

TotalFinaElf & subsidiaries

United States Holders of ADRS

1. ADRS

Since October 25, 1991, TotalFinaElf's American Depositary Shares (ADSs), represented by American Depositary Receipts (ADRs), are listed on the New York Stock Exchange.

The ticker symbol for TotalFinaElf is TOT. Since December 1992, options on TotalFinaElf's ADSs are also traded on the Chicago Board of Exchange (CBOE), the New York Stock Exchange (NYSE) and the American Stock Exchange (ASE).

2. Depositary

The Bank of New York, 101 Barclay Street, New York, NY 10286, Toll Free Tel for domestic callers: (1) 800 753-7230, International callers: (1) 908 769-9835 or (1) 908 769-9711, Fax: (1) 212 571-3050, email: shareowner-svcs@bankofny.com, website: <http://www.adrbny.com>.

3. Cash dividends

On July 7, 2000, TotalFinaElf paid a net dividend (after 15% withholding) of 94.86 cents/ADR to its record holders of ADRs as of June 14, 2000. Under French law, dividends paid to shareholders who are nonresidents of France are generally subject to French withholding tax at a rate of 25%. However, according to the tax treaty signed between France and the United States (August 31, 1994) (the "Treaty"), the rate of French withholding tax is reduced to 15%, in the case of dividends paid to a beneficial owner of the dividend that is a resident of the United States as defined by the Treaty (a "U.S. Holder").

A resident of France is entitled to an *avoir fiscal* (or tax credit) in respect of a dividend received from a French corporation, such as TOTALFINAELF. The "*avoir fiscal*" was equal to 50% of the dividend distributions. However, French law regarding the *avoir fiscal* has recently been changed. The "*avoir fiscal*" on French dividends distributed to shareholders other than individuals and parent companies, after recent reductions from 50 percent to 45 percent, then to 40 percent of the dividend distributions will be further reduced to 25 percent in 2001 and 15 percent in 2002. Tax credit on distributions to individuals (and parent companies) will remain at 50 percent. The reduction will apply with respect to tax credits used from January 1, 2001 and January 1, 2002 respectively. The 15 percent will affect dividends distributed to non-residents (see hereunder) in 2001 since the *avoir fiscal* attached to such dividends should not be transferred to non-residents before January 15, 2002.

According to the Treaty, certain U.S. Holders (as described below), whose ownership of ADSs is not effectively connected with a permanent establishment in France, are entitled to receive a payment from the French Treasury of an amount equal to all or a portion of the *avoir fiscal* subject to the deduction of the 15% withholding tax.

A payment equal to the entire amount of the *avoir fiscal* is available to a U.S. Holder that is:

- (I) an individual or other noncorporate holder that is a United States resident under the Treaty;
- (II) a company that is not a regulated investment company and that does not own, directly or indirectly, 10% or more of the capital of the company paying the dividends; or
- (III) a regulated investment company that does not own, directly or indirectly, 10% or more of the capital of the company paying the dividends, but only if less than 20% of its shares are beneficially owned by persons who are neither citizens nor residents of the United States.

The *avoir fiscal* payment is available to a U.S. Holder (described above) only if the beneficial owner of the dividends is subject to United States income tax in respect of such dividends and of the payment from the French Treasury.

A payment equal to a portion of the *avoir fiscal* (i.e. 30/85 of the amount of such tax credit) is available to a U.S. Holder that is:

- (I) a pension trust and any other organization established in the United States and maintained exclusively to administer or provide retirement or employee benefits that is established or sponsored by a person that is a resident of the United States under the Treaty; or
- (II) most not-for-profit organizations established and maintained in the United States.

Under the so-called "simplified procedures" issued by the French tax authorities in 1994, the reduced rate of withholding tax (15%) will apply upon payment of a dividend (rather than being subject to a higher withholding tax with a right of refund), and a separate payment of an amount equal to all or a portion of the *avoir fiscal* (net of withholding) will not be made before January 15 of the year following the calendar year in which the dividend is paid.

According to the simplified procedures, the Depositary of the shares or the nominee bank or brokerage firm that holds the ADSs must provide the French paying agent with a list of its clients

entitled to the immediate reduced Treaty rate (15%) and must certify that such clients are U.S. residents for tax purposes and are eligible under the Treaty for the *avoir fiscal* refund.

Eligible regulated investment companies and eligible Pension Funds also will have to supply additional documentation evidencing their entitlement to the simplified procedures.

For the purpose of the simplified procedure, an eligible Pension Fund is an entity described in section 401(a), 403(b) or 457 of the United States Internal Revenue Code, the exclusive purpose of which is collecting and managing funds for retirement benefits.

For tax-exempt U.S. Holders (other than eligible Pension Funds), it is not clear whether the simplified procedures will apply (i.e., whether the reduced rate will apply upon payment of a dividend). If the simplified procedures are not available, French tax will be withheld at the non Treaty rate of 25% and U.S. Holders (mainly tax-exempt U.S. Holders other than eligible Pension Funds) will have to claim a refund of the excess withholding tax (i.e., 10%) by filing a French Treasury Form RFIA E.U. no 5052 entitled "Application for Refund". The form, together with instructions, will be provided by the Depository and is also available from the U.S. Internal Revenue Service.

Because this is a general summary, U.S. Holders are advised to consult their own tax advisors with respect to the United States federal, state, and local tax consequences, as well as the French tax consequences, of the ownership of ADSs and the shares represented thereby applicable in their particular tax situations.

