

## Oil industry wakes up to its battered image



by Denholm Barnetson  
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As oil companies reap huge profits and are blamed for greenhouse gas emissions, even industry insiders acknowledge they have an image problem and that slick adverts are not the answer.

Major Western oil groups have been parodied on the Internet for the kind of soft-focus "green" television adverts they have produced in recent years to demonstrate their commitment to preventing climate change.

In one spoof production poking fun at US oil firm ExxonMobil available on the video-sharing website YouTube, a beautiful sunset fades to green leaves and then to a child in a lush field.

Next comes a soft reassuring voice: "Here at Texxon, we're doing our part to make the world a whole lot greener."

The voiceover continues: "We at Texxon are committed to developing the images and words that make you think we really care."

A more candid approach is needed, especially with today's youth, to convince the public of the industry's commitment to environmental concerns, experts admitted at a leading industry gathering last week.

"The industry has sometimes pretended to be what it is not, and it doesn't fool anybody," said Andrew Gould, the chairman and CEO of oil services group Schlumberger.

Gould was addressing a plenary session, "Societal Expectations in the Oil and Gas Industry" at the World Petroleum Congress in Madrid last week, part of which was devoted to the industry's poor public image and what could be done about it.

Crude prices have soared above 145 dollars a barrel, causing strikes and demonstrations across the world against rocketing fuel prices. At the same time, record profits by the oil majors mean they are viewed as gaining from the troubles inflicted on consumers.

Environmental groups have also attacked the industry's efforts to combat climate change.

"Instead of taking responsibility for its contribution to climate change, the oil industry is trying to wriggle out of its obligations," Darek Urbaniak, extractive industries campaigner for Friends of the Earth Europe said in a recent report.

But there are signs that even within the oil industry things are changing.

During a contentious meeting in late May, ecology-minded shareholders at ExxonMobil, which in 2007 posted the largest US corporate annual profit in history of 40.6 billion dollars, proposed that the board set goals to reduce greenhouse gas emissions and to develop more alternative energy solutions.

ExxonMobil chairman and chief executive Rex Tillerson responded to this by saying that the company was focused on "safely and reliably meeting the growing energy demand while working to reduce our impact on the environment."

He highlighted the company's investment in reducing gas flaring during refinement, limiting oil spills to just a teaspoon per million barrels transported, and working with automakers to develop more fuel efficient vehicles through use of hybrid batteries, lighter materials and better engine oil and tyres.

"Climate change is rapidly becoming one of the defining challenges of this generation and much of the public's fear and frustration is directed at the oil and gas sector," said Leor Rotchild, secretary of the World Petroleum Council Youth Committee.

He said the industry has also "developed a negative image by being connected, in some instances, with human rights abuses, corruption scandals, explosions and oil spills."

As a result, a dwindling number of young workers are joining the industry, he said in an article for WPC News, the daily gazette issued at the WPC.

"Attracting the best and brightest young talent to the petroleum industry will require an image makeover, but young people are too savvy and mistrustful to fall for an empty public-relations exercise.

"This makeover will have to be grounded in substance, consistent with the desire for a better world."

This need for a more transparent approach was echoed by Gould, who said the industry must work on two aspects to improve its "negative image."

"Firstly, the sector has to be proud of its activity of supplying energy to society and secondly, and more importantly, the sector should not be so reluctant to talk about its own problems, something that has happened continuously in the past."

Huguette Labelle, the head of corruption watchdog Transparency International called for "a third party to carry out an audit, so that it is not only the actual (oil) companies or governments that declare their good practices.

"International observers with a recognised impartiality would contribute towards the required objectivity."

Spoof YouTube ad, poking fun at ExxonMobil

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