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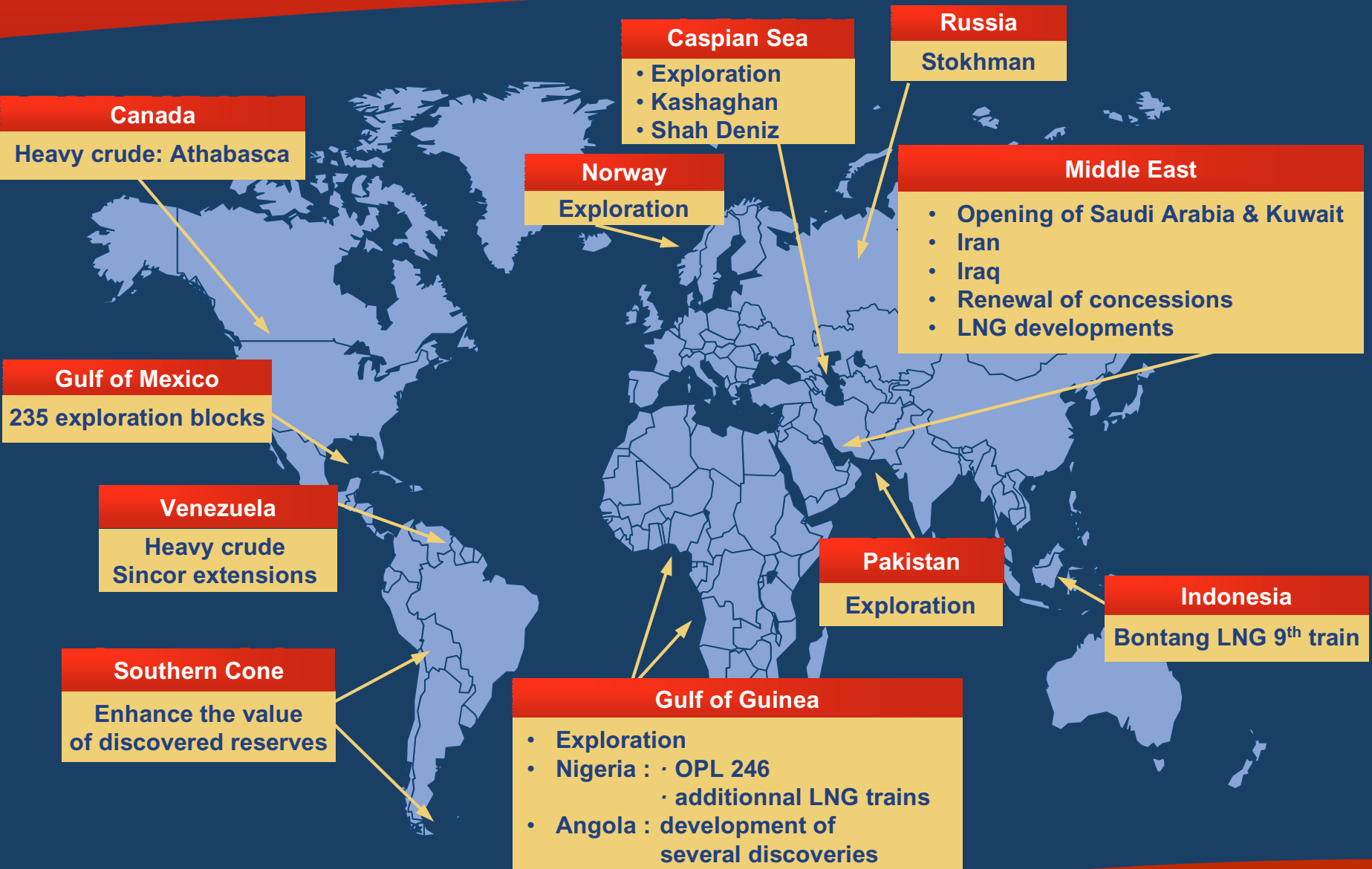
# **Capital discipline & sustainable growth**

**Christophe de Margerie**

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Investor Relations - June 21, 2001

