

Gas strategy

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Paris – November 14-15, 2006



Strong historical presence of Total in the gas business

1930 - 1959

1st discoveries



1960 - 1989

LNG pioneering
and beginning of
the North Sea



1990 - 1999

LNG & South America
take off



2000 - 2006

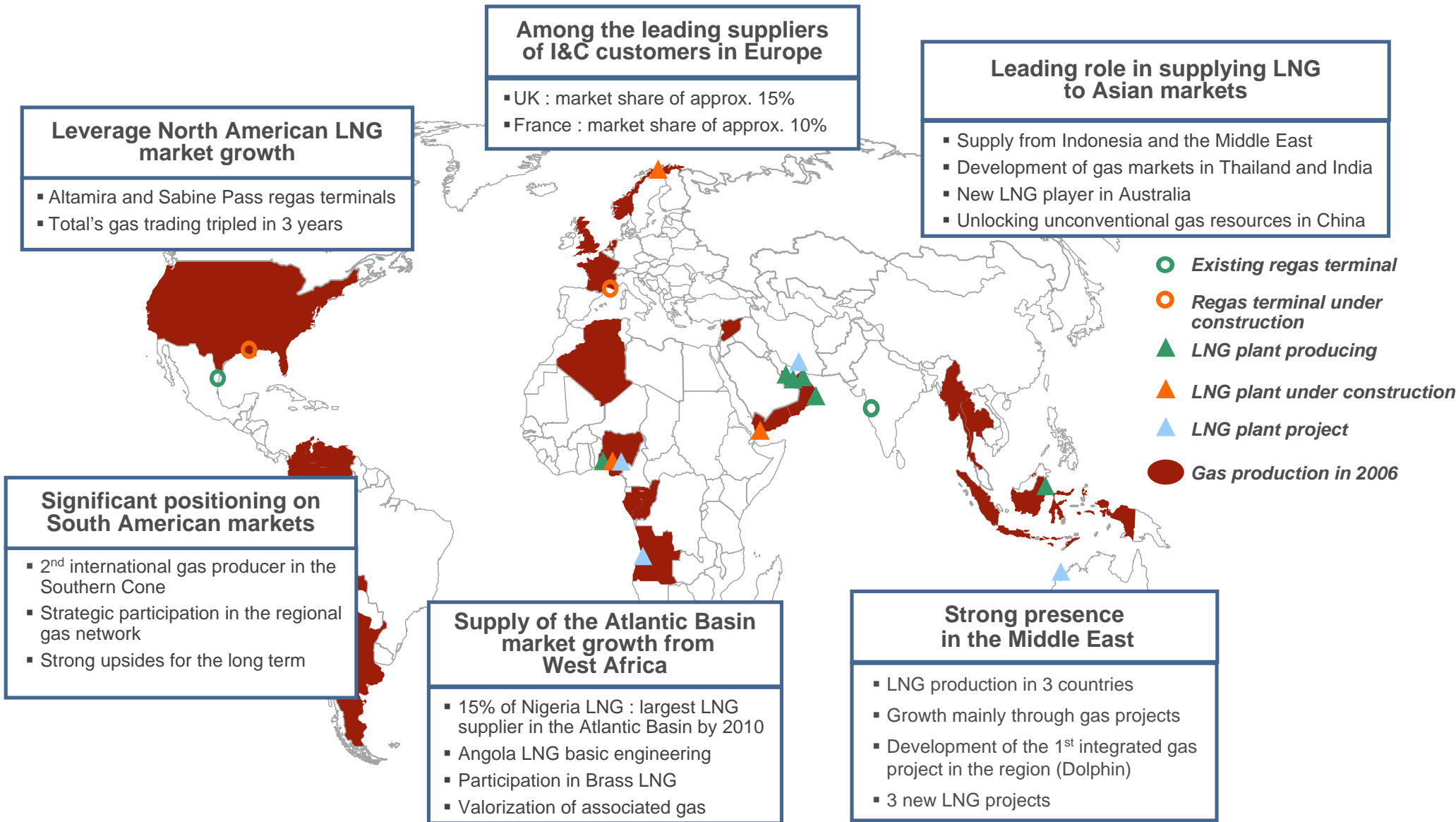
Acceleration of LNG
growth



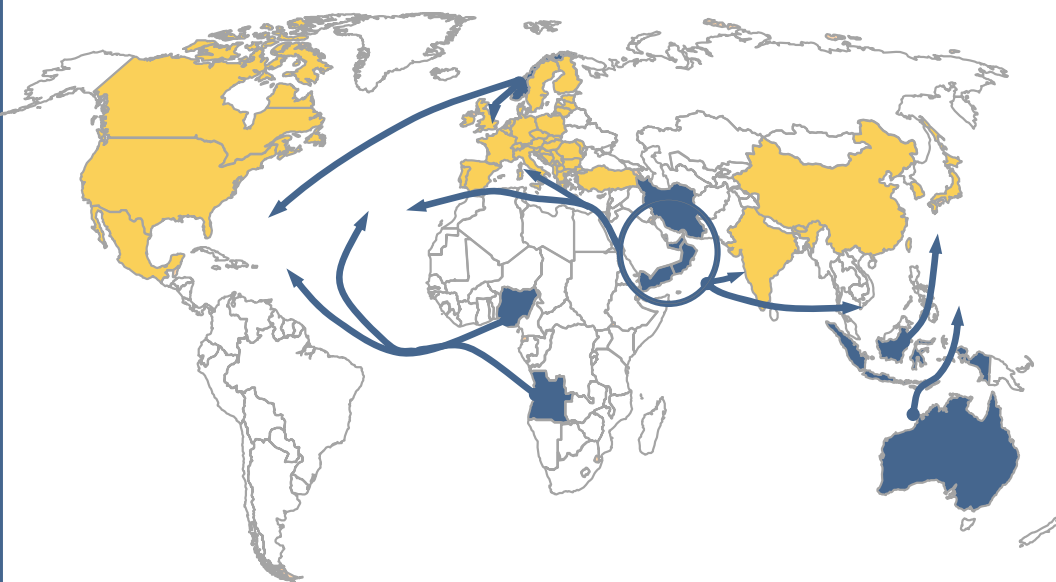
- ▶ **1939**
1st gas discovery in South-West France
- ▶ **1945 - 1956**
Creation of **GSO** and **CFM** (transport and marketing of natural gas for I&C customers in France)
- ▶ **1951**
Lacq gas discovery (France)
- ▶ **1956**
Hassi R'Mel gas discovery in Algeria
- ▶ **1964**
Among the operators of **Arzew** (Algeria)
1st LNG plant in the world
- ▶ **1971**
Frigg gas discovery (North Sea)
- ▶ **1977**
Bontang (Indonesia) and **Adgas** (Abu Dhabi) start-ups
- ▶ **1987**
Gas & Power marketing office in **London**
- ▶ **1990**
First gas marketing office in the US
- ▶ **1996**
Qatargas start-up
- ▶ **1998-2000**
Participation in **South American** natural gas transmission assets
- ▶ **1999**
Nigeria LNG, **Oman LNG** and **Bontang's** 8th train start-ups
- ▶ **2001**
Dolphin development launched
- ▶ **2004**
Unbundling of trading from transmission in France
- ▶ **2005**
- **Yemen LNG** development launched
- **Pars LNG** basic engineering
- **Angola LNG** basic engineering
- Agreement on **Qatargas II**
- New record gas production in **Indonesia**
- ▶ **2006**
- **Nigeria LNG** trains 4 and 5 start-ups
- **Sulige** project in **China**
- **Brass LNG** project in Nigeria
- **Ichthys** project in Australia



