

LEBANESE MEDIA COVERAGE OF THE OIL AND GAS SECTOR

Major Developments in the Lebanese Oil and Gas Sector



A fourth report by



THE SAMIR KASSIR FOUNDATION

In cooperation with





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Acknowledgement:

This report is part of the project "Enhancing Transparency and Accountability in the Oil and Gas Sector in Lebanon" managed by the Lebanese Oil and Gas Initiative (LOGI) and funded by the Dutch Ministry of Foreign Affairs. Aspects of this project pertaining to media and journalism – including this report – are implemented by the Samir Kassir Foundation (SKF) in partnership with Middle East Strategic Perspectives (MESP). Data gathering for this edition was conducted by LOGI's interns Hanady Al-Ahmadieh and Rossa Debian. MESP conducted data evaluation and drafting of the report, which was edited by SKF. Benjamin Redd provided help with data crunching and visualization.

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Table of Contents

Introduction	4
Methodology	5
Results	
Coverage	8
Errors	10
Sources	11
Major Trends and Recommendations	13
Appendix A: List of Articles and News Stories	14

Introduction

Since 2013, the SKeyes Center for Media and Cultural Freedom at the Samir Kassir Foundation (SKF) has partnered with Middle East Strategic Perspectives (MESP) to conduct a thorough monitoring of Lebanese media coverage of the oil and gas sector. In August 2017, SKeyes joined a project led by the Lebanese Oil and Gas Initiative (LOGI) entitled "Enhancing Transparency and Accountability in the Oil and Gas Sector in Lebanon" with the aim of providing media professionals with the knowledge and tools to shed light on the nascent sector, increase transparency and foster a culture of accountability. To this end, SKeyes held several training workshops with media outlets across Lebanon focusing on the latest developments in the Lebanese oil and gas sector and on journalists' role in holding officials to account. SKeyes and MESP also continued monitoring the quality of media coverage of the sector.

In August 2014, SKeyes and MESP published a first report entitled "Lebanese Media Coverage of the Oil and Gas Sector" available online at:

http://www.skeyesmedia.org/extensions/pdf/ Lebanese_Media_Coverage_of_the_Oil_and_ Gas_Sector.pdf.

A second report was published in October 2016 and is available online at:

http://www.skeyesmedia.org/extensions/pdf/Media_Coverage_of_Oil_and_Gas_Sector_2016.pdf.

A third edition of the report was issued in May 2017 and highlighted the media treatment of two long-awaited government decrees, issued in January 2017, pertaining to the sector. The third report is available online at:

http://www.skeyesmedia.org/extensions/pdf/Media_Monitoring_Oil_and_Gas_report_2017.pdf

The adoption of the two decrees opened a new page for the Lebanese oil and gas sector, materializing in a first licensing round for exploration and production of offshore gas in two of Lebanon's ten maritime blocks. Developments unfolded rather fast starting the last quarter of 2017.

The idea behind this fourth edition of the monitoring is to analyze and compare media coverage of three major milestones in the sector and one of the first communication campaigns aiming at raising citizen awareness around transparency and accountability. The four events/milestones covered in this report are: the announcement of the results of the first licensing round; the government's decision to award the licenses, the signing of the Exploration and Production Agreements; and LOGI's communication campaign around transparency and accountability criteria.

This project is conducted thanks to the support of the Dutch Ministry of Foreign Affairs.

Methodology

This is a spotlight media monitoring report; meaning that it looks at media coverage of specific events on specific dates. It is not a chronological monitoring report in the sense that it does not look at the coverage of the sector over an extended period of time.

The fourth edition of our report focused on media coverage of key events related to the Lebanese oil and gas sector in the past few months:

- The announcement of the results of the first licensing round on October 13, 2017;
- The Council of Ministers' decision to approve awarding of exploration and production licenses on December 14, 2017;
- LOGI's communication campaign on February 8, 2018; and
- The Exploration and Production Agreement (EPA) signing ceremony on February 9, 2018.

For newspapers, the monitoring focused on their online news coverage on the day of the event and their first printed edition following the event.

For TV channels, we followed the 8-pm news bulletins and their primetime political talk shows on the day of the event and the following day.

