

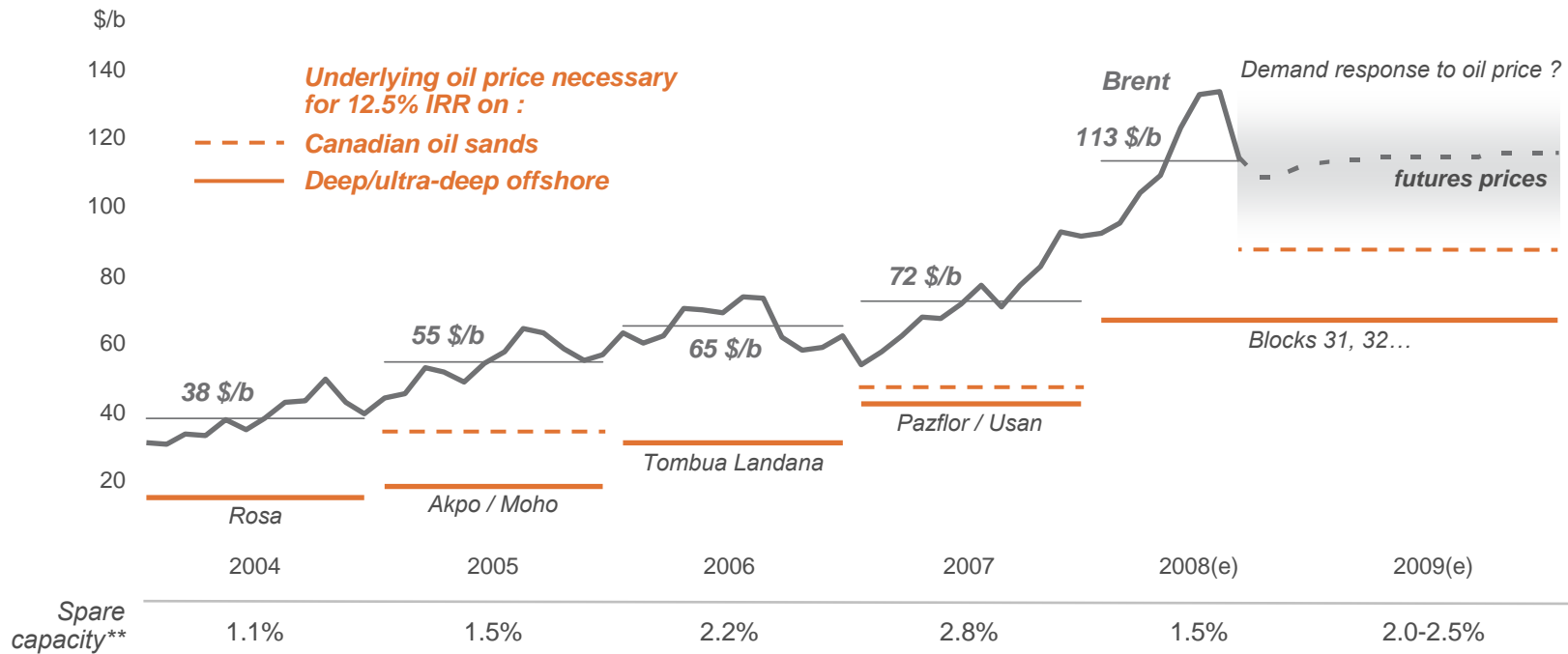
2008 Mid-year outlook



Long-term energy supply and demand fundamentals

Strong fundamentals for the oil price

Oil price relative to marginal cost of supply*



Increased oil price sustains development of new projects
Demand growth in Asia, Middle East and Latin America
substantially higher than demand reduction in OECD

