



# Financial Transparency

The Example of Total in Gabon  
November 2009



**TOTAL**

### The contractual framework of Total's operations in Gabon:

Total is active in exploration and production in Gabon through two Gabonese companies:

- **Total Gabon**, listed on the Paris Stock Exchange (Euronext Paris), held by Total (58%), the Republic of Gabon (25%) and third parties (17%) (website: [www.total-gabon.com](http://www.total-gabon.com)).
- **Total Participations Pétrolières Gabon (TPPG)**, Total's 99.5% non-operator subsidiary.

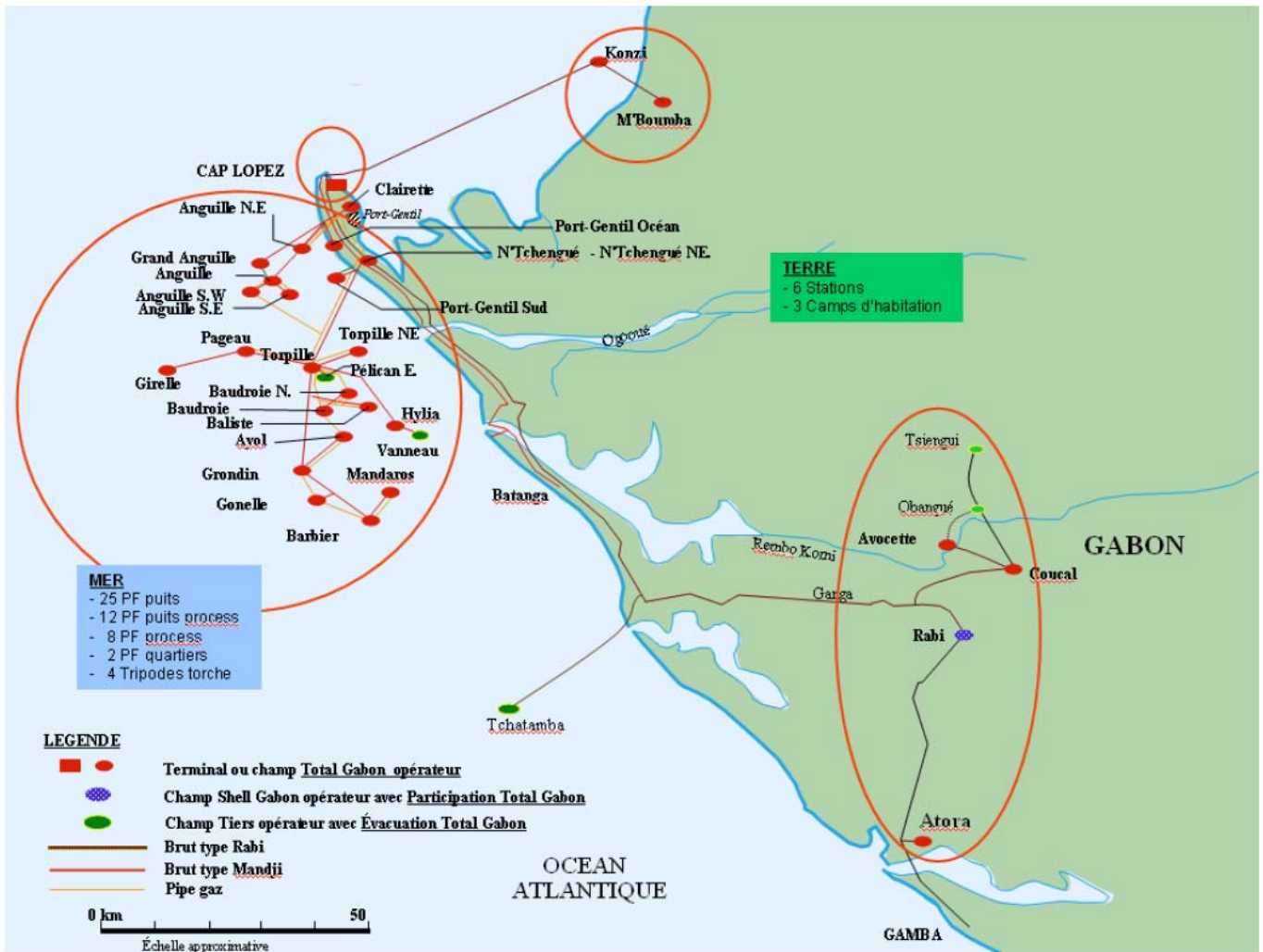
### Total's acreage in Gabon as of December 31, 2008

