

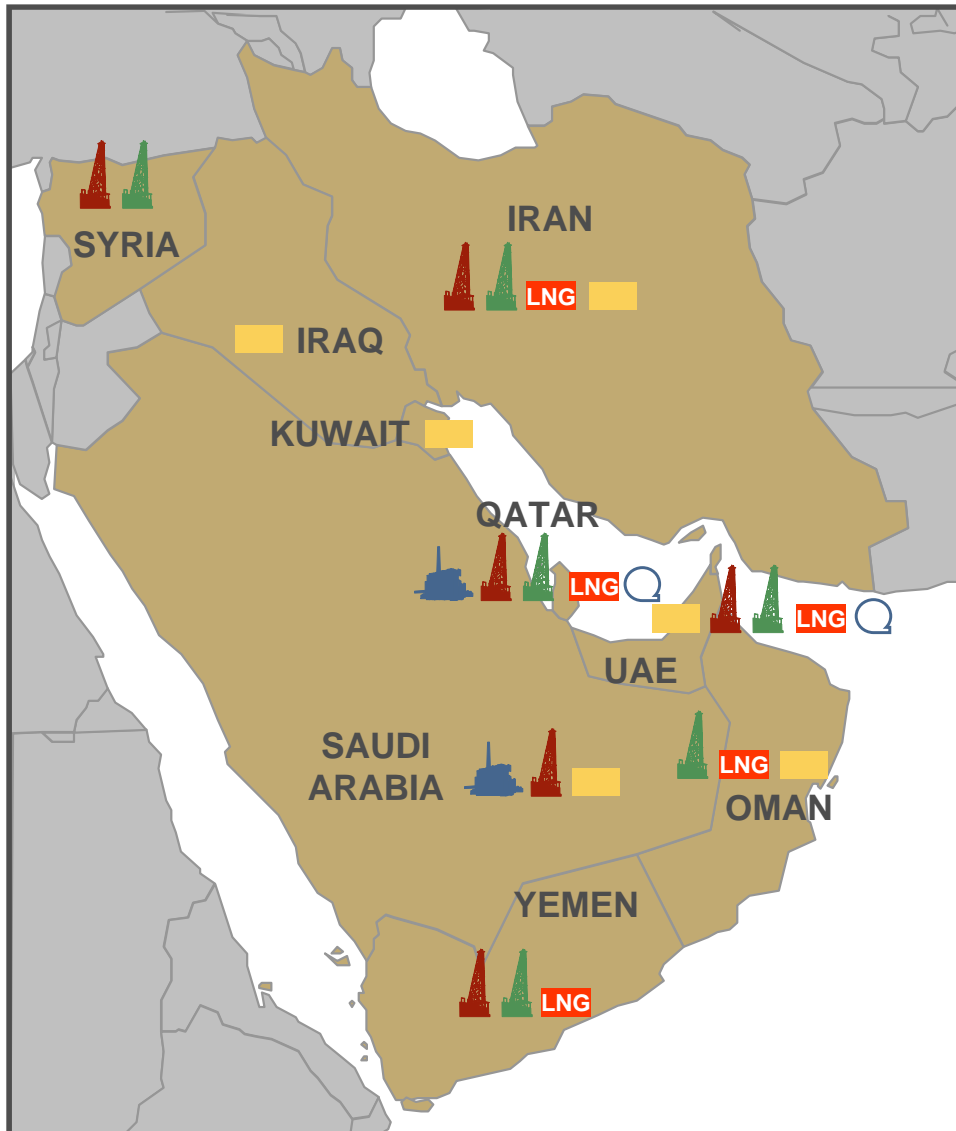
Middle East

P. Boisseau

Paris – November 14-15, 2006

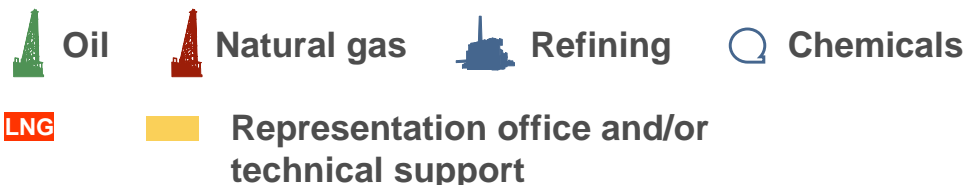


Most diversified major in the Middle East



- ▶ Historical presence in 9 countries
- ▶ Largest international producer in 2005
- ▶ Strong growth profile
- ▶ Most diverse LNG presence
- ▶ Demonstrated technical and business skills in large integrated projects
- ▶ Unmatched expertise among IOCs in regional geoscience knowledge