Eleven media outlets - six newspapers and five TV channels - were monitored, and their production evaluated:

- Newspapers: Al-Akhbar; Al-Joumhouria; Al-Mustaqbal; Annahar; L'Orient-Le Jour; and The Daily Star.
- TV Channels: Future TV; LBCI; MTV; New TV; and OTV.

The monitoring focused in particular on the:

- Frequency of reporting on the topic over the monitored time period;
- Accuracy of information;
- Reliability of sources;
- Topics covered; and
- Quality of investigations.

We proceeded differently depending on whether the media outlet was a newspaper or a TV channel. For newspapers, we monitored the "Local News" and "Economics" sections in their paper editions, in addition to their online coverage of the events we were interested in. For TV channels, we monitored the evening news for in-house reports on the oil and gas sector, as well as primetime political talk shows. The monitoring was conducted by watching uploaded segments on the channels' websites and YouTube accounts.

MESP identified 12 topics thought to be the most relevant for media coverage:

- Politics (which includes news coverage of political debates related to oil and gas);
- Governance and Transparency;
- Legislation;
- Tender Process;
- Environment:
- Civil Society;
- Economics. Finance and Markets:
- Infrastructure:
- Security and Defense;
- Border Dispute;
- Geopolitics;
- Exports and Imports.

Subjects outside these 12 topics were also noted when/if covered.

When spotted, factual errors were pointed out and explained. The same mistake repeated in the same story was only counted once. It should be noted that only factual mistakes that could be verified objectively were identified. Subjective statements or personal convictions were left out.

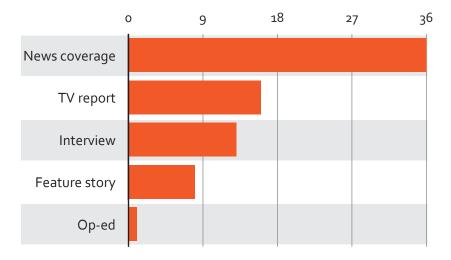
Results

Fifty-three stories were identified and evaluated during the monitoring period. These include 24 articles published in newspapers and 29 TV reports.

A total of 55 errors were detected in these stories, an average of 1.03 error per story. This is the highest average recorded since SKeyes and MESP started monitoring the media coverage of the oil and gas sector. In 2014 and in 2016, our

extended monitoring of the media production over 75 days, revealed an average of 0.44 and 0.74 error respectively. The 2017 spotlight report is more comparable in nature because it only targeted the media coverage of a specific event (the cabinet's approval of the two missing oil and gas decrees that were needed to restart the first offshore licensing round). In this 2017 report, we identified an average of 0.60 error per story.

Figure 1. Number of stories by coverage type (Stories can be classified under more than one type)



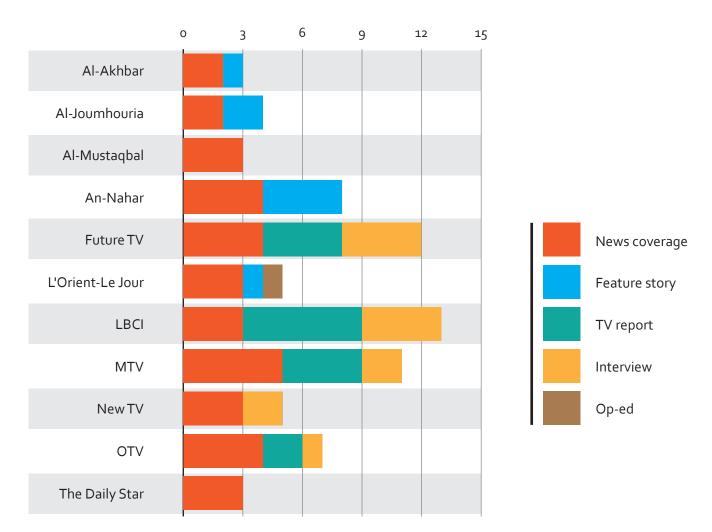


Figure 2. Stories by outlet and coverage type

Coverage

Two-thirds of the stories grabbed – 36 out of 53 in total – fell under the "news coverage" type. The unusually high ratio was expected given that we opted for monitoring the media coverage of specific events in the 48 hours following these developments. While this is the type of coverage journalists are more at ease with, given the limited additional input they are expected to provide beyond covering the news, an average of 0.86 error per story was still identified in this category, a figure that is, however, below the overall average of 1.03 error per story. In contrast, stories that go beyond simply covering an event and where