# Beyond 2005: well-positioned for continued growth



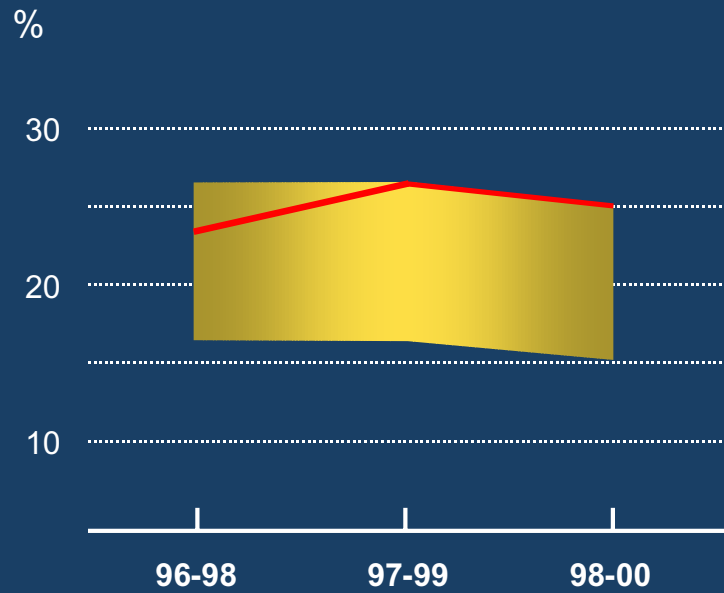
# Selecting the right opportunities: evaluation process



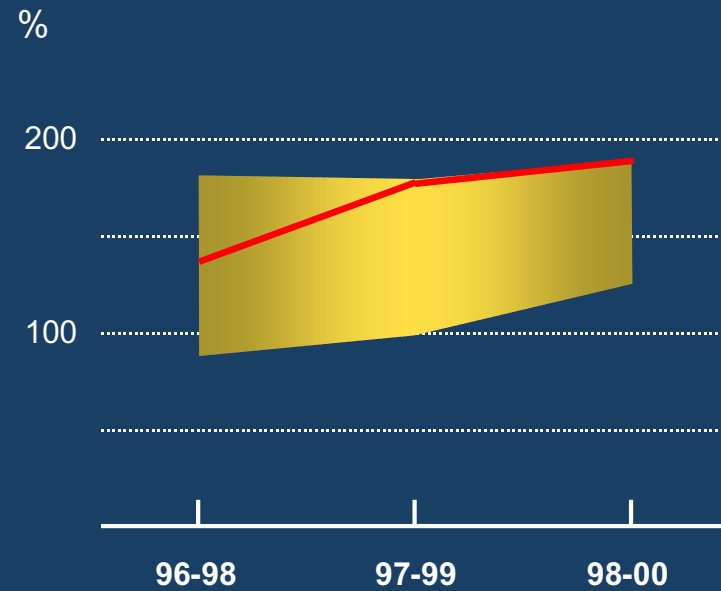
**E&P and Executive Committees focus on value creation and economic robustness of projects**

# Ambitious growth efforts...

## Capex / Capitalized cost\*



## Reserves replacement rate\*\*



— TotalFinaElf  
 majors  
 max  
 min

Fas 69, proforma

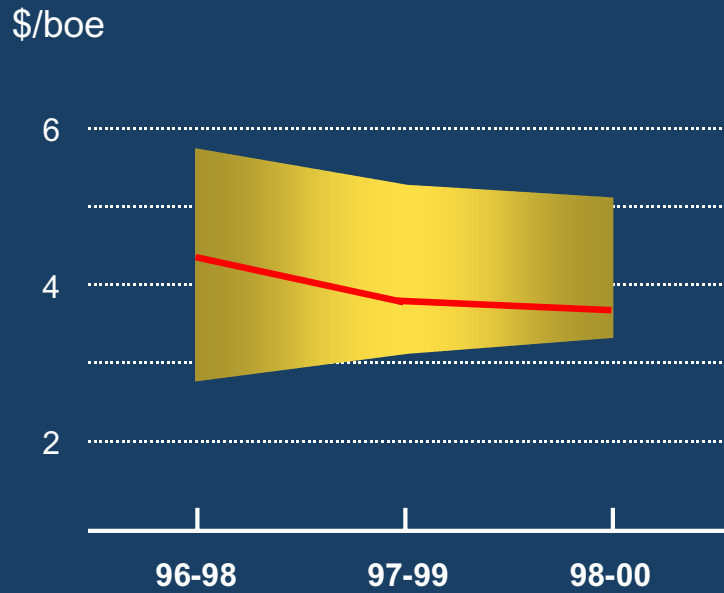
Majors = ExxonMobil, Shell, BP Amoco, TotalFinaElf, ChevronTexaco