***Long-term growth
through major gas developments***



Strong historical presence in the Middle East

1924



1927 - 1974



1974 - 1980



1980 - 2006



► Birth of Compagnie Française des Pétroles

- In 1924, 25% interest in the Turkish Petroleum Company (TPC)
- In 1927, TPC became the Iraq Petroleum Company (23.75% interest in the IPC)

► Discoveries, developments and diversification

- **Iraq** : Kirkuk (1927), Buzurgan (1969), Abu Ghirab (1971)
- **UAE** : ADMA (1953), DUMA (1954), ADCO, ABK (Operator in 1972)
- **Iran** : 6% in IOC (1954), discovery of Sirri C&D (1972)
- **Oman** : 4% in PDO (1974)

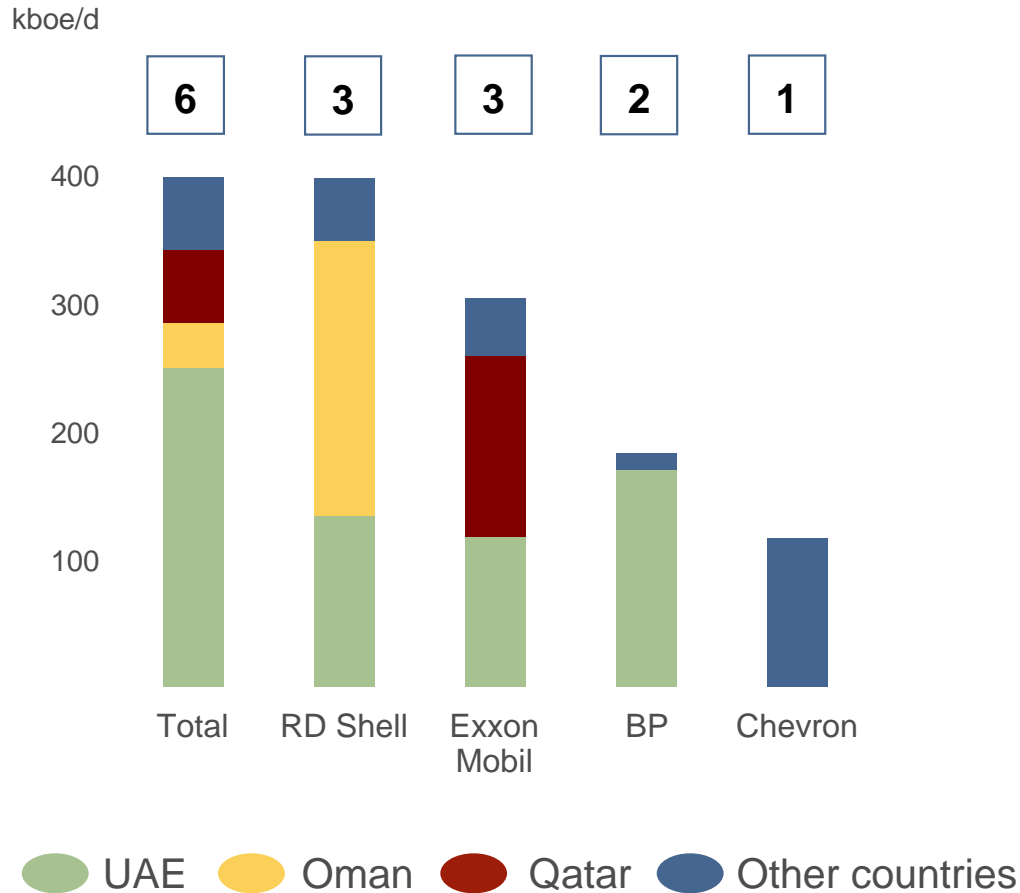
► Nationalized in Saudi Arabia, Kuwait, Qatar, Iran and Iraq

► New partnerships

- **UAE** : Fertil (1980), Taweelah (2000), Dolphin (2001)
- **Qatar** : Qatargas I (1984), Qatargas II (2005)
- **Yemen** : East Shabwa (1987), Yemen LNG (2005)
- **Syria** : Deir Ez Zor (1988), Deir Ez Zor Gas (1999)
- **Iran** : Sirri A&E (1995), South Pars 2&3 (1997), Balal & Dorood (1999), Pars LNG (2004)
- **Oman LNG** (1996 & 2003) Mukhaiznah (2005)
- **Kuwait** : technical assistance agreement (1997)
- **Saudi Arabia** : South RAK (2003), Jubail refinery (2006)