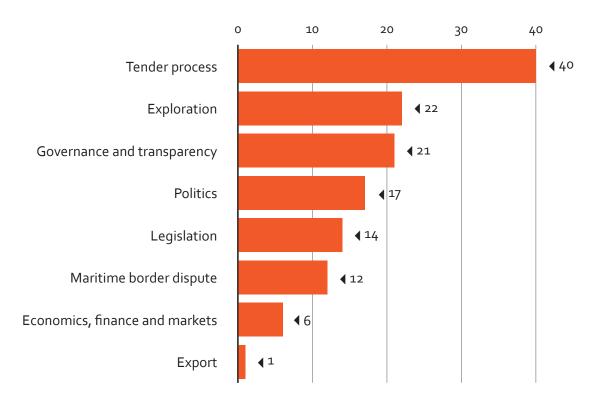
additional input is expected had a higher average error per story. For example, "feature stories" registered the highest number of errors with 2.25 errors per story, followed by stories that featured "interviews" with experts and/or officials, with 1.57 error per story.

Looking into the type of reporting, and since we were interested to see if media outlets went further in their reporting than simply covering the news, we have identified eight feature stories, half of which were published by Annahar, followed by AlJoumhouria with two. If newspapers did not include any interviews in their stories, we were positively surprised by the high number of TV stories that

included interviews – a total of 13 reports. This does not mean that newspapers did not seek expert opinion; actually they did so extensively as the number of sources cited in newspapers indicates (60 sources overall, including 56 named and 4 unnamed), but they did not conduct full-fledged interviews during the monitoring period. One program that stood out in this regard was LBCl's Kalam Ennas, considered the most popular political talk show in Lebanon, which allocated a full episode to discuss oil and gas developments

on December 14, the day the cabinet approved the awarding of exploration and production licenses to a consortium made up of France's Total, Italy's ENI and Russia's Novatek. In addition to the three guests the program hosted, seven contributors briefly joined the debate by phone for short interventions. The downside of having an extended discussion, over an hour and a half, is that the likelihood to make mistakes increases. Eight mistakes were identified in this episode, the highest number of errors in a single production.

Figure 3. Number of stories by category (Stories can touch on more than one topic)



Topics covered were less varied this time, given the nature of the events we chose to monitor. Three events (out of a total of four) were directly related to the first offshore licensing round.

For the first time since launching this series of media monitoring reports, "Politics" was not the preferred topic for journalists and was not even among the top three. This is a revealing indicator because the process was mired with political deadlock since 2013, when the offshore bid round was first launched, which directly affected the media coverage of the sector. Now that the sector is back on track and Lebanon is finally stepping into the implementation phase, the media has found more sector-related information and developments to feed on.

Unsurprisingly, the "Tender Process" came on top (40 stories out of 53 touched upon the subject). "Exploration," which is directly related to the tender process, came in at a distant second place (22 stories). It was followed by "Governance and Transparency" (21 stories), a topic that has consistently ranked high in terms of media interest when covering the sector, reflecting concerns about corruption and mismanagement in the sector. "Politics" is relegated to a fourth place (17 stories). "Legislation" came close behind (with 14 stories) and largely focused on

the debate over establishing a Sovereign Wealth Fund and a national oil company. The "Maritime Border Dispute" was the sixth most addressed topic owing to the massive reaction in Lebanon to the provocative comments on Block 9 made by Israel's Defense Minister Avigdor Lieberman ahead of the EPA signing ceremony.

Note that since stories can cover several topics, the overall number of topics reported in this paragraph exceed the total number of stories evaluated during the monitoring period.

