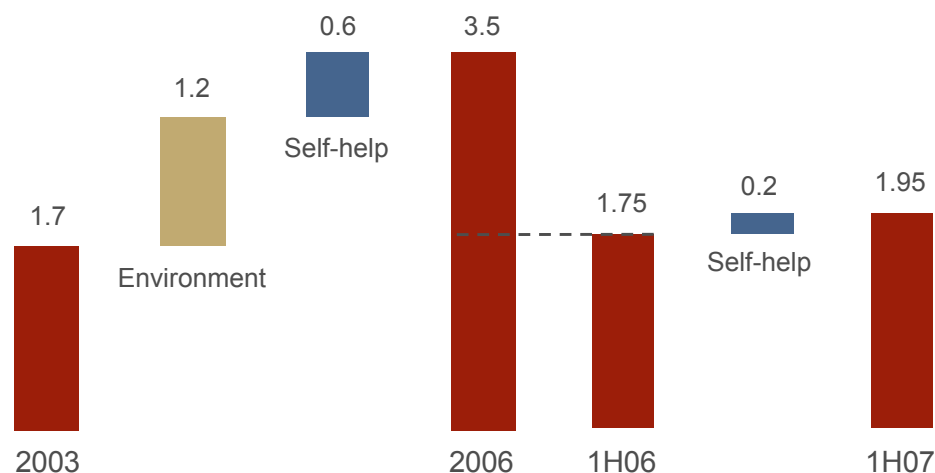


# Downstream

# Strong Downstream profitability

## Adjusted net operating income (B\$)



ROACE  
annualized

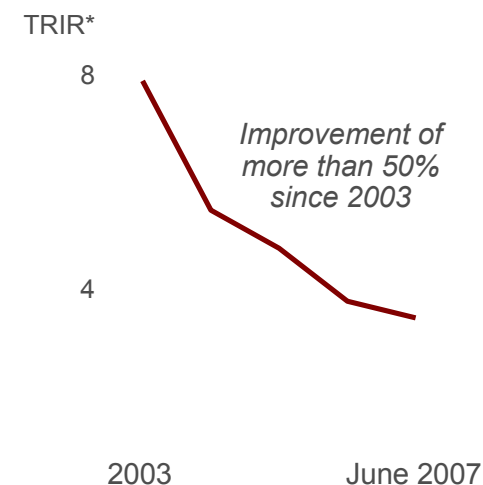
15%

23%

25%

25%

## Safety performance



- ▶ Favorable environment
- ▶ Important contribution from self-help programs
- ▶ Contribution of Normandy DHC since end-2006
- ▶ High scheduled turnarounds in 2007

## Ongoing improvement in performance

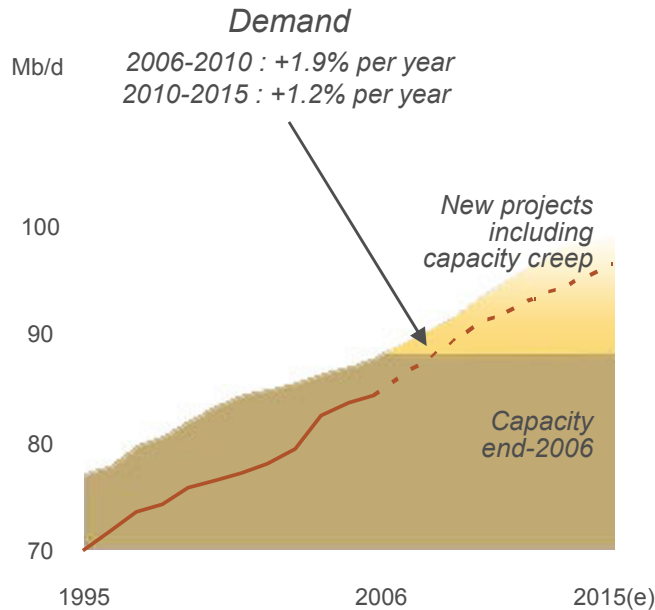
TRCV 2003 : 21 \$/t ; TRCV 2006 : 29 \$/t ; TRCV 1H06 : 32 \$/t ; TRCV 1H07 : 38 \$/t,  
TRCV 1H07 vs 1H06 not reflected in environment due to offsetting negative market effects

\* Total Recordable Injury Rate (reported incidents per million hours worked)

