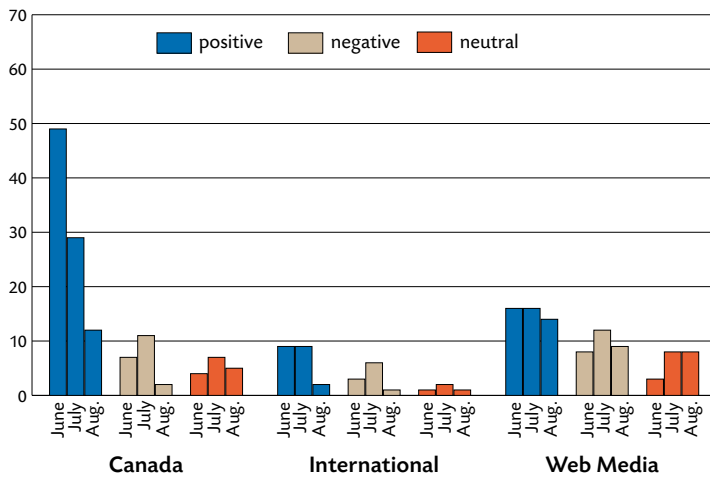
These three items generated a total of nine pieces in the Canadian media and 10 online, all of which were classified as negative for linking the oil sands to acid rain.

Another widely reported story based in Saskatchewan surrounds a report from the Saskatchewan Environmental Society, Pembina Institute and the Canadian Parks and Wilderness Society on oil sands in Saskatchewan. According to the report, the province has approximately 2.3 billion barrels of undeveloped bitumen deposits. However, the thesis of the report is that Saskatchewan should hold off on developing this resource for at least three years. The recommendation is that this time be used to determine what land should be protected, where water sources are and how to protect them and how to avoid what the report calls "the mistakes of Alberta." The report considers the oil sands boom in Alberta, with its inflation and perceived environmental damage, to be a cautionary tale of resource development. Therefore all coverage of this report was considered negative.

While environmental protests in the US focused on the Alberta Clipper, in Canada they were aimed elsewhere. Environmental groups heavily lobbied the annual meeting of the Council of the Federation, demanding that the oil sands be treated the same as every other industry in terms of carbon emissions. The Rainforest Action Network also continued their protests against the



## Economic stories (June-August 2009)



Royal Bank of Canada's investment in the oil sands, staging a "die-in" in which protestors feigned death from drinking oil sands-contaminated water.

Positive environmental stories continued to focus on possible improvements to extraction to lessen the environmental impact. Aside from the US government's \$27.6 million investment, carbon capture was absent from these stories. Receiving attention in August was a new technique developed by Shell and Exxon called "frothing." In current practice, the oil and sand mixture is heated repeatedly to 40 degrees Celsius in order to separate the oil from the sand. Frothing heats the soil to 80 degrees Celsius under pressure, producing a petroleum-rich froth in one step. Frothing would require less energy and reduce carbon output by 15%, bringing the oil sands in line with conventional crude. This technique was covered seven times in international, Canadian and web media sources. All coverage was considered positive, although some pieces pointed out that reducing carbon emissions to the same levels as conventional crude is only a first step in carbon reduction.

Receiving less coverage was a second technique, toe-to-heel air injection or THAI. This process uses an underground fire fed by injected air to warm oil deposits, allowing them to be pumped out through horizontal drilling wells. The process, currently being employed by Petrobank, uses virtually no water or natural gas, giving it practically no negative environmental impact. It is theorized that the THAI process could replace conventional steam-assisted gravity drainage. This technique was covered in the Edmonton Sun on August 29.

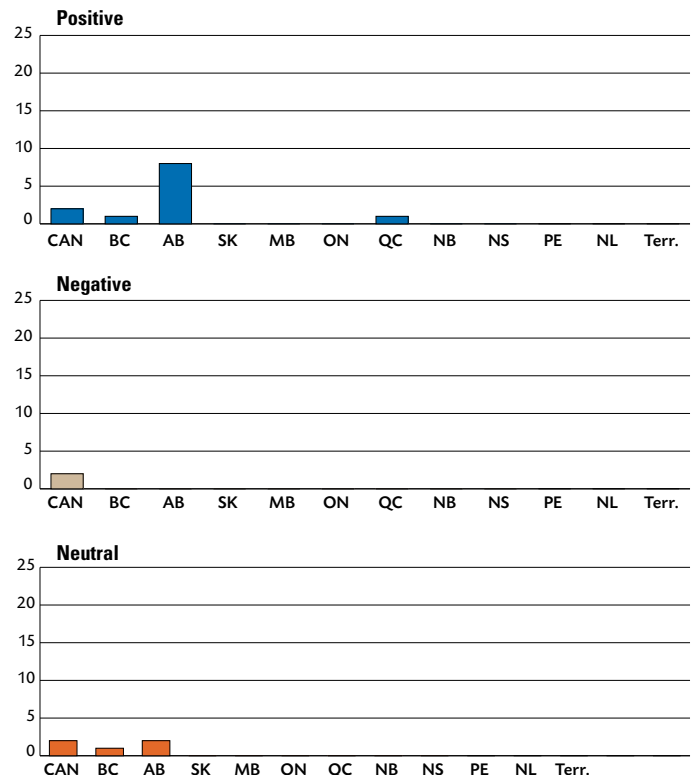
## Economic

Economic coverage was down in general in August, with fewer stories being posted in all media outlets compared to July.

The largest story is PetroChina's entrance into Canada's oil sands. The \$1.9 billion dollar deal between PetroChina and Athabasca Oil Sands Corporation was a major story on the last day of August and into September. The coverage in August was primarily neutral. There was no certainty whether a deal with China was good for the industry and Canada or not. Most stories in the print media made no inferences in either direction, simply reporting that the deal took place. When reactions to the deal were printed, they tended to be uncertain as to what the ultimate impact of Chinese investment would be. A more defined sense of what this deal will mean may develop as coverage continues.

Despite this 11th-hour surge of neutral stories, economic coverage of the oil sands within Canada was overwhelmingly positive. Only two negative economic stories were printed in Canada during the month of August: one on how the slowdown of the oil patch has hurt liquor sales in Fort McMurray and one on concerns over a potential US carbon tariff. As in previous months,

## Economic stories by province (August 2009)



positive stories were on recovery and expansion in the oil patch. Canadian Natural Resources' Kirby project and Imperial's Nabiye project are being re-launched. New pipelines are being planned or are already under construction, including a new line linking Fort McMurray to Edmonton and potential new pipelines to the west coast, increasing access to Asian markets. Interest in the latter pipeline will only increase should PetroChina's deal with Athabasca Oil Sands Corporation be finalized.

International economic coverage was minimal in August with only four stories published, half of which were on the PetroChina deal (ABC News and the Houston Chronicle). Reuters covered Imperial's Nabiye project while the London Guardian claimed that from an ethical standpoint the oil sands are a bad investment.

Internet media had far more negative and neutral economic stories than the Canadian or international media, but also had the most positive stories. Many of the topics covered were similar to other outlets: re-launched projects, PetroChina and pipelines. There were also many positive stories about investing in the oil sands and their role in US energy security.

The internet is also where the bulk of the "peak oil" debate is found: websites arguing for or against the notion that we are running out of "easy" oil—light, sweet, free-flowing crude. This debate rarely paints the oil sands in a good light. Peak oil pieces are usually neutral at best, with negative stories calling oil sands development a sign of how desperate oil companies are to find petroleum.

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