



CSR
in Total's business model

Myanmar : operating in a criticized country

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Investor Relations, London, November 19th, 2009



Responsible operations



Yadana : conventional offshore gas project

> Consortium partners

- Total E&P Myanmar (France) : 31.2% (operator)
- Chevron (US) : 28.3%
- PTT-EP (Thailand) : 25.5%
- MOGE (Myanmar) : 15.0%

> Investment (100%) : \$1.3B

> 0.6% of Total's production in 2008

- Operated production (100%) : 703 Mcf/d (88 kboe/d)
- SEC production (Total share) : 117 Mcf/d (14 kboe/d)

> Important regional energy source

- 17.5% of Thailand gas-fired power generation supply
- 50% of Myanmar gas supply

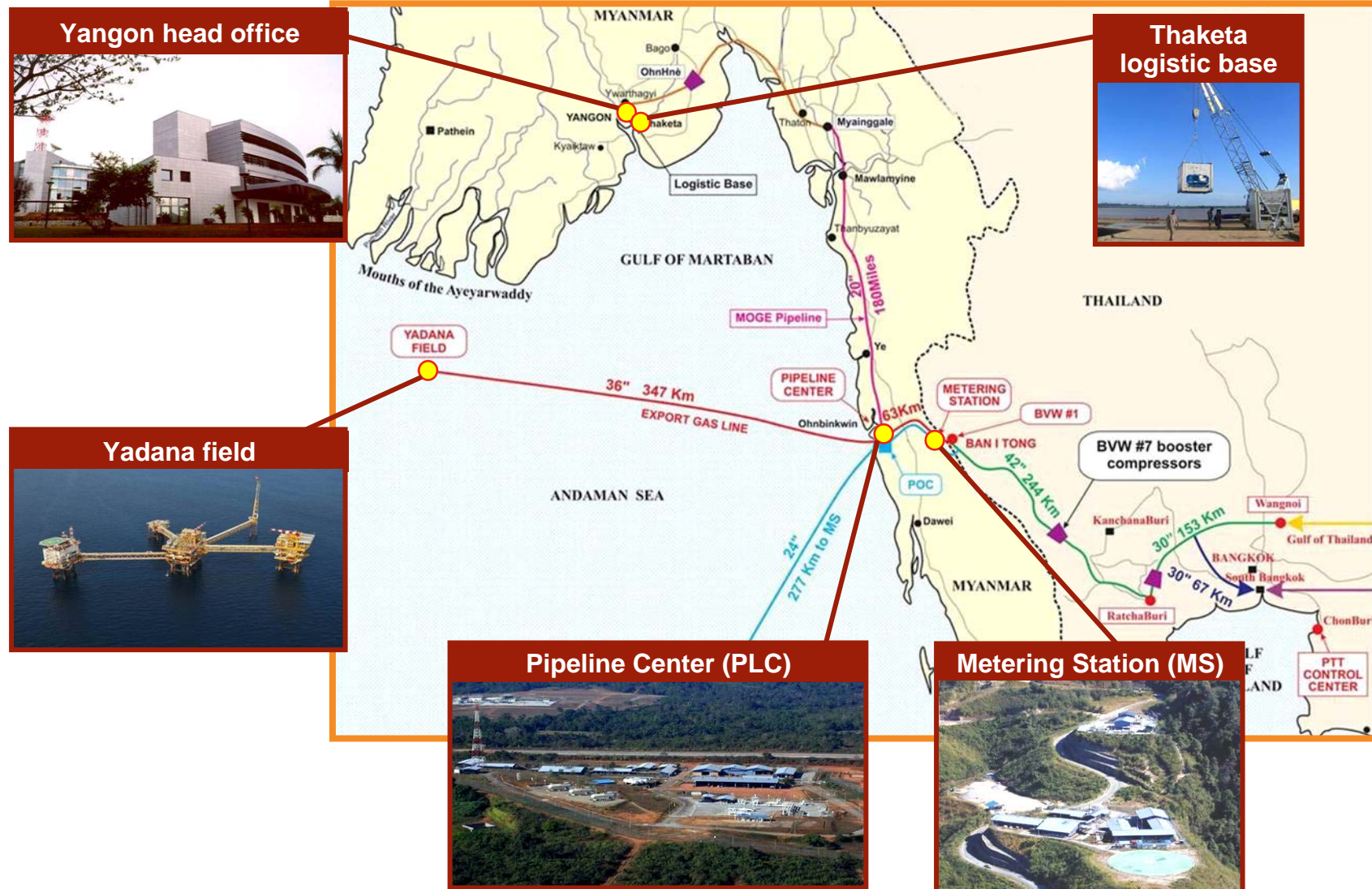
Yadana



- > 1992 : PSC signed
- > 1995 : Start of construction
- > 1998 : First gas delivery
- > Contract duration : 30 years (2028)

Long-term commitment in Myanmar

Yadana's facilities



Yangon head office



Thaketa logistic base



Yadana field



Pipeline Center (PLC)



Metering Station (MS)



Myanmar : a challenging environment

> Political situation

- Military regime since 1962
- Restrictions on civil and political rights
- Conflicts with some ethnic minority groups
- General elections scheduled in 2010

> Human rights situation remains under UN and international community scrutiny