Errors

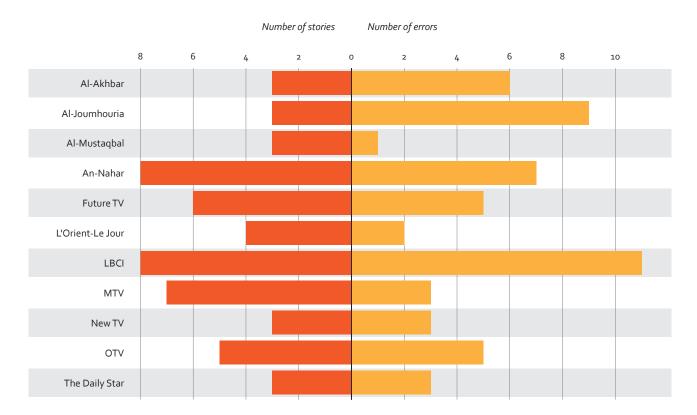


Figure 4. Number of stories and errors by outlet

In the 53 stories grabbed and evaluated during the monitoring period, we identified 55 errors. These errors were made in 28 stories, which means that around half of the stories (25) did not include any error.

By far, the most common mistakes in this edition (counted 16 times as an error, out of a total of 55 errors) is the statement that Lebanon is now a petroleum country (لبنان بلد نفطي). The statement was repeated countless times by the political class

and was splashed across Lebanese media, even though Lebanon is not yet a petroleum country. Lebanon has not yet made any discoveries and is not producing hydrocarbon. It merely awarded its (first) offshore exploration and production licenses and is yet to conduct exploratory activity offshore. The statement became a slogan that defined the period following the closing of the first licensing round. All media outlets that we monitored repeated it at least once during the monitored period, except for Annahar. Though it must be noted that in certain cases, journalists were simply reproducing what Lebanese officials said during these events, without questioning the accuracy of the claim, except in one report broadcast on Future TV's evening news on February 9, 2018, following the official EPA signing ceremony.

Another common mistake (identified in six stories) is the claim that Israel postponed its first offshore licensing round three times. In fact, the tender was postponed twice. The claim was made by Energy Minister César Abi Khalil in a statement released by the Ministry of Energy and Water on October 13, 2017 a day after the closing of the first licensing round, to announce the results of the tender.

The Energy Minister was behind another mistake identified in two different stories when he said that the exploration phase will officially start after signing the contracts with the consortium. In fact, the exploration phase will start when the initial exploration plan is approved, thus at a later stage.

One element clearly stands out when evaluating the media coverage of the oil and gas sector during this monitoring period: the tendency, observed across all outlets, to reproduce claims made by Lebanese officials without questioning their accuracy.

In a trend that has been observed since SKeyes and MESP first started monitoring Lebanese media coverage of the sector in 2014, journalists continue to struggle with estimates, whether estimates regarding the size of the potential offshore wealth, its value, expected production date and when revenues would start to flow in.

Other mistakes included easily verifiable information, such as the number of companies that were qualified for the first licensing round, number of wells the consortium has committed to drill in each block, the threshold – in U.S. dollars – that would require the organization of a public tender, among others.

Sources

During the monitoring period, journalists consistently sought to back up their production by resorting to sources, a total of 136 times in 53 stories. That is an average of 2.56 sources by story. A clear majority of these sources were named (122 sources), while only 14 sources were unnamed. The word "sources" can refer to a point of contact that journalists resort to in order to back up their stories, or to public officials the journalists are reporting on.

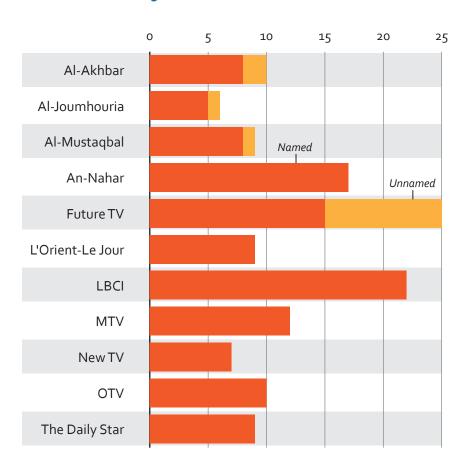


Figure 5. Number of sources

However, on its own, the number of sources in a piece does not necessarily ensure high-quality coverage. Over half of the mistakes identified in this edition, 29 out of 55 mistakes, are attributed to sources, mirroring similar findings in our 2017 spotlight media monitoring report where almost half of all mistakes were made by sources. Of these 29 mistakes, 19 were made by experts, and nine were made by Energy Ministry officials.