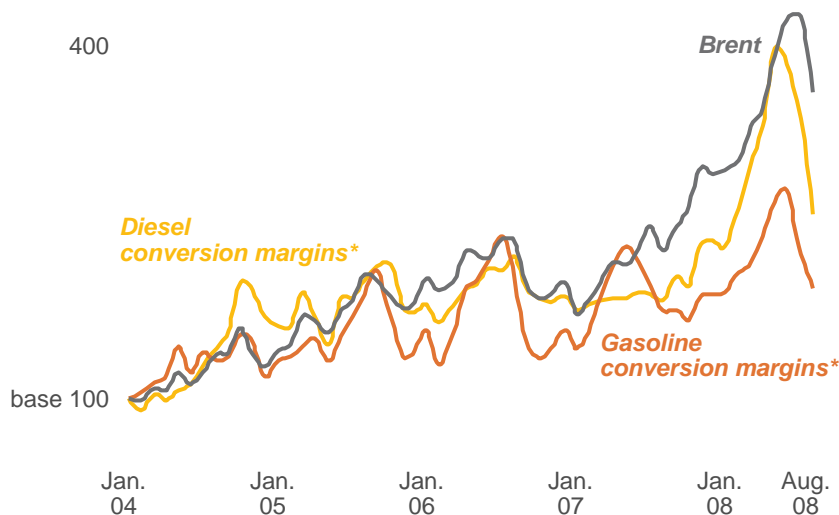
Spare production capacity in the hands of OPEC and to remain tight for 2009(e)

* IRR in real terms ; 2008(e) average oil price and futures prices as of September 5

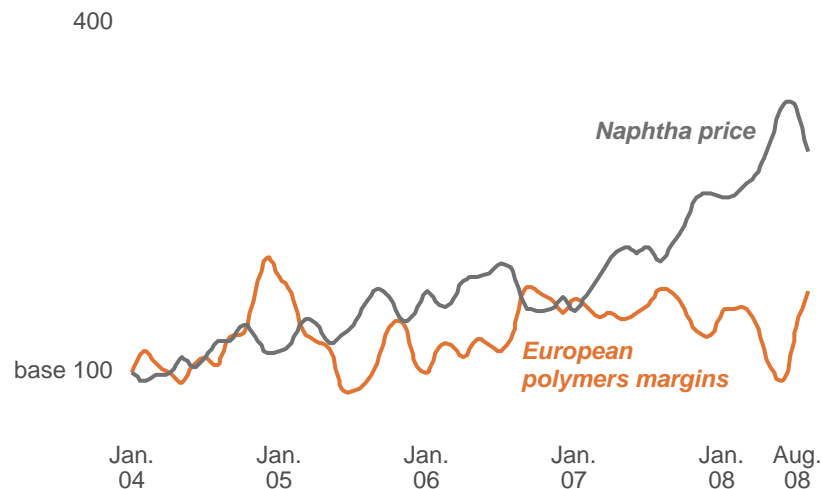
** excluding theoretical spare capacity from Iraq, Venezuela and Nigeria

Recent pressure on refining and petrochemicals margins

European conversion margins



Petrochemical margins



- Strong seasonality for gasoline conversion margins and weakening gasoline demand in the US

- Sharp increase in the price of naphtha and weakening demand on the Atlantic Basin since end-2007