> Low level of socio-economic development

- UN Human Development Index : 138th (out of 182 countries)

> International relations

- Targeted sanctions imposed by Western governments (EU, US, Canada...)
- Continued investment from / trade with China, India and ASEAN countries

> Presence of Total in Myanmar harshly criticized by advocacy groups



Exemplary behavior required

Ethics : a top priority

> Commitments

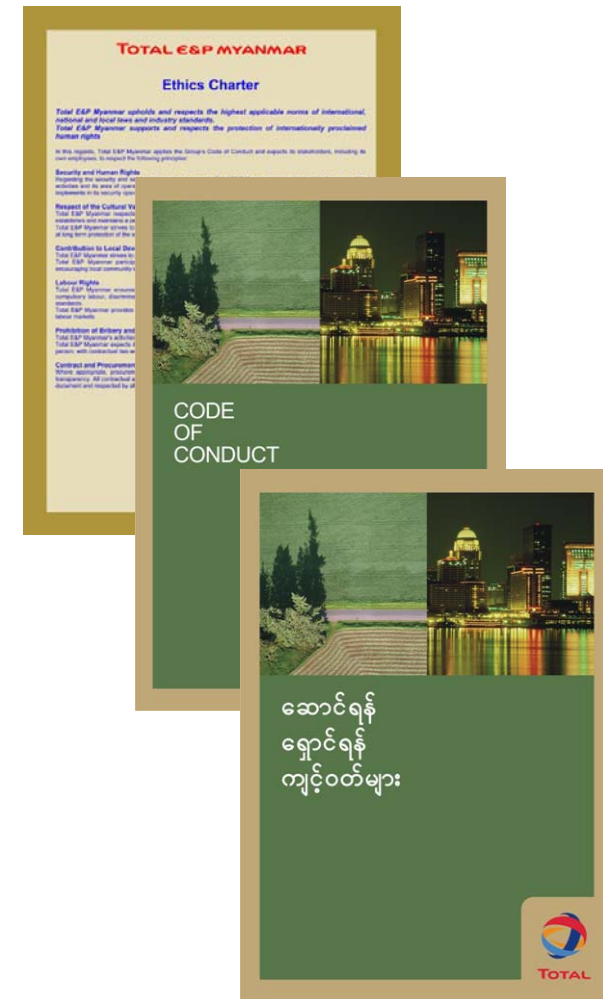
- Respect for human and labor rights
- Respect for cultural values of local communities
- Contribution to local development
- Prohibition of bribery and conflict of interest
- Transparency in contracts and procurement

> Clear internal and external communication of Total's Code of Conduct and subsidiary's Ethics Charter

> Human rights training for Total staff implemented with the Danish Institute for Human Rights (52 participants in 2009)

> Specific procedure in place to address incidents and potential human rights issues in pipeline area

> Ethics assessment by *GoodCorporation*



Maintaining the highest ethical standards

Human resources : our approach is unique in Myanmar

> Strong focus on human resource development

- Myanmar nationals : over 90% of Total staff
- 3,000 man-days of training annually
- Career development plans
- 15 Myanmar nationals currently on international assignment

