

Recent History

Shareholders' Agreement and Evolution of the French State's share ownership

On June 26, 1992, the French State and a group of three companies (AGF, Crédit Lyonnais and GAN) signed a Shareholders' Agreement effective for a minimum period of 5 years. Under this Agreement, the three companies agreed to comply with certain rules (for the companies, non-transferability of the shares covered by the agreement until its termination; transferability of shares is permitted by special dispensation between the companies and their majority owned subsidiaries; the State and the three companies are considered acting in concert, with respect to the provisions of the agreement) affecting the holding and transfer of a total aggregate number of 18,529,437 Total shares which the three companies owned. These shares were held as follows: Crédit Lyonnais: 7,411,775 shares, AGF: 7,411,775 shares and GAN: 3,705,887 shares. The three companies and the French State declared that they were acting in concert with respect to the Shareholders' Agreement (SBF Announcement No 92-2503, September 18, 1992).

On June 18, 1996, the parties entered into an amendment to the Shareholders' Agreement which modified the following provisions (SBF Announcement No 96-2169, June 28, 1996). The total aggregate number of shares was reduced to 11,000,000 and was held as follows: AGF: 4,400,000 shares, Consortium de Réalisation*: 4,400,000 shares and GAN: 2,200,000 shares.

This amendment also brought forward the termination date to May 23, 1997. On May 23, 1997, the State and the three companies owned 14,269,453 shares, which were 5.85% of the stock ownership, representing 16,405,105 voting rights, which were 6.28% of the total voting rights.

The Shareholders' Agreement expired on May 23, 1997. Because of the termination of the Shareholders' Agreement and of the action in concert, the holding of the State and of each of the three companies decreased below the threshold of 5% of voting rights (CMF announcement dated May 26, 1997, and SBF announcement n° 97-1722, May 27, 1997).

On February 28, 1996, the French State sold 9.5 million shares of the Company reducing its direct ownership in the share capital from 4.97% to 0.90%.

During the monthly settlement period of April 1998, the French State sold 1,197,474 Total shares. In April 1998, it decided on a compulsory exchange for the remaining 138,170 petroleum certificates, with the exchange rate of one share for one petroleum certificate. Since the end of the exchange effective May 7, 1998, the French State has no Total shares, to the Company's knowledge.

Merger with PetroFina in 1999

On December 1, 1998, Total on the one hand, and Electrafina, Investor, Tractebel, Electrabel and AG1824 (the Contributors) on the other hand, signed a contribution agreement by which the Contributors brought their PetroFina shares under the following precedent conditions: the authorisation by the competent European and American authorities, the approval of the transaction by the Extraordinary Shareholders' Meeting held January 14, 1999. Those conditions were all satisfied during the 1999 first semester. Hence, the 9,614,190 PetroFina shares contributed have been exchanged for 43,263,855 new Total shares (on the basis of 2 PetroFina shares for 9 Total shares).

Total later launched a public exchange offer to acquire all the PetroFina outstanding shares it did not already own. This offer enabled Belgium and American PetroFina shareholders to exchange their shares from May 6 to June 4, 1999 on the basis of the same exchange ratio as the one defined in the contribution agreement. Following this offer, 12,516,106 PetroFina shares have been tendered and exchanged for 56,322,477 Total new shares. During the reopening of the public exchange offer from June 11 to July 2, 1999, 1,038,192 PetroFina shares were exchanged for 4,671,864 TotalFina new shares. On June 14, 1999, the company name changed from Total to Totalfina.

Finally, the public exchange offering was reopened from June 30 to July 28, 1999 to acquire the PetroFina shares issued by the exercise on June 30, 1999 of PetroFina employee warrants. During this offer reopening, 80,356 PetroFina shares were tendered and exchanged for 361,602 Totalfina new shares.

Merger with Elf Aquitaine in 1999

On September 13, 1999, the Totalfina and Elf Aquitaine Board of Directors recommended to their shareholders the amicable merger of the two companies thanks to a public exchange offer, opened from September 23 to October 15, 1999, in which Elf Aquitaine shareholders were proposed to exchange their shares on the basis of 13 Elf Aquitaine shares for 19 Totalfina shares. As a result of the public offer, Totalfina acquired 254,345,078 Elf Aquitaine shares that were tendered to the offer and exchanged them for 371,735,114 Totalfina new shares.