In addition, TotalFinaElf has been advised by its U.S. counsel that with respect to qualifying U.S. residents holders, subject to certain limitations, the 15% withholding tax will be treated as a foreign income tax that is eligible for credit against the holder's U.S. federal income taxes.

This credit may be obtained by filing form 116 "Computation of Foreign Tax Credit" with the ADR holder's Federal Income Tax Return.

4. Dividend paid in shares

The Combined Shareholders' Meeting held June 4, 1996 resolved to offer each shareholder, for the fourth consecutive year, the option to receive the dividend either in cash or in shares. The Combined Shareholders' Meeting held on May 21, 1997 did not renew this option, only offering to receive the dividend in cash.

5. Double voting rights

At a Combined Shareholders' Meeting of TotalFinalElf held on December 14, 1992, a resolution was approved to entitle certain shareholders to a double voting right. As a result, all ADRs registered in the name of the same eligible owner for at least two years are entitled to double voting rights effective from December 14, 1994.

In order to be eligible for double voting rights, each holder of ADRs must:

- a. hold the ADR(s) in registered form in the books of the Depository for two consecutive years, and
- b. send written notice to the Depository to the effect that such holder would like to benefit from the double voting right provision,
- c. the accrual period will begin upon confirmation of written notice from the Depository.

6. Report to ADR holders

ADR holders receive the Annual Report of the Company and the "Letter to Shareholders" issued by the Company on a regular basis. If they are registered holders (i.e., if ADRs are held by them directly), the reports will be sent directly to the holder at the record address. If the ADRs are held in "street name", the institution where the ADRs are deposited is responsible for forwarding the documents to the holders.

TotalFinaElf is subject to the information requirements of the US Securities and Exchange Commission (SEC) as they apply to foreign companies. The Company files with the SEC the Annual Report on Form 20-F (which corresponds to a 10-K for US corporations) and other information as required.

7. Information – investor relations

US holders can obtain additional information by calling or writing to the Investor Relations Department in New York, or in Paris:

- Total American Services, 444 Madison Avenue, New York, NY 10022-6903, Tel: (1) 212 922-3065, Fax: (1) 212 922-3074
- TotalFinaElf, 2, Place de la Coupole, La Défense 6, 92400 Courbevoie, France, Tel: (33) 1 47 44 58 53, Fax: (33) 1 47 44 58 24

UK Shareholders

In addition to the Paris Bourse, TotalFinaElf's shares have been listed on the London Stock Exchange since 1973.

TotalFinaElf's shares have also been traded on the SEAQ International since 1986. The security is included in both the FT.SE Eurotop 100 and FT.SE Eurotop 300 index.

The value of the shares in term of Pounds Sterling is affected by the Sterling/French franc exchange rate at any particular time.

Dividends:

Dividends paid to non French resident shareholders are generally subject to French withholding tax at a rate of 25%.

Upon receipt of a timely filed claim, the UK resident shareholder is generally:

- entitled to a reduced rate of French withholding tax of 15% with respect to dividends (French–UK tax treaty), or 5% if the beneficial owner is a company which controls the company paying those dividends, and,
- entitled to receive a payment from the French Treasury called “*avoir fiscal*” less a 15% withholding tax.⁽¹⁾

All UK residents are entitled to a reduced withholding rate and the following UK resident shareholders are entitled to the “*avoir fiscal*”:

- individuals,
- companies and pension funds approved for tax purposes by the UK, which do not control directly or indirectly at least 10% of the voting powers of the Company and which are not entitled for UK tax purposes to take into account the French tax payable on the profits out of which the said dividends are paid.

The benefit of the “*avoir fiscal*” is not available to a UK shareholder (being other than a pension fund referred to in the above paragraph) who is not subject to UK tax on the payment of the related dividend.

On June 7, 1994 French tax authorities issued a bulletin stating that a UK shareholder entitled to a refund of the “*avoir fiscal*” is now subject to the 15% withholding tax when the dividend is paid. Previously, French withholding tax at the non-treaty rate of 25% was initially deducted from all dividends distributions and 10% was refunded later.

In order to claim application of the reduced rate specified by the French–UK tax treaty, the actual beneficiary of the dividends must normally submit to the French paying establishment not later than the date when the dividends are paid, a specific form “Form RF 4 GB”.

UK shareholders may not be in a position to submit the above form prior to payment of the dividends. For this reason, they are allowed to follow a simplified procedure which permits them to furnish a simplified certification.

The payment of the amount equal to the “*avoir fiscal*” can not be made before January 15 of the year following the calendar year in which the related dividend is paid.

Gross French Dividend (plus the “*avoir fiscal*”) is included in the recipient's taxable UK basis. French withholding tax on dividend is credited against UK tax.

⁽¹⁾ A resident of France is entitled to an *avoir fiscal* (or tax credit) in respect of a dividend received from a French corporation, such as TotalFinaElf. The “*avoir fiscal*” was equal to 50% of the dividend distributions. However, French law regarding the *avoir fiscal* has recently been changed. The “*avoir fiscal*” on French dividends distributed to shareholders other than individuals and parent companies, after recent reductions from 50 percent to 45 percent, then to 40 percent of the dividend distributions will be further reduced to 25 percent in 2001 and 15 percent in 2002. Tax credit on distributions to individuals (and parent companies) will remain at 50 percent. The reduction will apply with respect to tax credits used from January 1, 2001 and January 1, 2002 respectively. The 15 percent will affect dividends distributed to non-residents in 2001 since the *avoir fiscal* attached to such dividends should not be transferred to non-residents before January 15, 2002.