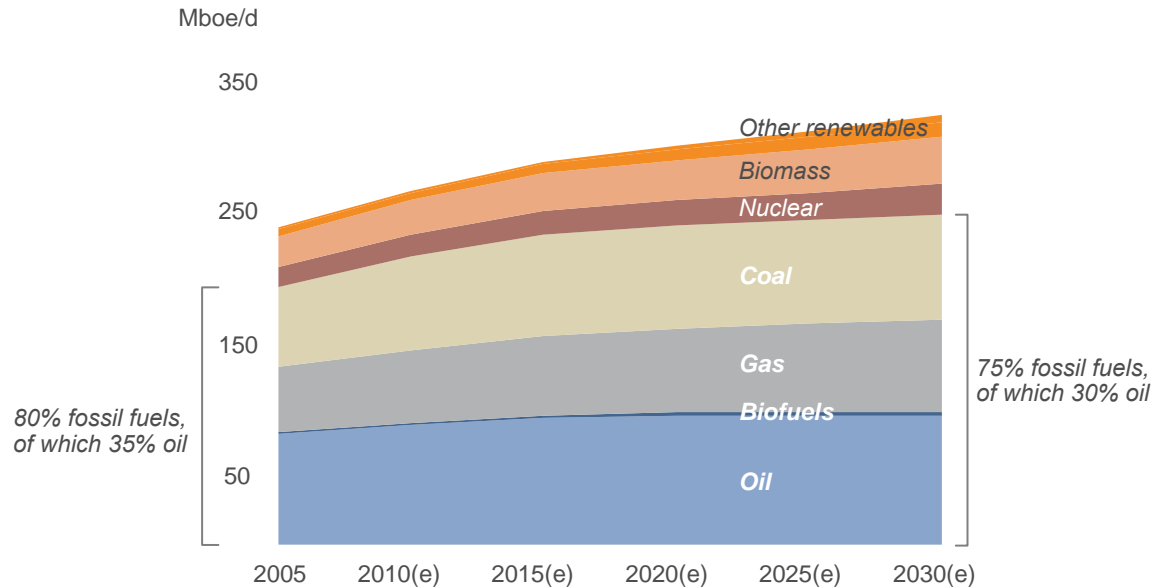
Conversion margins correlated to the oil price

Ethane based petrochemicals projects benefit from a competitive feedstock

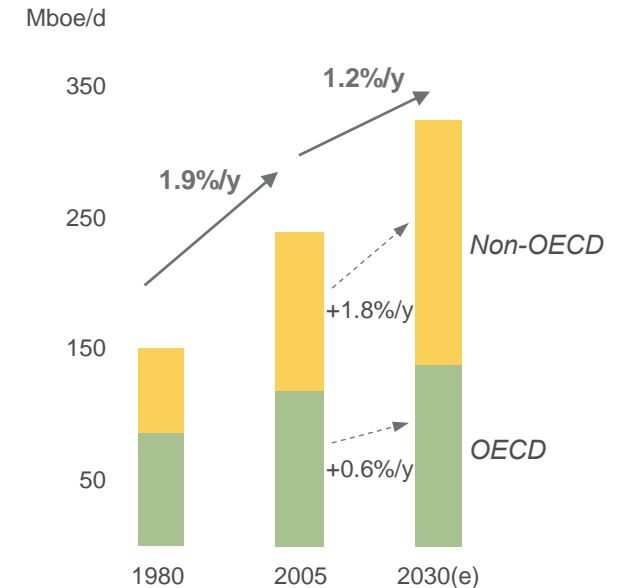
* gasoline and diesel vs. heavy fuel

Long-term energy supply constraints will curb energy demand growth

Energy supply



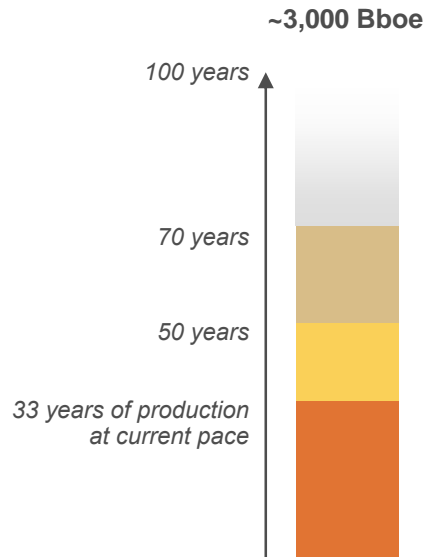
Energy demand



Environmental, economic and resource access constraints affect energy supply mix
Energy demand growth mainly driven by Asia and Middle East
Reduced OECD demand growth will continue to contribute to global energy balance

