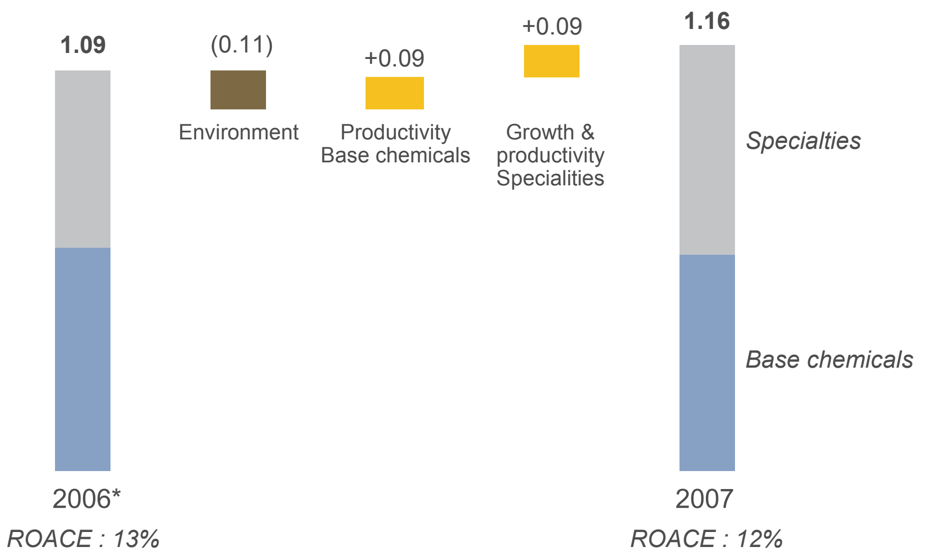
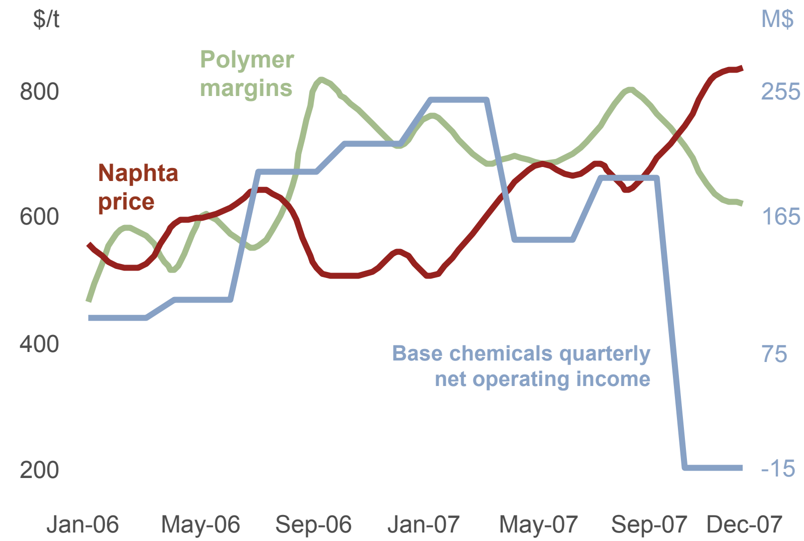
Chemicals

Chemicals performed well in a mixed environment

Adjusted net operating income (B$)



European petrochemical margins and results



- **Mixed environment for Base chemicals**
  - Weakness in US petrochemicals and aromatics margins
  - Strong margins in Europe for the first nine months of 2007, then a pronounced squeeze in 4Q 2007 due to a sharp increase in the price of naphtha
  - European petrochemicals penalized by appreciation of the euro
- **Continued improvement of Specialties results**

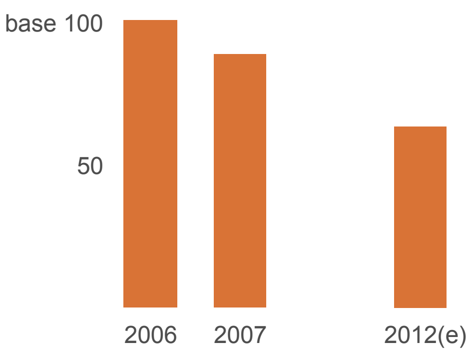
Maintained profitability of Chemicals at 12%

* results restated to exclude the contribution of Arkema before spin-off

Continuing to improve competitiveness of petrochemicals

Improving reliability

(Unreliability rate)



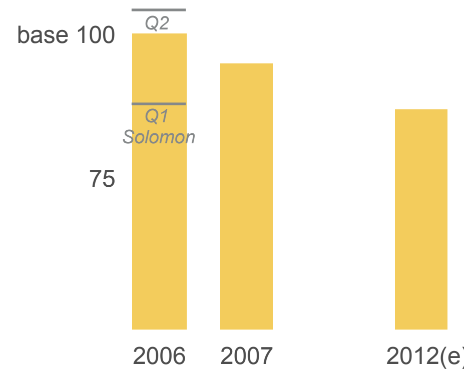
Importance of innovation

*Pilot project for olefins conversion at Antwerp**

Pilot project « Methanol to Olefins » at Feluy

Improving energy efficiency

(Energy consumption of main crackers)



- **Restructuring styrenics activity in Europe and partially closing Carling**
  - Construction of a world-class styrene unit (600 kt/y) at Normandy, start-up end-2008(e)
- **Optimizing gasoline pool thanks to integration of petrochemicals / refining**
- **Research effort to produce petrochemicals base from other raw materials**
- **Ongoing efforts to improve safety**