* Under the heads of agreement dated April 5, 1995 between the French State and Cr dit Lyonnais, Consortium de R alisation assumed the rights and responsibilities relating to the holding of TOTAL shares, with respect to the shares given by Cr dit Lyonnais to Consortium de R alisation.

Evolution of the principal shareholders of TotalFinaElf

Share ownership on December 31, 1998, 1999, and 2000.

TotalFinaElf's main shareholders on December 31, 2000, on December 31, 1999 and on December 31, 1998 are listed in the table below. Their holdings have been established on the basis of 740,465,798 shares corresponding to 721,088,233 voting rights on December 31, 2000, on the basis of 722,203,679 shares corresponding to 716,507,034 voting rights on December 31, 1999 and on the basis of 244,787,638 shares corresponding to 261,089,757 voting rights on December 31, 1998.

December 31	2000		1999		1998	
	% of the share capital	% of the voting rights	% of the share capital	% of the voting rights	% of the share capital	% of the voting rights
1. Principal shareholders represented within the Board of Directors as of December 31, 2000						
AGF	0.3	0.4	0.3	0.4	1.0	1.1
BNP-Paribas	0.6	0.6	0.6	0.8	0.0	0.0
Cogema	1.8	3.7	1.9	3.8	5.5	10.3
Société Générale	0.6	0.9	0.4	0.8	1.8	2.5
Electrafina ⁽¹⁾	3.3	3.4	3.4	3.4	0.0	0.0
Investor ⁽²⁾	0.9	0.9	0.9	1.0	0.0	0.0
2. Employees of the Group	2.8	3.7	2.9	3.7	2.9	4.5
3. Other registered shareholders (excluding the Group)	5.0	5.3	4.5	4.6	1.4	2.1
Total stable shareholders (1+2+3)	15.4	18.9	14.9	18.4	12.6	20.5
The Company's holding						
TOTAL FINA ELF S.A.	2.3	0.0	0.6	0.0	1.8	0.0
Total Nucléaire	0.1	0.0	0.1	0.0	0.9	0.0
Elf subsidiaries	3.3	0.0	3.4	0.0	0.0	0.0
Total Company's holding	5.7	0.0	4.1	0.0	2.7	0.0
Other bearer shareholders	79.0	81.1	81.0	81.6	84.7	79.5
<i>(among which ADS holders)⁽²⁾</i>	5.5	5.6	7.1	7.1	11.5	10.8

(1) FR RE Group.

(2) American Depositary Shares listed on the New York Stock Exchange.

Article 12 of the Statutes entitles the Company to obtain a list of the names of the holders of bearer securities from the French Central Securities Clearing House, EUROCLEAR France (ex-SICOVAM)*.

In addition to the legal obligation to notify the Company of the acquisition of shares in excess of certain percentages of the share capital, any individual or legal entity who becomes the owner, directly or indirectly, of shares, voting rights or any securities convertible or otherwise exchangeable for shares representing 1% of the equity or any multiple thereof must notify the Company thereof within fifteen days of exceeding each of these levels, by registered mail, stating the number of securities held and requesting acknowledgement of receipt (Article 12 of the Statutes).

Failure to make this disclosure as explained in the foregoing paragraph results in the withholding of voting rights at

Shareholders' Meetings, in the manner prescribed by law, in respect of shares exceeding the fraction which should have been disclosed, if at any such Meeting the failure to disclose has been noted and if one or more shareholders holding in the aggregate not less than 3% of the equity or voting rights so request.

Any individual or legal entity must also notify the Company in the manner and within the time limits set forth above when the direct or indirect holding thereof falls below each of the levels mentioned.

Pursuant to the article L. 233-13 of the French Code du Commerce, notice is hereby given that no known shareholder holds, whether directly or indirectly, 5% or more of the Company's share capital or the voting rights at the end of year 2000.

*EUROCLEAR France can not identify all the foreign bearer shareholders. Their capacity to be identified depends on the location of the depository bank. Furthermore, there is no process to identify bearer holders of share certificates (CRs).

Relationship with the French State

The relationship between TotalFinaElf and the French State was governed by the May 17, 1924 and June 25, 1930 agreements, which expired on March 14, 2000. The Combined Shareholders' Meeting held on March 22, 2000 took notice of the expiry of these agreements and decided to modify consequently all by-laws provisions relating to specific rights of the French State. Consequently, it will no longer be reserved to French State the right to nominate, by decree, a member representing the French State at the Board of Directors.