		Surface in km <sup>2</sup>	Award date	Total's Interest
<b>PRODUCTION LICENSES</b>				
<b>Offshore concessions</b>				
1	N'Tchengué Océan G6-14	12.00	02/08/1968	Total Gabon 100%
2	PortGentil Océan G6-15	13.00	10/03/1968	Total Gabon 100%
3	Grand Anguille Marine G6-16	560.50	02/08/1968	Total Gabon 100%
4	Torpille G6-17	56.00	04/18/1969	Total Gabon 100%
5	Grondin-Mandaros Marine G6-21	287.95	08/28/1972	Total Gabon 65.3% (op.) - TPPG 34.7%
6	Girelle Marine G6-22	62.00	07/02/1974	Total Gabon 65.3% (op.) - TPPG 34.7%
7	Pageau Marine G6-23	85.50	07/02/1974	Total Gabon 65.3% (op.) - TPPG 34.7%
8	Barbier Marine G6-24	74.00	07/02/1974	Total Gabon 65.3% (op.) - TPPG 34.7%
<b>Offshore production permits</b>				
9	Ayol Marine G5-36	54.00	08/01/1981	Total Gabon 100%
<b>Exclusive authorizations to operate offshore</b>				
10	Konzi Marine 1	25.00	10/25/1982	Total Gabon 58% (op.) - TPPG 42%
11	Hylia G5-46	35.24	11/13/1990	Total Gabon 55.7% (op.) - TPPG 19.3%
12	Baudroie-Mérou Marine G5-90	296.00	01/01/2003	Total Gabon 50% (op.)
<b>Onshore concessions</b>				
13	Ozouri C-14	25.08	10/13/1958	Total Gabon 100%
14	Pointe Clairette-Cap Lopez G6-5	95.04	08/31/1960	Total Gabon 100%
15	M'Bega G6-6	30.60	09/03/1960	Total Gabon 100%
16	N'Tchengué G6-9	16.90	01/24/1963	Total Gabon 100%
<b>Onshore production permits</b>				
17	Coucal G5-46	26.50	12/11/1990	Total Gabon 43.7% (op.) - TPPG 13.8%
18	Avocette-Dianongo G5-53	46.10	01/07/1993	Total Gabon 43.6% (op.) - TPPG 13.9%
19	Mandji Sud-Tchengué Sud G5-54	3.98	01/07/1993	Total Gabon 100%
20	Mandji Sud-Tchengué NE G5-55	5.09	01/07/1993	Total Gabon 100%
<b>Exclusive authorizations to operate onshore</b>				
21	Atora G5-82	195.49	03/01/1998	Total Gabon 40% (op.)
22	Mboga G5-86	44.84	12/19/1999	Total Gabon 100%
23	Rabi Kounga G5-40	129.06	01/01/2003	Total Gabon 32.9% - TPPG 14.6%
<b>EXPLORATION LICENSES</b>				
<b>Exclusive authorizations to explore</b>				
24	Mbinda G4-205	553.30	10/11/2002	Total Gabon 90% (op.)
25	Aloumbé G4-210	2,109.69	11/10/2004	Total Gabon 100%
26	Diaba G4-223	9,075.62	01/31/2007	Total Gabon 63.75% (op.)

Gabon's acreage as of 12/31/2008



Map of Total's facilities in Gabon in 2008



Total's Production, Projects and Finance in Gabon

<i>Total's SEC Production* in Gabon</i>			
	Combined production (kboe/d)	Liquids (kb/d)	Gas (Mcf/d)
1999	147	146	8
2000	120	119	8
2001	106	105	8
2002	101	100	8
2003	105	104	9
2004	104	99	27
2005	98	94	26
2006	87	82	27
2007	83	78	29
2008	76	73	20

\*SEC: Securities and Exchange Commission

Present in Gabon since 1928, Total Gabon is the country's top-ranked oil company with the biggest operated production. In 2008, Total's production, through Total Gabon and TPPG, decreased to 76 kboe/d from 83 kboe/d in 2007 and 87 kboe/d in 2006, due to the natural decline of mature fields that was only partially offset by the new wells drilled. Production from the Gabonese subsidiaries accounts for 3% of the Group's overall SEC production.

The main producing fields are **Rabi Kounga** (47.5%), **Anguille** (100%), **Atora** (40%, operator), **Avocette** (57.5%, operator), **Baudroie Nord** (50%, operator), **Gonelle** (100%) and **Torpille** (100%).