Largest international producer in the Middle East in 2005

Middle East production (2005)*

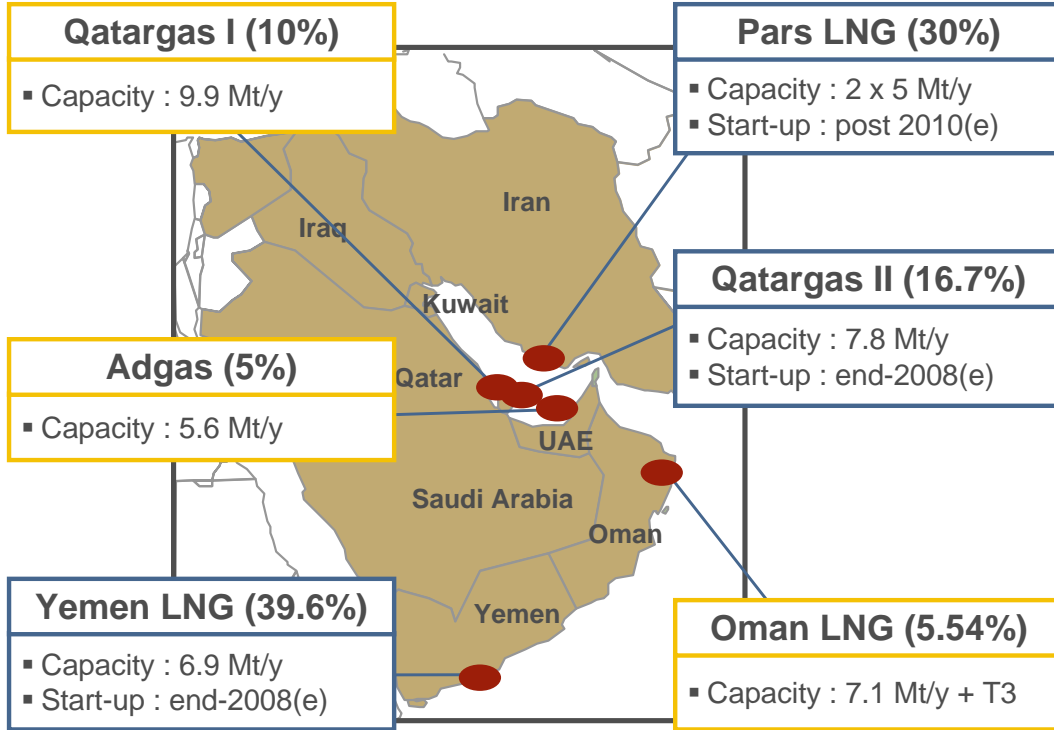


6 number of countries with production

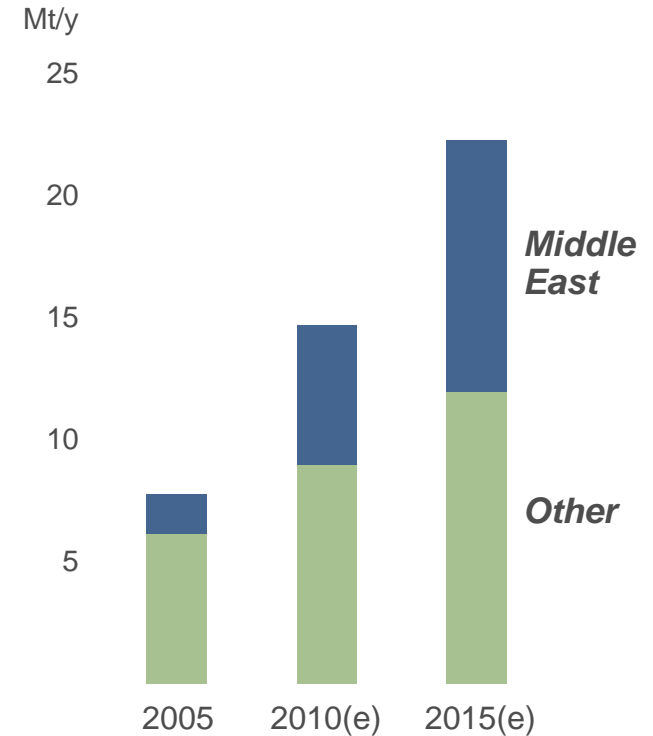
- ▶ **Close to 15% of Total's proved and probable reserves**
- ▶ **Approx. 15% of Total's production in 2005**
 - 400 kboe/d in 2005
 - 87% oil
- ▶ **10% of Upstream capital employed**
 - Developments mainly through equity affiliates
- ▶ **Approx. 10% of Upstream investments over 2006-2010(e)**
 - 2/3 on 4 projects (3 LNG + 1 gas pipeline)
 - 2/3 operated or led by Total
- ▶ **Approx. 1,200 people working for Total**
 - 375 expatriates