Major Trends and Recommendations

Around half of the mistakes detected were made by public officials or by journalists reproducing erroneous information first provided by public officials. This trend has been observed across all media outlets.

 Journalists should not take what politicians, public officials or experts say at face value. Always be critical and double-check statements.

Journalists were keen on using multiple sources to consolidate their stories, and only a small number of sources remained anonymous. However, over half of the mistakes identified in this edition were attributed to sources.

• Do not hesitate to seek better, more informed sources. With the beginning of exploration, local media is expected to cover the sector more frequently. More should be done to identify a varied array of high-quality sources. The petroleum industry is extremely broad. Experts on one topic might not be qualified to talk about an issue that is beyond their comfort zone even if the overall theme is oil and gas.

News coverage is still the preferred type of reporting. While we have noticed an increase in the number of interviews, there is not enough feature stories and only one op-ed was written on the subject. Investigative pieces are understandably absent given that we opted for monitoring the media's first coverage of specific events.

 We recommend journalists and media outlets to go further than simply covering the news. We believe diversifying the types of stories can contribute to a better coverage of the **oil and gas sector** and is certainly more valuable for the audience.

In a welcome development, covering political debates – often political bickering – related to the sector is, for the first time, overshadowed by the interest shown in other topics.

 Do not hesitate to report on a wider variety of topics. The oil and gas industry touches on a broad range of issues that are of concern for citizens.

Journalists continue to struggle with estimates (size and value of the potential offshore wealth, expected production date, expected revenues, etc.)

• It is impossible to know whether or not Lebanon has commercial quantities of hydrocarbon before drilling. Keep in mind that exploration is a long and slow process, during which disappointing results are very likely. It is important to know that potentially disappointing results in the future should not be met with doom and gloom. There are a lot of ups and downs in the industry. The more information we get, the higher our chances in the future.

Some mistakes include claims that can easily be verified.

Basic data about the legal framework, tender process, upcoming milestones in the exploration phase and other topics is often found on specialized websites, whether official or non-official. There is a wealth of information online that journalists could use, provided they know where to look for it.

Appendix A:

List of Articles and News Stories

Date	News outlet	Title
13-10-2017	MTV	أبي خليل عن ملف النفط
13-10-2017	MTV	اول المتقدمين في الدورة الاولى Total و Eni و Novatek
13-10-2017	LBCI	ائتلاف شركات توتال واني ونوفاتك باكورة المتقدمين لدورة التراخيص الاولى
13-10-2017	Future TV	إستكمال دورات التراخيص وجاني العائدات يحتاج إلى سنوات
13-10-2017	النهار	ابي خليل: نتائج دورة التراخيص الأولى إيجابية
13-10-2017	الأخبار	تراخيص "التنقيب" واعتراضات وزارية أو على المجلس االقتصادي االجتماعي
14-10-2017	الأخبار	هيئة إدارة قطاع البترول: قلوب مليانة من الانتقادات
14-10-2017	الجمهورية	مزايدة النفط والغاز: عرض وحيد من العيار الرفيع
14-10-2017	النهار	لبنان يدخل قريباً نادي كبار منتجي النفط والغاز هذه الشركات ستستخرج ثرواتنا!
14-10-2017	LBCI	ثلاث شركات عالمية في دورة التراخيص الاولى للنفط
14-10-2017	LBCI	قطاع النفط والغاز أصبح أمرا واقعا
14-10-2017	النهار	خطوة للبنان نحو دخول نادي منتجي النفط والغاز في المتوسط توقيع العقود مع الشركات بعد تقويم المعايير وموافقة الحكومة
14-12-2017	MTV	جلسة مجلس الوزراء
14-12-2017	MTV	لبنان دولة نفطية الخميس؟
14-12-2017	OTV	لبنان بلد نفطي
14-12-2017	OTV	ماذا بعد دخول لبنان رسمياً نادي الدول النفطية؟
14-12-2017	New TV	لبنان بلد نفطي
14-12-2017	LBCI	وأخيرالبنان بلد نفطي
14-12-2017	Future TV	لبنان يدخل نادي الدول النفطية
14-12-2017	LBCI	كلام الناس – ملف النفط في لبنان
15-12-2017	النهار	لبنان بلد منتج للنفط أسئلة شائعة
15-12-2017	الأخبار	لبنان دولة نفطية
15-12-2017	الجمهورية	ما هي المكاسب التي حصَّلها لبنان في رخصتَي النفط؟
15-12-2017	المستقبل	قرار مجلس الوزراء يدخل لبنان نادي الدول المنتجة للنفط
15-12-2017	The Daily Star	Next 12 months for oil and gas prep ahead of 2019 drilling: Abi Khalil
15-12-2017	MTV	أبي خليل عن القرار النفطي

