



CSR
in Total's business model

Promoting better governance through transparency for oil and gas revenues

Jean-François Lassalle
E&P Vice President, Public Affairs

Investor Relations, London, November 19th, 2009



Revenues from oil and gas should contribute to development

> Economists and specialists of development describe “resource curse” paradox

- Resource-rich countries are home to over 60% of the world’s poorest people
- Only 5 hydrocarbon-rich countries* rank in the top quartile of UNDP** Human Development Index
- Countries that depend on natural resources and have weak institutions or high levels of poverty, usually experience lower growth, less democracy and more conflicts



Better governance required in resource-rich countries to reverse the “curse”

* among 33 hydrocarbon-rich countries defined by IMF
** United Nations Development Program

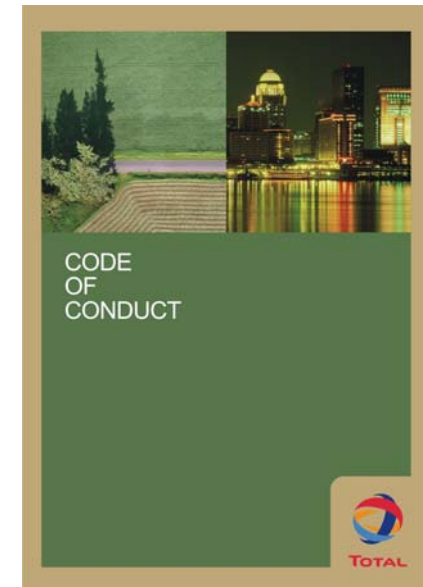
Transparency and accountability of oil and gas revenues in line with Total's CSR policy

> Promoting our business principles with partners

- Integrity in Total's operations
 - Total rejects bribery and corruption in all forms, whether public or private, active or passive (quote from Code of Conduct)
- Accountability to civil society

> Strong involvement in non-OECD countries

- Almost $\frac{3}{4}$ of our oil and gas production comes from non-OECD countries
- More than €15B of income taxes and production taxes paid in non-OECD countries in 2008*



Total is committed to contributing to host countries development

* current tax liability (corporate income tax, taxes paid to Middle-East oil producing countries for the portion which Total held historically as concessions, and production taxes) excluding deferred taxes, as booked

EITI : increase transparency and accountability in the extractive sector

› Extractive Industries Transparency Initiative (EITI)

- Launched in 2002 and supported by G8 since 2003



› Empowerment of civil society in resource-rich countries

- Publication of extractive revenues
- Open up way to render government accountable for use of revenues

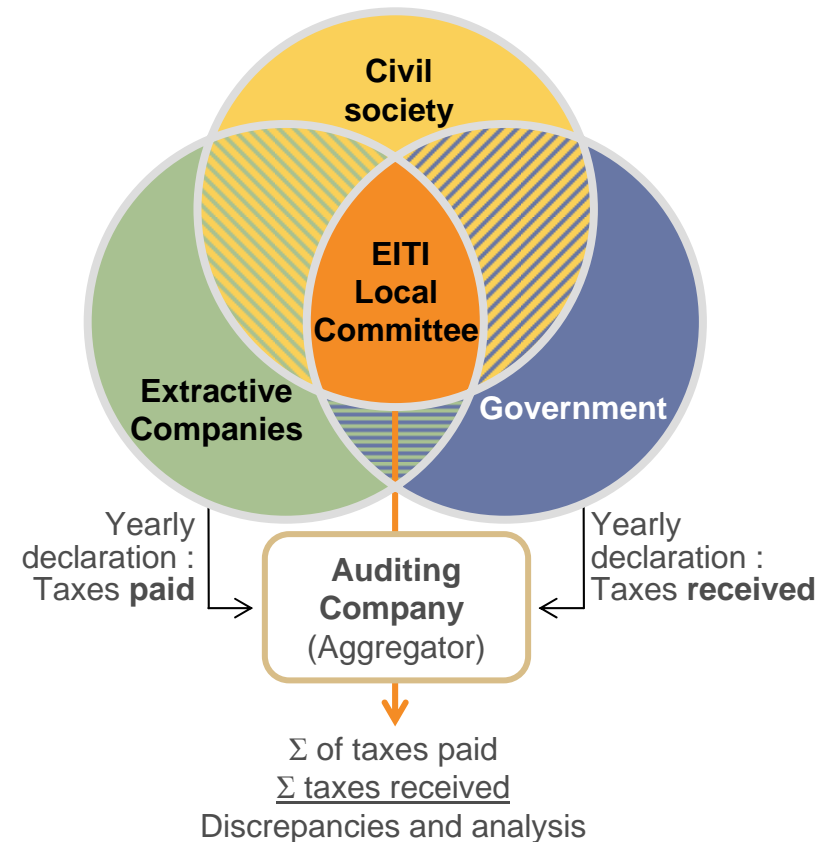
› A multipartite and federative initiative based on governments' voluntary involvement

