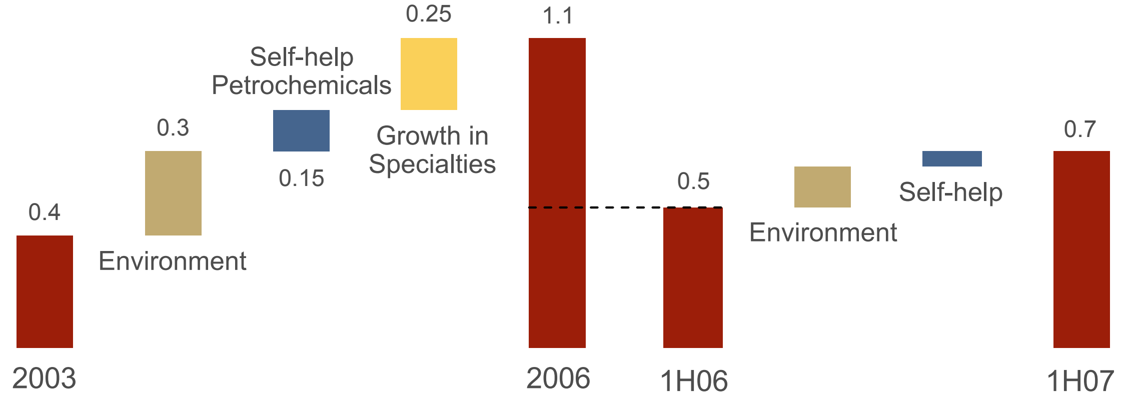
Chemicals

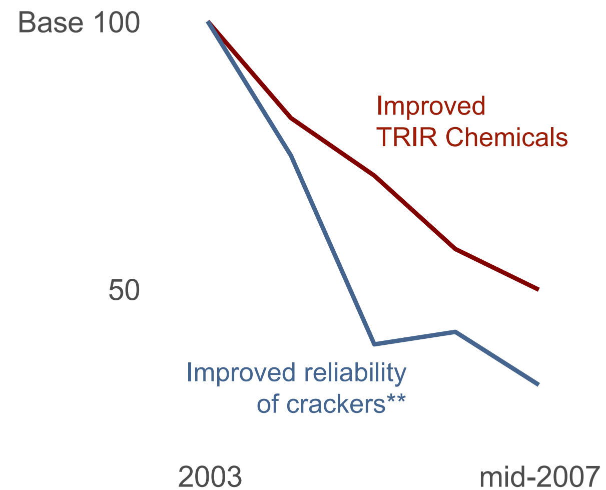
Increasing profitability of Chemicals

Adjusted net operating income (B$)*



ROACE annualized	5%	13%	11%	14%

Safety and reliability



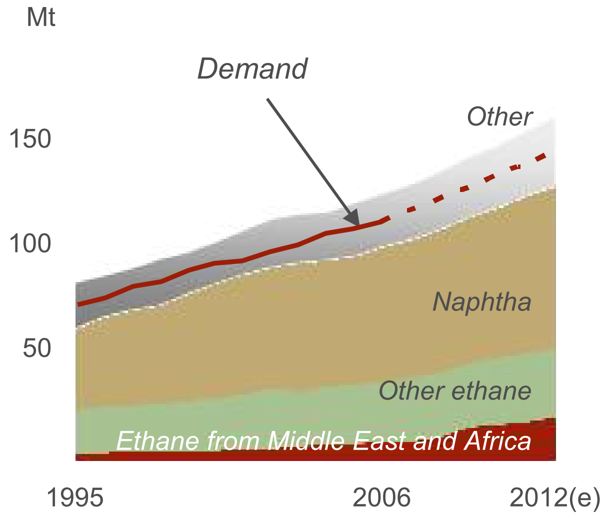
- **Globally favorable environment since 2004**
- **Impact of restructuring in Europe and growth of Petrochemicals in the Asian market**
  - Approx one-third of the net operating income from Petrochemicals was generated in Asia and Middle East in 2006
  - Ability to pass on increases in raw material costs
- **Important creation of value in each of the Specialties : results have doubled since 2003**
  - Benefiting from global economic growth and targeted acquisitions

Priority to improve safety and reliability

* restated to exclude the contribution of Arkema before the May 18, 2006 spin-off
** based on ethylene volume, excluding turnarounds

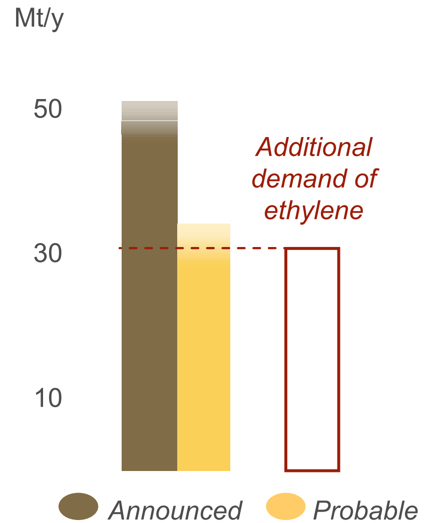
Globally favorable outlook for petrochemicals