Global positioning to leverage gas market growth

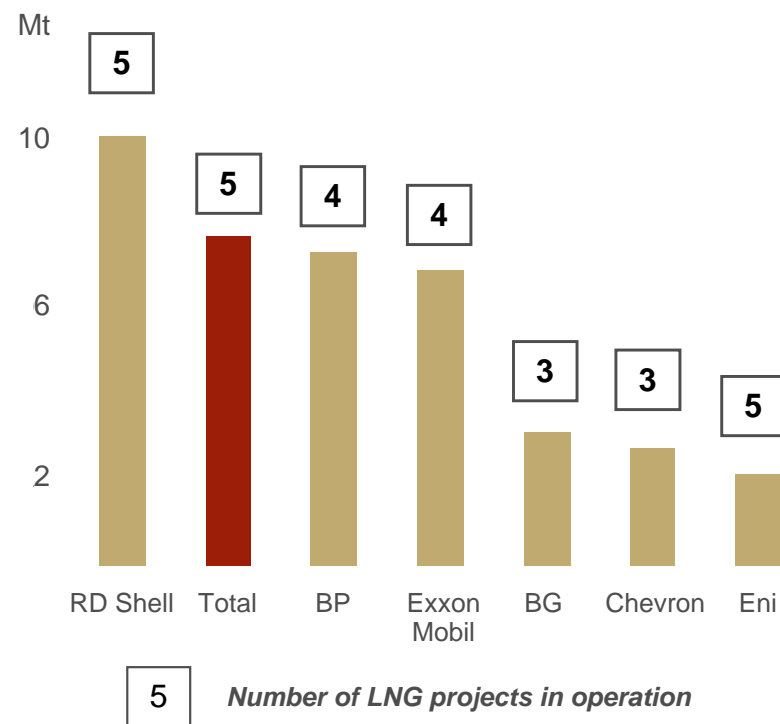


Second largest international LNG producer



● *Total's LNG projects location*
 ● *Main markets*

LNG sales 2005*

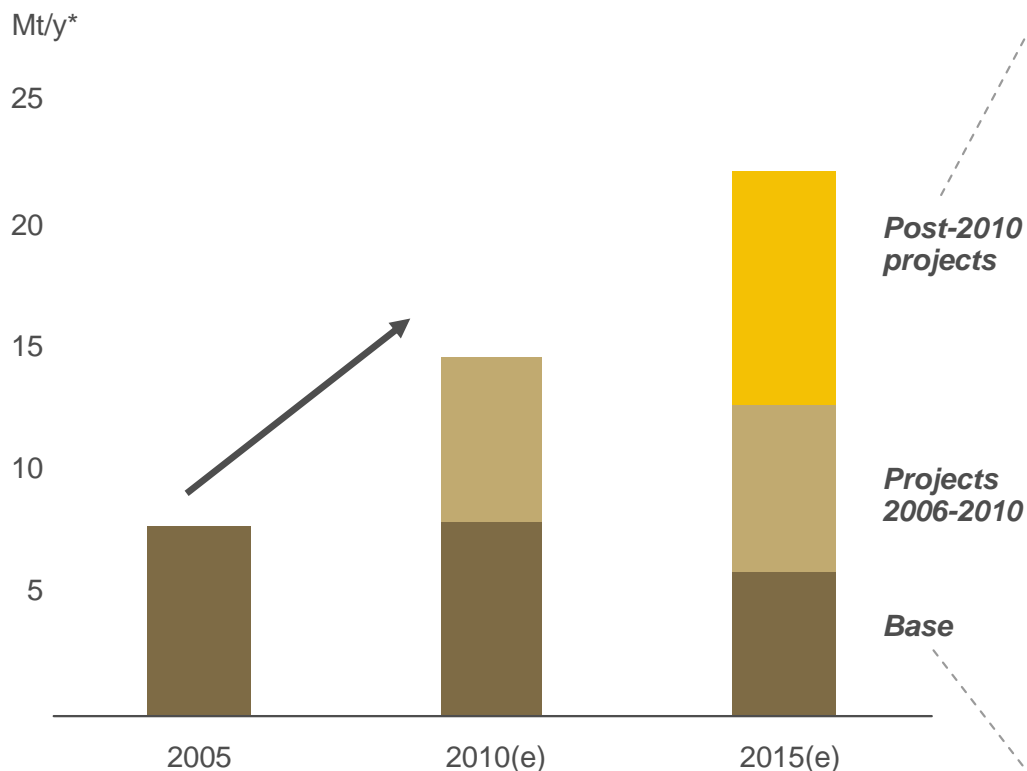


Participation in nearly 40% of worldwide LNG production capacity

* source : Total estimates, based on company data

Strong growth over the next 10 years

12% growth per year on average between 2005 and 2010



Unique portfolio among the majors
11 plants in 10 countries by 2015

Strong visibility for post-2010 growth					
Projects	Share	Type	Capacity	Statut	Start-up
▪ Angola LNG	13.6%	grassroot	5 Mt	basic	>2010
▪ Brass LNG	17%**	grassroot	2x5 Mt	basic	>2010
▪ NLNG T7	15%	extension	8 Mt	basic	>2010
▪ Ichthys LNG	24%	grassroot	> 6 Mt	basic	>2010
▪ Pars LNG	30%**	grassroot	2x5 Mt	EPC	>2010

Well balanced between extensions on existing sites and new projects					
▪ Qatargas II	16.7%	extension	7.8 Mt	dev.	2008
▪ Yemen LNG	39.6%	grassroot	6.9 Mt	dev.	2008
▪ NLNG T6	15%	extension	4 Mt	dev.	2007
▪ Snøwhit	18.4%	grassroot	4.2 Mt	dev.	2007
▪ NLNG T4-5	15%	extension	2x4 Mt	prod.	2006

Solid base of producing assets in 2005					
▪ NLNG T1-3	15%	3 trains	9.9 Mt	prod.	1999-2002
▪ Oman LNG	5.5%	2 trains	7.1 Mt	prod.	1999
▪ Qatargas	10%	3 trains	9.9 Mt	prod.	1996
▪ Bontang	38%***	8 trains	22.2 Mt	prod.	1977-1999
▪ Adgas	5%	3 trains	5.6 Mt	prod.	1977

* Total share, excluding trading

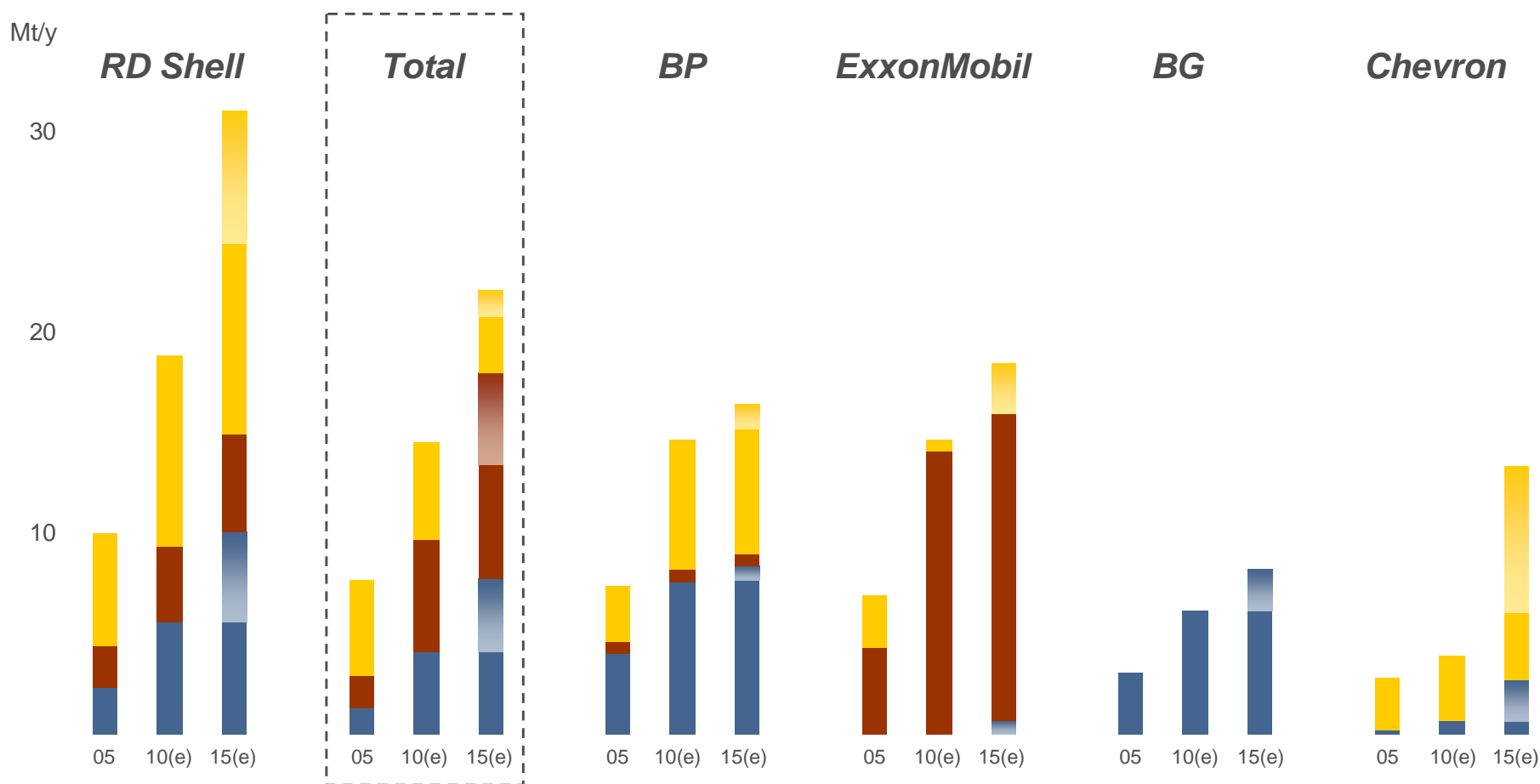
** before potential adjustments to partnerships