* estimates based on company reports

Most diversified LNG player in the Middle East



LNG sales
(Total share, excluding trading)



Presence in 6 LNG plants / projects in the Middle East

- Two new projects as operator

Targeting both Atlantic and Asian markets

- Balanced presence on both markets by 2010

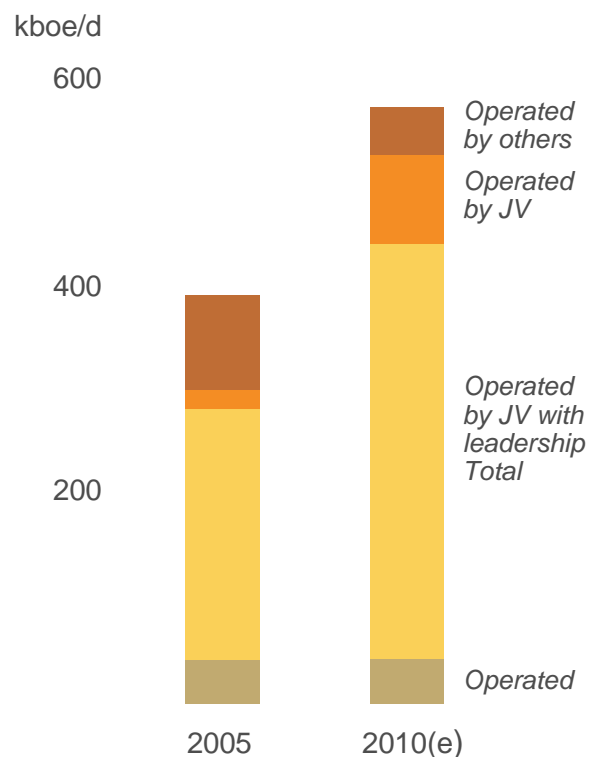
Leveraging re-gas positions

- Sabine Pass, Altamira, Fos Cavaou and Hazira

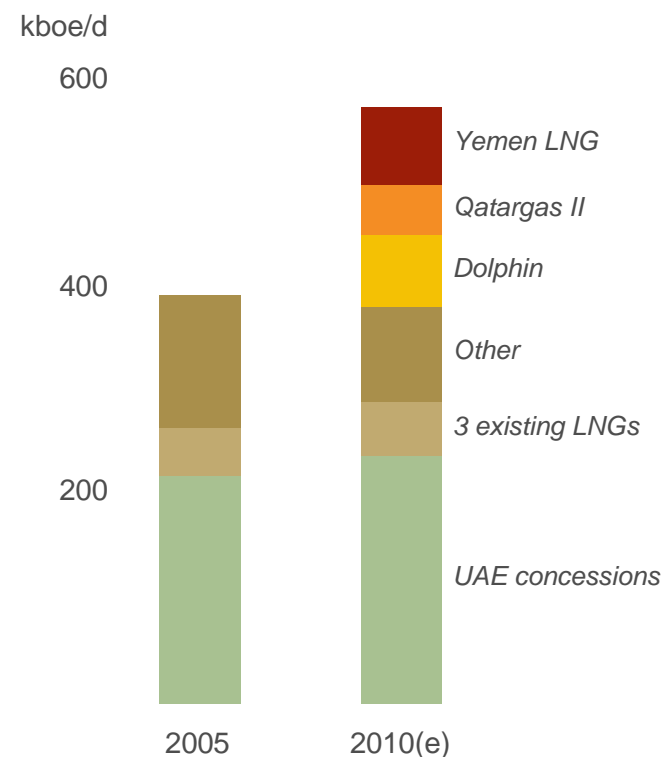
One of the top three global LNG players

Middle East production growth : approx. 7% per year on average for 2005-2010(e)