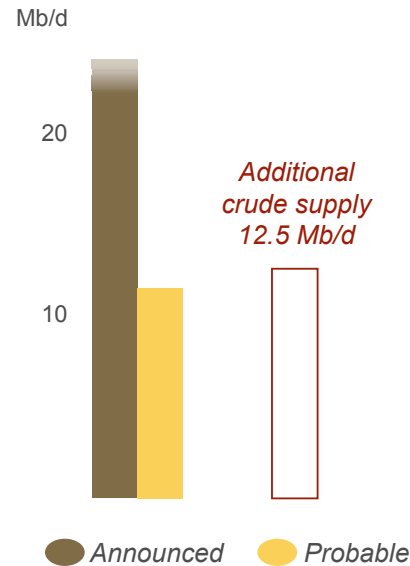


# Outlook for sustained conversion margins over the medium term

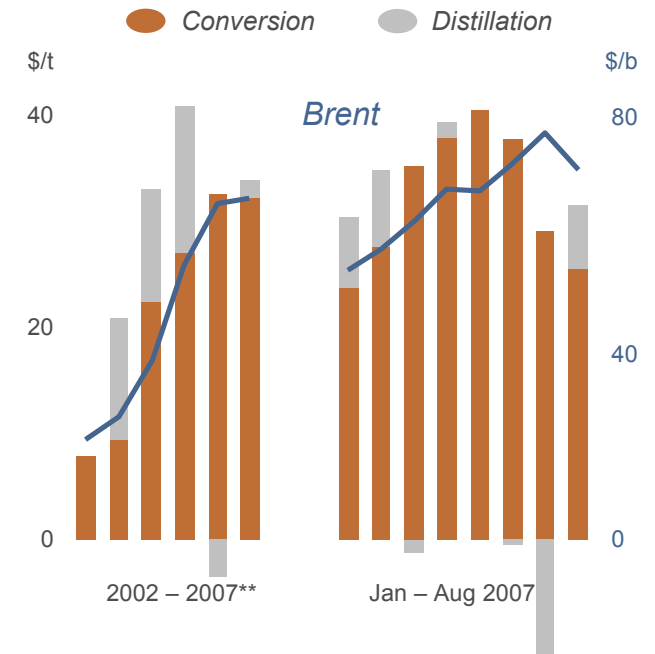
## Global refining capacity vs demand\*



## New projects 2006-2015(e)\*



## European refining margins (TRCV)



- Continued demand growth
- High utilization rate

- Many projects announced
  - But only the most robust will come to pass...
  - ... notably those benefiting from a secure supply of crude oil

- High conversion margins
  - Strong increase in demand for light products
  - Correlated to oil price over time

## Combination of constrained supply and high oil price

\* Total estimates  
 \*\* as of end-August

# Three main axes to improve and expand Total's refining system

**Optimization of portfolio of European refineries**

- ▶ Desulfurization investments : Lindsey, Leuna...
- ▶ Optimization of large European refinery hubs
  - Normandy, Leuna, Antwerp-Vlissingen, Huelva\*
  - Sale of Milford Haven in UK



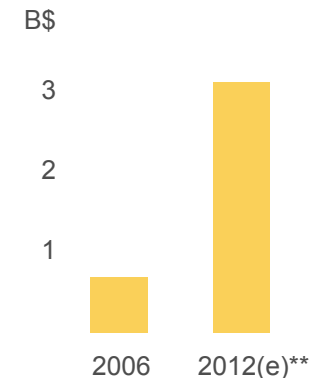
**Deep conversion in North America**

- ▶ Coker (50 kb/d), new vacuum distillation and hydro-desulfurization unit at Port Arthur refinery  
Complete FEED early-2008
- ▶ Valorizing heavy oils, notably with an upgrader in Canada

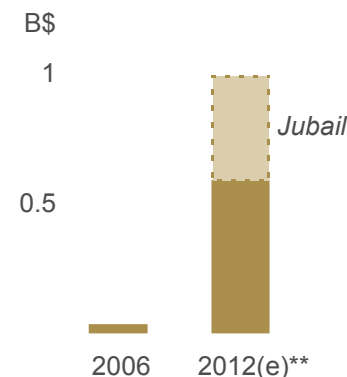
**Growth in Middle East**

- ▶ Jubail refinery (Total, 35%)  
400 kb/d capacity (dedicated supply of Arab Heavy)  
Complete FEED early-2008

