



TOTAL GABON

Société anonyme incorporated in Gabon with a Board of Directors and share capital of \$76,500,000

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Registered in Port-Gentil: 2000 B 00011

PRESS RELEASE

FIRST-HALF 2010 RESULTS

Port-Gentil — August 27, 2010

Main Financial Indicators

		Q2 10	Q1 10	Q2 09	Q2 10 vs. Q2 09	H1 10	H1 09	H1 10 vs. H1 09
Average Brent price	\$/b	78.2	76.4	59.1	+32%	77.3	51.7	+50%
Average Total Gabon crude price	\$/b	74.8	72.3	56.1	+33%	73.5	48.0	+53%
Crude oil production from fields operated by Total Gabon	kb/d	65.9	70.0	69.5	-5%	68.0	71.1	-4%
Crude oil production from Total Gabon interests ¹	kb/d	53.6	56.8	57.1	-6%	55.1	58.1	-5%
Revenues	\$M	339	338	317	+7%	676	541	+25%
Funds generated from operations	\$M	197	201	140	+41%	398	240	+66%
Capital expenditure	\$M	74	48	103	-28%	122	153	-20%
Net Income	\$M	47	42	42	+10%	89	62	+42%

¹ Including the oil tax reverting to the Republic as per the production sharing contracts.

Second-Quarter 2010 Results

Selling Price

In the second quarter, Brent averaged \$78.2 per barrel, up 32% from \$59.1 in the prior-year period and 2% from \$76.4 in the first quarter of the year.

The selling price of the Mandji and Rabi Light crude oil grades marketed by Total Gabon averaged \$74.8 per barrel in the second quarter of 2010, up 33% from \$56.1 a year earlier and 3% over the first-quarter 2010 average of \$72.3 per barrel.

Production

Total Gabon's equity share¹ of operated and non-operated oil produced averaged 53,600 barrels per day in the second quarter 2010, down 6% from 57,100 barrels per day in the prior-year period and from 56,800 barrels per day in first-quarter 2010.

Revenues

Revenues climbed 7% to \$339 million in the second quarter 2010 over the prior-year figure of \$317 million, despite the lower amounts of oil marketed. The increase can be attributed to the higher average selling prices for the period considered. Second-quarter revenues were stable from the first quarter figure of \$338 million.

Net Income

Second-quarter 2010 net income increased 10% to \$47 million from the prior-year period and from first-quarter net income of \$42 million.

Capital Expenditure

Capital expenditure in the second quarter 2010 mainly consisted of continued redevelopment of the Anguille field, drilling in the Atora license, and a seismic survey on the Diaba license. Capital expenditure stood at \$74 million, versus \$103 million in the prior-year period and \$48 million in the first quarter of 2010.

Funds Generated from Operations

In light of the above, funds generated from operations amounted to \$197 million in the second quarter 2010, an increase of 41% from the prior-year figure of \$140 million and in line with the first-quarter 2010 figure of \$201 million.

First-Half 2010 Results

Selling Price

Compared to the prior-year period, the average selling price of Brent rose 50%, to \$77.3 per barrel, in the first half of 2010.

The selling price of the Mandji and Rabi Light crude oil grades marketed by Total Gabon averaged \$73.5 per barrel in the first half of 2010, up 53% from \$48.0 a year earlier.

Production

Total Gabon's equity share¹ of operated and non-operated oil produced averaged 55,100 barrels per day during the first half. The 5% decrease from the 58,100 barrels reported in first-half 2009 can be attributed to:

- A 10% decrease resulting from naturally declining output from certain fields, notably Gonelle, Torpille, Baudroie, Atora, Coucal and Mboumba, which was partially offset by performing workovers on existing wells and bringing the new AV 8 well on stream.
- A 5% increase related to a lower level of scheduled and unscheduled shutdowns in the first half compared to the prior-year period, for both operated and non-operated production.

Revenues

First-half 2010 revenues amounted to \$676 million, an increase of 25% from the first-half 2009 figure of \$541 million, despite the lower volumes of oil marketed. The increase can be attributed to the higher average selling prices for the period considered.

¹ Including the oil tax reverting to the Republic as per the production sharing contracts.

Net Income

Net income increased 42% to \$89 million, compared to \$62 million in the first half of 2009, primarily as a result of higher revenues and lower taxes.

Capital Expenditure

Capital expenditure stood at \$122 million in first-half 2010, down from \$153 million in the first half of 2009. Capital expenditure mainly consisted of a seismic survey on the Diaba license, development drilling in the Atora field, and the redevelopment of the Anguille field.

Funds Generated from Operations

In light of the above, funds generated from operations amounted to \$398 million on June 30, 2010, for an increase of 66% from the figure of \$240 million for the prior-year period, allowing Total Gabon to continue investing in 2010 without having to borrow.

First-Half 2010 Highlights

Shareholder's Meeting and Dividend

At Total Gabon's Annual Meeting of Shareholders on May 28, 2010 in Libreville, the payment of a net dividend of \$22.50 per share for 2009 was approved, for a total amount of \$101 million in 2010.

The dividend was paid out from June 11 at an equivalent amount of €18.17, based on the European Central Bank's rate of €0.8075 per \$1 on May 28, 2010.

Operated Activities

Acreage

- **Aloumbé license: Application to enter the third exploration period**

On May 9, 2010, following the expiry of the six months' extension of the second exploration period, Total Gabon requested a further three-month extension to continue appraising the license's potential. An application to enter the third exploration period has been submitted to the Gabonese authorities.

- **Avocette and Coucal licenses: heads of agreement to extend the licenses**

Total and the Gabonese government signed a heads of agreement on March 5, 2010 to extend the Avocette and Coucal field licenses under ten-year production sharing contracts that can be renewed for two five-year periods, from January 2011. The current licenses expire on December 10, 2010 for Coucal and on January 6, 2013 for Avocette. Discovered in the late 1980s, the fields produce a combined 10,000 barrels per day, for equity production of 4,400 barrels per day for Total Gabon. Further investments are being considered now that the contracts have been extended and the texts are being finalized with the authorities.

- **Mutamba-Iroru License: agreement signed with VAALCO Production Gabon**

In early August, Total Gabon signed an agreement with Vaalco to acquire a 50% interest in the Mutamba-Iroru license, located near the Atora field. This agreement is subject to the Gabonese authorities' approval.

Exploration

The 6,000-square-kilometer seismic survey of the Diaba license begun in December 2009 was completed on July 7. Processing of the data prior to interpretation is expected to be completed by year-end.

Anguille Field Redevelopment

Two producing wells, AGM 64 and AGM 67 have been drilled since the drilling program began on

March 26 of this year. A third producer well, AGM 68, is currently being drilled. Two more wells are planned for 2010.

Engineering studies are continuing following the award of the AGMN platform construction contract in April 2010.

Other Operated Activities

In light of the promising results from the AV 8 well on the onshore Avocette field and the upcoming extension of the Avocette and Coucal licenses, Total Gabon expects to drill further development wells in 2010 and 2011.

Two development wells, ATO 10 and ATO 11, were drilled on the Atora license in the second quarter of this year.

Flaring

In the second quarter of 2010, the Gabonese Republic informed oil companies that it has the project to levy fines on gas flaring during oil production, effective January 1, 2011.

The Gabonese Republic's initiatives to reduce greenhouse gas emissions are fully supported by Total Gabon. The company has already introduced a major capital program in this area.

Furthermore, Total Gabon is actively involved in the dialogue between oil industry operators and the Gabonese authorities to discuss the measures to reduce gas flaring.

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