*** net share of gas supply to the liquefaction plant in 2005



Total to remain a very diversified LNG player

Worldwide LNG production



Atlantic Basin

- Existing & decided
- Planned project

Middle East

- Existing & decided
- Planned project

Asia/Pacific

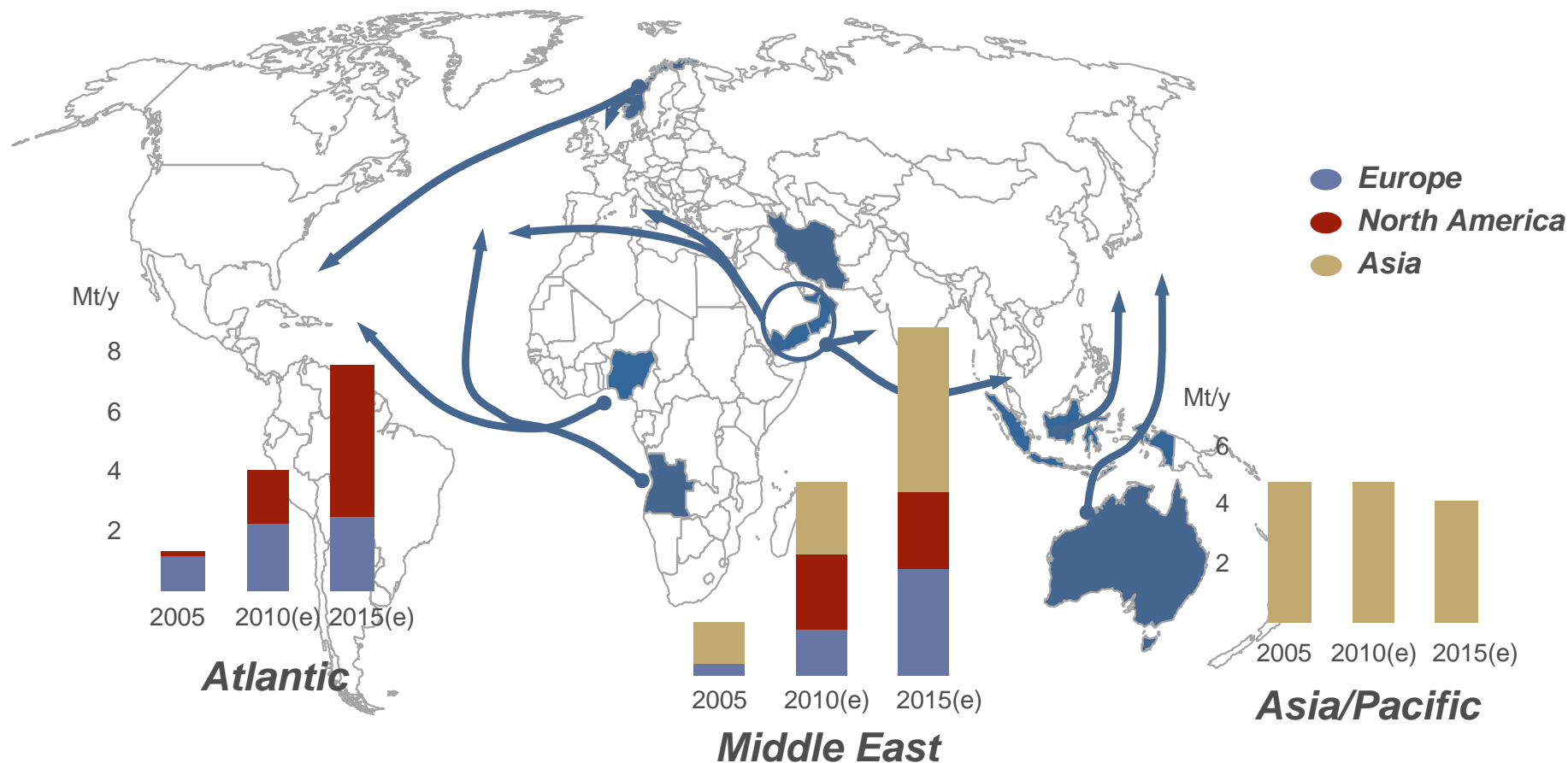
- Existing & decided
- Planned project

source : Total estimates, company data, Wood Mackenzie



Total's LNG production well adapted to changing markets

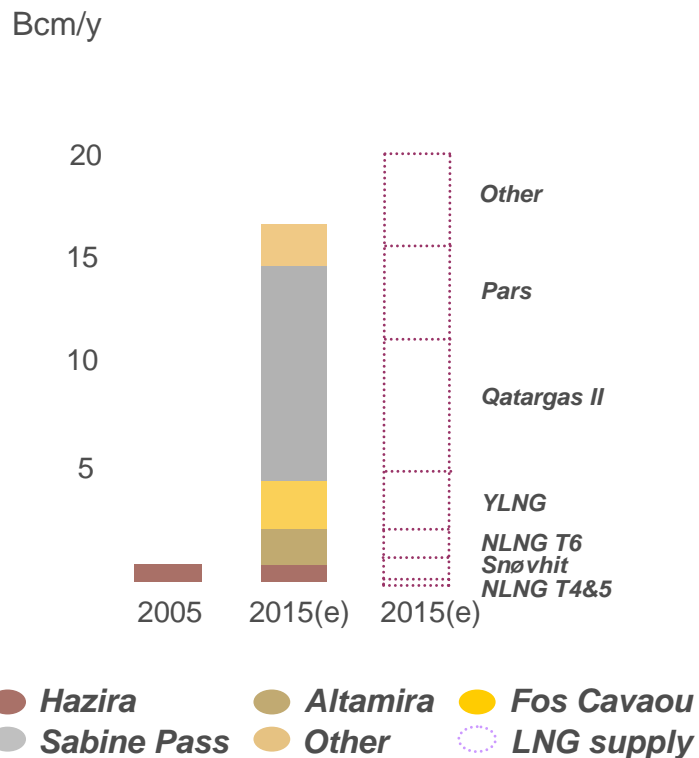
Total's LNG production by market destination