- 28 candidate countries
- 2 compliant countries (Azerbaijan and Liberia)
- 16 supporting countries (mainly OECD)
- 42 oil, gas and mining companies
- 13 international organizations (UN, EU, IMF, World Bank, etc.)
- 9 international NGOs (Transparency International, Oxfam, Publish What You Pay)
- 81 global investment institutions

Transparency for the sake of “sustainable development and poverty reduction” not simply for the sake of transparency

Produce adequate and cross-verified information on extractive revenues

- > Companies disclose what they pay to host countries
- > Host countries disclose what they receive from companies
- > An approved auditor reconciles the declarations and recommends improvements
- > Auditor's reports are made publicly available
- > EITI validation process determines compliant countries



Three local stakeholders required to implement EITI : government, civil society and companies

Benefits for governments and civil society in implementing countries

> Economic incentive

- More attractive investment environment
- Better access to financing
- Oil and gas revenues benefit a wider population

> Governance improved

- Reduced risk of conflicts : public institutions strengthened, greater awareness of citizens
- Better management of public finances
- Civil society organizations empowered : stronger relationships with private sector and international organizations

> Reputation of country in terms of political integrity

***Values of social justice, accountability
and good governance reinforced***

Reduced risks for extractive companies

- **Political risks mitigated by better governance**

- **EITI implementation helps extractive companies to :**
 - Respond to legitimate demands and reduce suspicion from civil society and international community
 - Enhance local acceptability by disclosing global contribution made to the host country
 - Avoid unfair competition

- **Improved stakeholder relations and market confidence**

Securing long-term investments

Long-term commitment by Total to EITI

› Active involvement in EITI

- Public support since the beginning
- Participation in the Core Group for setting up EITI
- Board member (alternate from 2006-2009, titular since Feb. 2009)

› Wide promotion of EITI

- Participation in several EITI promotional meetings (Yemen, Angola, Cameroon, Tunisia)
- Meetings with NGOs on transparency issues

› Increased transparency of our activities beyond EITI

- Set up a transparency organization at Corporate, Upstream and Affiliates' levels
- Transparency files for certain countries, representing 40% of Total's production, published on Group's website

Transparency files for 5 countries



***Ensure that our industrial projects contribute to development
Critical to enhance our local acceptability***

EITI's challenges

- **Based on voluntary commitment by governments and fair enforcement of the process**

- **Absence of some major players**
 - Less than 10% of global oil and gas production covered
 - Absence of some of the industry's new players

- **“Teething problems”**
 - Role of civil society sometimes needs to be reasserted
 - Difficulties in some countries to go from official support to real implementation

Legitimacy must be reinforced by stronger involvement of all stakeholders

Disclaimer

This document may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business, strategy and plans of Total. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, including currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental regulatory considerations and general economic and business conditions. Total does not assume any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the Group with the French Autorité des Marchés Financiers and the US Securities and Exchange Commission.

Business segment information is presented in accordance with the Group internal reporting system used by the Chief operating decision maker to measure performance and allocate resources internally. Due to their particular nature or significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, certain transactions such as restructuring costs or assets disposals, which are not considered to be representative of normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to recur within following years.

The adjusted results of the Downstream and Chemical segments are also presented according to the replacement cost method. This method is used to assess the segments' performance and ensure the comparability of the segments' results with those of the Group's main competitors, notably from North America.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the income statement is determined by the average price of the period rather than the historical value. The inventory valuation effect is the difference between the results according to FIFO (First-In, First-Out) and replacement cost.

In this framework, performance measures such as adjusted operating income, adjusted net operating income and adjusted net income are defined as incomes using replacement cost, adjusted for special items and excluding Total's equity share of the amortization of intangibles related to the Sanofi-Aventis merger. They are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Dollar amounts presented herein represent euro amounts converted at the average euro-dollar exchange rate for the applicable period and are not the result of financial statements prepared in dollars.

Cautionary Note to U.S. Investors - The United States Securities and Exchange Commission currently permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as "proved and probable reserves", "reserve potential" and "resources", that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File N° 1-10888, available from us at 2, place Jean Millier - La Défense 6 - 92400 Courbevoie - France. You can also obtain this form from the SEC by calling 1-800-SEC-0330.