Production by operator*



Production by project*



► Increased control of production

► Increased diversity by 2010

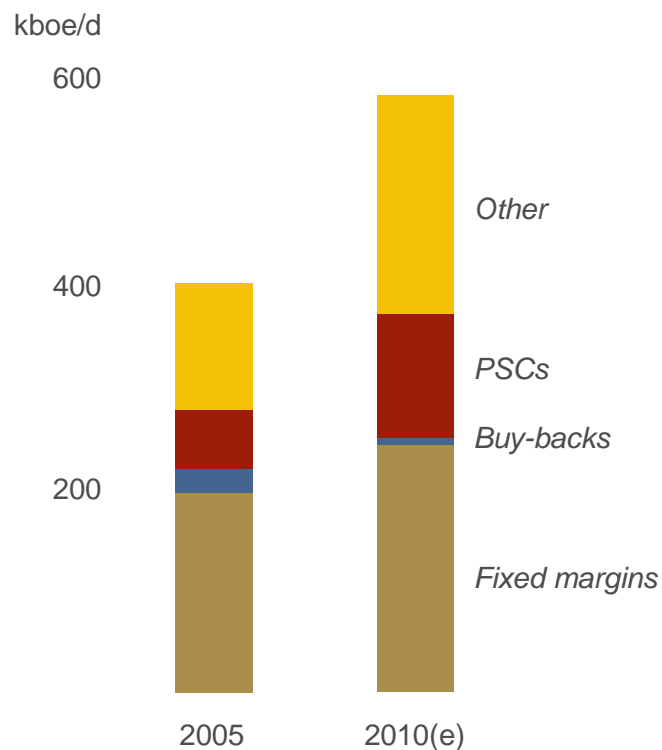
- 2 new LNG projects in 2 countries
- 1 major regional gas pipeline project

Middle East : approx. 20% of Total's production in 2010(e)

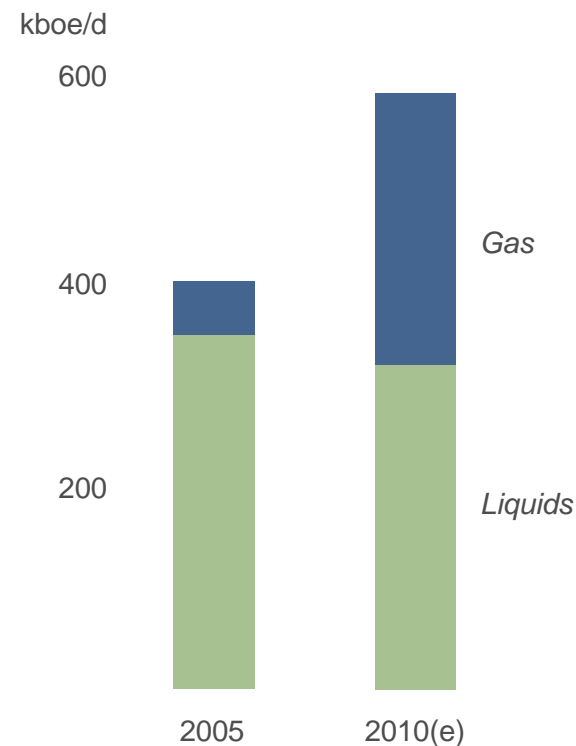
* estimates of future production based on Brent at 40 \$/b, Total share