> Compensation policy in line with Group standards

> Comprehensive benefits package

- Medical coverage
- Life and disability insurance
- Retirement plan
- Personal loans

> Employee dialogue

- Staff representatives designated by employees
- Employee satisfaction surveys

Total staff = 251



Contracted staff = 645



Figures as of October 1, 2009
excluding international assignments

Total Myanmar is working with contractors to ensure the implementation of similar principles for their staff

Total's HSE standards applied in Myanmar

› Safety (12-month period ending September 30, 2009)

- 2.5 million man-hours worked annually
- Lost Time Incident Frequency : 0.39 (Total E&P = 0.56)
- Total Recordable Incident rate : 1.16 (Total E&P = 1.99)

› Environment

- ISO 14001 certification
- Offshore produced water re-injected into reservoir
- Strict waste management system
- Support for environmental conservation projects
 - Tanintharyi Nature Reserve Project with Forestry Department
 - Biodiversity conservation project at pipeline center with local NGO



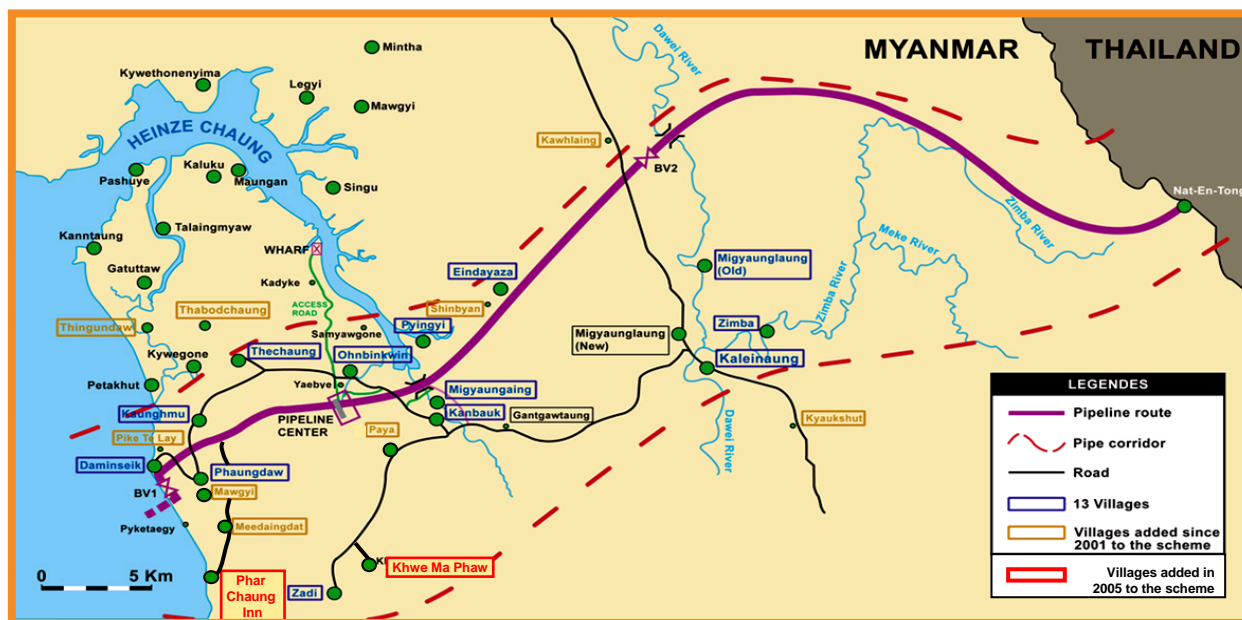
Strong dedication and excellent track record

Contribution to community development in pipeline area



Yadana pipeline area

- Rural, fairly isolated and sparsely populated area in Tanintharyi region
- 25 villages covered by the socio-economic program : 35,000 inhabitants
 - 68% Bamar Buddhists, 24% Mon Buddhists, 7% Karen Christians, 1% Muslims
- Main sources of income
 - Inland : agriculture (rubber, cashew, coconut, vegetables...) and livestock (pigs, chickens...)
 - Coastal area : fishing and rice



Local involvement focused on empowerment and dialogue

> Ongoing communication with local communities

- Daily presence of Total staff in the area (socio-economic, management, operational and security teams)
- Communication committee in each of the 25 villages (125 elected committee members)

> Key principles of socio-economic program

- Community participation in defining projects
- Development of local skills to ensure sustainability of all program initiatives

> Promote transparency and constructive criticism

- 5 public reports by independent organization CDA* between 2000 and 2008
- 15 to 20 third-party visits per year : shareholders, embassies, UN agencies, NGOs...