Ethylene production by type of raw material*

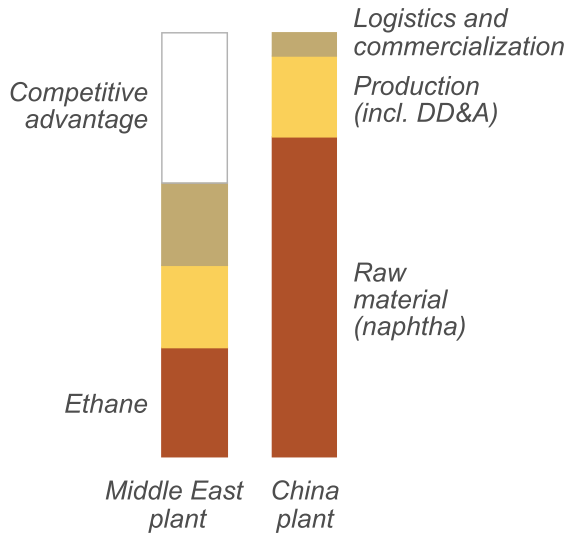


New cracker projects*

2007-2012(e)



Cost structure for polyethylene sold in China**



- **Sustained demand growth for ethylene : +4% per year on average through 2012(e)**
- **Many announced projects likely to be cancelled or delayed, particularly if cost inflation persists**
- **Petrochemicals pricing driven by production largely based on naphtha**

Competitive advantage of new projects benefiting from dedicated ethane supplies in Middle East or North Africa

* Total estimates
** Total estimates, based on Brent at 60 $/b, in $/t, assuming new-build plants

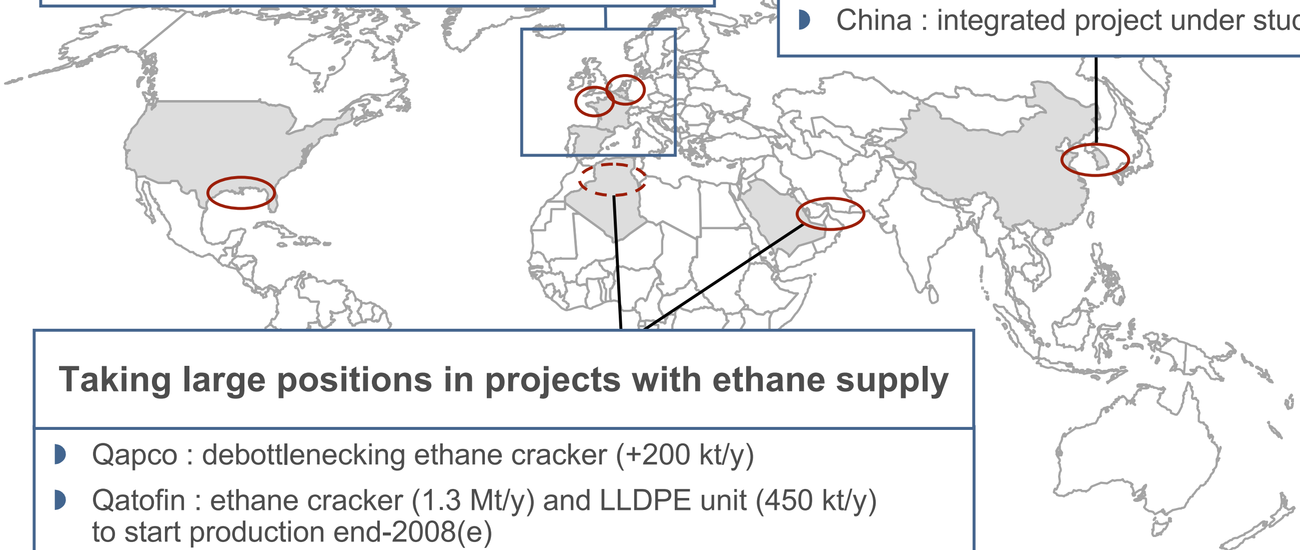
Six world-class sites to drive growth in petrochemicals

Consolidating in Europe

- Continue to reduce breakeven : fixed costs, efficiency, reliability…
- Concentrate styrene production at Normandy and partially close Carling (Capex : 0.45 B$)
- Objective to raise Normandy and Antwerp sites to level of the best in industry

Developing projects in Asia to feed demand growth in China

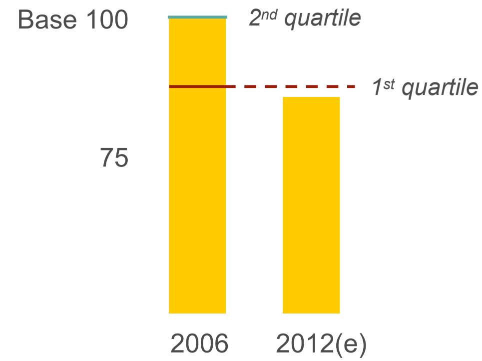
- Daesan : debottlenecking +30% end-2007(e)
- China : integrated project under study