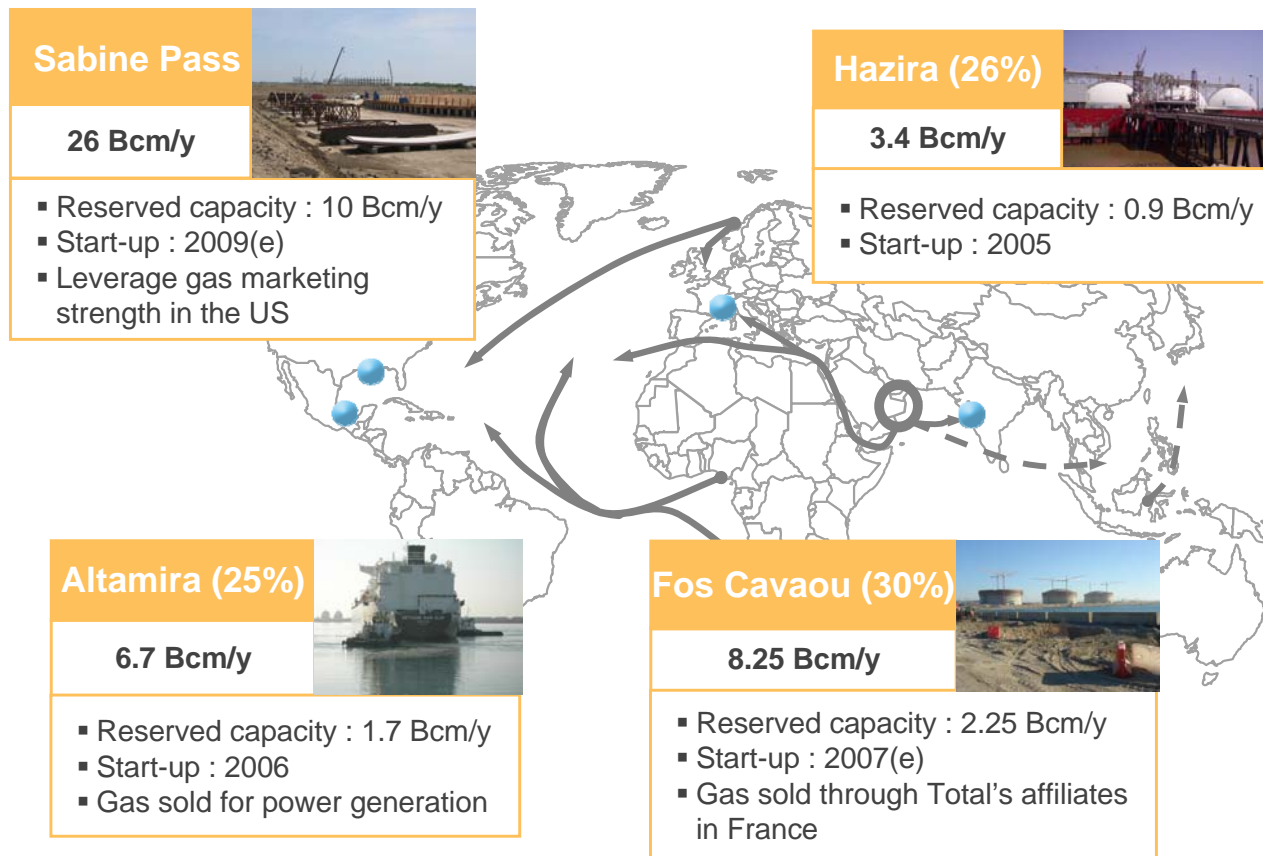
- ▶ New production in the Atlantic Basin to supply rapidly growing European and US markets
- ▶ Middle East production well located to supply both east and west of Suez

Strong development of midstream gas

Secured access to markets



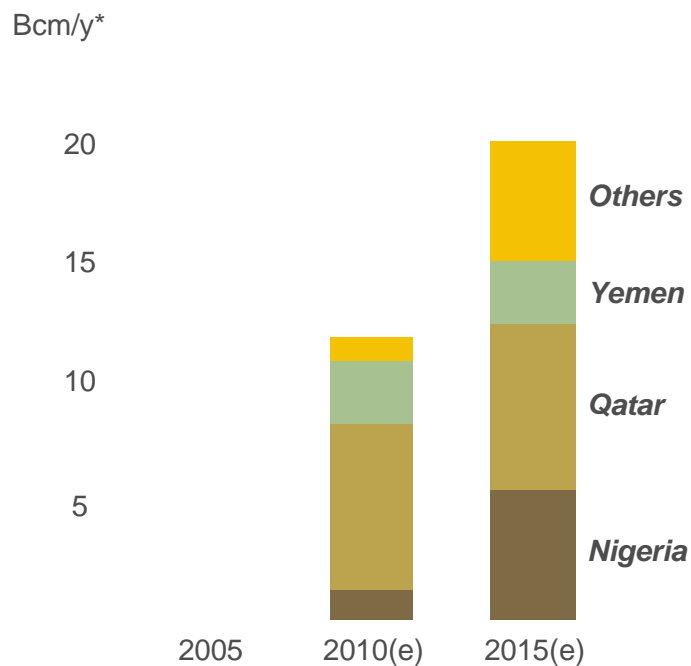
Four regas terminals in the main consumption areas