\* (cost incurred explo & development) / capitalized cost

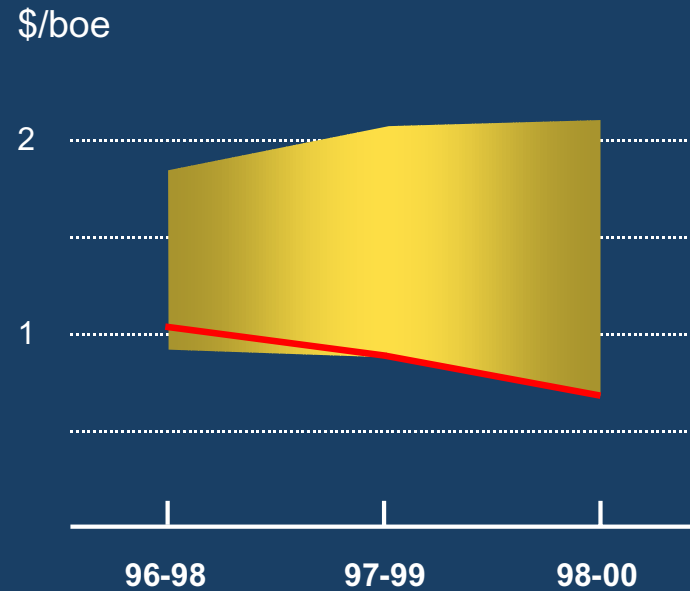
\*\* (revisions, discoveries, extensions, purchases-sales of reserves) / production

# ...do not prevent economic efficiency

## Reserve replacement cost\*



## Finding cost\*\*



— TotalFinaElf

max  
min

■ majors

Fas 69, proforma

Majors = ExxonMobil, Shell, BP Amoco, TotalFinaElf, ChevronTexaco

\* (exploration, development and acquisition costs) / proved reserve additions

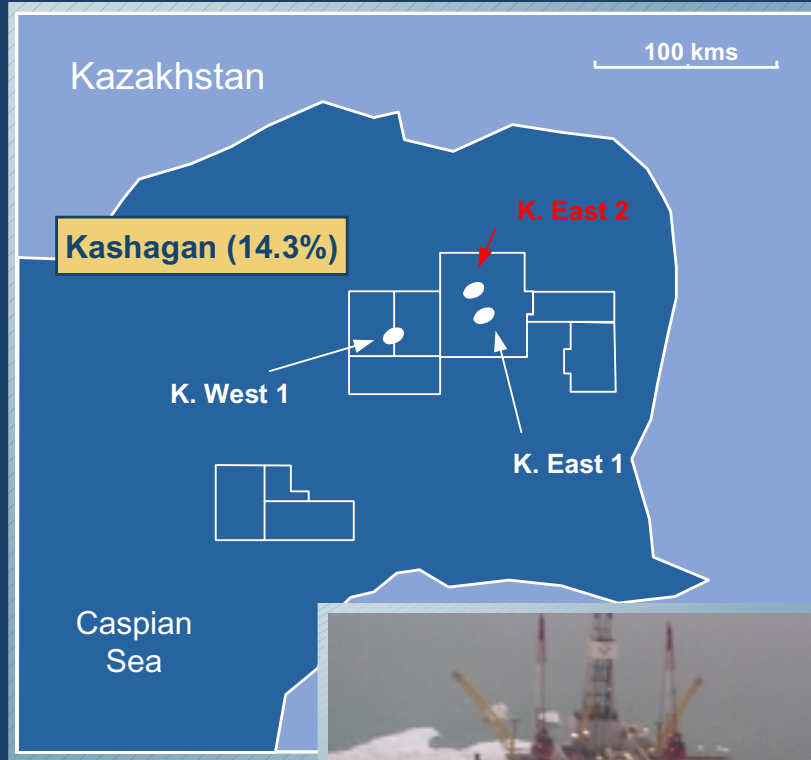
\*\* exploration costs / proved reserve additions excluding acquisitions

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**Strong base securing future growth**

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# Kazakhstan: strengthening positions in a high-potential zone



## ● **Kashagan permit**

- finalization of acquisition\* of interests of BP (9.52%) and Statoil (4.76%)

## ● **Exploration & appraisal program on Kashagan**

- 2nd exploration well on Kashagan West confirmed giant structure
- remarkable correlation with 1st well on Eastern part
- delineation of structure underway with a third well spudded on Eastern part
- several other large structures to be drilled on Kashagan permit