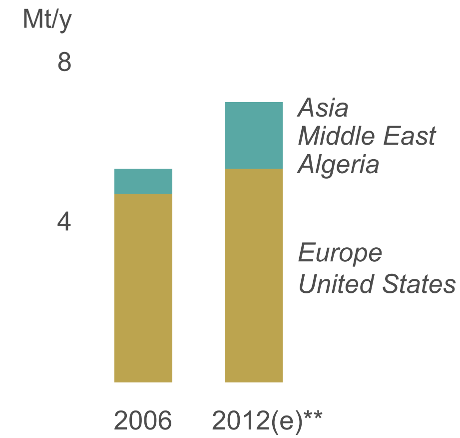
Taking large positions in projects with ethane supply

- Qapco : debottlenecking ethane cracker (+200 kt/y)
- Qatofin : ethane cracker (1.3 Mt/y) and LLDPE unit (450 kt/y) to start production end-2008(e)
- Arzew : in partnership with Sonatrach, project to study the construction of a 1.1 Mt/y ethane cracker in Algeria

Improve energy efficiency*



Polymers production capacity

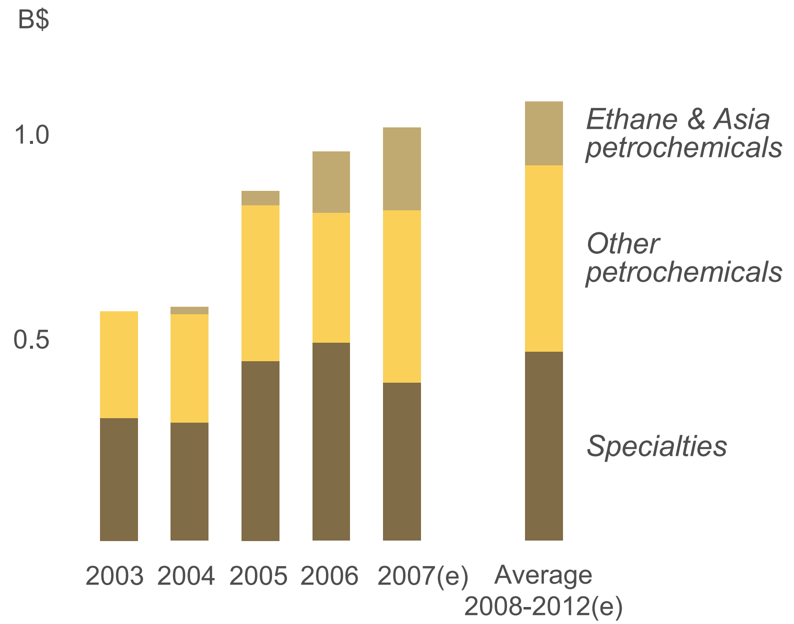


Share of Total's ethylene production derived from ethane to grow from 4% in 2006 to nearly 25% by 2012(e)*

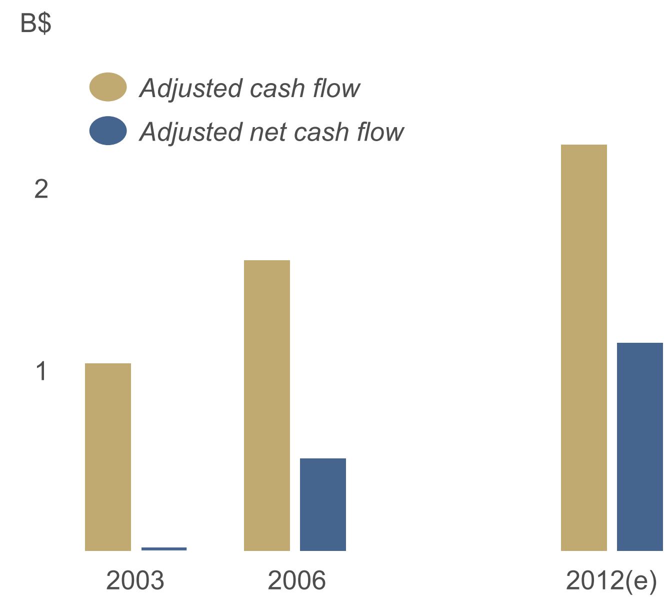
* based on energy used in crackers
** estimated start-up of Arzew petrochemicals complex

Growing contribution of Chemicals to net cash flow

Net investments



Adjusted net cash flow*



- Approx one-third of net cash flow from Chemicals to be generated by petrochemicals in Asia and Middle East by 2012(e)
- Additional contribution from Arzew petrochemicals complex post-2012(e)
- Continuing to increase value creation from each of the Specialties

Maintain good profitability and increase resilience

excluding proceeds from 2003 sale of paints
* before changes in working capital, at replacement cost ; excluding AZF payments