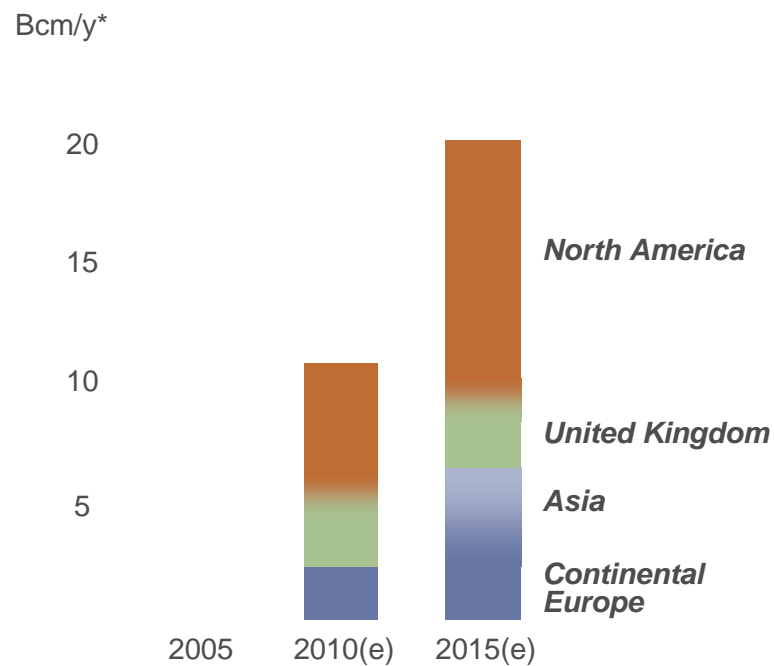
- Increased gas marketing activity in the US from 6 Bcm in 2002 to nearly 18 Bcm in 2005
- Several new projects under study : Croatia, capacity extension in existing terminals...