\* to be shared with partners exercising pre-emption rights

# Kashagan and North Caspian export routes



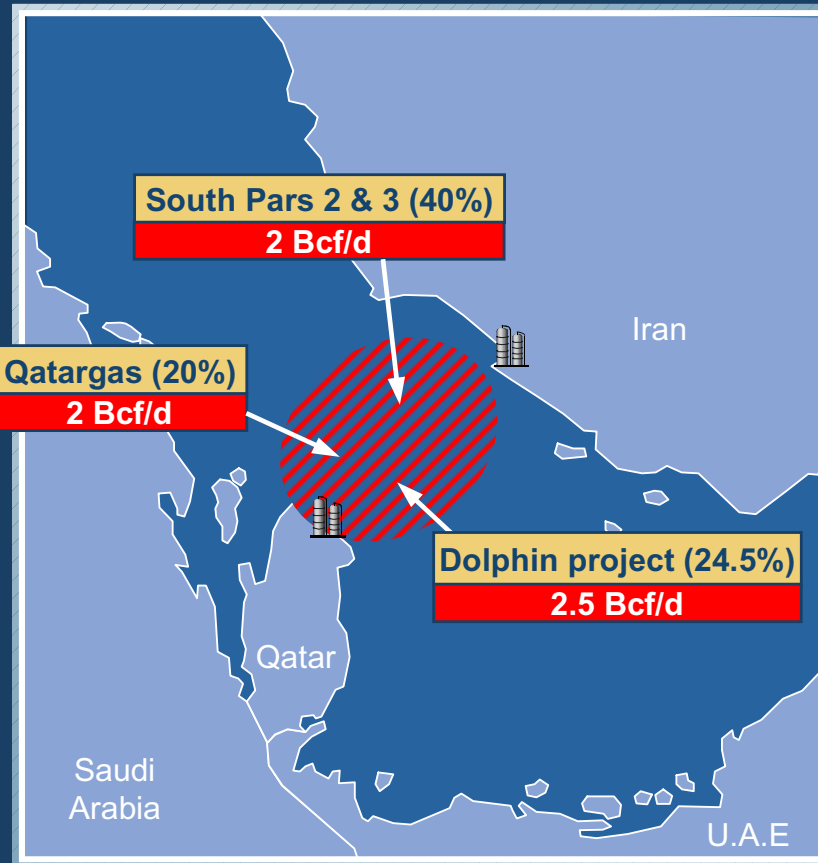
— operational or under construction

- - - proposed routes

- ***Necessity of alternative routes from North Caspian***
  - security of export
  - competitive commercial terms
- ***Russian route already operational***
- ***Western route through Turkey and Southern route through Iran under study***

# Middle East: leading position in the world's largest gas field

North Field & South Pars represent more than 500 Tcf reserves



■ gas production capacity

■ gas processing

## ● **South Pars - Iran**

- buy-back  
TotalFinaElf: 40% on Phase 2 & 3
- feasibility study for LNG launched (Pars LNG)