Solid and well-positioned portfolio of projects

Production by contract*



Production by type*



Robust contractual structures

- Increased share of PSCs and other progressive profit sharing mechanisms

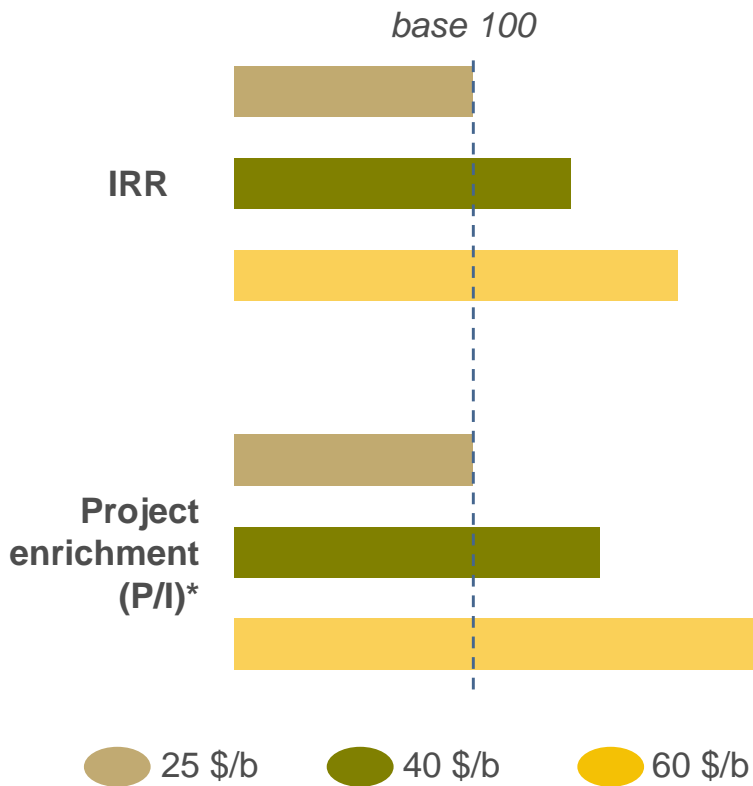
Good visibility over the long term

- Growth mainly through giant gas projects, mostly operated or led by Total
- 20-30 year production plateaus

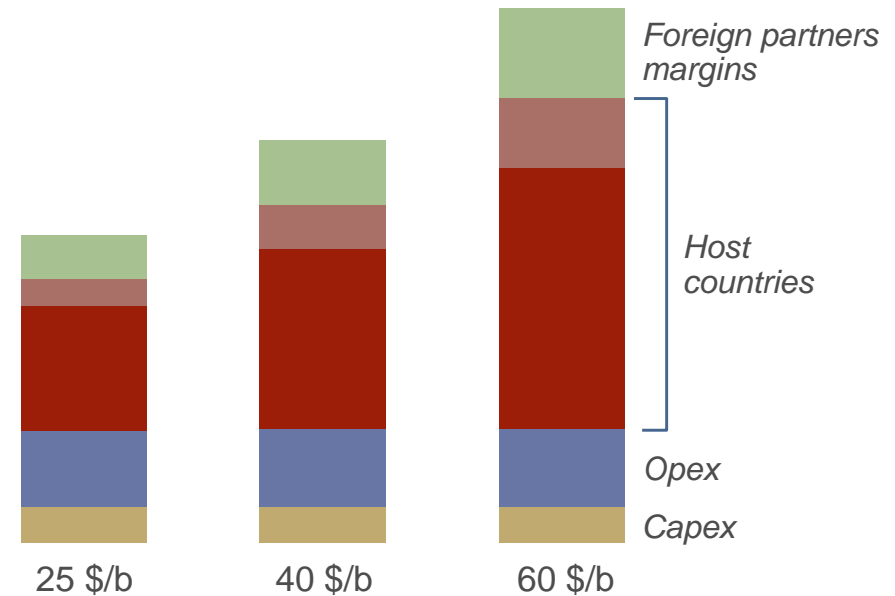
* estimates of future production based on Brent at 40 \$/b, Total share

New gas projects offering significant upsides for all parties

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



Profit sharing with host countries



Strong sensitivity to gas prices

* cumulative cash flow over project life divided by development Capex



Continue to leverage regional leadership to create new opportunities for the long term

► Exploration and R&D

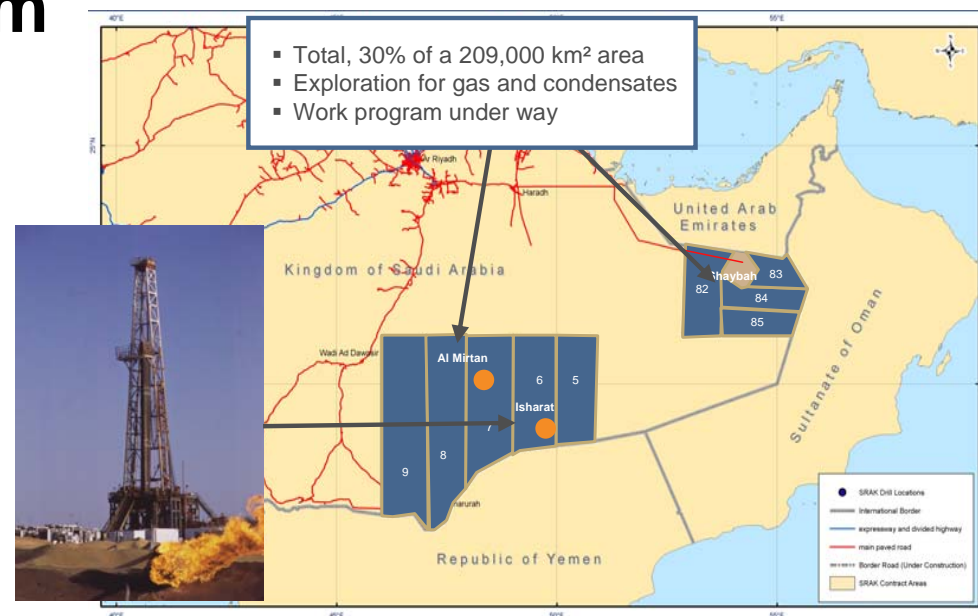
- Intensive exploration in Yemen
- Gas exploration in Saudi Arabia