Total : new major player in LNG commercialization

LNG purchase by origin



LNG purchase by destination

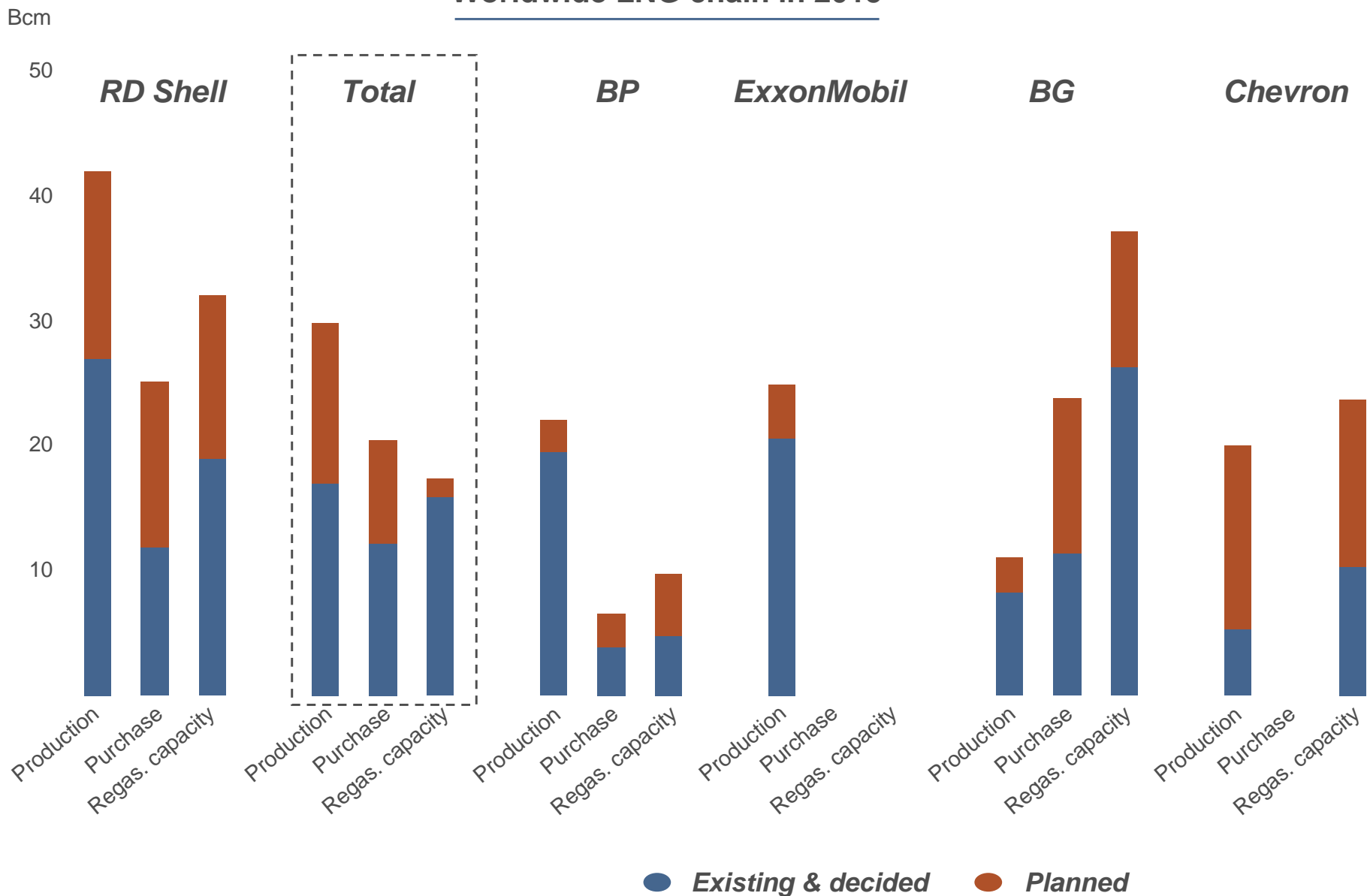


***Market access :
leverage for LNG production growth***

* 1 Bcm/y = 0.1 Bcf/d

Total to enjoy a well balanced LNG position

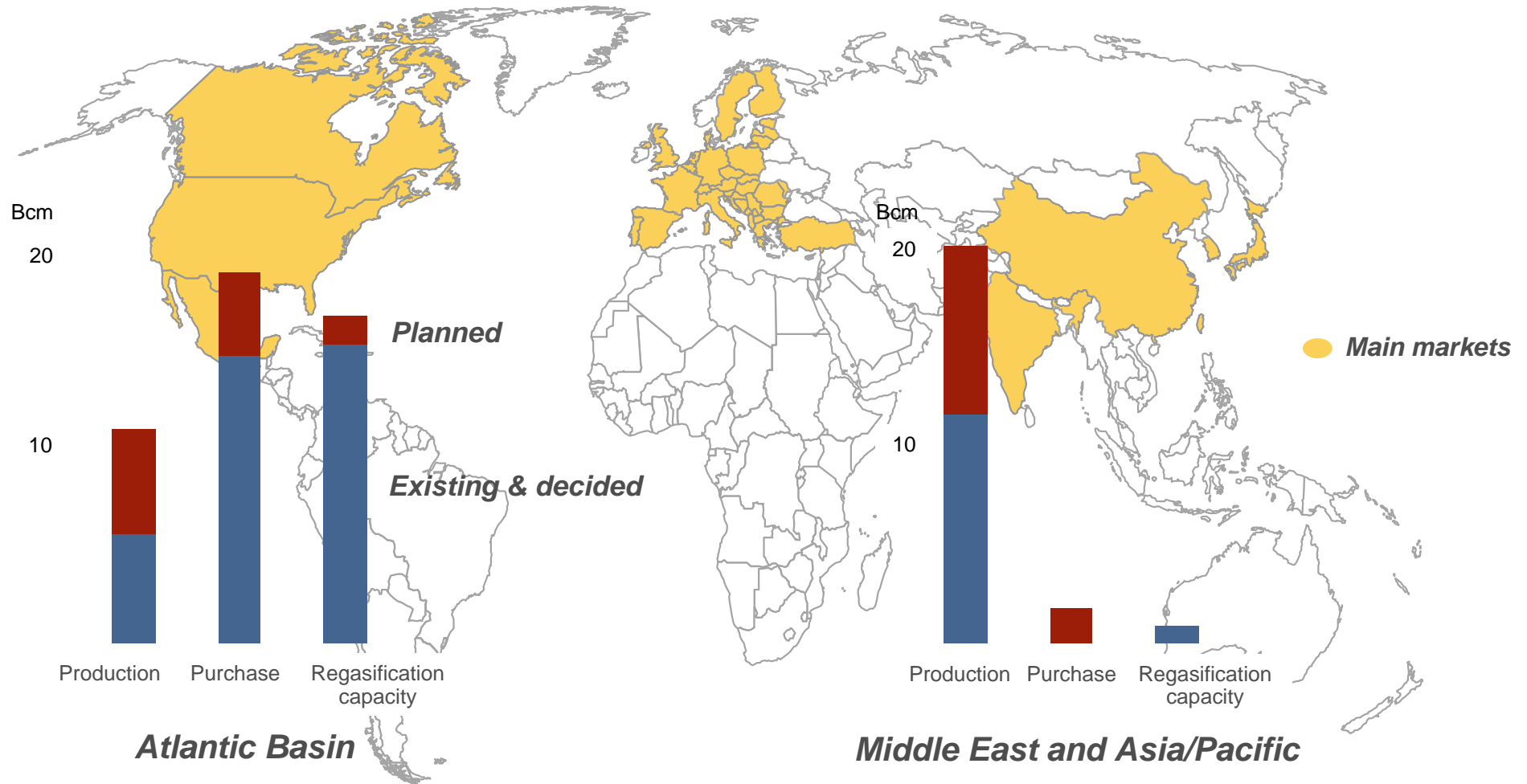
Worldwide LNG chain in 2015



source : Total estimates, company data, Wood Mackenzie

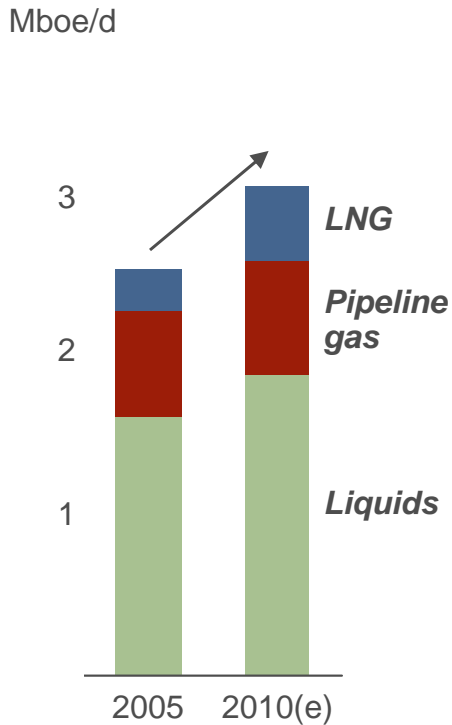


Total's 2015 regional positioning well adapted to market structure



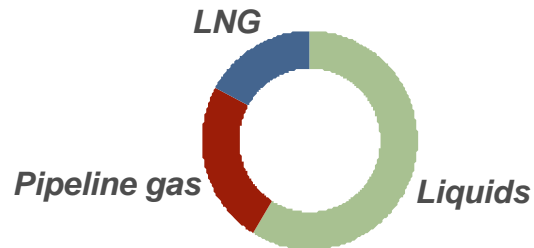
Gas production growth driven by LNG

Hydrocarbon production*

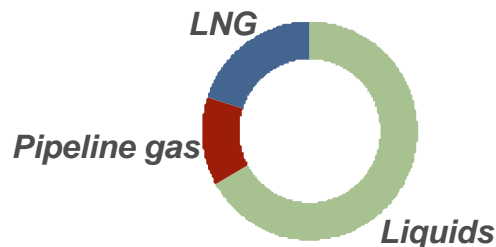


- ▶ LNG : 28% of gas production in 2005, approx. 40% in 2010

2010(e) production*

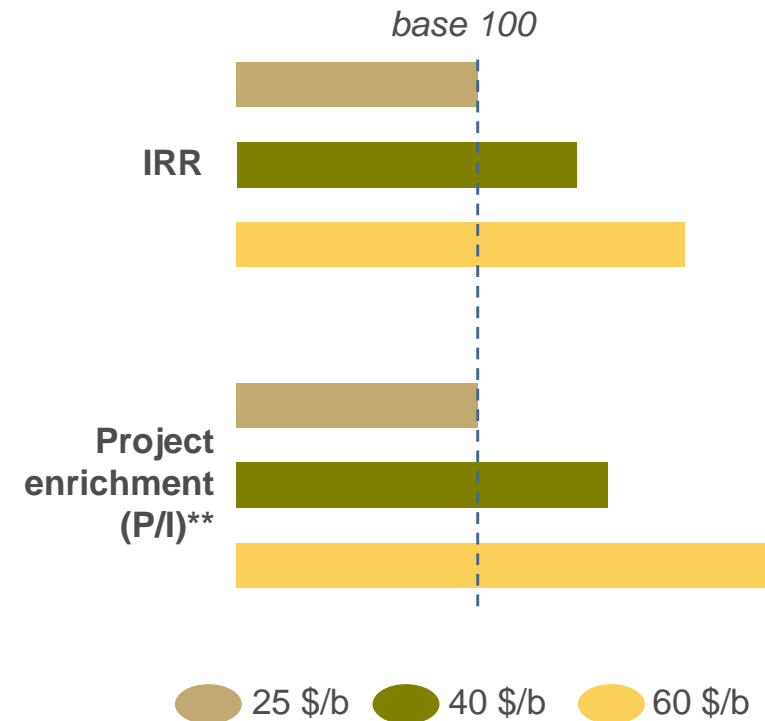