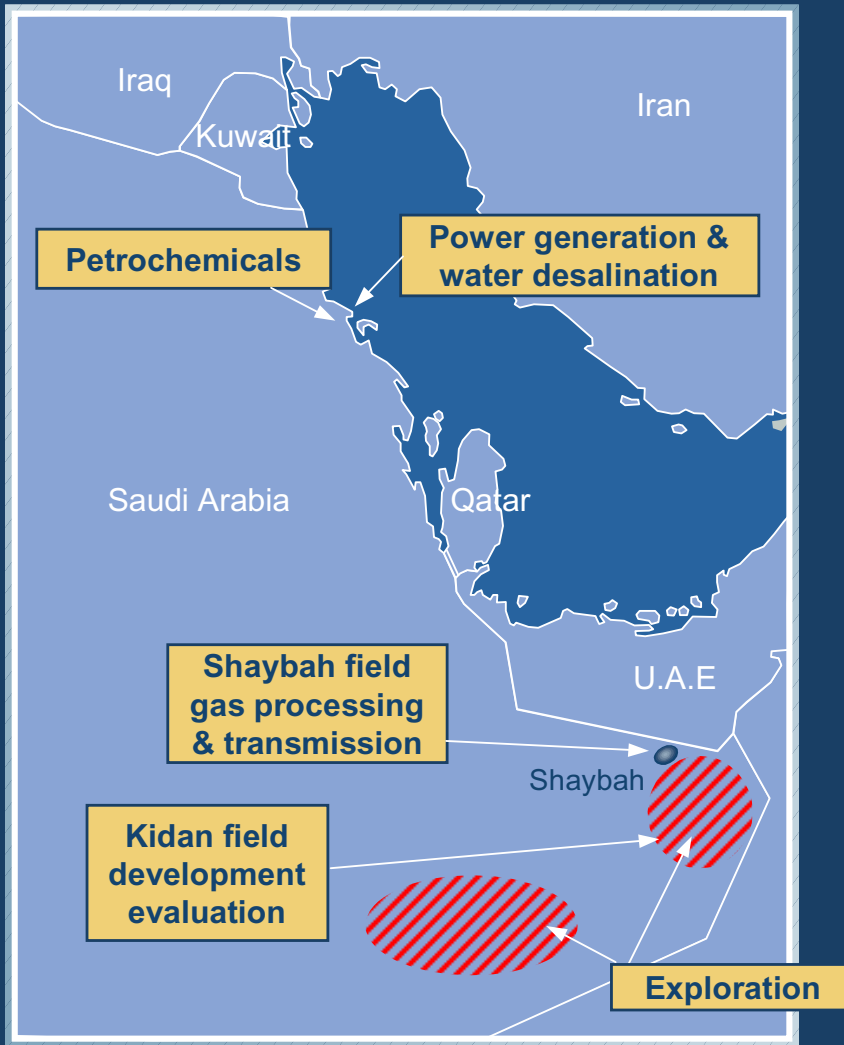
## ● **Qatargas Upstream**

- PSC - TotalFinaElf: 20%
- 3 LNG trains producing  
debottlenecking to 9.2 Mt/y decided

## ● **Dolphin project**

- PSA terms agreed (25 year contract)  
TotalFinaElf: 24.5%
- development of two blocks of North Field  
2.5 Bcf/d gas + 95 mb/d condensates
- Capex : 3 to 3.5 B\$

# Saudi Arabia: opening of the world's largest producer



## ● **Core Venture 3 awarded 06/2001**

- TotalFinaElf: 30%

## ● **Project framework**

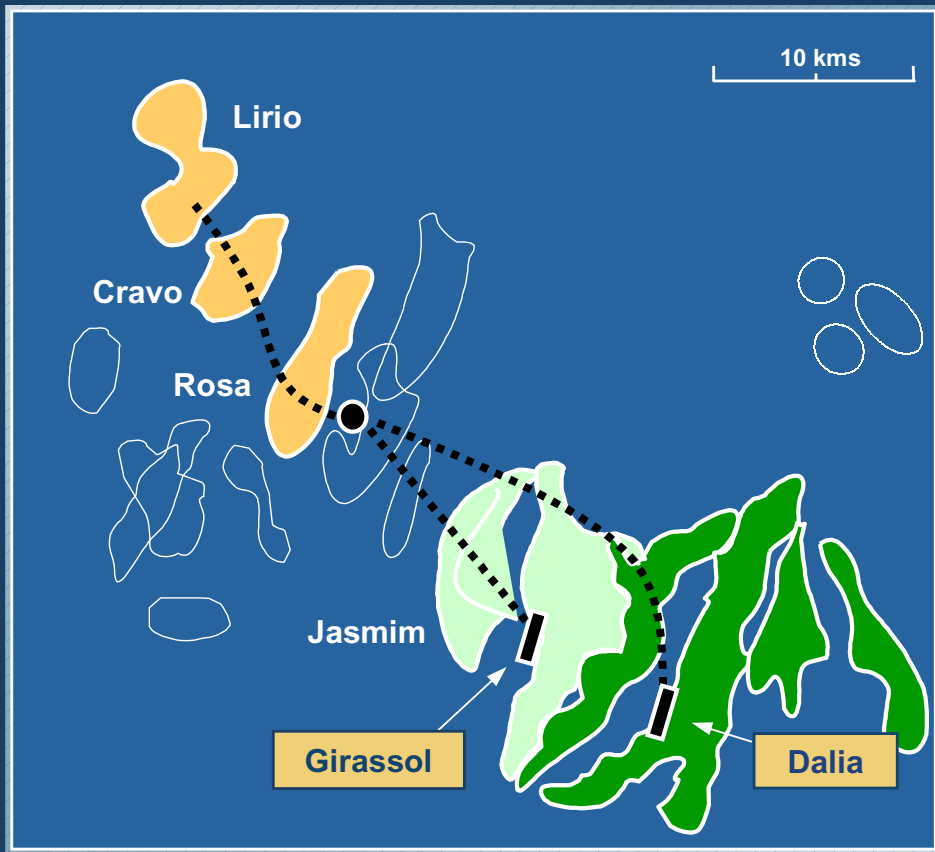
- exploration of Rub'al Khali area
- feasibility study for development of the Kidan undeveloped reserves (sour gas field)
- gas treatment and transport facilities from Shaybah
- construction of a petrochemicals plant, a power station and a desalination facility