The authorisation relative to the amicable merger between Elf Aquitaine and TotalFinaElf (formerly Totalfina) was sent to the Company by French government by a letter of July 16, 1999. This authorisation was made pursuant to the article 2-1 of the decree n°93-1298 of December 13, 1998. This decree states that this authorisation has to be renewed if the Company *"is acting in concert, is subjected to a substantial change in ownership or if the identity of one or several members of the concert is subjected to a prior agreement. The substantial change in ownership is defined as stated in the article 355-1 of the July 24, 1966 Law"*.

Offers for PetroFina shares in 2000

In accordance with its commitments made during the initial public offer for PetroFina shares, TotalFinaElf offered, from June 30 to July 28, 2000, to acquire the PetroFina shares issued by exercise on June 30, 2000, of the remaining PetroFina employee warrants. Out of the outstanding 30,302 warrants held by the employees, 28,838 were exercised on June 30, 2000. Accordingly, 28,838 PetroFina shares were issued while 1,464 warrants were not exercised at the maturity date. Following such offer, 28,836 PetroFina shares were exchanged for 129,762 TotalFinaElf new shares.

On September 5, 2000, the Board of Directors launched a public exchange offer to acquire all the remaining PetroFina shares, on the basis of 9 TotalFinaElf shares for 2 PetroFina shares. 202,930 PetroFina shares were tendered to the offer opened in Belgium and in the United States from October 10, 2000 through November 7, 2000, and were exchanged for 913,185 TotalFinaElf new shares.

On November 8, 2000, TotalFinaElf and PetroFina acknowledged that the completion of the exchange offer of TotalFinaElf for PetroFina shares opened from October 10 through November 7, 2000, combined with the restructuring of PetroFina activities conducted following the initial exchange offer constituted

a Combination pursuant to Section 12 of the PetroFina Warrant Agreement. As a result, the 290,882 remaining US PetroFina warrants were automatically exchanged for 235,614 TotalFinaElf warrants. Following this Combination, TotalFinaElf held all US PetroFina warrants, i.e. 4,431,382 warrants giving right to subscribe for 398,824 PetroFina new shares.

As a result, as of December 31, 2000, TotalFinaElf held 23,480,610 PetroFina shares, i.e. 99.62% of the total PetroFina shares (23,570,739 shares).

On November 20, 2000, the Brussels Stock Exchange announced its decision to delist PetroFina shares from its cash settlement market, effective at the opening of business on December 28, 2000. Thus, since January 2, 2001, PetroFina shares have been traded every Friday on the *"march des ventes publiques"* of the Brussels Stock Exchange, with a unique fixing at 1pm. On December 22, 2000, Euronext Paris announced that PetroFina shares were delisted from the Paris Stock Exchange and were deregistered with EUROCLEAR France, effective on December 28, 2000.

Exchange offer on Elf Aquitaine in 2000

On May 24, 2000, the Board of Directors launched an exchange offer to acquire all remaining Elf Aquitaine shares. Elf Aquitaine shareholders were entitled to exchange their shares on the basis of 4 TotalFinaElf shares for 3 Elf Aquitaine shares. Following this offer, opened from June 15, 2000 through September 1st, 2000, TotalFinaElf acquired 10,828,326 Elf Aquitaine shares tendered to the offer and issued 14,437,768 new TotalFinaElf shares in exchange therefor.

Considering the 10,635,767 treasury shares held by Elf Aquitaine, on December 31, 2000, TotalFinaElf held, directly and indirectly, 275,979,458 Elf Aquitaine shares, i.e. 99.43% of the share capital (277,552,492 shares) and 265,343,691 Elf Aquitaine voting rights, i.e. 99.40% of the total 266,951,524 voting rights.

On October 20, 2000, following the result of the exchange offer, PARISBOURSE ^{SBF} SA (now Euronext Paris SA) announced its decision to delist Elf Aquitaine shares from the Paris Stock Exchange First Market effective on November 3, 2000. Since November 6, 2000, Elf Aquitaine shares have been traded on the *"Compartiment des valeurs radi es des march s r glement s"*, with a daily fixing at 3pm.

Moreover, the trading on the NYSE of the Elf Aquitaine ADRs was suspended on September 5, 2000. Elf Aquitaine ADRs were struck from listing and registration on the NYSE effective on

October 18, 2000 following the approval of the Securities and Exchange Commission. The Elf Aquitaine ADR program closed on September 18, 2000.