Significant resources yet to be produced

Oil resources



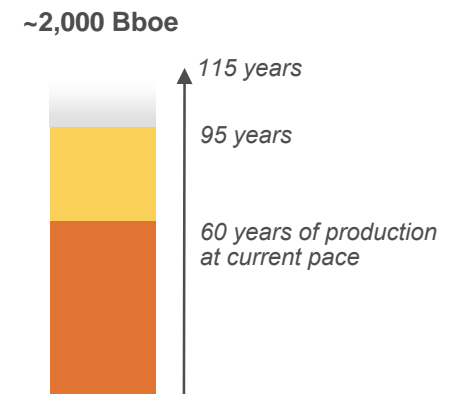
Unconventional resources
*oil shale, shale gas,
coal bed methane, tight gas*

Heavy oil

New discoveries
and increased recovery rate

Identified resources

Gas resources



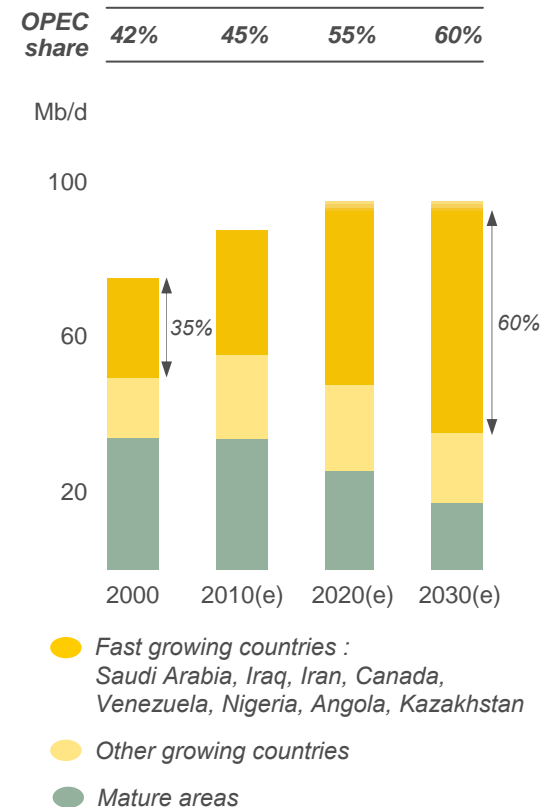
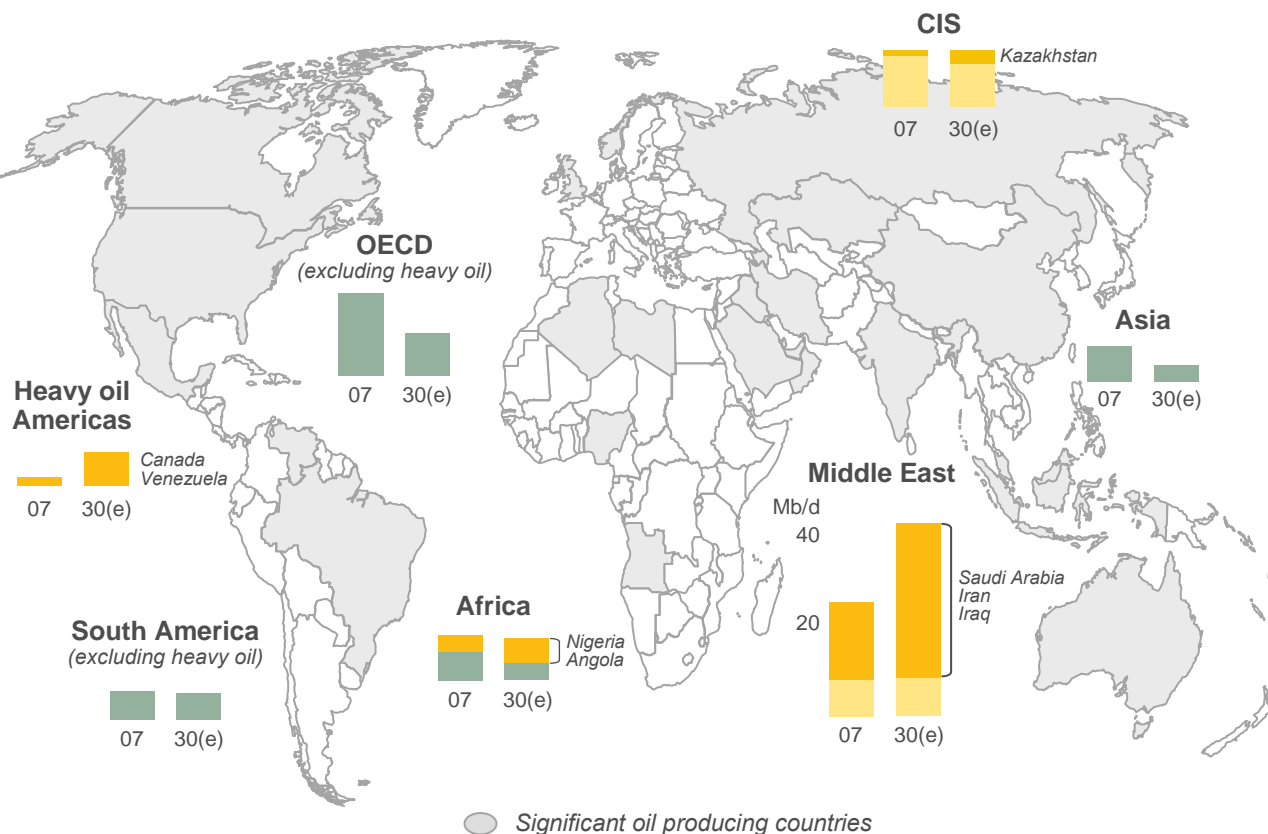
- > Conventional oil mainly in the Middle East
- > Heavy oil concentrated in Canada and Venezuela