## ● **Forecasted Capex: 5B\$**

**New area of development for the Group**

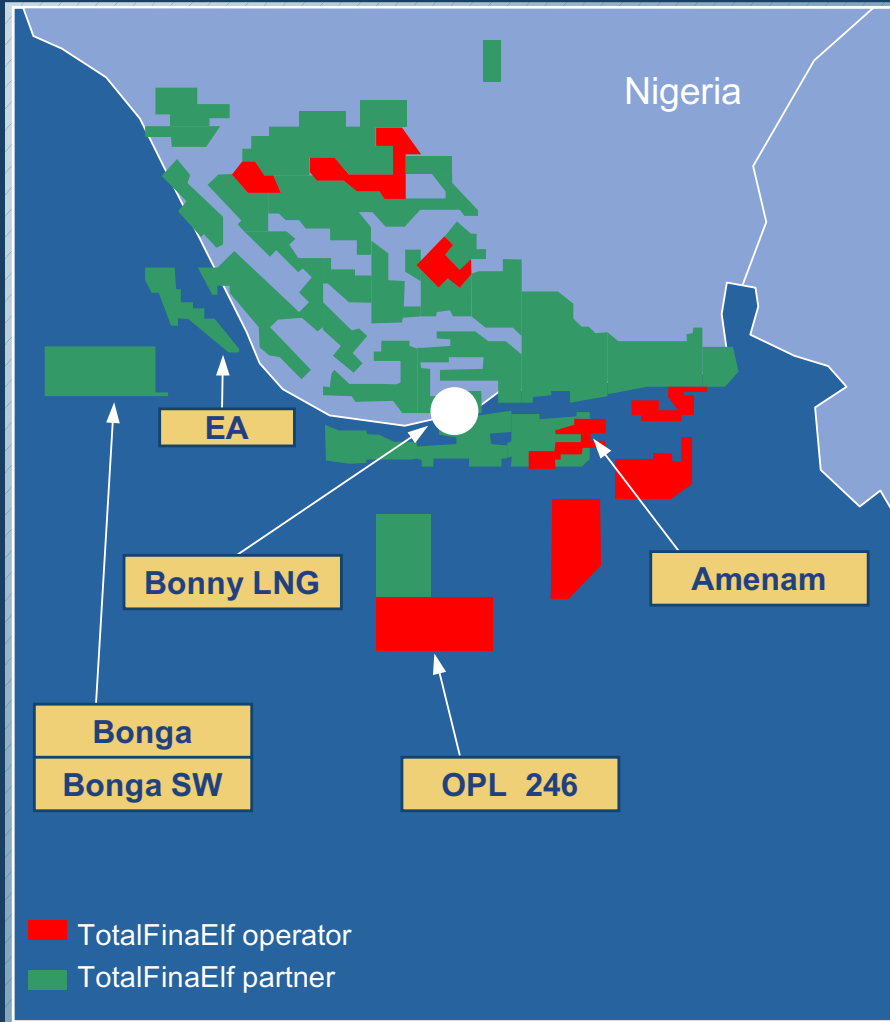
# Angola: a major contributor to sustainable growth

## Block 17 development



- **Block 17 (40% operator)**
  - Dalia engineering underway
  - Jasmim to be developed and hooked-up to Girassol FPSO
  - Rosa-Lirio-Cravo design studies underway
- **Block 14 (20%)**
  - New discovery in 2001: Tombua
  - Benguela/Belize development studies underway
- **Block 31, 32, 33**
  - Exploration drilling in 2001