Reducing breakeven point on naphtha-based platforms in a context of high oil prices

* transformation of FCC gasoline into propylene

TOTAL

Investments for growth projects in petrochemicals

Daesan (50%)

Capacity 2,7 Mt/y
expansion +30%
Achieved in 2008(e)

Qapco (20%)

Capacity 0.7 Mt/y
Debottlenecking +0,2 Mt/y
Achieved end-2007

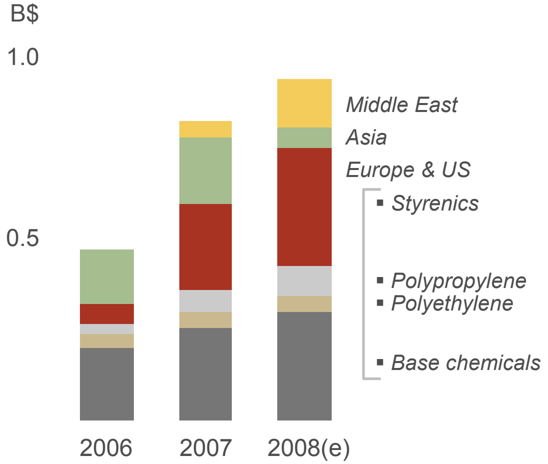
Qatofin (49%)

Construction of 1.3 Mt/y
ethane cracker
(Total 22%) and derivatives
Start-up 2009(e)

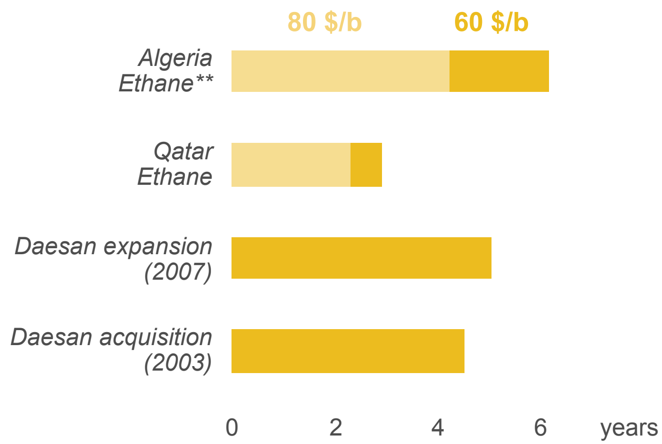
Arzew (51%)

1.1 Mt/y ethane cracker
project and derivatives
Start-up 2013(e)

Petrochemicals Capex*



Estimated payback period



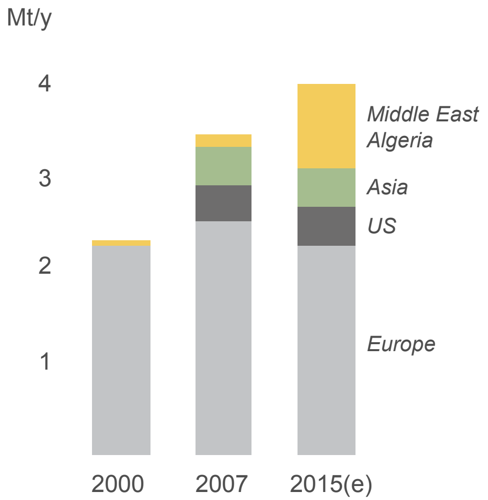
Progressive repositioning of petrochemicals on growth segments

* including net investment in equity affiliates and non-consolidated companies, excluding acquisitions and based on 1 € = 1.50 $ for 2008(e)
** Arzew pending final agreement

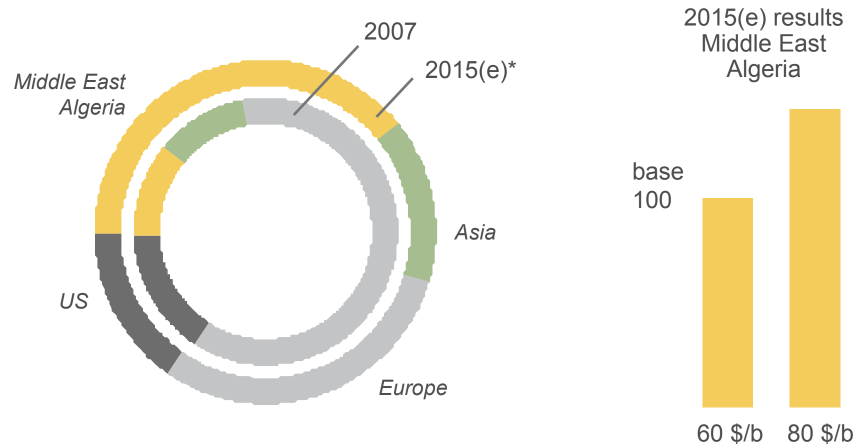
TOTAL

More than 50% of petrochemicals results based on ethane or in Asia by 2015(e)

Ethylene production capacity



Petrochemicals adjusted net operating income



Developing projects based on ethane

- Ethane very competitive compared to naphtha, notably in a context of high oil prices
- Benefit of legacy positions in the Middle East

Targeted positions to fuel growth in Asian markets

- Very competitive Daesan facility in Korea
- Privileged position of Middle East as export site to Asia

35% of capital employed in petrochemicals based on ethane or in Asia after the start-up of Arzew

Integrated projects under study in China and Saudi Arabia

* in a 60 $/b Brent environment

TOTAL