- > More than 50% of global gas resources in Russia, Iran and Qatar
- > Transportation and liquefaction constraints limit global access to isolated resources

Oil and gas resources require increasing technological proficiency and higher capital expenditures to be brought onstream

Oil production to remain below 100 Mb/d through 2030

Oil production

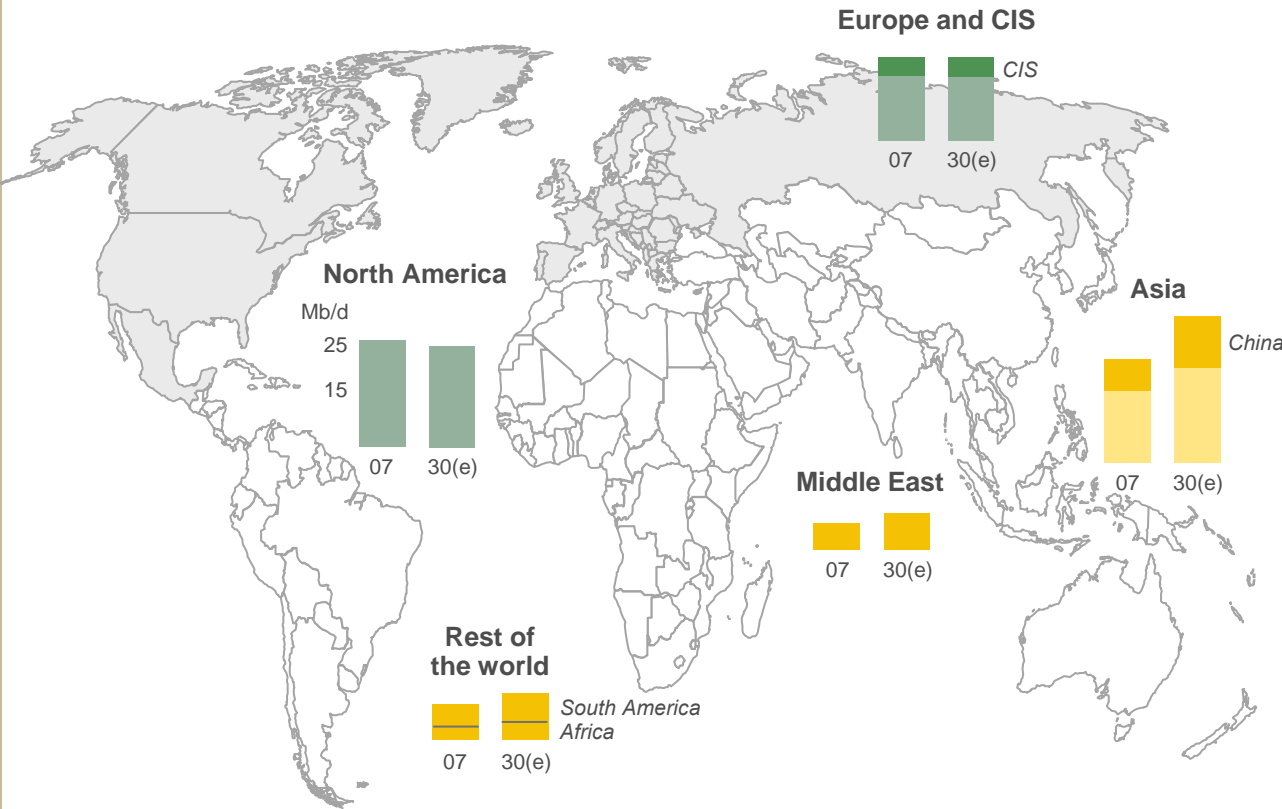


Geopolitics and local constraints delaying development of new capacities