Maintaining trust and confidence
Promotion of civil society mechanisms

Socio-economic program



> Launched in 1995

> Expanded to 25 villages

- 35,000 inhabitants
- 50,000 beneficiaries overall

> 5 priorities

- Dialogue
- Health care
- Education
- Economic development
- Infrastructure

> Implemented by Total

- Support of specialized NGOs (ex : Entrepreneurs du Monde)

* Collaborative for Development Action

Socio-economic program significantly improving living standards

➤ Health : addressing main causes of mortality

- Mortality from 3 main diseases divided by 20 since 1997 (malaria, food/water, acute respiratory infection)
- Focus shifted to preventive measures

➤ Access to education improved

- 44 new schools built and 22 schools renovated
- Student population multiplied by 2 since 1995
- Teacher / student ratio: from 1/46 in 1996 to 1/26 today

➤ 200 infrastructure projects completed since 1995

- Roads, bridges, clinics, schools, water supply
- Focus on community leadership since 2007

➤ Providing sources of income for local villagers

- 1,200 ongoing micro-finance loans
- 38 poultry farms (150,000 eggs / month)
- 890 farmers trained in 2008
- 550 backyard gardens supported in 2008



Security organization contributing to local acceptability

> Total Myanmar security team in charge of protecting personnel and facilities

- 65 unarmed civilians
- 74% native from local villages and Dawei
- No significant security problem recorded over the past 10 years

> Responsibilities

- Ensure security and safety of staff
- Control access to sites
- Monitor pipeline integrity
- Assess general situation in the pipeline area
 - Develop relationships in the 25 villages
 - Liaise permanently with socio-economic and operational staff working on the ground
 - Report any incident as specified by Total Myanmar procedures



***Sound community relations are the best guarantee
for the security of our operations***

Human rights in Yadana pipeline area

> Military presence around pipeline area

- Military presence similar to other parts of the country
- Myanmar Armed Forces not in charge of any security work for Total
- No payment or material support to Myanmar Armed Forces
- Clear communication with local military : human rights violations are not acceptable

> Permanent vigilance to address Ethic and Human Rights Issues in the pipeline area

- Presence of our operational, security and socio-economic staff
- Code of Conduct application procedure : staff required to report to management any situation that could be related or lead to human rights issues
- Intervention at site level through MOGE representative or at General Manager level through Ministry of Energy
- Cases solved successfully (eventually few cases, for example illegal taxation)

> Earth Right International allegations

- Most serious allegations concern locations outside the pipeline area
- Gross misrepresentation of the situation in the pipeline area

Day-to-day vigilance and commitment at all levels to ensure that human rights issues are known and addressed

Broader engagement at national level



National programs and partnerships with NGOs

- **HIV care program in Mandalay area : over 1,800 patients receiving ARV therapy**
 - Partnership with *International Union Against Lung Disease and Tuberculosis*
 - Program annual budget = \$650,000
- **Blindness prevention program : over 100,000 cataract surgeries since 2001**
 - Partnership with *Helen Keller International (HKI)*
 - Program annual budget = \$250,000
- **Orphanage support program in Yangon benefiting 1,400 children**
 - Support for 6 government orphanages under Dept. of Social Welfare (health, nutrition, education) and direct management of Yadana Foster Home
 - Program annual budget = \$240,000
- **Other support programs**
 - Transportation of medical equipment for *Association Médicale Franco-Asiatique (AMFA)*
 - HIV / AIDS training for government doctors in *Paris Saint-Antoine Hospital*
- **Strong contribution to Nargis Emergency Relief in 2008**
 - Donation of \$2M made by Total to International Federation of Red Cross and Red Crescent
 - Provision of direct assistance and logistical support to NOGs