Shares held by TotalFinaElf

Intervention on TotalFinaElf stock

Following the share buyback legal framework created by the application of French Law n°98-546 of July 2, 1998, the Combined Shareholders' Meeting held on May 11, 1999 approved an authorisation for a period of eighteen months for the Company to purchase and to sell its own shares on the market respecting the objectives and modes defined by the share buyback program. A note describing this share buyback program had been submitted to COB, the competent market authority, which approved it under the COB visa n°99-437 of April 21, 1999 (in application of COB regulation n° 98-02 of September 6, 1998). The purchases and sales had to be made within the limits of a maximum purchase price of EUR 150 per share and a minimum sale price of EUR 60 per share, up to a maximum of 10% of the total number of common shares.

The Ordinary Shareholders' Meeting held on May 25, 2000 approved an authorisation for a period of eighteen months for the Company to purchase and to sell its own shares on the market respecting the modes defined by the share buyback program through the information note which was approved under the COB visa n°00-709, on May 4, 2000. The maximum purchase price is EUR 250 per share and the minimum sale price is EUR 100 per share. This authorisation replaced the one of the Combined Shareholders' Meeting held on May 11, 1999.

At the Combined Shareholders' Meeting to be held on May 17, 2001, shareholders will be asked to approve an authorisation for the Company to purchase and to sell its own shares with respect to a buyback program that will have first to obtain the COB approbation. This authorisation will replace the one given by the Ordinary Shareholders' Meeting held on May 25, 2000.

Pursuant to the May 11, 1999 authorisation, 272,208 shares were bought in year 2000 at an average price of EUR 148.19 per share.

These shares and the 2,227,792 shares that were initially purchased to regulate the share price have been allocated to the stock purchase option plan approved by the Board of Directors on July 11, 2000.

Pursuant to the May 25, 2000 authorisation, 11,900,000 shares were bought in 2000 at an average price of EUR 163.71 per share. At the Board of Directors meeting held January 30, 2001, the Board decided to cancel these shares in the consolidated shareholders' equity.

Moreover, a total number of 20,500 TotalFinaElf shares were disposed of by the Company in 2000 following the exercise of 12,400 options (relating to the Share Purchase Plan of 970,000 options decided by the March 17, 1998 Board of Directors), at an exercise price of FRF 615 (EUR 93.76), and 8,100 options (relating to the Share Purchase Plan of 1,500,000 options decided by the June 15, 1999 Board of Directors), at an exercise price of EUR 113.

As a result, given the 4,682,792 TotalFinaElf shares held by the Company as of December 31, 1999, Total Fina Elf S.A. held 16,834,500 of its own shares on December 31, 2000.

Other share purchases by subsidiaries of the Group

On December 31, 2000, Total Nucléaire, an affiliate of TotalFinaElf Group, held 505,318 TotalFinaElf shares.

According to the protocol agreement signed between TotalFinaElf (formerly Totalfina) and Elf Aquitaine on September 12, 1999, Elf Aquitaine committed itself, in the name of its subsidiaries Financière Valorgest, Sogapar, Fingestval and Elf Atochem North America to tender to the initial exchange offer respectively their 3,978,000, 702,000, 12,315,760 and 72,000 Elf Aquitaine shares that they held against TotalFinaElf shares. Consequently, as of December 31, 2000, these companies held respectively 5,550,926, 1,026,000, 17,999,973 and 105,230 TotalFinaElf shares, i.e. a total number of shares of 24,682,129.

Thus, as of December 31, 2000, the Company held, whether directly or through its subsidiaries, 42,021,947 of its own shares.

Capital increase reserved for employees

At the Extraordinary Shareholders' Meeting held June 2, 1993, the shareholders authorised, for a five-year period, the Board of Directors to increase the capital of the Company by an amount not exceeding 5% of the share capital. Only employees of the Company and its French and foreign affiliates may subscribe for these shares.

On October 18, 1994, the Board of Directors decided on the issuance of a maximum of 5 million shares reserved to the employees at a subscription price of FRF 254 per share; these shares were entitled to the dividends paid for the fiscal year 1994. 2,003,229 shares were issued during the first subscription period in November 1994. 904,014 shares were issued during a second subscription period opened in April 1995.