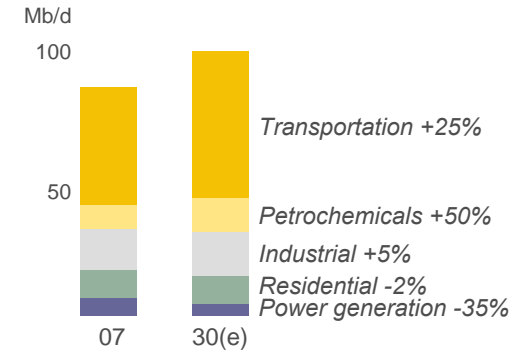
source : Total estimates

Oil demand growth mainly driven by transportation and petrochemicals

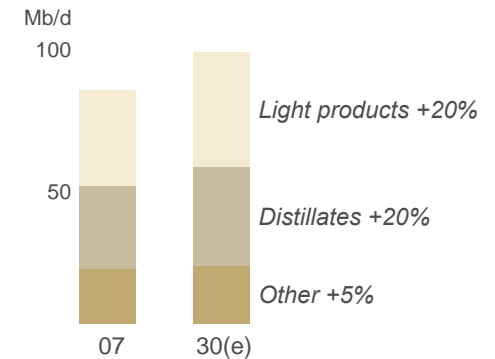
Oil products demand



Demand by sector



Demand by products



Ongoing improvement in energy efficiency

Increasing conversion capacity

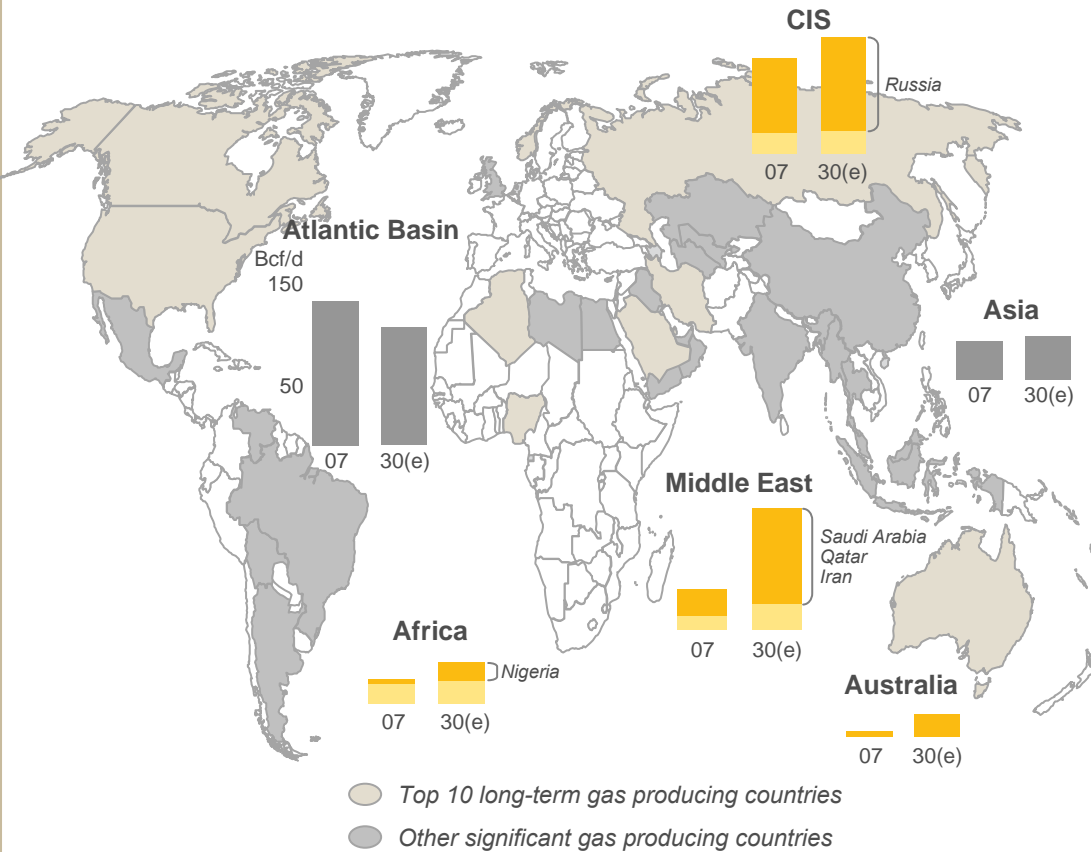
Dedicating oil to transportation and other non-substitutable uses