***Programs supported by Yadana and implemented by specialized NGOs
Focus on development of capabilities in the public health sector***

Sharing best practices with other local gas producers

➤ Background

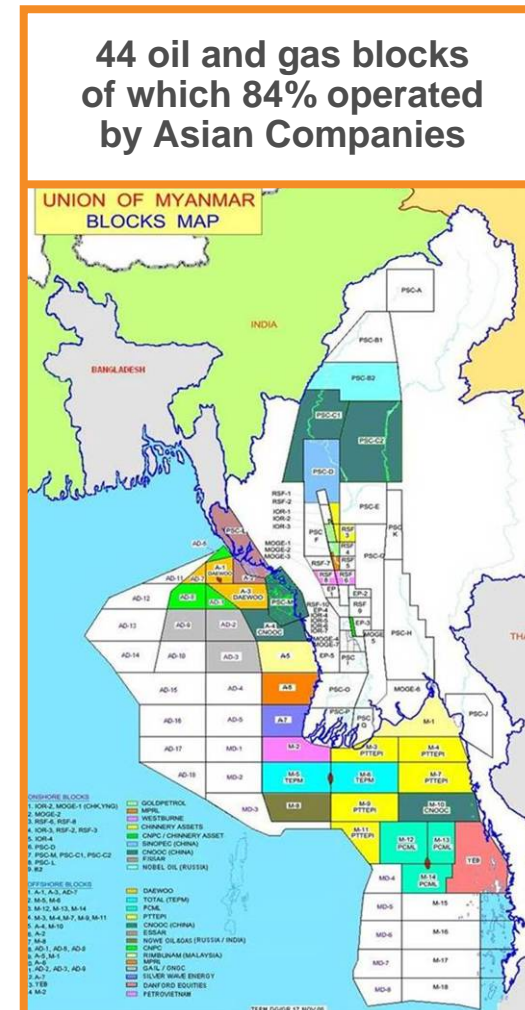
- Total Myanmar experience in managing community relations
- New gas projects launched in Myanmar (incl. PTTEP, Daewoo)

➤ Gas producers best practices sharing forum

- Launched by Total Myanmar end-2008
- Participants : Total Myanmar, Petronas, PTTEP, Daewoo, MOGE
- Each company remains responsible for its own actions

➤ Initial outcomes

- Daewoo support to HKI blindness prevention program extension in 2009
- Exchange of socio-economic staff with Petronas
- Total Myanmar land acquisition procedure shared with PTTEP and Daewoo
- Proposal to establish a technical training center in Yangon



Communicating our corporate standards to Ministry of Energy and MOGE

- > **Clear communication of our Ethics Policy to Ministry of Energy and MOGE**
- > **Engagement on human rights issues**
 - Intervention through Ministry of Energy and MOGE for situations that could involve potential human rights abuse in Yadana pipeline area
- > **Promotion of responsible corporate practices (staff, community, environment...)**
 - Ministry of Energy and MOGE generally supportive of Yadana socio-economic initiatives
- > **Capacity development initiatives**
 - Training of civil servants
 - Technical training of MOGE staff for 4 engineers currently studying at the Nancy School of Mines

Training of civil servants in international law

- > **30 government officers from various ministerial departments**
- > **Implemented by UNITAR***
 - First session in 2006
 - Second session scheduled in December 2009
 - Held annually in the future
- > **Funded by Total**
- > **Scope**
 - UN System, International Organizations, International Human Rights System
 - International Environmental Law, Humanitarian Law, Refugee Law, Trade Law, Law of the Sea
 - Multilateral negotiation and conflict resolution practices

***Strong commitment to our corporate standards
but no interference with the political process***

* United Nations Institute for Training and Research

Exemplary behavior required in all aspects of our operations, especially in a country under scrutiny

- Operating in a responsible manner in a country like Myanmar is possible
- Successful community relations and socio-economic programs are key to our acceptability
- External scrutiny and constructive criticism are positive drivers...
- ... but aggressive anti-Total campaign is counterproductive

Total committed to stay
Our presence has more positive impact than our departure

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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.

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