On September 1995, the Board of Directors decided on the additional issuance of a maximum of 2 million shares reserved to the employees at a subscription price of FRF 245 per share. These shares are entitled to the dividends paid for the fiscal year 1995. 133,055 shares were issued during a first subscription period to the employees of the non-French affiliates of Total in November 1995. A second subscription period was opened in February 1996 for the employees of the foreign affiliates not covered by the preceding issuances and for the employees of certain French affiliates. 1,244,892 shares were issued.

On December 11, 1996, the Board of Directors decided on the additional issuance of a maximum of 3 million shares reserved to the employees at a subscription price of FRF 331 per share. A first subscription period was opened from February 24, to March 7, 1997 for the employees of the French affiliates. 1,139,447 shares which were entitled to the dividend paid for the fiscal year 1996 were subscribed during this subscription period. A second subscription period was opened from April 14 to April 22, 1997 for the employees of the foreign affiliates in countries where authorisation has been obtained in good time. 469,073 shares which were entitled to the dividend paid for the fiscal year 1996 were subscribed during this subscription period. A third subscription period has been opened from November 12 to November 21, 1997 for the employees of foreign affiliates in countries where authorisation has been obtained after the ex-dividend date (June 3, 1997). 22,236 shares which are entitled to the dividend paid for the fiscal year 1997 were subscribed during this subscription period.

At the Combined Shareholders' Meeting held on May 13, 1998, the shareholders authorised, for a five-year period, the Board of Directors to increase the capital of the company by an amount not exceeding 3% of the share capital.

Pursuant to this authorisation, the Board of Directors during its November 15, 1999 session decided to implement a capital increase reserved for employees within the limit of 3.5 million shares at a subscription price of EUR 98 per share; these shares were entitled to the dividends paid for the fiscal year 1999. A first subscription period was opened from December 13, 1999, to January 13, 2000 for the employees of the Group affiliates in France and in Belgium. 1,216,908 shares were subscribed during this first subscription period. Due to local administration authorisation requirements, two other subscription periods were opened from February 14, to March 2, 2000 and from March 13, to March 30, 2000 for the employees of the foreign affiliates. During the second and the third subscription periods, respectively 323,374 and 436,911 shares were subscribed. Hence, a total of 1,977,193 shares were issued.

Company savings plan

The Company Savings Plan enables the employees to make voluntary payments to a share fund to which the Company makes supplemental contribution subject to certain conditions.

Moreover, the shares issued by subscription to the capital increases reserved for employees are held in two share funds whose names are "Total Fina Actionnariat France" which was created, on December 3, 1999, consequently to the merger of the funds named "Total Actions France 1", "Total Actions 2" and "Total Fina Actionnariat International" which was itself created consequently to the merger of "Total International 1", "Total International 2", "Total International 3" and "Total International 4".

Following the initial exchange offer on Elf Aquitaine opened from September 23 through October 15, 1999, Elf Aquitaine share funds exchanged their Elf Aquitaine shares for TotalFinaElf shares. As a consequence, since October 28, 1999, Elf Aquitaine share funds have been holding TotalFinaElf shares.

As of December 31, 2000, the number of shares held in these funds was as follows :

Actionnariat TOTAL	2,134,448
Totalfina Actionnariat France	3,828,978
Totalfina Actionnariat International	1,264,986
US employees Fund	203,588
Elf Actions Totalfina France	10,780,335
Elf Actions Totalfina International	1,036,206
Elf 1992 Actions Totalfina International	47,739
Elf 2e étape Actions Totalfina International	16,552
Privatisation n° 1 Actions Totalfina France	958,771
Privatisation Étranger Actions Totalfina	430,614
Trust USA/Canada	199,052
Total of shares held in the funds	20,901,269

As of December 31, 2000, the employees of TotalFinaElf held through those share funds, i.e. TotalFinaElf and Elf Aquitaine share funds, 20,901,269 TotalFinaElf shares, equivalent to 2.82% of TotalFinaElfshare ownership⁽¹⁾.

In year 2000, the aggregate supplemental contributions paid by the Group amounted to 38.9 million euros.

(1) According to the definition of shares funds as defined by the article L. 225-102 of the French Code du Commerce.

Shares held by directors and executive officers

As of December 31, 2000, the directors who are individuals, and the executive officers of the Company (Management Committee and Treasurer) held less than 0.5% of the share capital, as registered shareholders.