2010(e) E&P capital employed



- ▶ Allocation of capital employed in line with production

Qatargas II, Yemen LNG, Dolphin : weighted-average sensitivities to gas price



- ▶ Highly leveraged to hydrocarbon prices

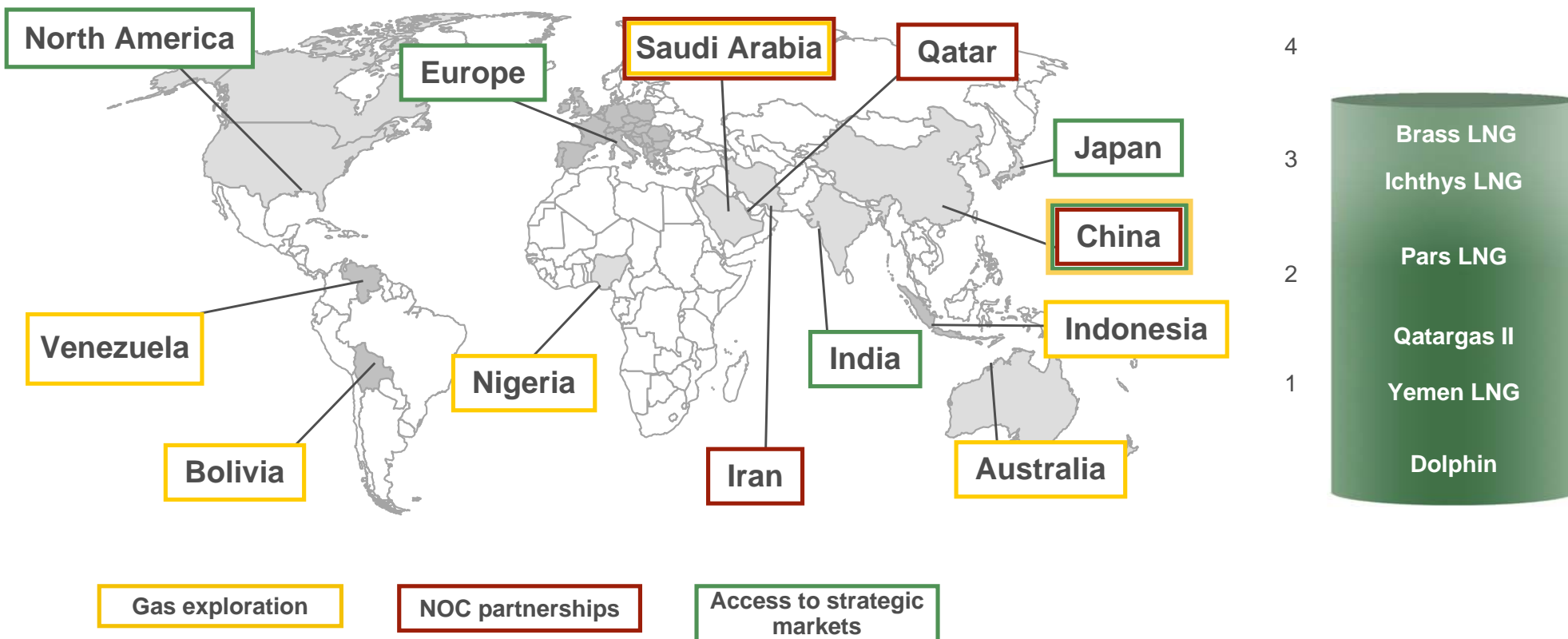
* projection based on 40 \$/b Brent environment

** cumulative cash flow over project life divided by development Capex

Increasing leadership across the gas chain over the long term

Several major projects under study

New giant gas projects



Expanding gas exploration : Saudi Arabia, Australia, Nigeria, Venezuela...
Strengthening strategic partnerships : Qatar Petroleum, Petrochina, Inpex...

* cumulative contribution to the future production of Total

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In accordance with IAS 2, the Group values inventories of crude oil and petroleum products in the financial statements in accordance with the FIFO (First in, First out) method and other inventories using the weighted-average cost method. However, in the note setting forth information by business segment, the Group continues to present the results for the Downstream segment according to the replacement cost method and those of the Chemicals segment according to the LIFO (Last in, First out) method in order to ensure the comparability of the Group's results with those of its main competitors, notably from North America. The inventory valuation effect is the difference between the results according to the FIFO method and the results according to the replacement cost or LIFO method.

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