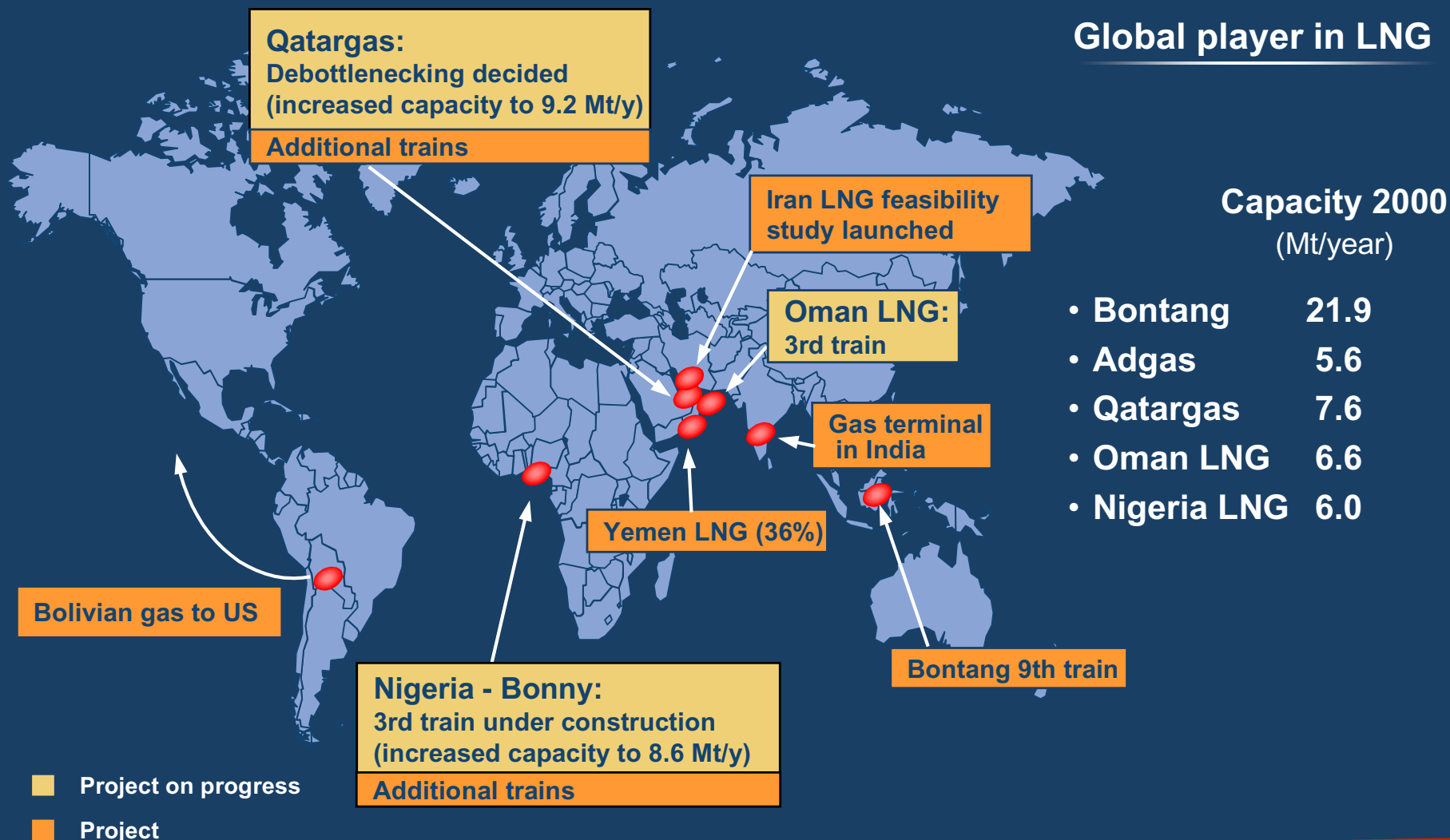
# Nigeria: develop position on deep offshore potential



- **N°1 country in terms of reserves for the Group**
- **OPL 246: Akpo discovery (24%)**
  - discovered in April 2000 (1,375 m)
  - 2 positive appraisal wells
  - further appraisal in 2001
  - already identified as a giant field
  - exploration of other prospects
- **Bonga (TotalFinaElf: 12.5%)**
  - major discovery on Bonga South West

# Pursue development of LNG activity

## Global player in LNG



# Further opportunities for the long-term



- *Take another look at mature basins*
- *Sustain exploration activity in deep offshore*
- *Unlock value of existing acreage*
- *Frontier exploration*

**Well-positioned to maintain long-term growth**