► Leverage new opportunities

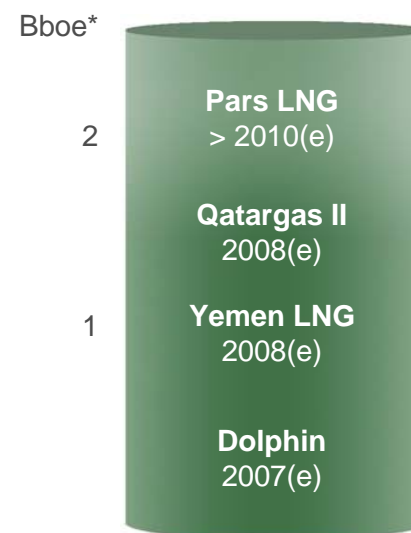
- Dolphin expansion to 3 Bcf/d
- Pars LNG 3rd train
- Other projects in Qatar
- Concession renewals

► ...And, for the longer term

- Maintain presence, cooperation and studies in Iraq
- Capitalize on Group's position in Iran
- Expand partnerships with local players in international global ventures



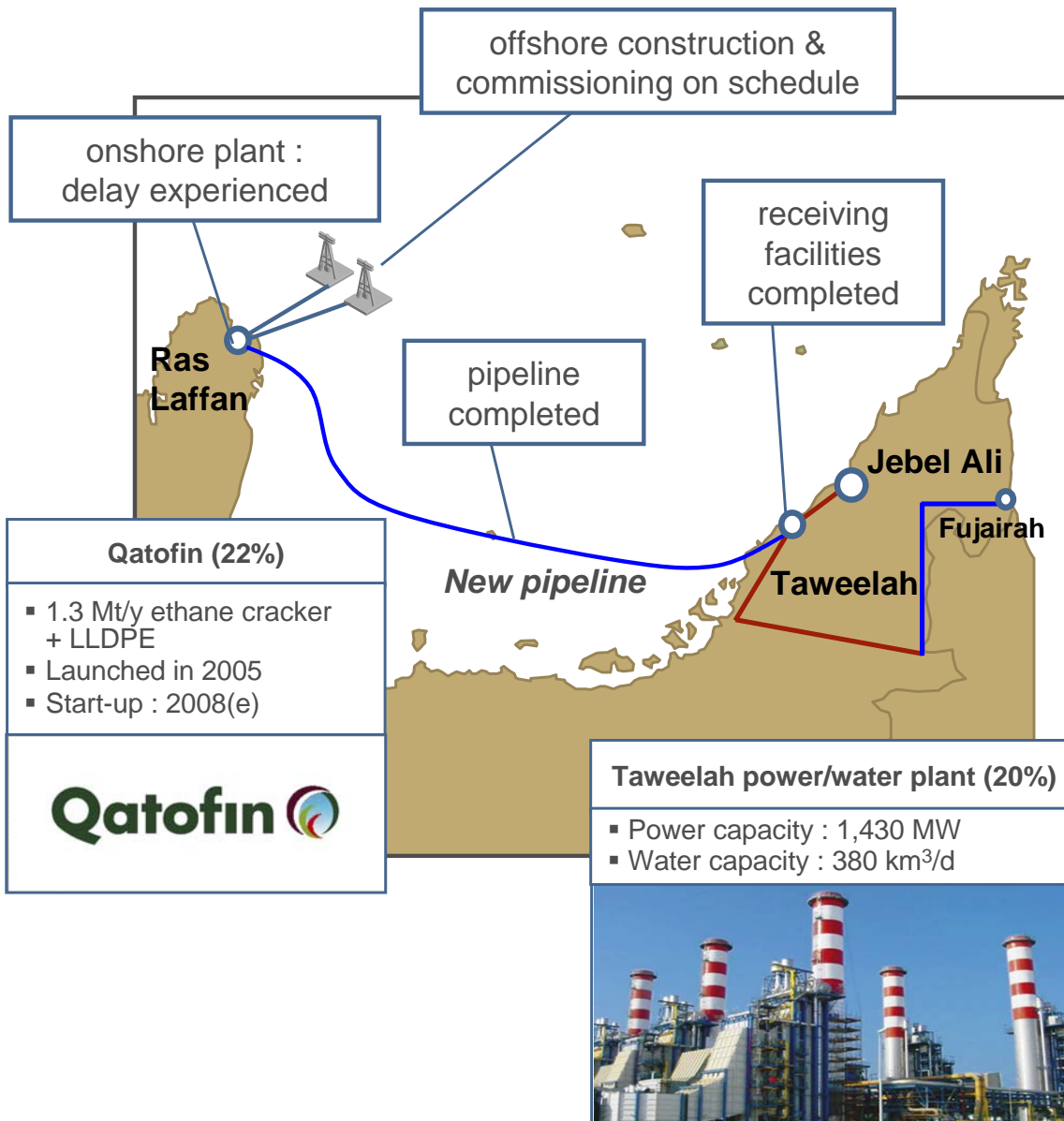
4 building blocks in the Middle East for the 2010-2030 period*