source : Total estimates

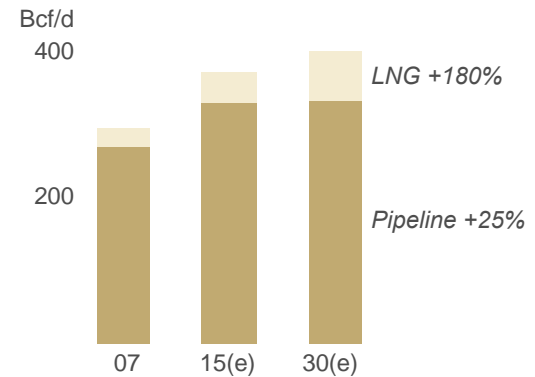


Gas production to grow by 1.5% per year through 2030

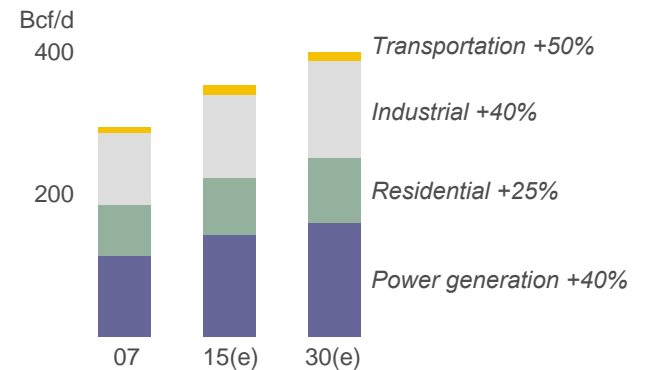
Gas production



Gas production



Gas demand by sector



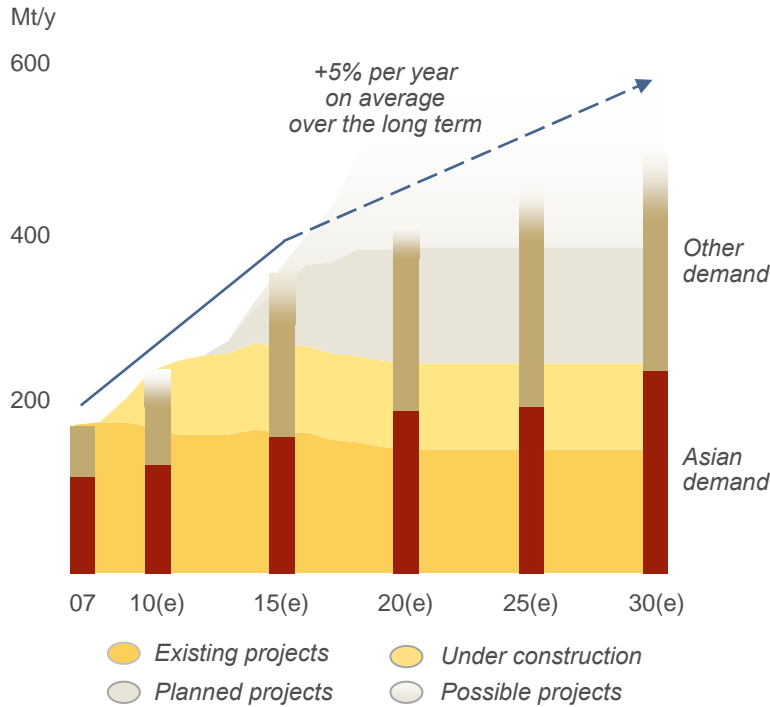
Gas demand mainly driven by power generation, Asia and Middle East
Growth of gas supply driven by LNG expansion

source : Total estimates

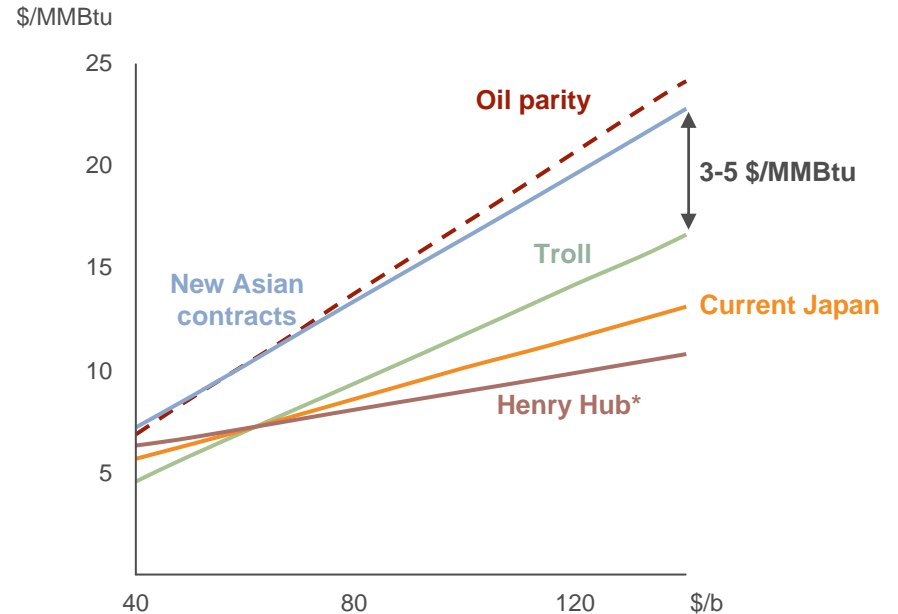


LNG : fastest growing segment of the industry

Global LNG supply / demand



LNG and gas prices



Constraints on the pace of development of liquefaction projects
Asian LNG prices converging toward oil price parity

source : Total estimates

* based on historical correlation with Brent price