In Gabon, Total's strategy is to resume its exploration program focusing on frontier areas and redevelop the Anguille field, launched in 2007.

Highlights of 2008 include a major work program in

Exploration:

- A 2D seismic acquisition of more than 2,000 km was completed in February on the deep-offshore Diaba permit;
- Drilling of a deep exploration well on the onshore Aloumbé permit, focusing on natural gas, started late in April 2008 and ended early in November. The test achieved in March 2009 after stimulation resulted in non-measurable gas flow. Analysis of the results is underway.

Development:

- The redevelopment of the Anguille field continued with the drilling of 7 new wells. Stimulation operations on existing wells by hydraulic fracturing took place throughout 2008 and will end in 2009. Work to increase the capacity of existing facilities has started and will continue until 2012. Pre-project studies for the second phase of the project were launched.

In 2008, Total paid \$1 billion to the Gabonese government in mining royalties, corporate income tax, bonuses and various other contributions, including diversification investment grants, compared to \$750 million in 2007. Under the production sharing contracts, the Gabonese government is also entitled to a percentage of oil and gas production that varies depending on the agreement. At the request of the Gabonese government, Total marketed this equity production. Payments made by Total to the government under these agreements stood at nearly \$236 million in 2008, compared with \$238 million in 2007.

Finally, as a shareholder in Total Gabon, the government receives 25% of the company dividends, which amounted to \$35 million in 2008 for fiscal year 2007, compared with \$51 million dollar in 2007 for fiscal year 2006.

## EITI Status in Gabon

Gabon is an EITI candidate country and is to complete the validation process by March 9, 2010.

### Major steps taken and structures implemented:

In May 2004, the Gabonese President Omar Bongo Ondimba announced that his country would adhere to the EITI in order to strengthen the transparency of financial flows between the government and extractive industries, with a threefold purpose:

- Embrace a new political measure in line with good public governance principles
- Introduce an indicator to reflect the efficiency of Gabonese institutions, for use by local citizens and international institutions
- Build a climate of trust within the Gabonese civil society

During the EITI startup phase, the World Bank provided Gabon with technical assistance. Gabon has also taken part in a large number of international conferences on extractive industry financial transparency.

Two organizations have been set up to monitor the process:

- Created by ministerial decree in 2005, the EITI Work Group is chaired by Patrice Otha who succeeded Fidèle Ntsissi in early 2009. It consists of officials responsible for oil and mining issues and is an interface between companies and the independent auditor. Its missions include coordinating administrative services and collecting data on behalf of the government.
- The tripartite Group of Interest, appointed by decree in 2005, is also chaired by Patrice Otha who succeeded Fidèle Ntsissi in early 2009. It consists of representatives of the government, extractive companies and civil society. It coordinates all actions regarding extractive industry transparency. Its tasks includes centralizing data, determining procedures for sharing information related to the Initiative, selecting an independent, internationally recognized auditor, providing it with the relevant data, and publishing the data as reconciled by the auditor.

In late 2008, Price Waterhouse & Coopers was appointed independent auditor following a bidding process, succeeding Ernst & Young, with the mission of gathering and comparing data on oil revenue provided by the government and oil and mining companies.

At the international EITI conference in Oslo in October 2006, Gabon was elected to the EITI Board as an implementing country.

In June 2007, a seminar on implementing the EITI in Central Africa was held in Libreville and sponsored by the World Bank.

In early 2009, the Gabon Group of Interest wished to implement a dry run approval process with the support of the Fair Links agency.

In June 2009, a pre-approval seminar was held in Libreville and was chaired by the chairman of the EITI Gabon Group of Interest in the presence of the Regional Director for Francophone Africa of the EITI International Executive Secretariat.

EITI Reports:

The Gabonese government has already published three detailed reports on EITI implementation:

The first EITI report, covering 2004 oil revenue, was published in December 2005.

The second EITI report, on 2005 oil revenue, was published in April 2007.

The third EITI report, covering 2006 oil revenue, was published in March 2008 and is available on Gabon's EITI website at <http://www.eitigabon.org/>. Its appearance confirms Gabon's trailblazing role and its commitment to the Extractive Industries Transparency Initiative.

The publication of the EITI reports covering the 2007 and 2008 oil revenue is expected in 2009.

Total participates in the EITI Work Group in Gabon and is in the view that the Initiative will help civil society stakeholders to better understand oil activities and realize that the extractive industries contribute significantly to Gabon's development.