Date	News outlet	Title
15-12-2017	New TV	مؤتمر صحفي لوزير الطاقة سيزار ابي خليل
15-12-2017	LBCI	الصندوق السيادي للعائدات النفطية
15-12-2017	OTV	الفائدة الاقتصادية من تحول لبنان إلى بلد نفطي
15-12-2017	Future TV	ماذا بعد إقرار بند التراخيص لإستخراج النفط والغاز؟
15-12-2017	The Daily Star	Lebanon approves licenses for oil and gas exploration
06-02-2018	L'Orient-Le Jour	Une vidéo sur l'exploitation des ressources offshore fait le buzz au Liban
06-02-2018	LBCI	فيديو عن القوانين النفطية -كلنا إرادة و LOGI
09-02-2018	LBCI	لبنان يوقع رسميا على اتفاقيتي النفط والغاز
09-02-2018	MTV	لبنان دولة نفطية
09-02-2018	OTV	لبنان يأخذ موقعه على الخريطة النفطية
09-02-2018	New TV	لبنان يدخل اليوم رسمياً نادي الدول النفطية
09-02-2018	Future TV	لبنان يحتفل رسمياً بدخوله المرحلة النفطية
09-02-2018	النهار	لبنان "النفطي" لن تردعه إسرائيل
09-02-2018	النهار	بعد التوقيع، ما هي الخطوة المقبلة لمشروع النفط والغاز في لبنان؟
09-02-2018	النهار	لبنان يقترب من نادي الدول المنتجة للنفط بعد توقيع العقود مع الشركات
09-02-2018	The Daily Star	Lebanon will fully use energy block disputed by Israel: Abi Khalil
09-02-2018	المستقبل	رسمياً لبنان يوقع عقود التنقيب عن النفط والغاز
09-02-2018	الجمهورية	مانشيت:ترحيل الموازنة الى ما بعد الإنتخابات ومار مارون يجمع أركان الدولة
09-02-2018	L'Orient-Le Jour	Hydrocarbures offshore : Le Liban a signé ses premiers contrats, un plan d'exploration soumis dans 2 mois
09-02-2018	L'Orient-Le Jour	Pétrole et gaz : halte à la course législative !
09-02-2018	النهار	منظّمة "كلنا إرادة": استعجال غير مبرّر في إقرار ٤ قوانين جديدة حول النفط والغاز
10-02-2018	OTV	جبران باسیل فے إحتفال فے تنورین
10-02-2018	Future TV	منح تراخيص لالتنقيب عن النفط و الغاز
10-02-2018	MTV	باسیل ہے تنورین
12-02-2018	L'Orient-Le Jour	Aoun : Si Israël traduit en actes ses provocations, il y aura de nouvelles guerres
12-02-2018	المستقبل	باسيل لـ«المستقبل»: ليطمئن اللبنانيون أي عائق أمامنا هو عائق أيضاً أمام إسرائيل

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Ministry of Foreign Affairs of the Netherlands

This project is funded by the Dutch Ministry of Foreign Affairs

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Graphic design: Marc Rechdane