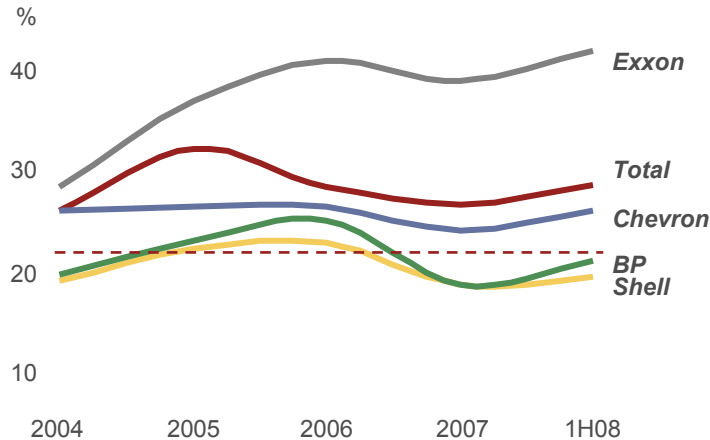


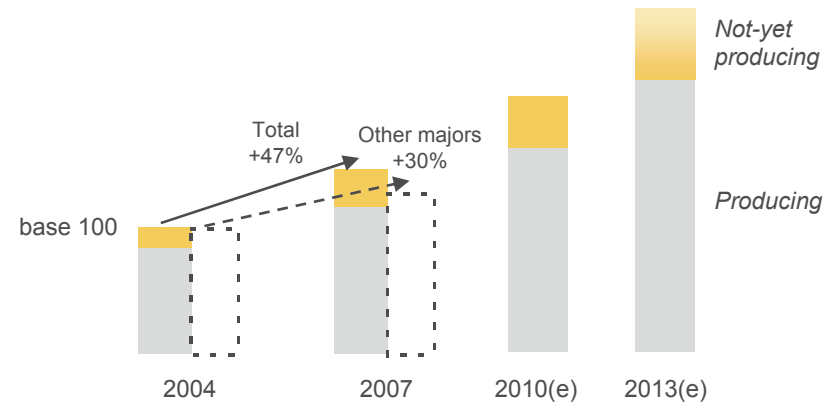
Creating long-term value

Keeping investment discipline while growing the company

Profitability* (ROACE)



Capital employed*



› Capturing more long-term growth opportunities than peers

› Dedicating approx. 75% of investments to Upstream

Centralized decision-making process
demanding return targets linked to risks, visibility, and upsides
Intensive investment program reflects long-term nature of industry

* for the business segments, estimates based on public data for other majors

Strong cash generation and efficient balance sheet

More than 110 B\$ cash flow allocated to investments and return to shareholders over 2004-2008(e)*

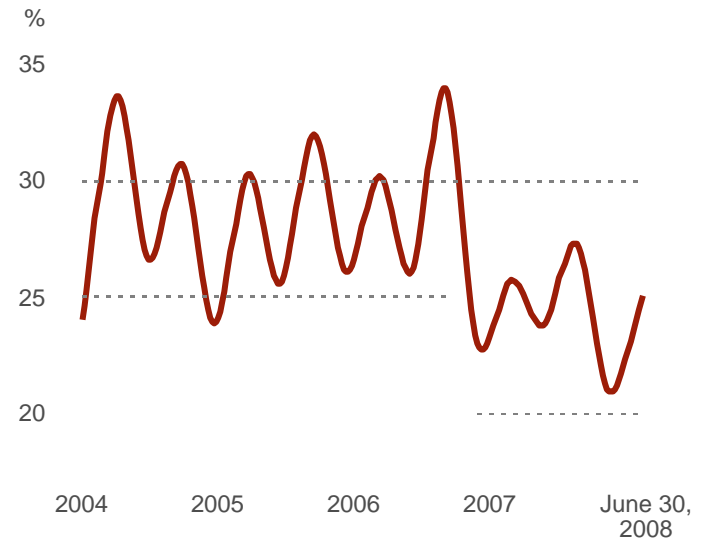
Buybacks
> 15 B\$

Dividends
approx. 30 B\$

Net investments
approx. 65 B\$

- > **Intensive investment program**
 - 19 B\$ 2008 investment program on track**
- > **Favoring dividend for returns to shareholders**
 - Close to 8 B\$ dividend to be paid in 2008(e)*
- > **Increasing financial flexibility**
 - Lower target range for gearing to 20-30%
 - Impact of environment on working capital requirements
 - Selling Sanofi shares (11 B\$)
 - Using buybacks for gearing optimization

Net-debt-to-equity ratio



Cash flow allocation well balanced among investing for the future, return to shareholders and increasing financial flexibility

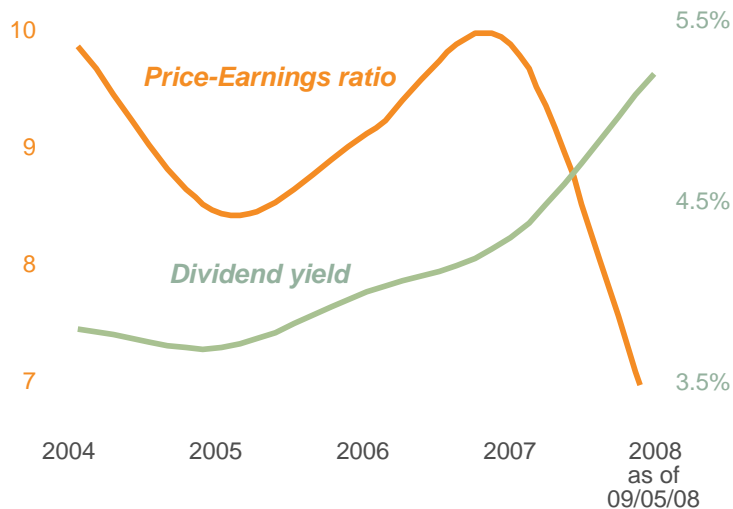
* 2008 estimates based on 19 B\$ Capex program, dividend paid in 1H08 plus interim dividend (with 1 € = 1.45 \$ at payment date on November 19, 2008) and annualization of 1H08 buybacks net of issuance of shares

** including net investment in equity affiliates and non-consolidated companies, excluding acquisitions and based on 1 € = 1.50 \$ for 2008(e)

Unique set of attributes to create long-term value for shareholders

Dividend yield vs. Price-Earnings ratio

(at end of period)



- › Demonstrated ability to anticipate and adapt to a changing environment
- › Increased acceptability as a responsible operator
- › Portfolio able to provide long-term growth
- › 20 years of proved and probable reserves*
- › Strong management system and discipline
- › Profitability among the best of the majors
- › Dynamic dividend policy

***Interim dividend increase of 14% to 1.14 €/share or 13% expressed in dollars
Strong future cash flow generation thanks to sustainability of business model***

in dollars ; 2008 interim dividend based on 1 € = 1.45 \$ at payment date on November 19, 2008 ; 2008 dividend yield based on annualized 2008 interim dividend

* limited to proved and probable reserves estimated at year-end 2007 using company price assumptions, covered by E&P contracts on fields that have been drilled and for which technical studies have demonstrated economic development, also includes tar sands to be developed with mining