**Capital employed in major refining projects**



**Cash flow of major refining projects**



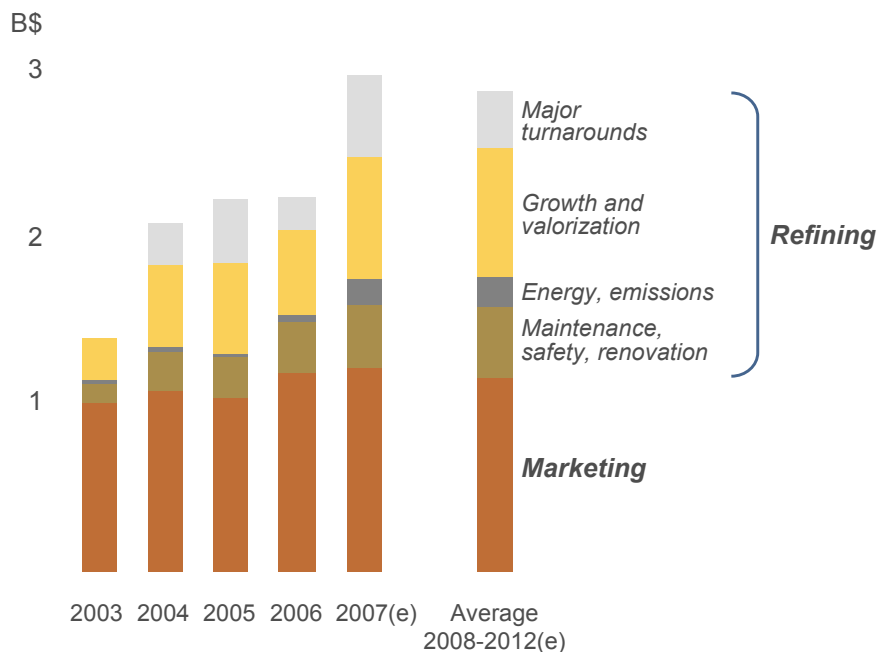
## ***Upgrading projects increase leverage to light-heavy differential***

\* Cepsa refinery (Total share 48.8%)

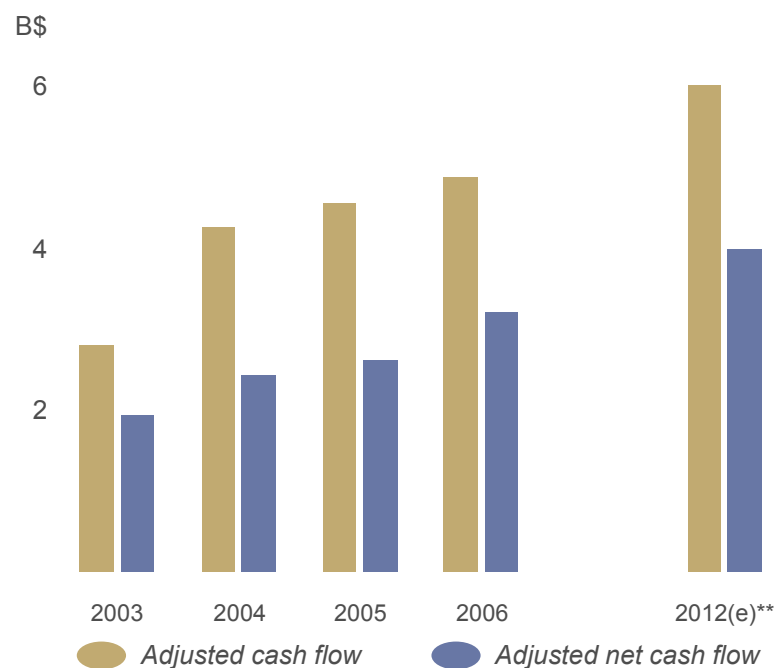
\*\* estimated start-up period for Jubail refinery and Port Arthur coker ;  
estimated cash flow based on 60 \$/b Brent and approx 30 \$/t TRCV ; no dividend received from Jubail in 2012(e)

# Increasing contribution of Downstream to net cash flow

## Downstream investments



## Downstream adjusted cash flow\*



### ► Maintain large investment program

- Launching Jubail and Port Arthur will increase Capex required over the short-term
- Impact of cost inflation

### ► Strong net cash flow from major refining projects

- Approx +0.6 B\$ per year recurring by 2012(e), not including contribution from Jubail

### ► Ongoing self-help programs in marketing

## Maintain strong Downstream profitability

\* based on refining margins over the period 2008-2012 comparable to average refining margins for the 2003-2006 period

\*\* estimated start-up period for Jubail refinery and Port Arthur coker ; no dividend received from Jubail in 2012(e)