* cumulative contribution to the future production of Total

Dolphin : demonstrated expertise in a large integrated project

Project progress as of end-October 2006



▶ Dolphin (Total : 24.5%)

- Operations led by Dolphin Energy Ltd
- Capacity > 2 Bcf/d
- Start-up mid-2007(e)

▶ Vertical integration between

- Upstream production
- Gas transportation
- Condensate refinery
- Ethylene petrochemical plant
- Gas marketing and distribution
- Power generation and water desalination

▶ 25-year sales contracts

▶ Technological expertise with long-distance multiphase transport

Unique integrated gas project across several countries

Prepare for Yemen LNG start-up end-2008(e)

YLNG challenges

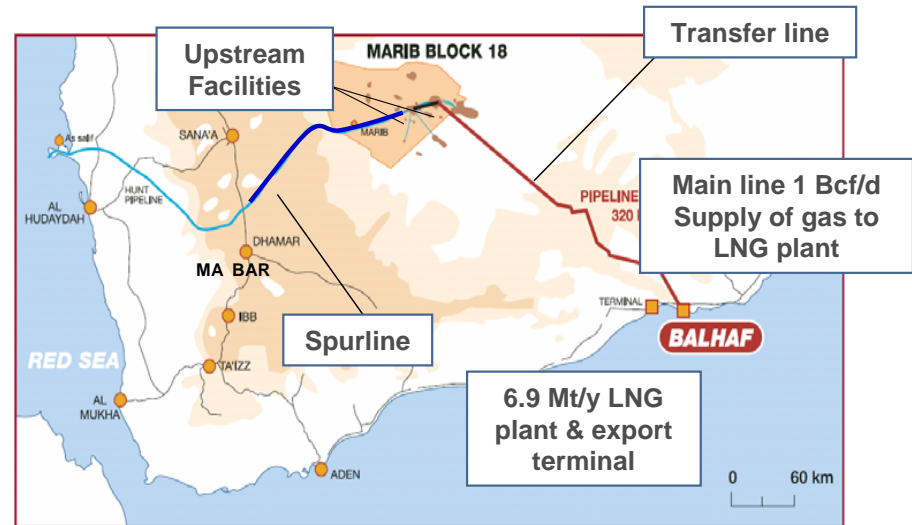
- ▶ Construct a pipeline and an LNG plant (Sept. 2005 to end-2008)
- ▶ Operate the plant with Yemeni staff

Recruiting technicians

- ▶ 125,000 application forms distributed around the country & media campaign
- ▶ 16,000 applicants, 4,250 tested in 8 venues
- ▶ 650 panel interviews, 200 Yemeni applicants selected for YLNG

Training center and technical instructors

- ▶ Construct and operate the training center
- ▶ Select an international LNG technical training team of 20+ instructors
- ▶ Develop training content adapted to YLNG (English, fundamental refresher, oil & gas technology, workshop, on the job training)



- ▶ **Operations led by Total : 39.6%**
- ▶ **Project in line with budget**
 - Approx. 35% progress (end-October 2006)
 - Capex in line with budget



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The business segment information is presented in accordance with the Group internal reporting system used by the Chief operating decision maker to measure performance and allocate resources internally. Due to their particular nature or significance, certain transactions qualified as "special items" are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, certain transactions such as restructuring costs or assets disposals, which are not considered to be representative of normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to recur within following years.

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.

In this framework, performance measures such as adjusted operating income, adjusted net operating income and adjusted net income are defined as incomes using replacement cost, adjusted for special items and excluding Total's equity share of the amortization of intangibles related to the Sanofi-Aventis merger. They are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

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